

**SOUTH
AFRICA
YEARBOOK
2004/05**



Foreword

This past year has been a time for South Africa and its friends across the world to celebrate the progress that freedom has brought and to prepare to quicken the pace of change during the Second Decade of Freedom.

The Government and people of South Africa are united as never before in their commitment to achieving a better life for all.

In our third democratic election the South African electorate gave an overwhelming mandate to a Programme of action that will build on progress achieved in order to move our country further and faster towards the eradication of poverty and underdevelopment, towards an inclusive society and towards the regeneration of Africa.

South Africa will also work to help bring about a world order that is more equitable and responsive to the needs of the poor of the world and which will respond to the political, economic, social and technological challenges of globalisation.

As we seek to do these things, we will draw on the lessons of the past 10 years, taking cognisance of the shortcomings and of the

understanding we have gained of the social dynamics of a country in transition.

The *South Africa Yearbook 2004/05* details the work of the democratic Government of South Africa in partnership with the people of this land. It identifies key areas for improvement and the steps being taken to that end. It explains the Programme of Action to sustain and speed up progress towards the kind of society whose vision inspired South Africans and their supporters in the victorious struggle to end Apartheid. The *Yearbook* conveys the immense resources of our country and the potential still to be tapped.

In these pages, readers will gain insight into the practicalities of a nation that has got down to work in a people's contract to build a better South Africa, a better Africa and a better world.



President Thabo Mbeki
November 2004

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The land and its people

South Africa, with its rich history and multitude of cultures, is a land of possibility and opportunity. Its biggest asset is undoubtedly its diverse mix of people proud of their heritage and the country's remarkable achievements during the First Decade of Freedom.

The country boasts some of the world's most breathtaking scenery, and features an amazing display of bird and wildlife species, including the Big Five (lion, leopard, elephant, buffalo and rhino).

South Africa is often called the Cradle of Humankind, for this is where archaeologists discovered 2,5-million-year-old fossils of our earliest ancestors, as well as 100 000-year-old remains of modern man.

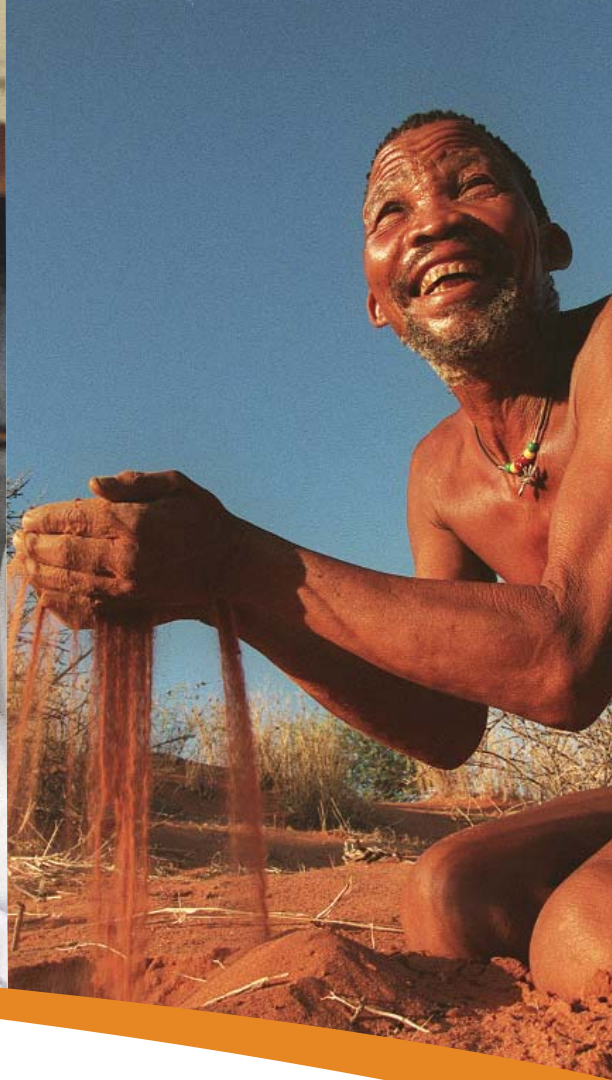
The people

The results of the second democratic Census (Census 2001) were released in July 2003.

On the night of 10 October 2001, there were 44 819 778 people in South Africa. Of these, 79% classified themselves as African; 9,6% as White; 8,9% as Coloured; and 2,5% as Indian/Asian.

According to Statistics South Africa, there were an estimated 46 429 823 people in South Africa in 2003 (*Mid-Year Estimates, 2003*). Of these, 36 914 284 were Black, 4 131 096 Coloured, while some 1 140 097 classified themselves as Indian and 4 244 346 as White.

Of the total number of people in South Africa in



2003, 22 150 308 were male and 24 279 515 female.

The South African population consists of the following groups: the Nguni (consisting of the Zulu, Xhosa, Ndebele and Swazi people); the Sotho-Tswana, who include the Southern, Northern and Western Sotho (Tswana people); the Tsonga; Venda; Afrikaners; English; Coloureds; Indians; and those who have immigrated to South Africa from the rest of Africa, Europe and Asia and maintain a strong cultural identity. A few members of the Khoi and the San also live in South Africa.

Languages

According to the South African Constitution, 1996 (Act 108 of 1996), everyone has the right to use the

language and to participate in the cultural life of his or her choice, but no one may do so in a manner inconsistent with any provision of the Bill of Rights. Each person also has the right to instruction in the language of his or her choice where this is reasonably practicable.

Official languages

The Constitution recognises 11 official languages, namely Afrikaans, English, isiNdebele, isiXhosa, isiZulu, Sepedi, Sesotho, Setswana, siSwati, Tshivenda and Xitsonga.

Recognising the historically diminished use and status of the indigenous languages, the Constitution expects government to implement positive measures

to elevate the status and advance the use of these languages.

According to Census 2001, isiZulu is the mother tongue of 23,8% of the population, followed by isiXhosa (17,6%), Afrikaans (13,3%), Sepedi (9,4%), and English and Setswana (8,2% each).

The least-spoken indigenous language in South Africa is isiNdebele, which is spoken by 1,6% of the population.

Language policy

The National Language Service (NLS) provides a range of language services for official documentation, develops and promotes national language policy, and gives advice on standardising and disseminating information on a range of terminology. The NLS is responsible for implementing the National Language Policy Framework (NLPF).

The NLS was recently involved in, among others, the following activities:

- The production of a multilingual *AIDS Manual*.
- Education-terminology projects.
- Human-language technology applications to facilitate electronic spell-checking in indigenous official languages.
- Collaboration contracts with nine tertiary institutions to develop Mathematics terminology in all nine African languages. The creation of about 10 000 terms resulted in the launch of the *Mathematics Terminology Dictionary* in June 2003.

The demand by government departments for English editing services nearly doubled in 2003, and

the demand for translation into Afrikaans, of legislation in particular, remained high. There was also a marked increase in requests for translation into the African languages, especially isiZulu.

South Africa's growing presence in the international arena has increased the demand for translation from and into foreign languages.

National Language Policy Framework

In 2003, the Cabinet approved the NLPF, which is guided by the following principles:

- promoting and protecting linguistic and cultural diversity.
- supporting democracy through the entrenchment of language equity and language rights
- asserting the view that multilingualism is a resource.
- encouraging the learning of other South African languages.

Where government is required to communicate comprehensive information, documents will be published in all 11 official languages; otherwise national government departments will publish documents simultaneously in at least six languages on a rotational basis. Provinces will formulate their own policies according to regional circumstances. The NLPF will be phased in progressively.

The NLS received a once-off amount of R11,9 million in 2004/05 to implement the NLPF.

The implementation of the NLPF will increase the demand for translation and editing work and interpreting services, especially in the African languages.

The Language Professions Council Bill is intended to regulate the accreditation and monitoring of practitioners within the disciplines of translation and interpretation.

The South African Languages Bill was expected to be introduced to Parliament in 2004. It is intended to provide a regulatory framework for the use of all official languages.

Telephone Interpreting Service of South Africa (TISSA)

The TISSA project was launched in March 2002 to facilitate access to public services in South Africans' languages of choice.

South Africa has 12 public holidays:

New Year's Day – 1 January

Human Rights Day – 21 March

Good Friday – Friday before Easter Sunday

Family Day – Monday after Easter Sunday

Freedom Day – 27 April

Workers' Day – 1 May

Youth Day – 16 June

National Women's Day – 9 August

Heritage Day – 24 September

Day of Reconciliation – 16 December

Christmas Day – 25 December

Day of Goodwill – 26 December

If any of these days falls on a Sunday, the following Monday becomes a public holiday.



The TISSA is a project of the Ministry of Arts and Culture, funded by the Ministry and co-managed during the first phase by the Department of Arts and Culture and the Pan South African Language Board (PanSALB).

Through this project, interpreters bridge language barriers via telephone. It is the first project of its kind in South Africa.

By June 2004, the project had been implemented in key departments.

Pan South African Language Board

PanSALB was created in terms of Section 6 of the Constitution and defined by the PanSALB Act, 1995 (Act 59 of 1995). Section 4 sets out the organisation's independence and impartiality, and also provides that no organ of State or any other person is allowed to interfere with the Board or its staff's activities.

The Board provides for the recognition, implementation and furtherance of multilingualism in South Africa, and the development of previously marginalised languages.

This is based on PanSALB's vision, which is to achieve equal status and use of all official languages, including Khoe, Nama, San and South African Sign Language.

The Board promotes multilingualism in South Africa by:

- creating conditions for the development and equal use of all official languages
- fostering respect for and encouraging the use of other languages in the country
- encouraging the best use of the country's linguistic resources to enable South Africans to free themselves from all forms of linguistic discrimination, domination and division.

The Board may also make recommendations on language legislation, practice and policy, and render advice on the co-ordination of language planning in South Africa.

PanSALB may investigate the alleged violation of any language right, policy or practice. It may also summon any person, body or State organ to give evidence. PanSALB is furthermore empowered to negotiate or mediate in cases of language conflict and attempt to achieve conciliation.

From its inception until the end of March 2004, 344 written complaints were lodged with PanSALB.

During the 2003/04 financial year, 22 complaints were lodged, compared with 87 complaints in the previous year.

The PanSALB Amendment Act, 1999 (Act 10 of 1999), provided the Board with a progressive shift from being a watchdog State organ to addressing the country's language development needs.

The Amendment Act also provided for the establishment of National Lexicography Units (NLUs) for all official languages. The purpose of these Units is to compile monolingual explanatory and other dictionaries to satisfy the needs of the different linguistic communities.

National Lexicography Units

Eleven NLUs have been established and registered as Section 21 companies since 2000, namely:

- Afrikaans: *Buro van die Woordeboek van die Afrikaanse Taal*
- English: Dictionary Unit for South African English
- isiNdebele: *IsiHlathululi-Mezwi SesiNdebele*
- isiXhosa: isiXhosa NLU
- isiZulu: *Isikhungo Sesichazamazwi SesiZulu*
- siSwati: Silulu SesiSwati NLU
- Setswana: Setswana NLU
- Sesotho: *Sesiu sa Sesotho* NLU
- Sesotho sa Lebowa: Sesotho sa Lebowa Dictionary Unit
- Tshivenda: Tshivenda NLU
- Xitsonga: Xitsonga NLU.

The NLUs are financed on a monthly basis by PanSALB.

National language bodies

National language bodies have been established for all 11 official languages.

The Khoe and San national language bodies were officially launched in October 1999 in Upington,



In February 2004, the first Parliamentary Conference on Multilingualism was held in Cape Town.

The Conference formed part of Parliament's initiative to promote linguistic diversity and multilingual education.

Northern Cape, to promote and develop the Khoe and San languages. They conduct surveys in communities where the Khoe and San languages are spoken to record and standardise new terminology and words, and liaise closely with other professional bodies that can help to enrich and expand the Khoe and San languages.

These advisory bodies assist PanSALB in its endeavours to promote multilingualism as a national resource, and to take meaningful decisions regarding the standardisation, orthography, terminology and literature issues of each language.

Commission for the Promotion and Protection of Cultural, Religious and Linguistic Communities

In 2002, the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act, 2002 (Act 19 of 2002), was passed.

The 18-member Commission was appointed by President Thabo Mbeki in September 2003. It has identified critical focus areas which include:

- public education and information
- undertaking investigation and assisting with dispute resolution
- undertaking policy research
- facilitating the establishment of community councils
- convening the first National Consultative Conference by December 2004.



The Western Cape Provincial Government launched the isiXhosa web portal in March 2004.

The isiXhosa component forms part of the trilingual web portal called the *Cape Gateway*.

The portal provides Western Cape residents with government information and services in the province's three official languages: isiXhosa, English and Afrikaans.

The portal is also used for publishing provincial tenders online.

Religion

Religious groups

Almost 80% of South Africa's population follows the Christian faith. Other major religious groups are the Hindus, Muslims and Jews. A minority of South Africa's population do not belong to any of the major religions, but regard themselves as traditionalists or of no specific religious affiliation.

Freedom of worship is guaranteed by the Constitution, and the official policy is one of non-interference in religious practices.

Christian churches

There are many official and unofficial ecumenical relations between the various churches. The most important of these links is perhaps the South African Council of Churches (SACC), even though it is not representative of the full spectrum of churches.

The major African indigenous churches, most of the Afrikaans churches, and the Pentecostal and charismatic churches are, as a rule, not members of the SACC, and usually have their own co-ordinating liaison bodies.

Church attendance in South Africa is favourable in both rural and urban areas, and the churches are well served by a large number of clerics and officials.

On the whole, training for the ministry is thorough and intensive, and based on a variety of models. Patterns of ministry vary greatly.

Apart from the work of the churches, a number of Christian organisations operate in South Africa, doing missionary work, giving aid and providing training. (A comprehensive register appears in the *South African Christian Handbook 2003/04*.)

The broadcasting of religious radio and television programmes reflects the importance of religion in South Africa. Many newspapers carry a daily scriptural message, and various religious magazines and newspapers are produced.

African Independent Churches (AICs)

The largest grouping of Christian churches is the AICs, and one of the most dramatic aspects of religious affiliation has been the rise of this movement.

Although these churches originally resulted from a number of breakaways from various mission churches (the so-called 'Ethiopian' churches), the AICs have developed their own dynamics and momentum, and continue to flourish. The majority are no longer regarded as Ethiopian churches, but rather Zionist or Apostolic churches. The Pentecostal movement also has its independent offshoots in this group.

The Zion Christian Church (ZCC) is the largest of these churches in South Africa and the largest church overall. More than a million members gather twice a year at Zion City, Morija, near Polokwane in Limpopo, at Easter and for the September festival. Traditionally, Easter is the religious highlight of the year. ZCC members, estimated to be over four million, are not obliged to make the pilgrimage, but have loyally observed the tradition for more than 80 years.

The 4 000 or more independent churches have a membership of more than 10 million people, making this movement the single most important religious group in South Africa.

The independent churches attract people from rural and urban areas. There are, for example, hundreds of separate churches in rural KwaZulu-Natal, and at least 900 from all ethnic groups in the urban complex of Soweto alone. In the northern KwaZulu-Natal and Mpumalanga areas, these churches serve more than half the population.

Afrikaans churches

The *Nederduitsch Gereformeerde* (NG) family of churches in South Africa – the Dutch Reformed churches – represents some 3,5 million people. The *NG Kerk* is the largest of the three churches with a total of about 1 200 congregations countrywide.

The other churches are the United Reformed Church of South Africa and the smaller Reformed Church in Africa, with predominantly Indian members. The *Nederduitsch Hervormde Kerk* and the *Gereformeerde Kerk* are regarded as sister churches.

There are several other churches with Afrikaans-speaking adherents, some with very large memberships. The *NG Kerk* also has six fully fledged English-language congregations, one congregation for Dutch-speaking people, and four for Portuguese-

speaking people. In total, there are about 2 000 members in each of these congregations.

Roman Catholic Church

In recent years, the Roman Catholic Church has grown strongly in number and influence, even though South Africa is predominantly Protestant. It works closely with other churches on the socio-political front.

Other Christian churches

Other established churches in South Africa include the Methodist Church, the Church of the Province of Southern Africa (Anglican Church), various Lutheran and Presbyterian churches, and the Congregational Church.

Although the different Baptist groups are not large, they represent a strong church tradition. Together, these churches form the nucleus of the SACC.

The largest traditional Pentecostal churches are the Apostolic Faith Mission, the Assemblies of God and the Full Gospel Church, but there are numerous others. Many of them enjoy fellowship in groups such as the Church Alliance of South Africa, and operate in all communities.

Since 1984, hundreds of independent charismatic churches have mushroomed across the country. The biggest of these groups is the International Federation of Christian Churches (IFCC), with Rhema Church, with its 32 000-strong congregation, spearheading the movement. The IFCC, representing over 400 churches, also belongs to the SACC.

Also active in South Africa, among the smaller groups, are the Greek Orthodox and Seventh Day Adventist churches.

African traditionalists

Because the traditional religion of the African people has a strong cultural base, the various groups have different rituals, but there are certain common features.

A Supreme Being is generally recognised, but ancestors are of far greater importance, being the deceased elders of the group. They are regarded as part of the community; indispensable links with the

spirit world and the powers that control everyday affairs. These ancestors are not gods, but because they play a key part in bringing about either good or ill fortune, maintaining good relations with them is vital; they have to be appeased regularly through a variety of ritual offerings.

While an intimate knowledge of herbs and other therapeutic techniques, as well as the use of supernatural powers, can be applied for the benefit of the individual and the community, some practitioners are masters of black magic, creating fear among people. As a result of close contact with Christianity, many people find themselves in a transitional phase somewhere between traditional African religion and Christianity.

Other religions

Most Indians retained their Hindu religion when they originally came to South Africa. Today, some two-thirds of South Africa's Indians are Hindus.

The Muslim community in South Africa is small, but growing strongly. The major components of this community are the Cape Malays, who are mainly descendants of Indonesian slaves, and 20% of people of Indian descent.

The Jewish population is less than 100 000. Of these, the majority are Orthodox Jews.

Buddhism is barely organised in South Africa. The number of Parsees has decreased, while there is a small group of Jains in Durban. Followers of the Baha'i faith are establishing groups and temples in various parts of the country.

Number of individuals by religion (Census 2001)	
Religion	%
Christian	79,8%
African traditional	0,3%
Judaism	0,2%
Hinduism	1,2%
Islam	1,5%
Other	0,6%
No religion	15,1%
Undetermined	1,4%
Total	100%

The land

The Republic of South Africa occupies the southernmost part of the African continent, stretching latitudinally from 22° to 35° S and longitudinally from 17° to 33° E. Its surface area is 1 219 090 km².

It has common boundaries with the republics of Namibia, Botswana and Zimbabwe, while the Republic of Mozambique and the Kingdom of Swaziland lie to the north-east. Completely enclosed by South African territory in the south-east is the mountain Kingdom of Lesotho.

To the west, south and east, South Africa borders on the Atlantic and Indian oceans. Isolated, 1 920 km south-east of Cape Town in the Atlantic, lie the Prince Edward and Marion islands, annexed by South Africa in 1947.

The oceans

South Africa is surrounded by the ocean on three sides – to the west, south and east – and has a coastline of about 3 000 km. The coastline is swept by two major ocean currents – the warm south-flowing Mozambique-Agulhas and the cold Benguela. The former skirts the east and south coasts as far as Cape Agulhas, while the Benguela Current flows northwards along the west coast as far as southern Angola.

The contrast in temperature between these two currents partly accounts for important differences in climate and vegetation between the east and west coasts of South Africa. It also accounts for the differences in marine life. The cold waters of the west coast are much richer in oxygen, nitrates, phosphates and plankton than those of the east coast. Consequently, the South African fishing industry is centred on the west coast.

The coasts

The coastline itself is an even, closed one with few bays or indentations naturally suitable for harbours. The only ideal natural harbour along the coastline is Saldanha Bay on the west coast. However, the area lacks fresh water and offers no natural lines of penetration to the interior.

Most river-mouths are unsuitable as harbours because large sandbars block entry for most of the

year. These bars are formed by the action of waves and currents, and by the intermittent flow, heavy sediment load and steep gradients of most South African rivers. Only the largest rivers, such as the Orange and Limpopo, maintain narrow permanent channels through the bars. For these reasons, the country has no navigable rivers.

Relief features

The surface area of South Africa falls into two major physiographic categories: the interior plateau, and the land between the plateau and the coast. Forming the boundary between these two areas is the Great Escarpment, the most prominent and continuous relief feature of the country. Its height above sea level varies from approximately 1 500 m in the dolerite-capped Roggeveld scarp in the south-west, to a height of 3 482 m in the KwaZulu-Natal Drakensberg.

Inland from the Escarpment lies the interior plateau, which is the southern continuation of the great African plateau stretching north to the Sahara Desert.

The plateau itself is characterised by wide plains with an average height of 1 200 m above sea level.

Surmounting the plateau in places are a number of well-defined upland blocks. The dissected Lesotho plateau, which is more than 3 000 m above sea level, is the most prominent. In general, the Escarpment forms the highest parts of the plateau.

Between the Great Escarpment and the coast lies an area which varies in width from 80 to 240 km in the east and south, and a mere 60 to 80 km in the west. At least three major subdivisions can be recognised: the eastern plateau slopes, the Cape folded belt and adjacent regions, and the western plateau slopes.

Climatic features

The subtropical location, on either side of 30° S, accounts for the warm temperate conditions so typical of South Africa, making it a popular destination for foreign tourists.

The country also falls squarely within the subtropical belt of high pressure, making it dry, with an abundance of sunshine.

The wide expanses of ocean on three sides of South Africa have a moderating influence on its climate. More apparent, however, are the effects of the warm Agulhas and the cold Benguela currents along the east and west coasts respectively. While Durban (east coast) and Port Nolloth (west coast) lie more or less on the same latitude, there is a difference of at least 6° C in their mean annual temperatures.

Gale-force winds are frequent on the coasts, especially in the south-western and southern coastal areas.

Rainfall

South Africa has an average annual rainfall of 450 mm, compared with a world average of 860 mm.

Sixty-five percent of the country receives less than 500 mm per year, which is generally accepted as the minimum amount required for successful dry-land farming. Twenty-one percent of the country, mainly the arid west, receives less than 200 mm per year.

In Cape Town, the capital city of the Western Cape, the average rainfall is highest in the winter months, while in the capital cities of the other eight provinces, the average rainfall is highest during summer.

South Africa's rainfall is unreliable and unpredictable. Large fluctuations in the average annual rainfall are the rule rather than the exception in most areas of the country. Below-average annual rainfall is more commonly recorded than above-average total annual rainfall. South Africa is periodically afflicted by drastic and prolonged droughts, which often end in severe floods.

Temperatures

Temperature conditions in South Africa are characterised by three main features. Firstly, temperatures tend to be lower than in other regions at similar latitudes, for example, Australia. This is due primarily to the greater elevation of the subcontinent above sea level.

Secondly, despite a latitudinal span of 13 degrees, average annual temperatures are remarkably uniform throughout the country. Owing to the

increase in the height of the plateau towards the north-east, there is hardly any increase in temperature from south to north as might be expected.

The third feature is the striking contrast between temperatures on the east and west coasts.

Temperatures above 32° C are fairly common in summer, and frequently exceed 38° C in the lower Orange River valley and the Mpumalanga Lowveld.

Frost, humidity and fog

Frost often occurs on the interior plateau during cold, clear, winter nights, with ice forming on still pools and in water pipes. The frost season (April to October), is longest over the eastern and southern plateau areas bordering on the Escarpment. Frost decreases to the north, while the coast is virtually frost-free. Average annual relative humidity readings show that, in general, the air is driest over the western interior and the plateau. Along the coast, the humidity is much higher, and at times may rise to 85%. Low stratus clouds and fog frequently occur over the cool west coast, particularly during summer. The only other area that commonly experiences fog is the 'mist belt' along the eastern foothills of the Escarpment.

Sunshine

South Africa is famous for its sunshine. Generally speaking, April and May are the most pleasant months when the rainy season over the summer-rainfall region has ended, and before the rainy season in the winter-rainfall area has begun. At this time of year, the hot summer weather has abated and the winds are lighter than during the rest of the year.

In certain areas, however, notably the hot, humid KwaZulu-Natal coast, Mpumalanga and Limpopo, June and July are the ideal holiday months.

The provinces

In terms of the Constitution of South Africa, the country is divided into nine provinces, each with its own Legislature, Premier and executive councils. The provinces, with their own distinctive landscapes, vegetation and climate, are the Western Cape, the Eastern Cape, KwaZulu-Natal, the Northern Cape,

Free State, North West, Gauteng, Mpumalanga and Limpopo. (See chapter 21: *Tourism*.)

Western Cape

The Western Cape is situated on the southern-most tip of the African continent. It is a region of majestic mountains; beautiful valleys; wide, sandy beaches; and breathtaking scenery.

The cold Atlantic Ocean along the west coast is a rich fishing area, while the warmer Indian Ocean skirts the province's southern beaches.

Visitors to the Western Cape can disembark at Cape Town International Airport, George Airport or at the ports of Cape Town, Mossel Bay or Saldanha. A network of roads also leads to Cape Town, the capital, also known as the Mother City.

Other important towns in the province include Saldanha, a notable harbour for iron exports and the fishing industry; Worcester and Stellenbosch in the heart of the winelands; George, renowned for its indigenous timber and vegetable produce; Oudtshoorn, known for its ostrich products and the world-famous Cango Caves; and Beaufort West on the dry, sheep-farming plains of the Great Karoo.

The Western Cape boasts one of the six accepted floral kingdoms of the world. The smallest of them all, the Cape floral kingdom, locally called *fynbos*, contains more plant species than the whole of Europe. These include the famous proteas and heathers.

The Knysna-Tsitsikamma region has the country's biggest indigenous forests; a fairyland of ancient forest giants, ferns and colourful birdlife. Products of the forests include sought-after furniture made from the indigenous yellowwood, stinkwood and white pear.

The people

More than 4,7 million people live in the Western Cape on 129 370 km² of land (*Mid-Year Estimates, 2003*). The majority of them are Afrikaans-speaking, while the other main languages are isiXhosa and English. The Western Cape has the highest adult-education level in the country, with only 5,7% of people aged 20 years or older having undergone no

schooling (Census 2001). The province has a strong network of higher education institutions.

A potpourri of diverse cultural backgrounds gives the province a cosmopolitan ambiance, resulting in a demographic profile quite different from that of the national pattern. The profile draws on elements from different parts of Europe, south-east Asia, India and Africa, which are richly reflected in the diversity of the area.

The official unemployment figure for the province is 20,6% (*Labour Force Survey, September 2003*). This was somewhat lower than the national unemployment rate of 28,2% in 2003.

Agriculture and marine fishery

The Western Cape is rich in agriculture and fisheries.

Primary industries, i.e. agriculture, forestry and fishing, and mining and quarrying contributed 5,4% to the Gross Domestic Product (GDP) of the province in 2002, which translated to R7 287 million [Gross Domestic Product per Region (GDPR), 2002].

The agricultural sector plays a key role as an agent of growth, accounting for more than 9% of provincial employment, more than 55% of all South African agricultural exports, and 23% of the national agricultural contribution to GDP.

The sheltered valleys between the mountains provide ideal conditions for the cultivation of top-grade fruits, such as apples, table grapes, olives, peaches and oranges. In the eastern part of the Western Cape, a great variety of vegetables are cultivated.

The province can be divided into three climatic regions. The area around the Cape Peninsula and the Boland, further inland, is a winter-rainfall region with sunny, dry summers.

Towards George, along the south coast, the climate gradually changes to year-round rainfall, while inland, towards the more arid Great Karoo, the climate changes to summer rainfall.

The Western Cape is known as one of the world's finest grape-growing regions. Many of its wines have received the highest accolades at international shows.

The wheat-growing Swartland district around Malmesbury and the Overberg around Caledon, form the bread basket of the country.

The inland Karoo region (around Beaufort West), and the Overberg district (around Bredasdorp), produce wool and mutton, as well as pedigree Merino breeding stock.

Other animal products include broiler chickens, eggs, dairy products, beef and pork. The Western Cape is the only province with an offset point for the export of horses. This earns the country millions of Rand in foreign revenue.

The province has also established itself as the leading facilitator in the export of ostrich meat to Europe, and boasts the most export abattoirs in the country, from which products to the value of about R1 billion are exported per year.

The Klein Karoo region around Oudtshoorn is the centre of the ostrich-farming industry in South Africa. Fine leatherware, ostrich feathers and meat are exported to destinations all over the world.

The provincial Department of Agriculture's ostrich-breeding herd at Oudtshoorn is the only one in the world for which production data for several generations of ostriches can be connected to their pedigrees.

The plankton-rich cold Benguela Current flows along the west coast of the province and is considered to be one of the world's richest fishing grounds. This resource is protected against over-fishing by foreign vessels by means of a 200-km commercial-fishing zone and a strict quota system.

Snoek, Cape lobster, abalone, calamari, octopus, oysters and mussels are among the most sought-after piscatorial delights.

Western Cape

Capital: Cape Town

Principal languages: Afrikaans 55,3%
isiXhosa 23,7%
English 19,3%

Population: 4 740 981 (*Mid-Year Estimates, 2003*)

Area (km²): 129 370

% of total area: 10,6%

GDPR* at current prices (2002): R159 623 million

% of total GDP:** 14,2%

* GDPR (Gross Domestic Product per Region)

** GDP (Gross Domestic Product)



Industry

The Western Cape economy contributed 14,2% (at current prices) to South Africa's GDP in 2002 and grows at an average 3,3%, which is higher than the national average. The tertiary sector, which involves finance, real estate, retail and tourism, has shown tremendous growth and is the main contributor to the Gross Geographical Product (GGP). The value of residential property has increased significantly.

Major insurance companies and banks are based in the Western Cape, while the majority of South Africa's petroleum companies and the biggest segment of the printing and publishing industry are located in Cape Town.

Information and communications technology is also one of the fastest growing sectors in the province and operations are being expanded to other countries.

After Gauteng and KwaZulu-Natal, the Western Cape's manufacturing sector is the third-largest contributor to the national manufacturing sector. The clothing and textile industry remains the most significant industrial source of employment in the province.

Cape Town remains the economic hub of the province, encompassing industrial areas such as Epping, Montagu Gardens, Parow and Retreat. Along the west coast the Saldanha Steel Project has led to increased economic activity.

Tourism

The Western Cape's natural beauty, complemented by a history of hospitality, excellent wine and colourful cuisine, truly makes the province one of the world's greatest tourist attractions.

The tourism industry in the Western Cape contributes 14% to the total GDP of the province and is the most important growth force in the province.

In 2003, more than nine million overseas tourists visited the Western Cape. In September 2003, the single, unified Destination Marketing Organisation (DMO) for Tourism was launched. The DMO brings together the marketing efforts of the City of Cape Town and the Western Cape Provincial Government to ensure maximum benefit from limited resources.

The Western Cape Government hopes to develop tourism through a 10-year plan called the Integrated Tourism Development Framework.

Eastern Cape

The Eastern Cape, a land of undulating hills, endless, sweeping, sandy beaches, majestic mountain ranges and emerald green forests, is in surface area the second-largest of the nine provinces.

The region boasts a remarkable natural diversity, ranging from the dry, desolate Great Karoo; to the lush forests of the Wild Coast and the Keiskamma Valley; the fertile Langkloof, renowned for its rich apple harvests; and the mountainous southern Drakensberg region at Elliot.

The main feature of the Eastern Cape is its astonishing coastline lapped by the Indian Ocean. With its long stretches of undisturbed sandy beaches, rocky coves, secluded lagoons and towering cliffs, the coastline provides the province with a rich natural tourist attraction.

The graceful curve of Algoa Bay provides an ideal setting for the port of Port Elizabeth while there are also good harbour facilities at East London. The province is serviced by three airports situated in Port Elizabeth, East London and Umtata.

The architecture of many of its cities and towns reflects the rich heritage of its people. Important towns in the province include Bisho, the capital, Uitenhage, which has important motor vehicle-manufacturing and related industries; King William's Town, rich in early settler and military history; Grahamstown, also known as the City of Saints because of its more than 40 churches; Graaff-Reinet, with its interesting collection of historic buildings; Cradock, the hub of the Central Karoo; Stutterheim, the forestry centre of the province; Aliwal North, famous for its hot sulphur springs; and Port St Johns, the largest town on the Wild Coast.

In the Eastern Cape, various floral habitats meet. Along the coast, the northern tropical forests intermingle with the more temperate woods of the south. This makes for an interesting forest habitat of various species endemic to this region.

Age-old forests occur at Keiskammahoek, Dwesa, Port St Johns and Bathurst; dune forests are

found at Alexandria; and mangroves along the Wild Coast.

Rolling grasslands dominate the eastern interior of the province, while the western central plateau is savanna bushveld. The northern inland is home to the aromatic, succulent Karoo.

The people

The Eastern Cape has more than 6,5 million people living on 169 580 km² of land. The language most spoken is isiXhosa, followed by Afrikaans and English.

The province has a number of tertiary institutions. Despite the high quality of education facilities, 22,8% of the population aged 20 years or older have never received any schooling, while 6,3% have completed some form of higher education (Census 2001).

In 2003, the unemployment rate of the province stood at 31,8% (*Labour Force Survey, September 2003*).

The dominant productive sectors in the province at current prices are manufacturing (17,1% of GDP), finance/real estate/business services (18,5% of GDP), and wholesale/retail/trade/hotels and restaurants (12,8% of GDP).

The province's GDP in 2001 represented just over 8% of national GDP, while the province's share of the national population was around 15,5%.

Agriculture, fishing and forestry

The Eastern Cape has excellent agricultural and forestry potential. The fertile Langkloof Valley in the south-west has enormous deciduous fruit orchards, while the Karoo interior is an important sheep-farming area. Angora wool is also produced here.

The Alexandria-Grahamstown area produces pineapples, chicory and dairy products, while coffee and tea are cultivated at Magwa. People in the former Transkei region are dependent on cattle, maize and sorghum-farming. An olive nursery has been developed in collaboration with the University of Fort Hare to form a nucleus of olive production in the Eastern Cape.

Extensive exotic forestry plantations in the high rainfall areas of Keiskammahoek provide employ-

ment for large numbers of the population. The province is a summer-rainfall region with high rainfall along the coast, becoming gradually drier behind the mountain ranges into the Great Karoo.

The basis of the province's fishing industry is squid, some recreational and commercial fishing for line fish, some collection of marine resources, and access to line-catches of hake.

Ostrich exports are doing very well. The provincial Department of Agriculture has been hailed for the support it is giving this industry. Each ostrich-export establishment has a resident official veterinarian, which is a requirement for exporting ostrich products to the European Union. This industry earns the province some R94,4 million per year in foreign revenue.

The game industry is enjoying unprecedented demand in the international market. The health-conscious consumer is increasingly demanding lean organic game meat. The gross foreign earnings from this industry amount to R23,5 million per year.

Industry

The metropolitan economies of Port Elizabeth and East London are based primarily on manufacturing, the most important being motor manufacturing. The province is the hub of South Africa's automotive industry.

Several of the world's biggest motor manufacturers, such as Volkswagen, Ford (Samcor), General Motors (Delta) and Daimler Chrysler, have plants in the Eastern Cape.

Eastern Cape

Capital: Bisho

Principal languages: isiXhosa 83,4%
Afrikaans 9,3%
English 3,6%

Population: 6 503 201 (*Mid-Year Estimates, 2003*)

Area (km²): 169 580

% of total area: 13,9%

GDP at current prices (2002): R88 032 million

% of total GDP: 7,9%



With two harbours and three airports offering direct flights to the main centres, and an excellent road and rail infrastructure, the province has been earmarked as a key area for growth and economic development. Environmentally friendly projects include the Fish River Spatial Development Initiative (SDI), the Wild Coast SDI, and two Industrial Development Zones (IDZs), namely the West Bank (East London) and the Coega IDZs. The latter, 20 km east of the Port Elizabeth-Uitenhage metropolises, was the first IDZ to be earmarked and is one of the biggest initiatives ever undertaken in South Africa. Plans for the development of the area as an export-orientated zone include the building of the Port of Ngqura. The first ship will be able to dock at the Coega/Ngqura Port by September 2005.

The French investment and industrial company Pechiney invested R18,6 billion in an aluminium smelter at Coega. The R40-million contract for building the IDZ village was awarded largely to emerging small, medium and micro enterprises, and includes female contractors.

The East London IDZ has been awarded an operator's licence.

The forestry developments and the construction of the N1 toll road as part of the Wild Coast SDI is expected to create more than 20 000 jobs. An additional 5 000 jobs are expected to be created in the mining sector through upstream and downstream investment.

The Kei Rail Project, being undertaken at a cost of R663 million over the next three years, is expect-

ed to ensure integration of the former Transkei economy with the IDZs. The Project will also serve to stimulate the agricultural, agro-forestry and furniture industry in the area, including the development of a chipping plant at Langeni.

KwaZulu-Natal

Aptly called South Africa's garden province, this verdant region forms the east coast of South Africa, stretching from Port Edward in the south, and northwards to the Mozambique boundary. It is a province with a subtropical coastline, sweeping savanna in the east, and the magnificent Drakensberg mountain range in the west. The warm Indian Ocean washing its beaches makes it one of the country's most popular holiday destinations.

Visitors to KwaZulu-Natal can either disembark at Durban International Airport or Durban Harbour, or make use of the extensive national road network.

Durban is one of the fastest-growing urban areas in the world. Its port is the busiest in South Africa and is one of the 10-largest in the world. The Port of Durban handles over 30 million tons (t) of cargo annually with a value of more than R100 billion. The Port of Richards Bay handles about 1 000 containers per month. Combined, these two ports handle about 78% of South Africa's cargo tonnage.

KwaZulu-Natal is the only province with a monarchy specifically provided for in the Constitution.

Pietermaritzburg is the capital and important towns include Richards Bay, an important coal-export harbour; and many coastal holiday resorts, such as Port Shepstone, Umhlanga Rocks and Margate. In the interior, Newcastle is well-known for steel production and coal-mining, Estcourt for meat processing, and Ladysmith and Richmond for mixed agriculture. The KwaZulu-Natal coastal belt yields sugar cane, wood, oranges, bananas, mangoes and other tropical fruit.

Some of South Africa's best-protected indigenous coastal forests are found along the subtropical coastline of KwaZulu-Natal, for example, at Dukuduku and Kosi Bay. It is also along this coast that the magnificent St Lucia Estuary and Kosi Bay lakes are located. In 1999, the Greater St Lucia Wetlands Park was declared a World Heritage Site.

KwaZulu-Natal

Capital: Pietermaritzburg

Principal languages: isiZulu 71,4%
English 35%
Afrikaans 2,4%

Population: 9 761 032 (*Mid-Year Estimates, 2003*)

Area (km²): 92 100

% of total area: 7,6%

GDP at current prices (2002): R183 094 million

% of total GDP: 16,3%



Separating KwaZulu-Natal from the mountain Kingdom of Lesotho, the Drakensberg runs 200 km along the western boundary of the province.

The northern part of the province, south of the Swaziland border, is typical African savanna, providing a natural backdrop for its rich wildlife, protected in several game parks.

The people

KwaZulu-Natal has almost 9,8 million people living on 92 100 km² of land (*Mid-Year Estimates, 2003*). The principal language spoken is isiZulu, followed by English and Afrikaans. Remnants of British colonialism, together with Zulu, Indian and Afrikaans traditions make for an interesting cultural mix in the province.

The province counts several universities, technikons and other educational institutions among its assets.

A total of 21,9% of the population of the province aged 20 and above have received no form of education (Census 2001).

KwaZulu-Natal was the second-highest contributor to the South African economy during 2001, at 16,3% (at current prices) of GDP.

The key strength of this province's economy is its trade and transport infrastructure.

It ranks second after Gauteng in terms of contribution to GDP, and third in terms of household expenditure. However, with an unemployment rate of 31,3%, it has the second-highest unemployment rate of the provinces (*Labour Force Survey, September 2003*).

Agriculture and industry

Richards Bay is the centre of operations for South Africa's aluminium industry. Bayside Aluminium is a major producer of primary aluminium, while the Richards Bay Coal Terminal is instrumental in securing the country's position as the second-largest exporter of steam coal in the world. Richards Bay Minerals is the largest sand-mining and mineral-processing operation in the world.

The motor vehicle-manufacturing industry has created a considerable multiplier effect in component- and service-providers. The automotive leather industry

has grown rapidly, with exports significantly increasing foreign exchange earnings. In recent times, the province has undergone rapid industrialisation owing to its abundant water supply and labour resources. Industries are found at Newcastle, Ladysmith, Dundee, Richards Bay, Durban, Hammarsdale, Richmond, Pietermaritzburg and Mandeni.

The sugar-cane plantations along the Indian Ocean coastal belt form the mainstay of the economy and agriculture of the region. The coastal belt is also a large producer of subtropical fruit, while the farmers in the hinterland concentrate on vegetable, dairy and stock-farming. Another major source of income is forestry, in the areas around Vryheid, Eshowe, Richmond, Harding and Ngome. Ngome also has tea plantations.

The summer-rainfall coastal regions of this province are hot and humid with a subtropical climate. The KwaZulu-Natal Midlands between the coastal strip and the southern Drakensberg Escarpment are drier, with extremely cold conditions in winter and snow on the high-lying ground. In the north, the subtropical strip extends further around the Kingdom of Swaziland to the edge of the Escarpment.

The Dube Trade Port project, incorporating the construction of the King Shaka International Airport at La Mercy, makes it an economic and logistics hub that will be the first of its kind in Africa. The province has committed R50 million per annum over five years to this project.

Northern Cape

The Northern Cape lies to the south of its most important asset, the mighty Orange River, which provides the basis for a healthy agricultural industry. The landscape is characterised by vast arid plains with outcroppings of haphazard rock piles. The cold Atlantic Ocean forms the western boundary.

This region covers the largest area of all the provinces and has the smallest population. Its major airports are situated at Kimberley, the capital, and Upington. The Northern Cape is serviced by an excellent road network, which makes its interior easily accessible from South Africa's major cities, harbours and airports.

Important towns are Upington, centre of the karakul sheep and dried-fruit industries, and the most northerly wine-making region of South Africa; Springbok, in the heart of the Namaqualand spring-flower country; Kuruman, founded by the Scottish missionary Robert Moffat; and De Aar, hub of the South African railway network. Sutherland is the coldest town in the country and host to the southern hemisphere's largest astronomical observatory, the multinational-sponsored Southern African Large Telescope.

Other important Northern Cape towns include the sheep-farming towns of Carnarvon, Colesberg, Kenhardt and Prieska.

Apart from a narrow strip of winter-rainfall area along the coast, the Northern Cape is a semi-arid region with little rainfall in summer. The weather conditions are extreme – cold and frosty in winter, with extremely high temperatures in summer.

The largest part of the province falls within the Nama-Karoo Biome, with a vegetation of low shrubland and grass, and trees limited to water courses. The area is known worldwide for its spectacular display of spring flowers which, for a short period every year, attracts thousands of tourists.

This Biome is home to many wonderful plant species, such as the elephant's trunk (*halfmens*), tree aloe (*kokerboom*) and a variety of succulents.

The province has several national parks and conservation areas. The Kalahari Gemsbok National Park, together with the Gemsbok National Park in

Botswana, is Africa's first transfrontier game park, known as the Kgalagadi Transfrontier Park. It is one of the largest nature-conservation areas in southern Africa and one of the largest remaining protected natural ecosystems in the world. The Park provides unfenced access to a variety of game between South Africa and Botswana, and has a surface area of more than 3,6 million hectares (ha).

The Ai-Ais-Richtersveld Transfrontier Conservation Park spans some of the most spectacular scenery of the arid and desert environments in southern Africa. Bisected by the Orange River, which forms the border between South Africa and Namibia, it comprises the Ai-Ais Hot Springs Game Park in Namibia, and the Richtersveld National Park in South Africa. Some of the distinctive features in the area include the Fish River Canyon (often likened to the Grand Canyon in the United States of America) and the Ai-Ais hot springs. This arid zone is further characterised by a unique and impressive variety of succulent plant species.

Nowhere is the Orange River more impressive than at the Augrabies Falls, which ranks among the world's greatest cataracts on a major river. The Augrabies Falls National Park was established to preserve this natural wonder.

The people

The Northern Cape is sparsely populated and houses some 818 848 people on 361 830 km² of land (*Mid-Year Estimates, 2003*). About 68% of the population speaks Afrikaans. Other languages spoken are Setswana, isiXhosa and English.

The official unemployment rate of the Northern Cape is 27,5% (*Labour Force Survey, September 2003*).

The last remaining true San (Bushman) people live in the Kalahari area of the Northern Cape. The area, especially along the Orange and Vaal rivers, is rich in San rock engravings. A good collection can be seen at the McGregor Museum in Kimberley. The province is also rich in fossils.

Agriculture and industry

The Northern Cape is displaying a tremendous growth in value-added activities, including game-farming.

Northern Cape

Capital: Kimberley

Principal languages: Afrikaans 68,0%
Setswana 20,8%
isiXhosa 6,2%

Population: 818 848 (*Mid-Year Estimates, 2003*)

Area (km²): 361 830

% of total area: 29,7%

GDP at current prices (2002): R225 46 million

% of total GDP: 2,0%



Food production and processing for the local and export market is growing significantly.

Underpinning the growth and development plan of the province are the investment projects that link up with the existing plans of the Namaqua Development Corridor. The focus is on the beneficiation and export of sea products.

The economy of a large part of the Northern Cape, the interior Karoo, depends on sheep-farming, while the karakul-pelt industry is one of the most important in the Gordonia district of Upington.

The province has fertile agricultural land. In the Orange River Valley, especially at Upington, Kakamas and Keimoes, grapes and fruit are intensively cultivated.

Wheat, fruit, peanuts, maize and cotton are produced at the Vaalharts Irrigation Scheme near Warrenton.

Mining

The Northern Cape is rich in minerals. The country's chief diamond pipes are found in the Kimberley district. In 1888, the diamond industry was formally established with the creation of De Beers Consolidated Mines. Alluvial diamonds are also extracted from the beaches and the sea between Alexander Bay and Port Nolloth.

The Sishen Mine near Kathu is the biggest source of iron ore in South Africa, while the copper mine at Okiep is one of the oldest mines in the country. Copper is also mined at Springbok and Aggenys. The province is also rich in asbestos, manganese, fluorspar, semi-precious stones and marble.

Until recently, the majority of small-to medium-scale alluvial operations were concentrated along or near the current Vaal River system. With the rapidly depleting deposits available for mining, there has been a gradual shift towards the Orange River system. Two recent larger-scale investments also show continued prospects in this sector.

Since 2000, the Northern Cape Office of the Department of Minerals and Energy has issued some 190 mining licences, mostly to small-scale operations able to employ local people. The majority of these licences (75%) are for diamonds.

Licences are also issued for tiger-eye, salt, sand and gravel, manganese and rose quartz.

Free State

The Free State lies in the heart of South Africa, with the Kingdom of Lesotho nestling in the hollow of its bean-like shape. Between the Vaal River in the north and the Orange River in the south, this immense rolling prairie stretches as far as the eye can see.

The capital, Bloemfontein, has a well-established institutional, educational and administrative infrastructure and houses the Supreme Court of Appeal. The province has a well-known university and many other training institutions.

Important towns include Welkom, the heart of the goldfields and one of the few completely pre-planned cities in the world; Odendaalsrus, another gold-mining town; Sasolburg, which owes its existence to the petrol-from-coal installation established there; Kroonstad, an important agricultural, administrative and educational centre; Parys, on the banks of the Vaal River; Phuthaditjhaba, well-known for the beautiful handcrafted items produced by the local people; and Bethlehem, gateway to the Eastern Highlands of the Free State.

The national road, which is the artery between Gauteng and the Western and Eastern Cape, passes through the middle of the Free State.

The people

The Free State is the third-largest province in South Africa.

It houses more than 2,7 million people on about 129 480 km² of land (*Mid-Year Estimates, 2003*). The main languages spoken are Sesotho and Afrikaans. Some 16% of people aged 20 years or older have received no schooling (Census 2001).

According to the *Labour Force Survey* of September 2003, the official unemployment rate is 28,6%.

Many of the towns display a cultural mix clearly evident in street names, public buildings, monuments and museums. Dressed-sandstone buildings abound on the Eastern Highlands, while beautifully decorated Sotho houses dot the grasslands. Some of South Africa's most valued San rock art is found

in the Free State. The districts of Bethlehem, Ficksburg, Ladybrand and Wepener have remarkable collections of this art form.

Agriculture

This summer-rainfall region can be extremely cold during the winter months, especially towards the eastern mountainous regions where temperatures can drop as low as 9,5° C. The western and southern areas are semi-desert.

Known as the Granary of The Country, the Free State has cultivated land covering 3,2 million ha, while natural veld and grazing cover 8,7 million ha.

Field crops yield almost two-thirds of the gross agricultural income of the province. Animal products contribute a further 30%, with the balance coming from horticulture.

Ninety percent of the country's cherry crop is produced in the Ficksburg district, while the two largest asparagus canning factories are also situated in this district. Soya, sorghum, sunflowers and wheat are cultivated, especially in the eastern Free State, where farmers specialise in seed production. About 40% of the country's potato yield comes from the high-lying areas of the Free State.

The province produces about 100 000 t of vegetables and 40 000 t of fruit each year. The main vegetable crop is asparagus, both white and green varieties. The industry is expanding and becoming increasingly export-orientated. However, most produce leaves the province unprocessed (*Provincial Economies, 2003*).

Free State

Capital: Bloemfontein

Principal languages: Sesotho 64,4%
Afrikaans 11,9%
isiXhosa 9,1%

Population: 2 738 231 (*Mid-Year Estimates, 2003*)

Area (km²): 129 480

% of total area: 10,6%

GDPR at current prices (2002): R64 310 million

% of total GDP: 5,7%



In terms of floriculture, the Free State has an advantage due to the opposing seasons of the southern and northern hemispheres.

The province exports about 1,2 million of cut flowers per year.

Mining

The mining industry is the biggest employer in the Free State. Investment opportunities are substantial in productivity-improvement areas for mining and related products and services.

South Africa is the world's largest producer of gold. A gold reef of over 400 km long, known as the Goldfields, stretches across Gauteng and the Free State; the largest gold-mining complex being Free State Consolidated Goldfields, with a mining area of 32 918 ha.

Some 82% of the region's mineral production value is derived from this activity, primarily in the goldfields region, which comprises the districts of Odendaalsrus, Virginia and Welkom. Twelve gold mines operate in the province. Roughly 30% of South Africa's gold is obtained from this region, and the province qualifies for fifth position as a global producer, with Harmony Gold Refinery the only refinery authorised to sell gold directly to jewellery manufacturers.

Harmony Gold Refinery and Rand Refinery are the only two gold refineries in South Africa.

Gold mines in the Free State also supply a substantial portion of the total silver produced in the country, while considerable concentrations of uranium occurring in the gold-bearing conglomerates of the goldfields are extracted as a by-product.

Bituminous coal is mined in the province and converted to petrochemicals at Sasolburg.

Diamonds from this region, extracted from kimberlite pipes and fissures, are of a high quality.

The largest deposit of bentonite in the country occurs in the Koppies district.

Manufacturing and industry

Since 1989, the Free State economy has changed from being dependent on the primary sector to being a manufacturing, export-orientated economy. The Free State GDPR amounted to about

R64 310 million in 2003, which represented a 5,7% contribution to the South African economy.

For the rest of the Medium Term Expenditure Framework period, projections indicate that the Free State GDP will increase further – R36,110 billion in 2003; R37,532 billion in 2004; and R39,079 billion in 2005 (*Provincial Economies, 2003*).

In 2002, the manufacturing industry contributed 11,7% at current prices to the total value added at basic prices (GDP, 2002). Some 14% of the province's manufacturing is classified as being in high-technology industries, which is the highest percentage of all the provincial economies.

An important manufacturing industry in the province can be found in the northern Free State, which is one of the most important chemical hubs in the southern hemisphere. SASOL is the exclusive world leader in Fischer-Tropsch technology. The province has competitive advantages in the production of certain fuels, waxes, chemicals and low-cost feedstock from coal.

The growth in high-tech industries is significant in the context of the changing contribution of the gold-mining industry to GGP.

The province's three-tier development strategy centres on competitiveness, empowerment, capacity-building and beneficiation.

North West

North West is centrally located in the sub-continent with direct road and rail links to all of the southern African countries, and its own airport. The province borders on Botswana and is fringed by the Kalahari desert in the west and the Witwatersrand area in the east.

The province is divided into five regions, namely the Central, Bophirima (towards the west), Southern, Rustenburg and Eastern regions.

Most economic activity is concentrated in the Southern Region (between Potchefstroom and Klerksdorp), Rustenburg, and the Eastern Region, where more than 83,3% of GGP of the province is produced.

The people

Of the 3 791 984 people in the North West, 65%

live in the rural areas (*Mid-Year Estimates, 2003*). The official unemployment rate is 29,4% (*Labour Force Survey, September 2003*).

The province has the lowest number of people aged 20 years and older (5,9%) who have received higher education. The literacy rate is in the region of 57%.

Mining

Mining contributes 25,6% to the economy at current prices and 17,8% of total employment in the North West. It makes up 15,5% of the mining GDP in South Africa. North West is also the dominant province in mineral sales with a contribution of 17,8% to the South African mining sector (*Provincial Economies, 2003*).

Diamonds are mined at Lichtenburg, Koster, Christiana and Bloemhof, while Orkney and Klerksdorp have gold mines.

The area surrounding Rustenburg and Brits boasts the largest single platinum-production area in the world. Marble is also mined here. Fluorspar is exploited at Zeerust.

Manufacturing

Manufacturing contributes 7% of the province's GDP and 9% of its employment opportunities. It provides 6% of the South African manufacturing sector's contribution to GDP.

Manufacturing is almost exclusively dependent on the performance of a few sectors in which the province enjoys a competitive advantage. These are fabricated metals (51%), the food sector (18%) and non-metallic metals (21%) (*Provincial Economies, 2003*).

Industrial activity is centred around the towns of Brits, Klerksdorp, Vryburg and Rustenburg.

The Brits industries concentrate mostly on manufacturing and construction, while those at Klerksdorp are geared towards the mining industry, and those at Vryburg and Rustenburg towards agriculture.

The Platinum SDI will unlock further development. It is situated on the Coast-to-Coast highway that links the Port of Maputo in Mozambique to Walvis Bay in Namibia.

Approximately 200 potential project opportunities in tourism, manufacturing, agriculture and mining have been identified.

Five anchor projects within the Platinum SDI have been identified with an estimated R4,3-billion capital investment component, around which there are dozens of other development and investment opportunities. Employment along the Platinum Corridor, from Pretoria to eastern Botswana, accounts for over a third of total employment in North West. The aim of the Mafikeng IDZ is to create jobs and enhance the economic potential of the Central Region, the entire North West and the Southern African Development Community (SADC) region.

In June 2004, the provincial Department of Transport and Roads, together with the Department of Economic Development and Tourism, the North West Parks and Tourism Board, and Invest North West concluded a feasibility analysis on air-transport service between Johannesburg and Mafikeng.

The Department also submitted an application to the Cabinet to consider awarding Mafikeng Airport international status, specifically for air cargo, which is a prerequisite for the development of the Mafikeng IDZ.

Agriculture

Agriculture is of extreme importance to the North West. It contributes about 6,2% of the total GDPR and 19% to formal employment.

Some 5,3% of the South African GDP in agriculture and 16,96% of total labour in agriculture are

based in the North West (*Provincial Economies, 2003*).

The province is an important food basket in South Africa. Maize and sunflowers are the most important crops and the North West is the biggest producer of white maize in the country.

Some of the largest cattle herds in the world are found at Stellaland near Vryburg, which explains why this area is often referred to as the Texas of South Africa. Marico is also cattle-country. The areas around Rustenburg and Brits are fertile, mixed-crop farming land.

Gauteng

Although the smallest of the nine provinces, Gauteng (meaning Place of Gold) is the powerhouse of South Africa and the heart of its commercial business and industrial sectors.

Gauteng's economy has grown at an impressive rate over the past five years.

According to figures released by Statistics South Africa, the province recorded an average real economic growth rate of 5,3% in 2002. The GDPR grew at an average of 3,1% between 1996 and 2002. Gauteng's contribution to South Africa's GDP during 2002 was 33,8% (at current prices), the largest of all the provinces.

The province is not only an important contributor to the country's GDP, it also plays a critical role in the regional SADC and Africa's economies. It generates about 9% and 25% of the total African continent and SADC gross national products respectively.

Gauteng represents the highest per capita income level in the country.

It is also the financial services capital of Africa. More than 70 foreign banks have their head offices here, as do at least the same number of South African banks, stockbrokers and insurance giants.

The three most important sectors contributing to GDPR are financial and business services, logistics and communications, and mining.

The growth and development plans for the province are underpinned by the Blue IQ projects. These consist of 11 different mega projects in economic-infrastructure development, in the areas of

North West

Capital: Mafikeng

Principal languages: Setswana 65,4%
Afrikaans 7,5%
isiXhosa 5,8%

Population: 3 791 984 (*Mid-Year Estimates, 2003*)

Area (km²): 116 320

% of total area: 9,5%

GDPR at current prices (2002): R73 520 million

% of total GDP: 6,6%



technology, tourism, transport and high-value-added manufacturing.

The aim is to attract some R100 billion in direct investment over the next 10 years. Gauteng's main cities are Johannesburg, the largest city in southern Africa; and Pretoria, the administrative capital of the country.

The province blends cultures, colours and first- and third-world traditions in a spirited mix that is flavoured by many foreign influences.

Gauteng's primary attraction is business opportunity, but there is more to this province. A wealth of culture is to be found in the museums, galleries, art routes and historical battlefields.

Most overseas visitors enter South Africa via Johannesburg International Airport.

Johannesburg, nicknamed *Egoli* (place of gold), is the capital of the province and is a city of contrasts. Mine-dumps and headgear stand proud as symbols of its rich past, while modern architecture rubs shoulders with examples of 19th-century engineering prowess. Gleaming skyscrapers contrast with Indian bazaars and African *muti* (medicine) shops, where traditional healers dispense advice and traditional medicine.

The busy streets ring out with the calls of fruit-sellers and street vendors. An exciting blend of ethnic and western art and cultural activities is reflected in theatres and open-air arenas throughout the city.

South of Johannesburg is Soweto, developed as a township for Black people under the Apartheid system. Most of the struggle against Apartheid was fought in and from Soweto, which is estimated to be inhabited by over two million people. Soweto is a city of enterprise and cultural interaction. It is a popular tourist destination with sites such as Kliptown, where the Freedom Charter was drawn up; the home of former President Nelson Mandela; the Hector Petersen Memorial site; restaurants and shopping malls. It boasts one of the largest hospitals on the continent, the Chris Hani-Baragwanath Hospital.

Some 50 km north of Johannesburg lies Pretoria. As administrative capital of South Africa, the city is dominated by government services and the diplomatic corps of foreign representatives in South Africa.

Pretoria is renowned for its colourful gardens, shrubs and trees, particularly beautiful in spring when some 50 000 jacarandas envelop the avenues in mauve. The city developed at a more sedate pace than Johannesburg, and town planners had the foresight to include an abundance of open spaces. Pretoria has more than 100 parks, including bird sanctuaries and nature reserves.

An air of history pervades much of central Pretoria, especially Church Square, around which the city has grown. Many buildings of historical and architectural importance have been retained or restored to their former splendour.

North of Pretoria is the industrial area of Rosslyn and the township of Soshanguve. To the east is Cullinan, known for its diamonds.

Other important Gauteng towns include Krugersdorp and Roodepoort on the West Rand, and Germiston, Springs, Boksburg, Benoni, Brakpan and Kempton Park on the East Rand. The hominid sites at Swartkrans, Sterkfontein and Kromdraai (also known as the Cradle of Humankind) are a World Heritage Site.

Vanderbijlpark and Vereeniging in the south of the province are major industrial centres, while Heidelberg, Nigel and Bronkhorstspuit to the east are important agricultural areas.

Although the province is highly urbanised and industrialised, it contains wetlands of international importance, such as Blesbokspruit near Springs.

The people

Gauteng is the most densely populated province in South Africa. It houses more than 9,4 million of the country's people (*Mid-Year Estimates, 2003*). The level of urbanisation is 97%.

Gauteng recorded an unemployment rate of 28,2% in the *Labour Force Survey*, September 2003.

Gauteng has the most important educational and health centres in the country. Pretoria boasts the largest residential university in South Africa, the University of Pretoria, and what is believed to be the largest correspondence university in the world, the University of South Africa.

According to the recent Biotechnology Audit (www.egolibio.co.za), Gauteng hosts 41% of core

biotechnology companies in South Africa. In addition, Gauteng is home to leading research institutions such as the Council for Scientific and Industrial Research, the Agricultural Research Council, Onderstepoort Veterinary Institute and various universities. More than 60% of South Africa's research and development takes place in Gauteng.

According to the 2001 Census findings, only 8,4% of adults in the province have received no schooling.

Johannesburg has two residential universities. There are several teacher-training colleges, technical colleges and universities of technology in the province.

Manufacturing

The manufacturing sector in Gauteng has over 9 300 firms, employing more than 600 000 people. Industries that have contributed significantly to this output are basic iron and steel; fabricated and metal products; food; machinery, electrical machinery, appliances and electrical supplies; vehicle parts and accessories; and chemical products.

The automotive parts and components industry in Gauteng, with its 200 firms, employs about 38 000 workers and contributes an estimated 4,3% of the province's GGP. This equates to an industry worth about R13 billion per year.

Technology

The economy of the province is being re-aligned to

move away from traditional heavy industry markets and low value-added production towards sophisticated high value-added production, particularly in information technology, telecommunications and other high-tech industries.

In an international survey in 2000, Gauteng was identified as one of 46 global hubs of technological innovation. The burgeoning 'high-tech' corridor in Midrand (halfway between Pretoria and Johannesburg) is the most rapidly developing area in the country.

Agriculture and industry

Gauteng's agricultural sector is geared to provide the cities and towns of the province with daily fresh produce, including dairy products, vegetables, fruit, meat, eggs and flowers.

A large area of the province falls within the so-called Maize Triangle. The districts of Bronkhorstspuit, Cullinan and Heidelberg hold important agricultural land, where ground-nuts, sunflowers, cotton and sorghum are produced.

This summer-rainfall area has hot summers and cold winters with frost. Hail is common during the summer thunderstorms.

Gauteng is an integrated industrial complex with major areas of economic activity in three subregional areas, namely the Vaal Triangle; the East, West and Central Rand; and Pretoria. The Vaal Triangle has a strong manufacturing sector; the West Rand concentrates on primary mining; and the Central Witwatersrand is dominated by the manufacturing and finance sectors, with mining capital playing a major role. All sectors rely heavily on the Vaal Dam (on the Vaal River), from where water is piped across the province.

Agriculture made up a small share of the provincial economy and accounted for R2,1 billion of the GDPR (at current prices) in 2002. Important agricultural products include selected grain crops, certain vegetables, herbs and flowers.

Food, food processing and beverages make up around R9,9 billion of GGP. The food-processing sector located in Gauteng is similar in size to Malaysia's entire food-processing industry. There are about 4 000 food-processing companies cur-

Gauteng

Capital: Johannesburg

Principal languages: isiZulu 21,5%
Afrikaans 14,4%
Sesotho 13,1%
English 12,5%

Population: 9 415 231 (*Mid-Year Estimates, 2003*)

Area (km²): 17 010

% of total area: 1,4%

GDPR at current prices (2002): R379 374 million

% of total GDP: 33,8%



rently operating in South Africa, of which roughly half are based in Gauteng. These companies employ around 50 000 of the estimated 183 000 people working in the sector.

The competitive trade areas which are being explored include: organics, essential oils, packaging, floriculture, medicinal plants, natural remedies and health foods. High-value niche crops include the nutritious njugo bean, morogo and cowpeas.

Most steel in South Africa is produced and consumed in Gauteng.

South Africa is also one of the top 10 primary producers of aluminium in the world. The value of this industry in Gauteng is worth around US\$20 million.

Johannesburg houses the JSE Securities Exchange, the largest in Africa.

Mpumalanga

Mpumalanga means Place Where The Sun Rises. It is bordered by Mozambique and Swaziland in the east, and Gauteng in the west. It is situated mainly on the high plateau grasslands of the Middleveld, which roll eastwards for hundreds of kilometres. In the north-east, it rises towards mountain peaks and terminates in an immense Escarpment. In some places, this Escarpment plunges hundreds of metres down to the low-lying area known as the Lowveld.

The area has a network of excellent roads and railway connections, making it highly accessible. Because of its popularity as a tourist destination, Mpumalanga is also served by a number of small airports.

The Cabinet approved the designation of Kruger Mpumalanga Airport as an international airport in April 2003. This entailed the transfer of the status of Nelspruit International Airport to the Kruger Mpumalanga Airport, with the former downgraded to 'national airport' status.

Nelspruit is the capital of the province and the administrative and business centre of the Lowveld. Witbank is the centre of the local coal-mining industry; Standerton, in the south, is renowned for its large dairy industry; Piet Retief in the south-east is a production area for tropical fruit and

sugar, while a large sugar industry is also found at Malelane in the east; Ermelo is the district in South Africa that produces the most wool; Barberton is one of the oldest gold-mining towns in South Africa; and Sabie is situated in the forestry heartland of the country.

The Maputo Corridor, which links the province with Gauteng and Maputo, in Mozambique, heralds a new era in terms of economic development and growth for the region.

As the first international toll road in Africa, the Corridor aims to attract investment, unlock local economic potential of the landlocked parts of the country and thus generate sustainable economic growth that will lead to sustainable high-quality jobs.

Mpumalanga produces about 80% of the country's coal and remains the largest production region for forestry and agriculture. Mining, manufacturing and electricity contribute about 65% of the province's GDP, while the remainder comes from government services, agriculture, forestry and related industries. Mpumalanga is the fourth-biggest contributor to the country's GDP.

The best-performing sectors in the province include mining, manufacturing and services. Tourism and agroprocessing are potential growth sectors in this province.

The province falls mainly within the Grassland Biome. The Escarpment and the Lowveld form a transitional zone between this grassland area and the Savanna Biome. Long sweeps of undulating grasslands change abruptly into thickly forested ravines and thundering waterfalls of the Escarpment, only to change again into the subtropical wildlife splendour of the Lowveld.

Sabie and Graskop provide a large part of the country's total requirement for forestry products. These forestry plantations are an ideal backdrop for ecotourism opportunities, with a variety of popular hiking trails, a myriad waterfalls, patches of indigenous forest and a variety of nature reserves.

Lake Chrissie is the largest natural freshwater lake in South Africa and is famous for its variety of aquatic birds, especially flamingos.

The people

Even though it is one of the smaller provinces (79 490 km² in surface area), Mpumalanga has a population of more than 3,2 million (*Mid-Year Estimates, 2003*). According to the 2001 Census results, some 27,5% of those aged 20 years or older have not undergone any schooling, while the population growth rate is higher than the national average.

Mpumalanga's official unemployment rate is 25% (*Labour Force Survey, September 2003*).

Agriculture and forestry

This is a summer-rainfall area divided by the Escarpment into the Highveld region with cold frosty winters and the Lowveld region with mild winters and a subtropical climate.

The Escarpment area sometimes experiences snow on high ground. Thick mist is common during the hot, humid summers.

An abundance of citrus fruit and many other subtropical fruits – mangoes, avocados, litchis, bananas, pawpaws, granadillas, guavas – as well as nuts and a variety of vegetables are produced here.

Nelspruit is the second-largest citrus-producing area in South Africa. It is responsible for one-third of the country's export in oranges. The Institute for Tropical and Subtropical Crops is situated here.

Groblersdal is an important irrigation area which yields a wide variety of products such as citrus fruit, cotton, tobacco, wheat and vegetables.

Carolina-Bethal-Ermelo is sheep area. Potatoes, sunflower seeds, maize and peanuts are also produced in this region.

Industry

Mpumalanga is very rich in coal reserves. The country's biggest power stations, three of which are the biggest in the southern hemisphere, are situated here. Unfortunately, these cause the highest levels of air pollution in the country. Secunda, where the country's second petroleum-from-coal installation is situated, is also located in this province.

One of the country's largest paper mills is situated at Ngodwana, close to its timber source. Middelburg produces steel and vanadium, while Witbank is the biggest coal producer in Africa.

Limpopo

Limpopo lies within the great elbow of the Limpopo River and is a province of dramatic contrasts – from true Bushveld country to majestic mountains, primeval indigenous forests, latter-day plantations, unspoilt wilderness areas and a patchwork of farming land.

Limpopo has a strong rural basis. Its growth strategy centres on addressing infrastructure backlogs, the alleviation of poverty, and social development.

Limpopo is the gateway to the rest of Africa. It is favourably situated for economic co-operation with other parts of southern Africa as it shares borders with Botswana, Zimbabwe and Mozambique.

The province is linked to the Maputo Development Corridor through the Phalaborwa SDI, a network of rail and road corridors connecting to the major seaports, which will open up Limpopo for trade and investment. This is complemented by the presence of smaller airports in centres such as Phalaborwa and Musina, as well as the Gateway International Airport in Polokwane.

The Maputo Corridor will link the province directly with Maputo Port, creating development and trade opportunities, particularly in the south-eastern part of the province.

The highest average real-economic-growth rate recorded in South Africa between 1995 and 2001 was that of Limpopo at 3,8% (GDPR).

Mpumalanga

Capital: Nelspruit

Principal languages: siSwati 30,8%
isiZulu 26,4%
isiNdebele 12,1%

Population: 3 246 729 (*Mid-Year Estimates, 2003*)

Area (km²): 79 490

% of total area: 6,5%

GDPR at current prices (2002): R77 835 million

% of total GDP: 6,9%



The provincial economy more than doubled in size from R36 961 billion (at current prices) in 1995 to R77 835 billion (at current prices) in 2002. In 1995, the provincial economy was 6,7% of national GDP. It reached 6,9% in 2002.

Investments totalling some R24 billion occurred in the province between 1998 and 2003.

Substantially, these investments were in the mining sector, which was a dominant sector at 19,5% of the GDP (2002).

Polokwane is the capital city and lies strategically in the centre of the province. The Gateway International Airport carries 20 000 passengers per annum, generating revenue of R2,6 million.

The Great North Road running through the centre of the province strings together a series of interesting towns. Bela-Bela, with its popular mineral spa, is near the southern border of the province.

Further north lies Modimolle with its table-grape industry and beautiful Waterberg range; Mokopane; Polokwane; Makhado at the foot of the Soutpansberg mountain range; and Musina, with its thick-set baobab trees.

The crossing into Zimbabwe is at Beit Bridge, where the South African section of this important route north into Africa ends.

Other important Limpopo towns include the major mining centres of Phalaborwa and Thabazimbi, and Tzaneen, producer of tea, forestry products and tropical fruits.

This province is in the Savanna Biome, an area of mixed grassland and trees, which is generally known as Bushveld. A trip through this summer-rainfall area soon convinces one that this is tree country.

The biggest section of the Kruger National Park is situated along the eastern boundary of Limpopo with Mozambique.

The people

In Limpopo, more than 5,4 million people live on about 123 910 km² of land (*Mid-Year Estimates, 2003*).

According to the Census 2001 results, more than a third of those in Limpopo aged 20 years and older have not received any form of education or schooling.

The official unemployment rate for Limpopo is 30,6% (*Labour Force Survey, September 2003*).

Several museums and national monuments bear testimony to ancient peoples and fearless pioneers who braved the unknown. Living museums include the Bakone Malapa Museum near Polokwane, where Bapedi tribesmen practise age-old skills for the benefit of visitors, and the Tsonga Open-Air Museum near Tzaneen. Mapungubwe (Place of The Jackal) Hill, some 75 km from Musina, used to be a natural fortress for its inhabitants from about AD 950 to 1200.

Discoveries of valuable archaeological artefacts, including many golden artefacts, have been made in this area, as well as in the northern part of the Kruger National Park.

Agriculture

The Bushveld is cattle country, where controlled hunting is often combined with ranching.

About 80% of South Africa's hunting takes place in Limpopo. The industry is estimated to be worth R650 million per year.

Sunflowers, cotton, maize and peanuts are cultivated in the Bela-Bela-Modimolle area. Modimolle is also known for its table-grape crops.

Tropical fruit, such as bananas, litchis, pineapples, mangoes and pawpaws, as well as a variety of nuts, are grown in the Tzaneen and Makhado areas. Extensive tea and coffee plantations create many employment opportunities in the Tzaneen area.

Limpopo

Capital: Polokwane

Principal languages: Sepedi 52,1%
Xitsonga 22,4%
Tshivenda 15,9%

Population: 5 413 586 (*Mid-Year Estimates, 2003*)

Area (km²): 123 910

% of total area: 10,2%

GDP at current prices (2002): R72 562 million

% of total GDP: 6,5%



The province produces about 75% of the country's mangoes; 65% of its papaya; 36% of its tea; 25% of its citrus, bananas, and litchis; 60% of its avocados; two-thirds of its tomatoes; and 285 000 t of potatoes (*Provincial Economies, 2003*).

Zebediela, one of the largest citrus estates in the country, is situated south of Polokwane. The estate harvested some 10 000 bags of oranges and 5 000 cartons of oranges every day between April and September 2003.

The largest tomato farm in South Africa lies between Tzaneen and Makhado. Extensive forestry plantations are also found here. Plantations of hard woods for furniture manufacturing have also been established.

Many of the rural people practise subsistence farming.

The northern and eastern parts of this summer-rainfall region are subtropical with hot, humid summers and mist in the mountainous parts. Winter throughout the province is mild and mostly frost-free.

Industry

Mining is a significant economic activity in the province. According to figures released by the Minerals Bureau, in 2002 the mining sector employed about 49 000 people in Limpopo.

Limpopo is rich in mineral deposits including platinum, group metals, iron ore, chromium high- and middle-gradings coking coal, diamonds, antimony, phosphate and copper, as well as mineral reserves like gold, emeralds, scheelite, magnetite, vermiculite, silicon and mica. Base commodities

such as black granite, corundum and feldspar are also found in the province.

Mining's contribution to GDP at current prices increased from 16,5% in 1995 to 21,8% in 2003.

The province is a typical developing area, exporting primary products and importing manufactured goods and services. It has a high potential and capacity with the right kind of economic development, and is an attractive location for investors. Resources such as tourism, rain-fed agriculture, minerals and an abundant labour force offer excellent investment opportunities.

The manufacturing sector's contribution to GDP improved slightly in 2003 to 3,8%, from 3,7% in 2002.

Tourism

Limpopo is endowed with bountiful natural resources, including 54 provincial reserves and many private game reserves. A few hours from Gauteng, Limpopo boasts the Waterburg mountain range, which supports thriving farming and game ranching, nature reserves and resorts.

Moving further eastwards takes you into the heart of the 'Big Five' parks of the country and some of the prime game farms in Africa, including the Kruger National Park. (See chapter 21: *Tourism*).

The number of tourists visiting the province increased by 52% from 75 000 in 1995 to 114 000 in 2000, and by 59% to 193 000 between 2000 and 2002. To expand this industry, 11 tourism destinations containing 21 tourism projects are being developed by the provincial Government.

Acknowledgements

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History

The early inhabitants

There seems to be general agreement among scholars that humankind had its earliest origins in Africa. South Africa is rich in fossil evidence of the evolutionary history of the human family, going back several million years. The discovery of the skull of a Taung child in 1924; recent discoveries of hominid fossils at Sterkfontein caves, recently declared a World Heritage Site; and the ground-breaking work done at Blombos Cave in the southern Cape, have all put South Africa at the forefront of palaeontological research into the origins of humanity. Modern humans have lived in the region for over 100 000 years.

The small, mobile bands of Stone Age hunter-gatherers, who created a wealth of rock art, were the ancestors of the *Khoekhoe* and San of historical times. The *Khoekhoe* and San (the 'Hottentots' and 'Bushmen' of early European terminology), although collectively known as the Khoisan, are often thought of as distinct peoples.

The former were those who, some 2 000 years ago, adopted a pastoralist lifestyle herding sheep and, later, cattle. Whereas the hunter-gatherers adapted to local environments and were scattered across the subcontinent, the herders sought out the pasturelands between modern-day Namibia and the Eastern Cape, which, generally, are near the coast.



At around the same time, Bantu-speaking agropastoralists began arriving in southern Africa, bringing with them an Iron Age culture and domesticated crops. After establishing themselves in the well-watered eastern coastal region of southern Africa, these farmers spread out across the interior plateau, or 'highveld', where they adopted a more extensive cattle-farming culture. Chiefdoms arose, based on control over cattle, which gave rise to systems of patronage and hence hierarchies of authority within communities. Cattle exchanges formed the basis of polygamous marriage arrangements, facilitating the accumulation of social power through control over the labour of kin groups and dependants.

Metallurgical skills, developed in the mining and processing of iron, copper, tin and gold, promoted regional trade and craft specialisation. At several archaeological sites, such as Mapungubwe and Thulamela in the Limpopo Valley, there is evidence of sophisticated political and material cultures, based in part on contact with the East African trading economy. These cultures, which were part of a broader African civilisation, predate European encroachment by several centuries. Settlement patterns varied from the dispersed homesteads of the fertile coastal regions in the east, to the concentrated towns of the desert fringes in the west.

The farmers did not, however, extend their settlement into the western desert or the winter-rainfall

region in the south-west. These regions remained the preserve of the Khoisan until Europeans put down roots at the Cape of Good Hope. This meant that the farmers were little affected by the White presence for the first century during which European settlement expanded from the Western Cape.

Currently, aided by modern science in uncovering the continent's past, which forms part of the African Renaissance, South Africa is gaining a greater understanding of its rich precolonial past and African achievements that were to be disrupted and all but hidden from sight in the period that followed.

The early colonial period

Portuguese seafarers, who pioneered the sea route to India in the late 15th century, were regular visitors to the South African coast during the early 1500s. Other Europeans followed from the late 16th century.

In 1652, the Dutch East India Company (VOC) set up a station in Table Bay (Cape Town) to provision passing ships. Trade with the *Khoekhoe(n)* for slaughter stock soon degenerated into raiding and warfare. Beginning in 1657, European settlers were allotted farms by the colonial authorities in the arable regions around Cape Town, where wine and wheat became the major products. In response to the colonists' demand for labour, the VOC imported slaves from East Africa, Madagascar, and its possessions from the East Indies.

By the early 1700s, the colonists had begun to spread into the hinterland beyond the nearest mountain ranges. These relatively independent and mobile farmers (*trekboers*), who lived as pastoralists and hunters, were largely free from supervision by the Dutch authorities.

As they intruded further upon the land and water sources, and stepped up their demands for livestock and labour, more and more of the indigenous inhabitants were dispossessed and incorporated into the colonial economy as servants. Diseases such as smallpox, which was introduced by the Europeans in 1713, decimated the Khoisan, contributing to the decline of their cultures. Unions across the colour

line took place and a new multiracial social order evolved, based on the supremacy of European colonists. The slave population steadily increased since more labour was needed.

By the mid-1700s, there were more slaves in the Cape than there were 'free burghers' (European colonists). The Asian slaves were concentrated in the towns, where they formed an artisan class. They brought with them the Islam religion, which gained adherents and significantly shaped the working-class culture of the Western Cape. Slaves of African descent were found more often on the farms of outlying districts.

In the late 1700s, the Khoisan offered far more determined resistance to colonial encroachment across the length of the colonial frontier. From the 1770s, colonists also came into contact and conflict with Bantu-speaking chiefdoms some 700 km east of Cape Town. A century of intermittent warfare ensued during which the colonists gained ascendancy, first over the Khoisan and then over the Xhosa-speaking chiefdoms to the east. It was only in the late 1800s, that the subjugation of these settled African societies became feasible. For some time their relatively sophisticated social structure and economic systems fended off decisive disruption by incoming colonists, who lacked the necessary military superiority.

At the same time, a process of cultural change was set in motion, not least by commercial and missionary activity. In contrast to the Khoisan, the Black farmers were by and large immune to European diseases. For this and other reasons they were to greatly outnumber the Whites in the population of White-ruled South Africa, and were able to preserve important features of their culture. A spate of State-building was launched beyond the frontiers of European settlement.

Perhaps because of population pressures, combined with the actions of slave traders in Portuguese territory on the east coast, the old order was upset and the Zulu kingdom emerged as a highly centralised State. In the 1820s, the innovative leader Shaka established sway over a considerable area of south-east Africa and brought many chiefdoms under his dominion.

As splinter groups conquered and absorbed communities in their path, the disruption was felt as far north as central Africa. Substantial states, such as Moshoeshoe's Lesotho and other Sotho-Tswana chiefdoms, were established, partly for reasons of defence. The *mfecane* or *difaqane*, as this period of disruption and State formation became known, remains the subject of much speculative debate. But the temporary disruption of life on the Highveld served to facilitate Boer expansion northwards from the 1830s, and provided a myth of the 'empty land' which Whites employed to justify their domination over the subcontinent in the 20th century.

The British colonial era

In 1795, the British occupied the Cape as a strategic base against the French, controlling the sea route to the East.

After a brief reversion to the Dutch in the course of the Napoleonic wars, it was retaken in 1806 and kept by Britain in the post-war settlement of territorial claims. The closed and regulated economic system of the Dutch period was swept away as the Cape Colony was integrated into the dynamic international trading empire of industrialising Britain.

A crucial new element was evangelicalism, brought to the Cape by Protestant missionaries. The evangelicals believed in the liberating effect of 'free' labour and in the 'civilising mission' of British imperialism. They were convinced that indigenous peoples could be fully assimilated into European Christian culture once the shackles of oppression had been removed.

The most important representative of the mission movement in South Africa was Dr John Philip, who arrived as superintendent of the London Missionary Society in 1819. His campaign on behalf of the oppressed Khoisan coincided with a high point in official sympathy for philanthropic concerns.

One result was Ordinance 50 of 1828, which guaranteed equal civil rights for 'people of colour' within the colony and freed them from legal discrimination. At the same time, a powerful anti-slavery movement in Britain promoted a series of ameliorative measures, imposed on the colonies in the 1820s,

and the proclamation of emancipation, which came into force in 1834. The slaves were subject to a four-year period of 'apprenticeship' with their former owners, on the grounds that they must be prepared for freedom, which came on 1 December 1838.

Although slavery had become less profitable because of a depression in the wine industry, Cape slave-owners rallied to oppose emancipation. The compensation money, which the British treasury paid out to sweeten the pill, injected unprecedented liquidity into the stagnant local economy. This brought a spurt of company formation, such as banks and insurance companies, as well as a surge of investment in land and wool sheep in the drier regions of the colony, in the late 1830s. Wool became a staple export on which the Cape economy depended for its further development in the middle decades of the century.

For the ex-slaves, as for the Khoisan servants, the reality of freedom was very different from the promise. As a wage-based economy developed, they remained a dispossessed and exploited element in the population, with little opportunity to escape their servile lot.

Increasingly, they were lumped together as the 'Coloured' people, a group which included the descendants of unions between indigenous and European peoples and a substantial Muslim minority who became known as the 'Cape Malays' (misleadingly, as they mostly came from the Indonesian archipelago). The Coloured people were discriminated against on account of their working-class status as well as their racial identity. Among the poor, especially in and around Cape Town, there continued to be a great deal of racial mixing and intermarriage throughout the 1800s.

In 1820, several thousand British settlers, who were swept up by a scheme to relieve Britain of its unemployed, were placed in the eastern Cape frontier zone as a buffer against the Xhosa chiefdoms. The vision of a dense settlement of small farmers was, however, ill-conceived and many of the settlers became artisans and traders. The more-successful became an entrepreneurial class of merchants, large-scale sheep farmers and speculators with an insatiable demand for land.

Some became fierce warmongers who pressed for the military dispossession of the chiefdoms. They coveted Xhosa land and welcomed the prospect of war involving large-scale military expenditure by the imperial authorities. The Xhosa engaged in raiding as a means of asserting their prior claims to the land. Racial paranoia became integral to White frontier politics. The result was that frontier warfare became endemic through much of the 19th century, during which Xhosa war leaders such as Chief Maqoma became heroic figures to their people.

By the mid-1800s, British settlers of similar persuasion were to be found in Natal. They too called for imperial expansion in support of their land claims and trading enterprises.

Meanwhile, large numbers of the original colonists, the Boers, were greatly extending White occupation beyond the Cape's borders to the north, in the movement that became known as the Great Trek, in the mid-1830s. Alienated by British liberalism, and with their economic enterprise usurped by British settlers, several thousand Boers from the interior districts, accompanied by a number of Khoisan servants, began a series of migrations northwards. They moved to the Highveld and Natal, skirting the great concentrations of Black farmers on the way by taking advantage of the areas disrupted during the *mfecane*.

When the British, who were concerned about controlling the traffic through Port Natal (Durban), annexed the territory of Natal in 1843, those emigrant Boers who had hoped to settle there returned inland. The *Voortrekkers* (as they were later called) coalesced in two land-locked republics, the South African Republic (Transvaal) and the Orange Free State. There, the principles of racially exclusive citizenship were absolute, despite the trekkers' reliance on Black labour. With limited coercive power, the Boer communities had to establish relations and develop alliances with some Black chiefdoms, neutralising those who obstructed their intrusion or who posed a threat to their security.

Only after the mineral discoveries of the late 1800s did the balance of power swing decisively towards the colonists. The Boer republics then took

on the trappings of real statehood and imposed their authority within the territorial borders that they had notionally claimed for themselves.

The Colony of Natal, situated to the south of the mighty Zulu State, developed along very different lines from the original colony of settlement, the Cape. The size of the Black population left no room for the assimilationist vision of race domination embraced in the Cape. Chiefdoms consisting mainly of refugee groups in the aftermath of the *mfecane* were persuaded to accept colonial protection in return for reserved land and the freedom to govern themselves in accordance with their own customs. These chiefdoms were established in the heart of an expanding colonial territory.

Natal developed a system of political and legal dualism, whereby chiefly rule was entrenched and customary law was codified. Although exemptions from customary law could be granted to the educated products of the missions, in practice they were rare. Urban residence was strictly controlled and political rights outside the reserves were effectively limited to Whites. Natal's system is widely regarded as having provided a model for the segregationism of the 20th century.

Natal's economy was boosted by the development of sugar plantations in the subtropical coastal lowlands. Indian-indentured labourers were imported from 1860 to work the plantations, and many Indian traders and market gardeners followed.

These Indians, who were segregated and discriminated against from the start, became a further important element in South Africa's population. It was in South Africa that Mohandas Gandhi refined, from the mid-1890s, the techniques of passive resistance, which he later effectively practised in India. Although Indians gradually moved into the Transvaal and elsewhere, they remain concentrated in Natal.

In 1853, the Cape Colony was granted a representative legislature in keeping with British policy, followed in 1872 by self-government. The franchise was formally non-racial but also based on income and property qualifications. The result was that Africans and Coloured people formed a minority – although in certain places a substantial one – of voters.

What became known as the 'liberal tradition' in the Cape depended on the fact that the great mass of Bantu-speaking farmers remained outside its colonial borders until late in the 19th century. Non-racialism could thus be embraced without posing a threat to White supremacy.

Numbers of Africans within the Cape colony had had sufficient formal education or owned enough property to qualify for the franchise. Political alliances across racial lines were common in the eastern Cape constituencies. It is therefore not surprising that the eastern Cape became a seedbed of African nationalism, once the ideal and promise of inclusion in the common society had been so starkly violated by later racial policies.

The mineral revolution

By the late 19th century, the limitations of the Cape's liberal tradition were becoming apparent. The hardening of racial attitudes that accompanied the rise of a more militant imperialist spirit coincided locally with the watershed discovery of mineral riches in the interior of southern Africa. In a developing economy, cheap labour was at a premium, and the claims of educated Africans for equality met with increasingly fierce resistance.

At the same time, the large numbers of Africans in the chiefdoms beyond the Kei River and north of the Gariep (Orange River), then being incorporated into the Cape Colony, posed new threats to racial supremacy and White security, increasing segregationist pressures.

Alluvial diamonds were discovered on the Vaal River in the late 1860s. The subsequent discovery of dry deposits at what became the city of Kimberley drew tens of thousands of people, Black and White, to the first great industrial hub in Africa, and the largest diamond deposit in the world. In 1871, the British, who ousted several rival claimants, annexed the diamond fields, which fell in sparsely populated territory to the west of the main corridors of northward migration. The Colony of Griqualand West thus created was incorporated into the Cape Colony in 1880. By 1888, the consolidation of diamond claims had led to the creation of the huge De Beers

monopoly under the control of Cecil Rhodes. He used his power and wealth to become Prime Minister of the Cape Colony (1890 – 1896) and, through his chartered British South Africa Company, conqueror and ruler of modern-day Zambia and Zimbabwe.

The mineral discoveries had a major impact on the subcontinent as a whole. A railway network linking the interior to the coastal ports revolutionised transportation and energised agriculture. Coastal cities such as Cape Town, Port Elizabeth, East London and Durban experienced an economic boom as port facilities were upgraded.

The fact that the mineral discoveries coincided with a new era of imperialism and the scramble for Africa, brought imperial power and influence to bear in southern Africa as never before.

Independent African chiefdoms were systematically subjugated and incorporated by their White-ruled neighbours. The most dramatic example was the Anglo-Zulu War of 1879, which saw the Zulu State brought under imperial control, during which King Cetshwayo's impis inflicted a celebrated defeat on British forces at Isandlwana. In 1897, Zululand was incorporated into Natal. The South African Republic (Transvaal) was annexed by Britain in 1877. Boer resistance led to British withdrawal in 1881, but not before the Pedi (northern Sotho) State, which fell within the Republic's borders, had been subjugated. The indications were that, having once been asserted, British hegemony was likely to be reasserted. The southern Sotho and Swazi territories were also brought under British rule but maintained their status as imperial dependencies, so that both the current Lesotho and Swaziland escaped the rule of local White regimes.

The discovery of the Witwatersrand goldfields in 1886 was a turning point in the history of South Africa. It presaged the emergence of the modern South African industrial State.

Once the extent of the reefs had been established, and deep-level mining had proved to be a viable investment, it was only a matter of time before Britain and its local representatives again found a pretext for war against the Boer republics of Transvaal and the Orange Free State.

The demand for franchise rights for English-speaking immigrants on the goldfields (*uitlanders*) provided a lever for applying pressure on the Government of President Paul Kruger. Egged on by the deep-level mining magnates, to whom the Boer Government seemed obstructive and inefficient, and by the expectation of an *uitlander* uprising, Rhodes launched a raid into the Transvaal in late December 1895. The raid's failure saw the end of Rhodes' political career, but Sir Alfred Milner, British High Commissioner in South Africa from 1897, was determined to overthrow Kruger's government and establish British rule throughout the subcontinent. The Boer Government was eventually forced into a declaration of war in October 1899.

The mineral discoveries had a radical impact on every sphere of society. Labour was required on a massive scale and could only be provided by Africans, who had to be drawn away from the land.

Many Africans did respond with alacrity to the opportunities presented by wage labour, travelling long distances to earn money to supplement rural enterprise in the homestead economy.

In response to the expansion of internal markets, Africans exploited their farming skills and family labour to good effect to increase production for sale. A substantial Black peasantry arose, often by means of share-cropping or labour tenantry on White-owned farms.

For the White authorities, however, the chief consideration was ensuring a labour supply and undermining Black competition on the land. Conquest, land dispossession, taxation and pass laws were designed to force Black men off the land and channel them into labour markets, especially to meet the needs of the mines.

Gradually, the alternatives available to them were closed, and the decline of the homestead economy made wage labour increasingly essential for survival. The integration of Africans into the emerging urban and industrial society of South Africa should have followed these developments, but short-term, recurrent labour migrancy suited employers and the authorities, which sought to entrench the system.

The closed compounds pioneered on the diamond fields, as a means of migrant labour control,

were replicated at the gold mines. The preservation of communal areas from which migrants could be drawn had the effect of lowering wages, by denying Africans rights within the urban areas and keeping their families and dependants on subsistence plots in the reserves.

Africans could be denied basic rights if the fiction could be maintained that they did not belong in 'White South Africa' but to 'tribal societies' from which they came to service the 'White man's needs'. Where Black families secured a toehold in the urban areas, local authorities confined them to segregated 'locations'. This set of assumptions and policies informed the development of segregationist ideology and, later (from 1948), Apartheid.

The Anglo-Boer/South African War (October 1899 – May 1902) and its aftermath

The War that followed the mineral revolution was mainly a White man's war. In its first phase, the Boer forces took the initiative, besieging the frontier towns of Mafeking (Mafikeng) and Kimberley in the northern Cape, and Ladysmith in northern Natal. Some colonial Boers rebelled, however, in sympathy with the republics. But, after a large expeditionary force under Lords Roberts and Kitchener arrived, the British advance was rapid. Kruger fled the Transvaal shortly before Pretoria fell in June 1900.

The formal conquest of the two Boer republics was followed by a prolonged guerrilla campaign. Small, mobile groups of Boers denied the imperial forces their victory, by disrupting rail links and supply lines.

Commandos swept deep into colonial territory, rousing rebellion wherever they went. The British were at a disadvantage owing to their lack of familiarity with the terrain and the Boers' superior skills as horsemen and sharpshooters. The British responded with a scorched-earth policy. This included farm burnings, looting and the setting-up of concentration camps for non-combatants, in which

some 26 000 Boer women and children died from disease. The incarceration of Black (including Coloured) people in the path of the War in racially segregated camps has been absent in conventional accounts of the War and has only recently been acknowledged.

They too suffered appalling conditions and some 14 000 (perhaps many more) are estimated to have died. At the same time, many Black farmers were in a position to meet the demand for produce created by the military, or avail themselves of employment opportunities at good wages. Some 10 000 Black servants accompanied the Boer commandos, and the British used Africans as labourers, scouts, dispatch riders, drivers and guards.

The War also taught many Africans that the forces of dispossession could be rolled back if the circumstances were right. It gave Black communities the opportunity to recolonise land lost in conquest, which enabled them to withhold their labour after the War. Most supported the British in the belief that Britain was committed to extending civil and political rights to Black people. In this they were to be disappointed, as in the Treaty of Vereeniging that ended the War, the British agreed to leave the issue of rights for Africans to be decided by a future self-governing (White) authority. All in all, the Anglo-Boer/South African War was a radicalising experience for Africans.

Britain's reconstruction regime set about creating a White-ruled dominion by uniting the former Boer republics (both by then British colonies) with Natal and the Cape.

The most important priority was to re-establish White control over the land and force the Africans back to wage labour. The labour-recruiting system was improved, both internally and externally. Recruiting agreements were reached with the Portuguese authorities in Mozambique, from where much mine labour came.

When, by 1904, African sources still proved inadequate to get the mines working at pre-War levels, over 60 000 indentured Chinese were brought in. This precipitated a vociferous outcry from proponents of White supremacy in South Africa and liberals in Britain.

By 1910, all had been repatriated, a step made easier when a surge of Africans came forward from areas such as the Transkeian territories and the northern Transvaal, which had not previously been large-scale suppliers of migrants. This was the heyday of the private recruiters, who exploited families' indebtedness to procure young men to labour in the mines. The Africans' post-War ability to withhold their labour had been undercut by government action, abetted by drought and stock disease.

The impact of the Anglo-Boer/South African War as a seminal influence in the development of Afrikaner nationalist politics became apparent in subsequent years.

The Boer leaders – most notably Louis Botha, Jan Smuts and J.B.M. Hertzog – played a dominant role in the country's politics for the next half century. After initial plans for anglicisation of the defeated Afrikaners through the education system and numerical swamping through British immigration were abandoned as impractical, the British looked to the Afrikaners as collaborators in securing imperial political and economic interests.

During 1907 and 1908, the two former Boer republics were granted self-government but, crucially, with a Whites-only franchise. Despite promises to the contrary, Black interests were sacrificed in the interest of White nation-building across the White language divide. The National Convention drew up a constitution and the four colonies became an independent dominion called the Union of South Africa on 31 May 1910.

The 19th-century formally non-racial franchise was retained in the Cape but was not extended elsewhere, where rights of citizenship were confined to Whites alone.

It was clear from the start that segregation was the conventional wisdom of the new rulers. Black people were defined as outsiders, without rights or claims on the common society that their labour had helped to create.

Segregation

Government policy in the Union of South Africa did not develop in isolation, but against the backdrop of

Black political initiatives. Segregation and Apartheid assumed their shape, in part, as a White response to Africans' increasing participation in the country's economic life and their assertion of political rights. Despite the Government's efforts to shore up traditionalism and retribalise them, Black people became more fully integrated into the urban and industrial society of 20th-century South Africa than happened elsewhere on the continent. An educated élite of clerics, teachers, business people, journalists and professionals grew to be a major force in Black politics.

Mission Christianity and its associated educational institutions exerted a profound influence on African political life, and separatist churches were early vehicles for African political assertion. The experiences of studying abroad, and in particular, interaction with Black people struggling for their rights elsewhere in Africa, the United States of America and the Caribbean, played an important part. A vigorous Black press, associated in its early years with such pioneer editors as J.T. Jabavu, Pixley Seme, Dr Abdullah Abdurahman, Sol Plaatje and John Dube, served the Black reading public.

At the same time, African communal struggles to maintain access to the land in rural areas posed a powerful challenge to the White State. Traditional authorities often led popular struggles against intrusive and manipulative policies. Government attempts to control and co-opt the chiefs often failed.

Steps towards the formation of a national political organisation of Coloureds began around the turn of the century, with the formation of the African Political Organisation in 1902 by Dr Abdurahman, mainly in the Cape Province. The African National Congress (ANC), founded in 1912, became, however, the most important Black organisation drawing together traditional authorities and the educated African élite in common causes.

In its early years, the ANC was concerned mainly with constitutional protest. Worker militancy emerged in the wake of the First World War, and continued through the 1920s. It included strikes and an anti-pass campaign given impetus by women, particularly in the Free State, resisting extension of the pass laws to them. The Industrial and

Commercial Workers' Union, under the leadership of Clements Kadalie, was (despite its name) the first populist, nationwide organisation representing Blacks in rural as well as urban areas. But it was short-lived. The Communist Party, formed in 1921 and since then a force for both non-racialism and worker organisation, was to prove far longer-lasting. In other sections of the Black population too, the turn of the century saw organised opposition emerging. Gandhi's leadership of protest against discriminatory laws gave impetus to the formation of provincial Indian congresses, including the Natal Indian Congress formed by Gandhi in 1894.

The principles of segregationist thinking were laid down in a 1905 report by the South African Native Affairs Commission and continued to evolve in response to these economic, social and political pressures. In keeping with its recommendations, the first Union Government enacted the seminal Natives Land Act in 1913.

This defined the remnants of their ancestral lands after conquest for African occupation, and declared illegal all land purchases or rent tenancy outside these reserves. The reserves ('homelands' as they were subsequently called) eventually comprised about 13% of South Africa's land surface. Administrative and legal dualism reinforced the division between White citizen and Black non-citizen, a dispensation personified by the Governor-General who, as 'Supreme Chief' over the country's African majority, was empowered to rule them by administrative fiat and decree.

The Government also regularised the job colour bar, reserving skilled work for Whites and denying African workers the right to organise. Legislation, which was consolidated in the Natives (Urban Areas) Act, 1923, entrenched urban segregation and controlled African mobility by means of pass laws. The pass laws were intended to enmesh Africans in a web of coercion designed to force them into labour and keep them there under conditions and at wage levels that suited White employers, and to deny them any bargaining power.

In these and other ways, the foundations of Apartheid were laid by successive governments representing the compromises hammered out by the

National Convention of 1908 to 1909 to effect the union of English- and Afrikaans-speaking Whites.

Divisions within the White community remained significant, however. Afrikaner nationalism grew as a factor in the years after union. It was given impetus in 1914, both by the formation of the National Party (NP), in a breakaway from the ruling South African Party, and by a rebellion of Afrikaners who could not reconcile themselves with the decision to join the First World War against Germany. In part, the NP spoke for Afrikaners impoverished by the Anglo-Boer/South African War and dislodged from the land by the development of capitalist farming.

An Afrikaner underclass was emerging in the towns, which found itself uncompetitive in the labour market, as White workers demanded higher wages than those paid to Blacks.

Soon, labour issues came to the fore. In 1920, some 71 000 Black mineworkers went on strike in protest against the spiralling cost of living, but the strike was quickly put down by isolating the compounds where the migrant workers were housed.

Another threat to government came from White workers. Immigrant White workers with mining experience abroad performed much of the skilled and semi-skilled work on the mines. As mine-owners tried to cut costs by using lower-wage Black labour in semi-skilled jobs, White labour became increasingly militant. These tensions culminated in a bloody and dramatic rebellion on the goldfields in 1922, which the Smuts Government put down with military force. In 1924, a pact government under Hertzog, comprising Afrikaner nationalists and representatives of immigrant labour, ousted the Smuts regime.

The pact was based on a common suspicion of the dominance of mining capital, and a determination to protect the interests of White labour by intensifying discrimination against Blacks. The commitment to White labour policies in government employment such as the railways and postal service was intensified, and the job colour bar was reinforced, with one of its main objectives to address what was known as a 'poor-White problem'.

In 1934, the main White parties fused to combat the local effects of a worldwide depression. This was

followed by a new Afrikaner nationalist breakaway under Dr D.F. Malan. In 1936, White supremacy was further entrenched by the United Party with the removal of the Africans of the Cape Province who qualified, from the common voters' roll. Meanwhile, Malan's breakaway NP was greatly augmented by an Afrikaner cultural revival spearheaded by the secret White male *Afrikaner Broederbond* and other cultural organisations during the year of the Voortrekker Centenary Celebrations (1938), as well as by anti-war sentiment from 1939.

Apartheid

After the Second World War, in 1948, the NP, with its ideology of Apartheid that brought an even more rigorous and authoritarian approach than the segregationist policies of previous governments, won the general election. It did so against the background of a revival of mass militancy during the 1940s, after a period of relative quiescence in the 1930s when Black groups attempted to foster unity among themselves.

The change was marked by the formation of the ANC Youth League in 1943, fostering the leadership of figures such as Nelson Mandela, Oliver Tambo and Walter Sisulu, who were to inspire the struggle for decades to come.

In the 1940s, squatter movements in peri-urban areas brought mass politics back to the urban centres. The 1946 mineworkers' strike was a turning point in the emergence of a politics of mass mobilisation.

As was the case with the First World War, the experience of the Second World War and post-War economic difficulties enhanced discontent. For those who supported the NP, its primary appeal lay in its determination to maintain White domination in the face of rising mass resistance; uplift poor Afrikaners; challenge the pre-eminence of English-speaking Whites in public life, the professions and business; and abolish the remaining imperial ties. The State became an engine of patronage for Afrikaner employment. The *Afrikaner Broederbond* co-ordinated the Party's programme, ensuring that Afrikaner nationalist interests and policies attained ascendancy throughout civil society.

In 1961, the NP Government under Prime Minister H.F. Verwoerd declared South Africa a republic, after winning a Whites-only referendum on the issue. A new currency, the Rand, new flag, anthem and coat of arms were formally introduced. South Africa, having become a republic, had to apply for continued membership of the Commonwealth. In the face of demands for an end to Apartheid, South Africa withdrew its application and a figurehead president replaced the Queen (represented locally by the Governor-General) as Head of State.

In most respects, Apartheid was a continuation, in more systematic and brutal form, of the segregationist policies of previous governments.

A new concern with racial purity was apparent in laws prohibiting interracial sex and provisions for population registration requiring that every South African be assigned to one discrete racial category or another.

For the first time, the Coloured people, who had always been subjected to informal discrimination, were brought within the ambit of discriminatory laws. In the mid-1950s, government took the drastic step of overriding an entrenched clause in the 1910 Constitution of the Union so as to be able to remove Coloured voters from the common voters' roll. It also enforced residential segregation, expropriating homes where necessary and policing massive forced removals into Coloured 'group areas'.

Until the 1940s, South Africa's racial policies had not been entirely out of step with those to be found in the colonial world. But by the 1950s, which saw decolonisation and a global backlash against racism gather pace, the country was dramatically opposed to world opinion on questions of human rights. The architects of Apartheid, among whom Dr Verwoerd was pre-eminent, responded by elaborating a theory of multinationalism.

Their policy, which they termed 'separate development', divided the African population into artificial ethnic 'nations', each with its own 'homeland' and the prospect of 'independence', supposedly in keeping with trends elsewhere on the continent. This divide-and-rule strategy was designed to disguise the racial basis of official policy-making by the substitution of the language of ethnicity. This was

accompanied by much ethnographic engineering as efforts were made to resurrect tribal structures. In the process, the Government sought to create a significant collaborating class.

The truth was that the rural reserves were by this time thoroughly degraded by overpopulation and soil erosion. This did not prevent four of the 'homeland' structures (Transkei, Bophuthatswana, Venda and Ciskei) being declared 'independent', a status which the vast majority of South Africans, and therefore also the international community, declined to recognise. In each case, the process involved the repression of opposition and the use by the Government of the power to nominate and thereby pad elected assemblies with a quota of compliant figures.

Forced removals from 'White' areas affected some 3,5 million people and vast rural slums were created in the homelands, which were used as dumping grounds. The pass laws and influx control were extended and harshly enforced, and labour bureaux were set up to channel labour to where it was needed. Hundreds of thousands of people were arrested or prosecuted under the pass laws each year, reaching over half a million a year from the mid-1960s to the mid-1970s. Industrial decentralisation to growth points on the borders of (but not inside) the homelands was promoted as a means of keeping Blacks out of 'White' South Africa.

In virtually every sphere, from housing to education to healthcare, central government took control over Black people's lives with a view to reinforcing their allotted role as 'temporary sojourners', welcome in 'White' South Africa solely to serve the needs of the employers of labour. But these same programmes of control became the focus of resistance. In particular, the campaign against the pass laws formed a cornerstone of the struggle.

The end of Apartheid

The introduction of Apartheid policies coincided with the adoption by the ANC in 1949 of its Programme of Action, expressing the renewed militancy of the 1940s. The Programme embodied the rejection of White domination and a call for action in the form of protests, strikes and demonstrations. There followed

a decade of turbulent mass action in resistance to the imposition of still harsher forms of segregation and oppression.

The Defiance Campaign of 1952 carried mass mobilisation to new heights under the banner of non-violent resistance to the pass laws. These actions were influenced in part by the philosophy of Mohandas Gandhi.

A critical step in the emergence of non-racialism was the formation of the Congress Alliance, including the ANC; South African Indian Congress; the Coloured People's Congress; a small White congress organisation (the Congress of Democrats); and the South African Congress of Trade Unions.

The Alliance gave formal expression to an emerging unity across racial and class lines that was manifested in the Defiance Campaign and other mass protests of this period, which also saw women's resistance take a more organised character with the formation of the Federation of South African Women.

In 1955, a Freedom Charter was drawn up at the Congress of the People in Soweto. The Charter enunciated the principles of the struggle, binding the movement to a culture of human rights and non-racialism. Over the next few decades, the Freedom Charter was elevated to an important symbol of the freedom struggle.

The Pan-Africanist Congress (PAC), founded by Robert Sobukwe and based on the philosophies of 'Africanism' and anti-communism, broke away from the Congress Alliance in 1959.

The State's initial response, harsh as it was, was not yet as draconian as it was to become. Its attempt to prosecute more than 150 anti-Apartheid leaders for treason, in a trial that began in 1956, ended in acquittals in 1961. But by that time, mass organised opposition had been banned.

Matters came to a head at Sharpeville in March 1960, when 69 anti-pass demonstrators were killed when police fired on a demonstration called by the PAC. A state of emergency was imposed and detention without trial was introduced.

The Black political organisations were banned and their leaders went into exile or were arrested. In this climate, the ANC and PAC abandoned their long-standing commitment to non-violent resist-

ance and turned to armed struggle, combined with underground organisation and mobilisation as well as mobilisation of international solidarity. Top leaders, including members of the newly formed military wing *Umkhonto we Sizwe* (Spear of the Nation), were arrested in 1963. In the 'Rivonia trial', eight ANC leaders, including Nelson Mandela, were convicted of sabotage (instead of treason, the original charge) and sentenced to life imprisonment.

The 1960s was a decade of overwhelming repression and relative political disarray among Blacks in the country. Armed action was contained by the State.

State repression played a central role in containing internal resistance, and the leadership of the struggle shifted increasingly to the missions in exile. At the same time, the ANC leadership decided to embark on a campaign to infiltrate the country through what was then Rhodesia. In August 1967, a joint force of MK and the Zimbabwean People's Revolutionary Army (ZIPRA) of the Zimbabwe African People's Union (ZAPU) entered Zimbabwe, and over a two-month period engaged the joint Rhodesian and South African security forces. Although the joint MK-ZIPRA force failed to reach South Africa, this was the first military confrontation between the military forces of the ANC-led Alliance and White security forces.

The resurgence of resistance politics from the early 1970s was dramatic. The Black Consciousness Movement, led by Steve Biko (who was killed in detention in 1977), re-awakened a sense of pride and self-esteem in Black people. News of the brutal death of Biko reverberated around the globe and led to unprecedented outrage.

As capitalist economies sputtered with the oil crisis of 1973, Black trade unions revived. A wave of strikes reflected a new militancy that involved better organisation and was drawing new sectors, in particular intellectuals and the student movement, into mass struggle and debate over the principles informing it.

The year 1976 marked the beginning of a sustained anti-Apartheid revolt. In June, school pupils of Soweto rose up against Apartheid education, followed by youth uprisings all around the country.

By the 1980s, the different forms of struggle – armed struggle, mass mobilisation and international solidarity – were beginning to integrate and coalesce.

The United Democratic Front and the informal umbrella, the Mass Democratic Movement, emerged as legal vehicles of democratic forces struggling for liberation. Clerics played a prominent public role in these movements. The involvement of workers in resistance took on a new dimension with the formation of the Congress of South African Trade Unions and the National Council of Trade Unions.

Popular anger was directed against all those who were deemed to be collaborating with the Government in the pursuit of its objectives, and the Black townships became virtually ungovernable. From the mid-1980s, regional and national states of emergency were enforced.

Developments in neighbouring states, where mass resistance to White-minority and colonial rule led to Portuguese decolonisation in the mid-1970s and the abdication of Zimbabwe's minority regime in 1980, left South Africa exposed as the last bastion of White supremacy.

Under growing pressure and increasingly isolated internationally, the Government embarked on a dual strategy, introducing limited reform coupled with intensifying repression and militarisation of society, with the objective of containing the pressures and increasing its support base while crushing organised resistance.

An early example of reform was the recognition of Black trade unions to try to stabilise labour relations. In 1983, the Constitution was reformed to allow the Coloured and Indian minorities limited participation in separate and subordinate Houses of Parliament. The vast majority of these groups demonstrated their rejection of the tricameral dispensation through massive boycotts of elections, but it was kept in place by the Apartheid regime despite its visible lack of legitimacy. Attempts to legitimise community councils as vehicles for participation of Africans outside the Bantustans in local government met a similar fate.

Militarisation included the ascendancy of the State Security Council, which usurped the role of the

executive in crucial respects, and a succession of states of emergency as part of the implementation of a comprehensive counter-insurgency strategy to combat what, by the mid-1980s, was an endemic insurrectionary spirit in the land.

However, by the late 1980s, popular resistance was taking the form of mass defiance campaigns, while struggles over more localised issues saw broad sections of communities mobilised in united action. Popular support for released political prisoners and for the armed struggle was being openly expressed.

In response to the rising tide of resistance, the international community strengthened its support for the anti-Apartheid cause. A range of sanctions and boycotts was instituted, both unilaterally by countries across the world and through the United Nations (UN). These sanctions were called for in a co-ordinated strategy by the internal and external anti-Apartheid movement in South Africa.

F.W. de Klerk, who replaced P.W. Botha as State President in 1989, announced at the opening of Parliament in February 1990 the unbanning of the liberation movements and release of political prisoners, notably Nelson Mandela. A number of factors led to this step. International financial, trade, sport and cultural sanctions were clearly biting. Above all, even if South Africa were nowhere near collapse, either militarily or economically, several years of emergency rule and ruthless repression had clearly neither destroyed the structures of organised resistance, nor helped establish legitimacy for the Apartheid regime or its collaborators. Instead, popular resistance, including mass and armed action, was intensifying.

The ANC, enjoying popular recognition and legitimacy as the foremost liberation organisation, was increasingly regarded as a government-in-waiting. International support for the liberation movement came from various countries around the globe, particularly from former socialist countries and Nordic countries as well as the Non-Aligned Movement (NAM). The other liberation organisations increasingly experienced various internal and external pressures and did not enjoy much popular support. It was obvious that Botha's strategy of reform initia-

tives combined with repression had failed to stabilise the internal situation.

To outside observers, and also in the eyes of growing numbers of White South Africans, Apartheid stood exposed as morally bankrupt, indefensible and impervious to reforms. The collapse of global communism, the negotiated withdrawal of Cuban forces from Angola, and the culmination of the South-West African People's Organisation's liberation struggle in the negotiated independence of Namibia – formerly South-West Africa, administered by South Africa as a League of Nations mandate since 1919 – did much to change the mindset of Whites. No longer could Whites demonise the ANC and PAC as fronts for international communism.

White South Africa had also changed in deeper ways. Afrikaner nationalism had lost much of its *raison d'être*. Many Afrikaners had become urban, middle class and relatively prosperous. Their ethnic grievances and attachment to ethnic causes and symbols had diminished. A large part of the NP's core constituency was ready to explore larger national identities, even across racial divides, and yearned for international respectability. Apartheid increasingly seemed more like a straitjacket than a safeguard. In 1982, disenchanted hardliners split from the NP to form the Conservative Party, leaving the NP open to more flexible and modernising influences. After this split, factions within the Afrikaner élite openly started to pronounce in favour of a more inclusive society, causing more friction with the NP Government, which increasingly became militaristic and authoritarian.

A number of business, student and academic Afrikaners held meetings publicly and privately with the ANC in exile. Secret talks were held between the imprisoned Nelson Mandela and government Ministers about a new dispensation for South Africa, with Blacks forming a major part of it.

Inside the country, mass action became the order of the day. Petty Apartheid laws and symbols were openly challenged and removed. Together with a sliding economy and increasing international pressure, these developments made historic changes inevitable.

The First Decade of Freedom

After a long negotiation process, sustained despite much opportunistic violence from the right wing and its surrogates, and in some instances sanctioned by elements of the State, South Africa's first democratic election was held in April 1994 under an interim Constitution.

The interim Constitution divided South Africa into nine new provinces in place of the previous four provinces and 10 'homelands', and provided for the Government of National Unity to be constituted by all parties with at least 20 seats in the National Assembly.

The ANC emerged from the election with a 62% majority. The main opposition came from the NP, which gained 20% of the vote nationally, and a majority in the Western Cape. The Inkatha Freedom Party (IFP) received 10% of the vote, mainly in its KwaZulu-Natal base. The NP and the IFP formed part of the Government of National Unity until 1996, when the NP withdrew. The ANC-led Government embarked on a programme to promote the reconstruction and development of the country and its institutions. This called for the simultaneous pursuit of democratisation and socio-economic change, as well as reconciliation and the building of consensus founded on the commitment to improve the lives of all South Africans, in particular the poor. It required the integration of South Africa into a rapidly changing global environment.

Pursuit of these objectives has been a consistent focus of government during the First Decade of Freedom, seeking the unity of a previously divided society in working together to overcome the legacy of a history of division, exclusion and neglect.

Converting democratic ideals into practice required, among other things, initiating a radical overhaul of the machinery of government at every level, towards service delivery, openness, and a culture of human rights. It has required a more integrated approach to planning and implementation to ensure that the many different aspects of transformation and socio-economic upliftment cohere with maximum impact.

A significant milestone in the democratisation of South Africa was the exemplary Constitution-making process, which in 1996 delivered a document that has evoked worldwide admiration. So too have been the elections subsequent to 1994 – all conducted peacefully, with high levels of participation compared with the norm in most democracies, and accepted by all as free and fair in their conduct and results.

Local government elections during 1995 and 1996, and then again in 2000 after the transformation of the municipal system, gave the country its first democratically elected non-racial municipal authorities.

Since 2001, participatory democracy and interactive governance have been strengthened through the practice of *Imbizo*, in which members of the executive, in all three spheres of government, including The Presidency, regularly engage directly with the public around implementation of programmes of reconstruction and development.

The second democratic national election in 1999 saw the ANC majority increase to just short of two-thirds and the election of Mr Thabo Mbeki as President in succession to Mr Nelson Mandela. It saw a sharp decline of the NP (now the New National Party [NNP]) and its replacement by the Democratic Party, led by Mr Tony Leon, as the official opposition in Parliament. These two parties formed the Democratic Alliance, which the NNP left in 2001.

Although the new Constitution does not provide for a Government of National Unity, the Government continued to include representatives of opposition parties, namely the IFP, later the Azanian People's Organisation, and the NNP.

The Truth and Reconciliation Commission (TRC), under the leadership of Archbishop Desmond Tutu, helped inculcate a commitment to accountability and transparency in South Africa's public life, at the same time helping to heal wounds inflicted by the inhumanities of the Apartheid era.

During 2003, Parliament accepted the Government's response to the final report of the TRC. Out of 22 000 individuals or surviving families appearing before the Commission, 19 000 were identified as needing urgent reparation assistance – virtually

all, where the necessary information was available, received interim reparations. As final reparations, government is providing a once-off grant of R30 000 to individuals or survivors who appeared before, and were designated by, the TRC, over and above the programmes for material assistance. There will also be systematic programmes to project the symbolism of the struggle and the ideal of freedom. These include the Freedom Park Monument and other symbols and monuments, and such matters as records of history, remaking of cultural and art forms, and geographical and place names.

The ethos of partnership informed the establishment of the National Economic Development and Labour Council. It brings together government, business, organised labour and development organisations to confront the challenges of growth and development for South Africa in a turbulent and globalising international economy.

The Presidential Jobs Summit in 1998 and the Growth and Development Summit (GDS) in June 2003 brought these sectors together to collectively take advantage of the conditions in South Africa for faster growth and development. At the GDS, a comprehensive set of agreements was concluded to address urgent challenges in a practical way and speed up job-creating growth and development.

Partnership between government and civil society has been further strengthened by the creation of a number of working groups through which sectors of society – business, organised labour, higher education, religious leaders, youth and women – engage regularly with the President.

From the start, government placed emphasis on meeting basic needs through programmes for socio-economic development such as the provision of housing, piped water, electricity, education and healthcare, as well as social grants for those in need.

The impact of these programmes is seen in the increased proportion of South Africans who now have access to these basic services. This has been achieved despite a social revolution reflected in smaller household sizes (with the number of households growing almost three times faster than the population) and therefore many more households needing basic services.

Another priority has been the safety and security of citizens, requiring both transforming the police into a service working with the community, and overcoming grave problems of criminality and a culture of violence posed by the social dislocations inherited from the past. By the end of the first decade of democracy, crime levels had been stabilised and in many categories were beginning to decrease.

On the economic front, the key objectives have been job creation, poverty eradication, reduction of inequality and overall growth. There has been progress in rebuilding the economy, in particular with the achievement of macro-economic stability and the initiation of programmes of micro-economic reform. But unemployment remains a major challenge – the number of jobs created has not been enough, as the economically active population has grown faster, and the economy needs more skilled workers. By the end of 2004, growth was accelerating and there were signs of the beginnings of a reduction in unemployment.

The integration of South Africa into the global political, economic and social system has been a priority for democratic South Africa. As a country isolated during the Apartheid period; an African country; a developing country; and a country whose liberation was achieved with the support of the international community, it has been of critical importance to build political and economic links with the countries and regions of the world, and to work with others for an international environment more favourable to development across the world, and in Africa and South Africa in particular.

The South African Government is committed to the African Renaissance, which is based on consolidation of democracy, economic development and a co-operative approach to resolving the challenges the continent faces.

South Africa hosted the launch in 2002 of the African Union (AU), a step towards further unification of Africa in pursuit of socio-economic development, the Organisation of African Unity having fulfilled its mandate to liberate Africa. President Mbeki chaired the AU for its founding year, handing over the chair to President Joaquim Chissano of Mozambique in

July 2003. In 2004, the AU decided that South Africa should host the Pan-African Parliament and it met for its second session in South Africa, the first time on South African soil in September of that year.

By participating in UN and AU initiatives to resolve conflicts and promote peace and security on the continent – in among others the Democratic Republic of Congo, Burundi and Sudan – South Africa has been contributing to the achievement of conditions conducive to the entrenchment of stability, democracy and faster development.

Through the New Partnership for Africa's Development (NEPAD), the development programme of the AU, South Africa works with the rest of the continent and its partners in the industrialised world for the development and regeneration of the African continent.

Democratic South Africa has sought to play an active role in international and multilateral organisations. During the First Decade of Freedom, it acted at various times as chair of the Southern African Development Community, NAM, AU and the Commonwealth Heads of Government meeting. It has played host to several international conferences, including the United Nations Conference on Trade and Development in 1996, the 2000 World AIDS Congress, World Conference Against Racism in 2001, World Summit on Sustainable Development in 2002, and the World Parks Congress in 2003. South Africa is playing an increasing role in multilateral institutions – for example the Minister of Finance has been a member of the International Monetary Fund's Development Committee since 2002, and the National Commissioner of the South African Police Service was elected President of Interpol in 2004.

South Africa has proved itself too as a venue for the world's major sporting events, and is busy as a nation preparing to host the 2010 Soccer World Cup Tournament.

During 2004, South Africa celebrated 10 years of freedom. There were also celebrations across the world, in countries whose peoples had helped bring freedom to South Africa through their solidarity, and are today partners in reconstruction and development.

The *Towards a Ten Year Review* initiated by government during 2003 documented the great progress that South Africans have made in pursuit of their goals, as well as the challenges that face the nation as it begins the second decade of its freedom, at the beginning of the 21st century. Some of these challenges are shared with the rest of the world, especially developing countries. Globalisation, the digital divide, poverty, HIV and AIDS, and creating conditions conducive to sustainable development are some of the critical issues for which the nation is seeking solutions in partnership with others.

Other challenges are specific to South Africa. Among them are: the further strengthening of social partnerships for the development of South African society, the eradication of poverty, improving the performance of the State, addressing the consequences of the social transition that has followed the end of Apartheid, and improving the regional environment and implementing NEPAD. Meeting these challenges, the *Ten Year Review* concluded, is

essential to taking the country to a path of faster growth and development that is needed to sustain and even surpass the progress of the First Decade.

By the end of 2004 all indicators pointed to conditions conducive to meeting these challenges. In its third democratic elections in April, the country gave an increased mandate to the Government's programme for reconstruction and development and for the entrenchment of the rights inscribed in the Constitution. Economic growth has since 2000 been sustained at the equivalent of a steady 3% a year and was increasing. The sense of national unity among South Africans and confidence in the direction of the country were at levels not seen since the dawn of freedom in 1994.

The fabric of South African society is continually changing, creating not only new challenges but also greater stability and peace, and laying the foundation for a society in which the individual and collective human potential of the nation can come to full fruition.

Acknowledgement

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Overview

Introduction

Democracy presented government with twin challenges:

- institutional transformation and the introduction of new policies in line with the democratic Constitution
- dealing with the legacy of Apartheid in South Africa while integrating the country in a rapidly changing global environment.

From 1994, the State has set out to dismantle Apartheid social relations and create a democratic society based on equity, non-racialism and non-sexism. New policies and programmes have been put in place to dramatically improve the quality of life of all the people.

This process, defined in the Reconstruction and Development Programme (RDP), has been elaborated in all post-1994 policies. The RDP identifies the following key objectives:

- meeting basic needs
- building the economy
- democratising the State and society
- developing human resources
- nation-building.

The RDP objectives were elaborated to include more specific priorities of different clusters and departments. In 2003, government conducted the *Towards a Ten Year Review* to see how it had met these objectives through the work of its five clusters, and to assess the challenges of the Second Decade of Freedom.



Governance and Administration Cluster

The first years of democracy saw a new constitutional and legislative framework introduced. The Constitution was adopted in 1996 and an average of 90 Acts of new legislation were introduced per year in the first 10 years.

Within that framework, the South African polity has seen progress in:

- voice and accountability
- political stability
- government effectiveness
- regulatory quality

- integrity and legitimacy of the State and the rule of law
- efforts to expose and deal with corruption.

Achievements

The integration of Bantustan and central government civil services into an integrated public service has been a great success. Plans to create an integrated public service including local government are underway.

Integration increased the number of personnel and expenditure and resulted in the implementation of Resolution 7 of the Public Service Co-ordinating Bargaining Council Agreement to address the restructuring of the Public Service. This involved the

identification of skills with job descriptions and the retraining of staff. The Public Service has also come close to meeting its targets of representivity – previously disadvantaged people, mainly Africans, now make up 72% of the Public Service.

The introduction of a Senior Management Service improved conditions with the aim of retaining and attracting skilled personnel in the Public Service. There is more stability in the top echelons although a general lack of technically skilled personnel at all levels is a matter of concern. This is particularly acute in provincial and local government. Career-pathing, especially at the highest levels of the Public Service, is not yet fully developed, and skilled and experienced personnel developed since 1994 are being lost to the private sector.

In the 10 years since 1994, some 60 public entities have been created to allow flexibility in conditions of service, to retain income from revenue raised, to expedite systems such as procurement, to ensure operational autonomy and to implement commercial principles and practices. They receive considerable State funding and employ about 288 983 people. The challenges facing them, which government is addressing, relate to performance, corporate governance and in some cases orientation to the Government's overall development objectives.

The introduction of the Public Finance Management Act (PFMA) in 1999 improved accountability in government and to Parliament. Implementation of the PFMA and the change to a medium-term budget cycle have improved budgeting and national and provincial financial management. The challenge remains to include local government within government's budgeting and planning cycles. The recently approved National Planning Framework has enhanced integration in strategic policy prioritisation and improved policy decisions. This includes the National Spatial Development Perspective (NSDP), which facilitates dialogue between and within spheres about the country's spatial priorities for infrastructure investment and development spending. The introduction of Integrated Development Plans (IDPs), as well as the Cluster approach, the Forum of South African Directors-General, the

Presidential Co-ordinating Council and the restructured Cabinet committees have all contributed to better co-ordination of policy-making and implementation. Work is continuing to ensure alignment of the major planning tools of government i.e. IDPs, the Provincial Growth and Development Strategy (PGDS), National Planning Framework, Medium Term Expenditure Framework (MTEF) and the NSDP.

In efforts to improve service delivery, 63 Multi-Purpose Community Centres (MPCCs) had been set up by November 2004 to provide information and services to the public. The aim was to establish one per district/metro by the end of the 2004/05 financial year and then expand them to each municipality in the next decade. This is being complemented by the decision taken in 2003 to introduce Community Development Workers (CDWs) to enhance access to the benefits of government's socio-economic programmes. The key function of these multiskilled CDWs is to maintain direct contact with the public. By October 2004, 497 CDWs had been recruited particularly in Urban Renewal and Integrated Sustainable Rural Development Programme nodes. The e-Government Programme will also help improve service to citizens. Phase One of the *Batho Pele* e-Government Gateway was launched in August 2004, with a portal at www.gov.za and the call centre number 1020. Nine MPCCs and 55 Citizen Post Offices have so far been linked to the Gateway Portal.

Since 1994, government has initiated various anti-corruption programmes and projects. In March 1997, the departments responsible for the South African National Crime Prevention Strategy (NCPS) initiated a programme to work on corruption in the criminal justice system (CJS). In June 1997, the Code of Conduct for the Public Service became part of the regulations for every public servant.

To promote effective implementation of government's Programme of Action, the first phase of a government-wide Monitoring & Evaluation (M&E) System was launched. Government departments report every two months on progress against set deadlines and targets in the Programme. This information is also available online to promote public accountability.

Challenges

A major challenge for the next decade arising from the *Ten Year Review* is improved performance by the State to achieve policy objectives that are largely correct.

Over the past 10 years, a major new architecture of institutions has been created for the State, spanning the three spheres of government. Many of government's procedures and practices have been revised in line with international best practice. Significant personnel mobility has brought in new skills and motivated people, though it has also led to the loss of experience and institutional memory, especially with regard to civil servants recruited after 1994. The combined impact of these changes has meant that State institutions are still undergoing significant growing pains and face the danger of a permanent and debilitating state of flux.

The Review suggests that the capacity and performance of all spheres of the State need to be more critically assessed, and that national or provincial government may need to intervene much more quickly where there is evidence of poor performance. In line with current interventions in the Eastern Cape, the national Government may have to show its strong commitment to improving performance where institutions persistently demonstrate weaknesses of governance. This should happen as an evolutionary process of creating a uniform public service across all three spheres unfolds.

The State has made significant progress in recent years in improving policy co-ordination within and across spheres of government, but these efforts need to be further consolidated with greater attention to implementation, now that the basic policy frameworks of the democratic dispensation have been created.

Research commissioned for the Review suggests that the needs of local government are most critical, with most municipalities not having the requisite capacity to perform their service delivery functions. This means that while government should make every effort to work within the current framework of institutions and practices, where serious capacity constraints persist, government may need to consider changing responsibilities and structures, as is

being done with the introduction of a National Social Security Agency.

Two challenges arise from this. Firstly, how to ensure realisation of a national vision in actual practice given the relative autonomy of each sphere of government in critical areas of social delivery. Secondly, whether there is a case for differential or asymmetric allocation of responsibility, assigning more responsibility where there is capacity to undertake functions beyond the provisions of the Constitution, and inversely to effect necessary interventions where such capacity does not exist, even if matters have not reached the stage requiring invocation of Section 100 of the Constitution.

Government also needs to further promote the participation and interaction of the people with the State. Since 1994, the State has provided many new opportunities for ordinary people to become involved in governance, ranging from ward committees, the IDP process, Chapter 9 institutions, the National Economic Development and Labour Council (NEDLAC), and the management of pension funds and workplace fora. Yet, actual participation in such structures and/or the capacity to take advantage of their existence has been limited mainly to interest groups, or hindered by considerations of short-term self-interest. Government should seek new ways of encouraging ordinary people to utilise their freedom. Related to this are the initiatives pertaining to CDWs, M&E, massive expansion of the MPCC project and Gateway as well as further expansion of *Imbizo* as a platform for interaction between government and the people.

Conclusion

The policies for Governance and Administration in the First Decade of Freedom were largely the required interventions. Most institutions are operating effectively although the stabilisation of the intergovernmental system needs improvement. More flexibility in the Public Service will make it more responsive to public needs. Government must continue with what it has started, only more diligently and more vigorously. Improved capacity of the State to deliver social services requires greater capacity in national departments and

attention to some provincial and local weaknesses. Compliance with regulations is high, but there are some weaknesses with regard to government's capacity to involve the informal sector in adhering to their civic obligations. Success in fighting corruption is slow but notable.

The key challenges for the next decade include:

- improving service delivery by building the necessary institutions and initiatives
- using the NSDP to focus government's attention on localities with greatest potential for development and poverty alleviation while rebuilding other areas
- improving the capacity of provincial and local government especially where it impinges on service delivery and financial management
- improving accountability to, and contact with, citizens by all levels of government
- developing and maintaining partnerships with civil society with the emphasis on practical programmes
- providing leadership to social partners through the articulation of an encompassing framework for South Africa's development in the next decade and beyond
- developing and implementing the M&E system.

Social Cluster

The central programme of the social sector focuses on poverty alleviation through a range of programmes that address income, human capital and asset poverty. It is in this intersection between access to services, income and assets that the issue of overall poverty trends since 1994 should be examined.

Inequality, as measured at household level before and after factoring in social spending by the State, shows that the impact of social spending (including the tax effect) reduced the degree of inequality massively due to a redirection of spending to the poor since 1994 (see *Towards a Ten Year Review*).

Income poverty alleviation

According to Statistics South Africa, it is estimated that in 1995 about 28% of households and 48% of

the population were living below the estimated poverty line – calculated on the basis of expenditure, thus excluding access to services and assets. In 1999, there were 3,7 million such households out of 11,4 million (just under 33%) living below the poverty line. Part of this increase in household income poverty would be due to large-sized poor households unbundling into smaller households. The unbundling has the effect of removing additional income earners from the household and would therefore reflect an increasing number of households being classified as poor.

On average, poor households were living with incomes about 12% below the poverty line, in line with many comparable developing economies.

Apart from not including the impact of the social wage on alleviating asset and human capital poverty, these trends do not reflect developments since 2000, including the further expansion of social grants.

At least two major government programmes address income poverty in the form of income grants and Public Works programmes.

Income grants

Social grants are no longer allocated on a racial basis as they were under Apartheid. Grants are currently targeted at pensioners, poor families with children, war veterans, foster care and grants in aid for families taking care of children and people in need. Expenditure on these grants increased 3,7-fold between 1994 and 2004 from R10 billion to R37,1 billion, and the number of beneficiaries grew from 2,6 million to 7,9 million in 2004.

Public Works programmes

The Working for Water Programme had spent about R1 billion to date, clearing 1 120 000 hectares (ha) and creating 22 718 jobs. The Landcare Programme had spent R25 million and implemented 23 projects which rehabilitated 48 000 ha and created some 7 000 jobs. In the period before its massive expansion in 2004, the Public Works Programme saw, between 1998 and 2002, a tenfold growth of expenditure from R181 000 to R1 197 million, and employment of 124 808 people.

Asset poverty alleviation

Housing and shelter

Between 1994 and 2003, about 1,985 million subsidies were approved for an expenditure of R24,22 billion between 1994 and 2002. As a result of the housing programme, housing ownership increased from 46,5% in 1995 to 69,8% in 2001.

Land

Since 1994, 1,8 million ha of land have been transferred under the redistribution programme to about 137 478 households. By 2002, the cut-off date for claims for restitution, about 69 000 claims had been lodged of which 72% were urban and 28% rural. By March 2004, 48 825 claims had been settled and more than 810 292 ha of land were transferred to beneficiaries. For urban claims, there has mostly been financial compensation for victims of forced removals and the total compensation made as of December 2002 is R1,2 billion. For rural claimants, the restitution mainly takes the form of restoration of land.

Water and sanitation

The proportion of households having access to clean water increased from 60% in 1995 to 85,5% in 2003. By November 2004, 10 million people had, since 1994, gained access to a basic clean water supply. Access to sanitation increased from 49% of households in 1994 to 63% in 2003.

Electrification

By 2001, 70% of households in South Africa had an electrical connection, compared with 32% in 1992. Only 49,1% of households were using electricity for heating purposes in 2001. Among rural households, 52% were receiving electricity in 2001 compared with 80% of urban households.

Transport

Transport subsidies increased from R2,9 billion in 1999/00 to about R3,5 billion in 2002/03, funding 1,8 million bus subsidies and 2,2 million rail commuter subsidies. Government was expected to

spend more than R2,1 billion on bus subsidies in the 2004/05 financial year.

Human capital poverty alleviation

Healthcare

To make the health system more equitable, efficient and effective, the Department of Health embarked on a complete transformation of the health delivery system.

- Primary Healthcare (PHC)

By 1996, the proportion of public health spending devoted to PHC had increased from an estimated 11% in 1992 to 21%. Expenditure on non-hospital-based PHC grew from R58 per person in 1992/93 to R141 per person in 2002/03, and is set to increase to R183 by 2005/06.

- Clinic-Building and Upgrading Programme

Between 1994 and 2004, over 1 200 new clinics were built. A further 252 clinics underwent major upgrading such as the building of new maternity units, and 2 298 clinics received new equipment and/or underwent minor upgrading. Some 113 'visiting points' were also built. Altogether, 7 200 new permanent posts for nursing staff, 3 800 permanent cleaning and security posts, and 19 900 temporary construction jobs were created.

- Free healthcare

The Free Healthcare Policy, which started in 1994 with pregnant and lactating mothers and children under six years, and in 1996 extended to cover all PHC services for everyone in the public health system, resulted in more outpatient visits. For paediatric cases, attendance increased by 102% and for pregnant women by 29,8%.

- Expanded Programme on Immunisation

The Expanded Programme on Immunisation provides children with immunisation against such communicable diseases as measles, diphtheria, tetanus, whooping cough, polio and tuberculosis (TB), Hepatitis B and Haemophilus Influenza Type B. Full immunisation coverage at the age of one year has improved from 63% in 1998 to 72% in 2002, thereby contributing to the eradication of polio and the elimination of deaths due to

measles since 1999. The routine coverage for oral polio vaccine grew from 74% in 1998 to 89% in 2003.

- **Primary School Nutrition Programme (PSNP)**

The PSNP has achieved 95% coverage of eligible and targeted learners and reached about 4,5 million learners in 2002/03.

- **HIV and AIDS**

The response to HIV, AIDS and sexually transmitted infections was fairly limited before 1994, and focused predominantly on the provision of condoms and information, education and communication. Dedicated expenditure on HIV and AIDS programmes across national departments increased from about R30 million in 1994 to R342 million in 2001/02. This excludes allocations from provincial equitable share. Expenditure is further set to increase to R3,6 billion in 2005/06. This increased expenditure funds a comprehensive prevention, care and treatment programme.

Antenatal surveys showed HIV prevalence rates, which increased rapidly to 1998 (22,8%) from 0,7% in 1990, stabilising from around 22,4% in 1999, 24,5% in 2000 and 24,8% in 2001. The same research showed the prevalence of syphilis among pregnant women decreasing from 6,5% in 1999 to 2,8% in 2001. Behavioural studies indicate extended abstinence, increase in condom use and a drop in the number of sexual partners in younger age categories.

- **National TB Control Programme**

In 1995, a revised National TB Control Programme was established, based on the Directly Observed Treatment Short Course (DOTS) Strategy. While improvement rates are not reaching the national target of an 85% cure rate, cure rates in health districts that have adopted the DOTS approach are consistently better than non-DOTS districts for new smear-positive patients. The main problems remain high rates of treatment interruptions and transfers (internal migration). The problem of TB is exacerbated by the development of multi-drug resistance.

- **Malaria control**

As a result of the Malaria Control Programme, the number of malaria cases dropped from

64 622 in 2000 to 26 506 in 2001 and 15 619 in 2002. Malaria deaths in 2001 were 74% less than in 2000 and by 2002 numbered 96.

Education

Expenditure on education is the largest single budgetary item in South Africa and increased from about R43 billion to about R70 billion between 1999/00 and 2003/04. This has translated into an increase in mean per learner spending from R1 556 to R3 600 in 2001. There was also a 60% improvement in equity of distribution. The poorest learners in the system have seven times more per-capita public spending than the least poor learners.

With regard to Early Childhood Development participation in the reception year, enrolment increased from about 150 000 to 280 000 between 1999 and 2002.

Net primary enrolment rates have remained steady at about 95,5% since 1995, and secondary participation rates are currently about 85%, indicating an increase of about 15 percentage points since the early 1990s. The learner-to-facility ratio declined from 43 to 1 in 1996 to 38 to 1 in 2001.

Pass rates in the matric examination increased from 53,4% in 1995 to 61,7% in 2002 and 73,3% in 2003. Tertiary gross enrolment rates in South Africa were about 15,4% in 2002, representing an increase in enrolment by 50% since 1996. Some international comparisons are Finland (84%), Bulgaria (43%), Chile (38%), Malaysia (23%), Cuba (21%), Tunisia (19%), Brazil (15%), Namibia (6%) and Kenya (1%).

General outcomes of education programmes are indicated by an increase in literacy rates from 85,9% in 1996 to 89% in 2001. The percentage of people aged 20 years and above with no schooling declined from 19,3% in 1996 to 17,9% in 2001, while those who had completed matric increased from 16,4% to 20,4%. Higher-education completion was achieved by 2,2% more people in 2001.

Conclusion

The social-sector programmes have helped address the Apartheid legacy of poverty and inequality. But the challenge of eradicating poverty and other social

ills is compounded by societal dynamics set in motion in part by the transition itself. Among these are the decrease in the average size of households and the corresponding increase in the number of households, rapid labour force growth and an increase in rural-urban migration. These trends sharpen the challenges for the social sector and government as a whole in the coming period.

Economic Cluster

Policy framework

The RDP has framed the Government's social and economic development programme since the first democratic election in 1994. Its main elements were: build the economy; meet basic needs; democratise the State and society; develop human resources; and build the nation. In 1996, the Growth Employment and Redistribution (GEAR) programme was introduced to provide a clearer macro-economic framework for stable and accelerated growth. In 2001, the National Treasury shifted towards a more expansionary stance, having won credibility from financial markets for conservative and predictable macro-economic policies. In the same year, elements of the Micro-Economic Reform Strategy (MERS) were introduced, and formalised in Cabinet in early 2002.

Macro-economic stability

The budget deficit has come down from 9,5% of Gross Domestic Product (GDP) (including the deficits of the Bantustans) in 1993 to fractionally over 1% in 2002/03. Total public-sector debt has fallen from over 64% of GDP in 1994 to barely 50% of GDP. The net open forward position of the Reserve Bank fell from \$25 billion in 1994 and \$22,5 billion in 1998 (the highest level since 1994) to zero in 2003, and foreign reserves rose from one month's import cover to over four month's import cover. Inflation fell from over 15% in the early 1990s to under 1% in 2004 (CPI), and interest rates fell to the lowest level since the early 1980s. South Africa achieved a level of macro-economic stability it had not seen for 40 years. These advances create opportunities for real increases in expenditure on social services, reduce

the costs and risks for all investors, and therefore lay the foundation for increased investment and growth.

Investment

Investment currently averages around 16% of GDP, much lower than the over 25% of GDP recorded in the early 1980s and in previous decades. Private-sector investment fell from 17% of GDP to as low as 12%, and broad public-sector investment fell from around 12% of GDP to 4%. Private investment fell due to great uncertainties and economic isolation before 1994, and due to a lack of confidence in the new Government's ability to turn the economy around after 1994.

However, since 1999, both private- and public-sector investment have entered a rising trend, supported by strong inflows of foreign capital, mostly in portfolio investment, but increasingly in foreign direct investment (FDI) as confidence in the Government's economic and broader policies grows.

Growth and wealth

On average, per-capita growth was negative in the decade before 1994. Since then, the economy has grown at a rate of 2,94% per annum, on average. If the Asian crisis years of 1998 and 1999 are ignored, the average growth rate was 3,3%. Either number is a considerable improvement on the two decades before 1994. Real per-capita growth has been about 1% per year since the beginning of 1994. In other words, on average, South Africans grew wealthier at about 1% per year since 1994. In comparison with strong growing economies, this is a mediocre performance, although it is a steady but unspectacular performance compared with most developing economies.

Employment

Drawing on official surveys between 1995 and 2004, the number of people employed in South Africa appears to have grown from 9 557 185 to 11 984 000. This suggests over 2,4 million net new jobs. However, during the same period, the number of unemployed people grew from 1 909 468 to 4 532 000, an increase of about 2 623 000 accord-

ing to the strict definition. This reflects a considerable increase in the numbers of those seeking work, which now includes a greater proportion of women from rural areas. Figures show that in 2002, out of a total of 8,9 million employees, 1 115 000 were temporary (12,5%), 567 000 were casual (6,4%), 365 000 had fixed-term contracts (4,1%) and 62 000 were seasonal (0,7%).

Trade reform, industrial restructuring and industrial policy

Reform of trade and industrial policies is reflected in an improved balance of trade and a shift from primary exports to higher value-added secondary and tertiary exports. This is due to the Government's success in promoting trade liberalisation within a multilateral rules-based global trading regime, and its use of supply-side measures.

Key initiatives included the renegotiation of the Southern African Customs Union (SACU) Agreement; the negotiation of a Southern African Development Community (SADC) free trade agreement (FTA); and the negotiation of a bilateral trade and development agreement with the European Union (EU). The unilateral American Africa Growth and Opportunity Act provision has also aided South Africa's exports. These agreements contribute to new trade activity and to new FDI into South Africa. South Africa is a leading developing country participant in the Doha Round of the World Trade Organisation (WTO); has entered free trade talks with the United States of America (USA); is pursuing an FTA with the Latin American members of the MERCOSUR; and is discussing possible bilateral trade agreements with India and China.

In the late 1990s, government's emphasis shifted in two main respects: firstly, incentive programmes were extended beyond traditional manufacturing sectors; and secondly, key industries were targeted for special attention. These include growth sectors like autos and tourism, and cross-cutting sectors like Information and Communications Technology. The sectors are now becoming a focus for the allocation of supply-side support, including funds for technology and human research development (HRD).

State enterprise restructuring

Policy on State-Owned Enterprises (SOEs) focuses primarily on the key economic sectors of telecommunications, energy, defence supplies and transport. Reforming the SOEs aimed at improving the access of the historically disadvantaged to services such as telecommunications and electricity; increasing efficiencies and hence reducing costs; and using the revenues earned through the disposal of State assets to reduce public debt. One major concern was that restructuring had to be carefully managed as the SOEs employed tens of thousands of workers. Another was that in restructuring corporations, Black Economic Empowerment (BEE) should be encouraged.

An objective achieved unambiguously was the reduction of public debt, by R24 billion. Other consequences include the creation of a more entrepreneurial class of those interested in restructuring activities, the advancement of regulation, the opening up some industries to competition, and the widening of share-ownership. Commercialisation and/or partial privatisation led to the reduction in public debt, by raising funds from the private sector, thereby reducing pressure on the fiscus, and creating an environment for competition. Within the policy framework, greater competition and further improvements to the regulatory environment should ensure that nationally strategic services such as energy, transportation and telecommunications are provided at low cost and high quality. As in the rest of the economy, there has been a shift of jobs mainly from sunset to sunrise sectors (e.g. cellphones) and due to the improvement of business processes and the introduction of new technology. In recent years, oversight over financial, economic and socio-developmental activities of SOEs has been tightened to ensure that SOEs are aligned to the objectives of the developmental State.

Regulatory quality, labour legislation and taxation

In restructuring State assets and liberalising previously monopolised markets, new systems of regulation have been established. These include new regulators in the transport, telecommunications and

energy sectors. Though South African regulators are relatively well endowed by developing country standards, they are poorer than the corporations they regulate. Relations between the regulators, their boards/councils, and government vary considerably; even regulators that have similar functions.

South Africa has progressed in introducing and amending labour laws that give employers and employees certainty and security in the employment contract. A huge fall in person-strike-days per year bears testimony to the success of the policy. The balance between the degree of job security and the kind of labour market flexibility that encourages employers to take on new employees is still being fine-tuned.

Company taxation meets South Africa's needs and is consistent with international practice. However, there are some concerns. On the one hand, there are concerns that 'creeping' forms of taxation are clouding the clarity of the basic system. For example, the skills levy on wages, the obligations of empowerment programmes, and municipal rates and levies. On the other hand, further qualitative reductions in corporate tax in the current period may generate further social polarisation. There is also the question whether there is scope for the design of the tax system to further support developmental objectives.

Competition

New competition authorities, established under the Competition Act of 1998, delivered a stronger performance than their predecessors. The competition authorities have not yet been as effective in the field of combating prohibited practices, except where those practices are specifically outlawed, compared with their merger control function. Industry concentration remains high in some sectors in South Africa, with conglomerates of the 1980s having given way to industry-focused powerhouses.

Small, micro and medium business sector development

The Small Business Council, Khula Enterprise Finance Corporation and Ntsika Enterprise Promotion Agency have made modest impact, though the

Manufacturing Advisory Centre programme is considered world-class. The contribution of the small, medium and micro-enterprise (SMME) sector to GDP and employment indicates the limited role that this sector is playing in the South African economy. Small and medium enterprises contribute less than half of total employment; 30% of total GDP; and one out of five units exported.

Skills development

Large numbers of unskilled workers are unemployed, but employers cite a shortage of semi-skilled and skilled workers as a constraint on expansion. Substantial resources have been directed towards both general education and skills training, and government has restructured institutions that deliver education and skills. Both public- and private-sector employers have been slow in taking advantage of the training opportunities available despite the skills shortage being cited as one of their major constraints. However, performance is improving, and the focus on the performance of the Sector Education and Training Authorities should yield better results. The target of 72 000 completed learnerships for the unemployed was exceeded in 2004.

There are many young unemployed matriculants and even graduates of technikons and universities. The percentage of unemployed graduates of tertiary institutions grew from 6% in 1995 to 15% in 2002. For Africans, the percentage of unemployed graduates rose from 10% in 1995 to 26% in 2002. School, technikon and university programmes need to be effectively geared towards employability and school-leavers have not had sufficient guidance regarding practical study and career paths.

Empowerment

The proportion of top managers who are Black grew from 12% to 13% between 2000 and 2001, while the number of senior managers grew from 15% to 16%. The proportion of skilled professionals and middle managers grew even more slowly, by 0,2%. Empowerment in the workplace is continuing, but slowly. Progress was slow in extending Black ownership, with a recent estimate of Black equity in public companies indicating 9,4% in 2002, com-

pared with 3,9% in 1997, from being virtually non-existent before 1994. The number of previously disadvantaged individual (PDI) directors of public companies grew from 14 (1,2%) in 1992 to 397 (15,6%) in 2002, but the proportion of PDI executive directors remains very small. These trends are expected to improve with the implementation of the broad-based empowerment programme of government.

As far as women are concerned, their progress in the workplace has been equally slow. Just 13% of top managers in 2001 were women, only 1% more than in 2000. Women in senior management grew a little faster, by 1,7% to 17,7%. Only 74 (3%) of directors of public companies are Black women.

Evidence from the Census suggests that the proportion of Black managers and professionals has increased relative to their White counterparts although the rate of change is still very slow, with the proportion of Black managers, senior officials and legislators rising from 42,5% in 1996 to 44,3% in 2001. Progress in professional, associated professional and technicians shows that Blacks comprised 61,4% of these groupings in 2001, up from 57,6% in 1996.

Innovation and research and development (R&D)

The progress in industrial policy has not yet had major pay-offs in the form of greater levels of domestic innovation, and R&D. Expenditure on R&D fell to 0,69% of GDP in the 1990s, but has since risen to about 0,75%. Government has set up an effective system of national innovation with a number of imaginative innovation-support programmes. Innovation levels would have fallen further had these measures not been introduced. The 2002 R&D Strategy established new, relevant missions for the national system of innovation, which include the Biotechnology Strategy, the Advanced Manufacturing Technology Strategy and the Astronomy Geographical Advantage Programme.

Country economic competitiveness

By most international benchmarking measures, the competitiveness of the South African economy has

improved since the early 1990s. Two key indicators are the improvement and diversification of exports, and the significant improvement in labour productivity. However, most measures still indicate that the availability of skilled labour remains a key weakness. Other concerns are the cost of transport and telecommunications, which are key factors in an economy at such great distance from major world markets. Hence the focus of the MERS on input costs and skills.

Conclusion

The Government has been successful in ensuring macro-economic stability, improving the trade regime, and taking advantage of the country's natural resources, and financial and physical infrastructure. The country's skills base, the volatility of the exchange rate and the interest rate, the cost of input such as transport and telecommunications, lack of competition in the domestic market, and poor perceptions of Africa and southern Africa held back higher rates of investment. While competition from Asia, slow improvements in skills and input costs, and weaknesses in implementation have held back progress, investment trends have turned strongly positive since 1999.

Justice, Crime Prevention and Security (JCPS) Cluster

The departments in the JCPS Cluster, like others, were affected by the Apartheid legacy. They lacked integrity and legitimacy. Their main functions were vague and ambiguous and largely directed at maintaining Apartheid.

Government was therefore faced with enormous challenges of amalgamating, rationalising and transforming these departments to protect the new Constitution, including redirecting mandates and functions to focus on combating and preventing crime and improving national security.

This included new legislation and mechanisms to create constitutionally mandated bodies such as the Constitutional Court and other judicial commissions,

and to establish civilian oversight and monitoring structures.

Upholding the rule of law has been greatly improved by the transformation of the judiciary, particularly through the following activities:

- affirming the supremacy of the Constitution in South Africa
- establishing the Judicial Services Commission
- integrating the judiciary into a single entity with rationalised jurisdictions
- demographic changes in relation to race and gender of the judiciary.

Reducing crime

The NCPS emphasised that crime was not purely a security or law-enforcement issue but that it was also a social issue. Consequently, it gave equal importance to preventing crime on the one hand and combating it on the other.

In respect of social crime prevention, government has implemented several interventions, particularly in development nodes and these resulted in significant reductions in the levels of crime in those areas in particular.

The Cluster, acting in consultation with the provincial administrations, is planning to profile the priority police stations areas, on the basis of which the relevant developmental projects that should prevent crime would be developed.

The responsibility to implement such projects would rest with the Social and Economic clusters, the provincial administrations and local government authorities.

The National Crime Combating Strategy (NCCS) evolved as an operational element of the NCPS that focused on reducing crime in the select and priority crime spots that accounted for 50% of all crime – particularly violent crime – in the country.

The NCCS has stabilised levels of crime, particularly in the 145 police-station areas that accounted for over 50% of all crime. Furthermore, law-enforcement agencies, in co-operation with other departments, were able to identify and neutralise several organised-crime syndicates.

Government faces the twin challenges of sustaining the NCCS and vigorously implementing social

crime-prevention initiatives in a more co-ordinated and structured manner. This requires integrated implementation in all spheres of government. Furthermore, for the Cluster to effectively implement social crime prevention, new programmes have to be developed and sustained in partnerships with organs of civil society.

Crime trends, 1994/95 – 2003/04

Crimes recorded by the South African Police Service (SAPS) over the past 10 years show crime to be decreasing and/or stabilising. The total of all crimes recorded by the SAPS increased slowly from 1994/95 and then began to decrease from 2001/02. Trends for contact crime and property crime follow a similar trend.

Trends for murder consistently decreased from 1998/99 to 2003/04. In the past 10 years, the murder rate has decreased by 36%. Trends for rape have been relatively stable since 1994/95 and decreased moderately from 2002/01 to 2003/04. On the contrary, trends for attempted murder, assault with grievously bodily harm (GBH) and common assault have been steadily increasing.

From 2002/03 to 2003/04, trends for all these crimes decreased. Murder decreased by 9%, attempted murder by 18%, and common assault and assault with GBH by 3% and 4% respectively.

Reported robberies recorded by the police, especially in social-economically depressed areas, have been steadily increasing since 1994/95 though common robberies decreased moderately between 2002/03 and 2003/04. The increase in robbery correlates with a high number of street robberies and muggings recorded by the police in socially depressed areas. On the other hand, high-profile robberies such as car- and truck hijacking, cash-in-transit heists and bank robbery decreased tremendously between 1996/97 and 2003/03. These gains result from collaboration and integrated law-enforcement operations by the JCPS Cluster.

Key areas of interventions

Government has prioritised interventions to deal with some specific crimes. These include: sexual offences, domestic violence, organised crime and corruption,

cross-border crime, taxi violence and regulating the ownership and possession of firearms. The Victim Empowerment Programme has also been a priority of government in addressing the needs of victims.

Sexual offences and domestic violence

The Criminal Law (Sexual Offences Amendment Bill) and Domestic Violence Act of 1998 seek to improve services for victims of these crimes and increase conviction of offenders. Government has introduced the Anti-Rape Strategy, which saw the establishment of Thuthuzela Care Centres to reduce secondary victimisation. Sexual Offences Courts have been set up.

A major challenge pertaining to sexual offences is the high case-withdrawal rate – some 53% of cases referred to court in 2000 were withdrawn.

Dealing with illegal firearms

Reducing the number of illegal firearms in circulation and restricting the issuing of firearms are among key government priorities. Over the past 10 years, government has destroyed over 80 000 illegal firearms. More were destroyed in Operation Rachel (a joint operation with the Mozambican law-enforcement authorities) and in the case of firearms declared redundant by the South African National Defence Force (SANDF) and other State departments.

To further regulate legal firearms in circulation, government passed the Firearms Control Act in 2000 to provide a framework to regulate ownership and the possession of firearms.

The impact of firearms on crime, particularly serious and violent crime, suggests that more interventions are needed to control and reduce the number of both legal and illegal firearms in circulation.

Organised crime

The fight against organised crime was enhanced by the establishment of the Directorate: Special Operations (DSO), which emphasised closer integration between all the law-enforcement agencies, the prosecution service and the intelligence structures, which include the Financial Intelligence Centre. These initiatives and ongoing SAPS operations have yielded some good results. Between 2001/02 and

2003/04, SAPS identified and infiltrated 341 organised-crime groups. Some 977 syndicate leaders and 5 034 syndicate members were arrested. In the same period, the DSO finalised 505 investigations on organised crime, financial crime and corruption. Some 481 prosecutions were finalised, with a 92% average conviction rate.

The Specialised Commercial Crime Courts yielded an average conviction rate of 95% between April 2003 and March 2004. About 129 forfeiture orders amounting to R76 million were executed and assets worth R500 million were frozen.

Effectiveness of the criminal justice system (CJS)

To improve effectiveness of the CJS, the Cluster has introduced programmes and projects to fast-track case flow and reduce the number of awaiting-trial prisoners and prison overcrowding. These interventions include:

- Integrated Justice System Court Centres
- Additional and Saturday Courts
- Specialised Commercial Crime Courts
- Community Courts.

These interventions reduced the average case preparation time from 152 days in 2002 to 79 days by April 2004. District and Regional Courts have improved sitting time from an average 3,5 hours to over four hours. Conviction rates in these courts have increased from 64% to 74%. Since their inception in 2001, the Additional and Saturday Courts have reduced the backlog of cases pending trial by 53 055 cases.

Notwithstanding these gains, the Cluster still faces a challenge in the backlog of cases, coupled with a large number of awaiting-trial detainees and consequent overcrowding in correctional facilities.

In terms of overcrowding, there were 187 065 offenders in correctional service facilities in February 2004, whereas the approved accommodation space was for 113 551 inmates. Of the inmates, 54 750 were awaiting trial and 132 315 had been sentenced.

The number of sentenced prisoners started stabilising from 2003 due to programmes such as Correctional Supervision as well as a review of parole policies. The number of unsentenced inmates

declined from 2000 and stabilised in part due to programmes such as the IJS Court Centres and Additional and Saturday Courts.

The number of children in prisons remains a concern. About 11 610 of the awaiting-trial prisoners were children under the age of 20 years and there were about 5 081 sentenced children in prison by the end of February 2004.

National security

National security is protected, in part, in the context of transforming the notion of national security and the departments that carry out this function.

National security departments continue to play a critical role in peace-support operations in the region and on the continent. Important examples include Lesotho, the Democratic Republic of Congo (DRC), the Comoros, Burundi, and Ethiopia. They have also taken part in disaster-relief operations, notably in Mozambique.

South Africa's territorial integrity is rendered vulnerable by the limited capability of the SANDF, the absence of a national security strategy and a commonly understood national security management system.

However, government has done much with regard to border control, both at ports of entry and in respect of borderline security.

While government has enacted the Regulation of Foreign Military Assistance Act, 1998, its provisions are vague and ambiguous with respect to South Africans who elect to join the national defence forces of foreign countries. Of necessity, such citizens potentially pose a counter-intelligence threat.

Government has attended to several priorities within the realm of national security, including terrorism, the security of government information and systems; and political violence.

Regarding terrorism, it has dealt decisively with urban terror as was carried out by the People Against Gangsterism and Drugs; and the right-wing terror wave of the *Boeremag*; and continues to give attention to international terrorism.

Government further needs to enhance the capacity, co-ordination and readiness of the National Disaster Management System.

Continuing attention is needed to improve the security of government information and systems, among others, through resolute implementation of the Minimum Information Security Standards policy document. There is also a need to tighten regulations that govern the activities and movements of diplomats who are accredited to South Africa.

Government has substantially reduced the level of political violence. Sporadic attacks continue, but without the degree of organisation present in earlier violence. Government is giving priority to instituting community rehabilitation interventions, particularly in areas that were ravaged by violence.

Among the priorities for the next 10 years is the need to entrench the rule of law and enhance national security, with specific attention to:

- further reducing levels of crime, both organised and serious and violent crime
- enhancing co-ordination with the Social and Economic clusters and organs of civil society to vigorously implement social crime-prevention initiatives
- continued improvement of the CJS and its operations
- improving border control
- monitoring extremism and terrorism
- improving the capacity of the security and intelligence departments, including the development of a national security strategy and an effective national security management system.

International Relations, Peace and Security (IRPS) Cluster

Democracy opened a remarkable new chapter in South Africa's international relations. Over the past 10 years, South Africa has established itself as a respected partner and force for good within the community of nations and a leading voice in the developing world for a more progressive, people-centred and multilateral rules-based global system. The new foreign policy reflected, as former President Nelson Mandela argued, 'a revolution in the country's international relations'. Given the Apartheid State's isolated and ignominious past, the country's achieve-

ments in and contributions to international, continental and regional affairs during the First Decade of Freedom have been truly spectacular.

Since 1994, several strategic objectives have informed the work of the IRPS Cluster of departments. Importantly, South Africa's foreign policy revolves around the international pursuit of the country's domestic policies and priorities, particularly as they relate to nation-building, reducing poverty, and creating economic opportunities and a better life for all. To this end, government has pursued the following objectives:

- to normalise, expand and strengthen South Africa's diplomatic relations with the international community
- to protect and promote the country's national interests and values through bilateral and multilateral interaction
- to promote economic development in an interdependent and globalised world through diversified and deepened trade relations, inflows of FDI and regional integration
- to promote and deepen international co-operation in science and technology (S&T)
- to promote international respect for human rights and democracy
- to contribute towards and support initiatives for international peace, security and stability (including international crime prevention and management)
- to prioritise the interests and development of Africa in international affairs
- to promote the agenda of the South through South-South co-operation and North-South partnerships
- to support a strong, effective and equitable multilateral rules-based global order that promotes and protects the interests of developing countries.

International normalisation

South Africa has successfully normalised its diplomatic relations with the world and rejoined all significant regional, continental and multilateral institutions. By May 2004, South Africa had opened 105 diplomatic Missions abroad, with increased defence

and commercial representation. Foreign representation in South Africa by May 2004 included 113 diplomatic Missions, 21 multilateral organisations and non-residential accreditation from 17 countries. This represents a dramatic increase in diplomatic activity from the days of the isolated and ostracised Apartheid State.

Over the past decade, the country was honoured to host a number of important multilateral conferences, including the United Nations (UN) Conference on Trade and Development IX (1996), Non-Aligned Movement (1998), Commonwealth (1999), World Conference Against Racism (2001), African Union (AU) (2002) and World Summit on Sustainable Development (2002). In these fora, South Africa has consistently worked to promote agendas and outcomes that address poverty and the underdevelopment of the South. South Africa also hosted several international sports tournaments and preparations are well underway to host the FIFA Soccer World Cup in 2010.

These conferences and events have raised the country's international profile, generally had a positive impact on the economy, and have favourably maintained South Africa in the global media. The hosting of these events has supported the campaigns of South African Tourism and the initiatives of the International Marketing Council to image, brand and market the country, particularly for attracting an ever-increasing number of tourists.

International tourist arrivals in South Africa increased from 3 668 956 in 1994 to 6 504 890 in 2003, representing an average annual growth rate of 8%. The number of international airlines servicing South Africa increased from 53 in 1994 to 64 in 2003, with many more flights now scheduled.

Economic development and co-operation in a globalising world

Government has diversified and deepened the country's trading networks, export markets and sources of FDI. Apart from its traditional trading partners, South Africa has developed more extensive relations with South America, Asia and Africa, thereby enhancing South-South economic co-

operation. As part of its global trade strategy, government has identified strategic partner countries with which to develop economic relations through bilateral FTAs, although it is not seeking FTA negotiations with all of them at this stage.

Over the past decade, South Africa has concluded, or is currently engaged in, a number of trade negotiations:

- WTO: South Africa played an important role in the launch of the new Doha Round (which emerged with a developmental agenda) in 2001, and continues to participate in this Round of negotiations through the G-20, Africa and Cairns groups.
- Trade, Development and Co-operation Agreement (TDCA) with the EU: This came into effect on 1 January 2000 and the agenda for its review was finalised at the end of 2004.
- SADC Trade Protocol: This was signed in 1996 and there were subsequently negotiations around revised rules of origin.
- New SACU Agreement: This was concluded in October 2002.
- SACU: The Union is finalising, negotiating or exploring FTAs with the European Free Trade Area (EFTA), the USA, China, India and MERCOSUR.

South Africa's investment climate, regime and credit ratings have greatly improved. This is reflected in the net positive FDI inflows that the country has attracted since 1994, although these capital inflows remain low relative to other emerging markets with broadly similar profiles.

South Africa has, over the past decade, signed a number of co-operation agreements in S&T, and established a number of important S&T projects with strong international participation.

Promotion of international respect for human rights and democracy

Democratic South Africa has sought to promote international respect for human rights, democracy and good governance. In particular, the Government has placed a strong premium on the rights of women, children and the disabled. Government has broadly approached the issue of human rights in

concert with its African partners and through multi-lateral mechanisms such as the UN, Organisation of African Unity (OAU)/AU and SADC.

Commitment to peace, stability and development in Africa

The area where South Africa has arguably made the greatest strides in its foreign policy over the past decade is in its contribution to the development of the African continent. South Africa played a leading role in reconstituting the former OAU into the AU as a more effective pan-African continental body, and in crafting and promoting what became the New Partnership for Africa's Development (NEPAD). NEPAD was launched as the socio-economic programme of the AU at the Durban AU Summit in July 2002. Most of the critical organs of the AU are now established and operational. In 2004, South Africa was accorded the great honour of permanently hosting the Pan-African Parliament.

As part of the NEPAD process, the African Peer Review Mechanism has been established as a voluntary mechanism with the mandate to ensure that the policies and practices of participating states conform to agreed political, economic and corporate governance values, codes and standards. It is envisaged as a system of self-assessment, constructive peer dialogue, and persuasion, and for sharing experiences and best practices among members. South Africa will be peer reviewed in the first quarter of 2005.

At regional level, South Africa has promoted integration within the context of the SADC, the SACU and the Common Monetary Area. South Africa has actively supported the restructuring of the SADC and the development of the Regional Indicative Strategic Development Programme, as well as protocols on particular areas of functional co-operation.

Development can, however, only take place within the context of a stable, secure and peaceful Africa. For this reason, South Africa has invested substantial human and financial resources to support regional and continent-wide initiatives to promote peace, stability and security.

Over the past decade, South Africa has made a number of interventions that have contributed to

peace, stability and security in several countries on the continent and beyond. South Africa also played an important role in the diplomatic resolution of the Lockerbie case. It has assisted in various humanitarian and relief operations in southern Africa, as well as in post-conflict reconstruction.

On the multilateral front, South Africa was involved in the formulation and drafting of the SADC Protocol on Politics, Defence and Security Co-operation and the SADC Mutual Defence Pact. Police co-operation agreements have been concluded with several countries in southern Africa and beyond, facilitating cross-border operations and the combating of crime domestically, regionally and internationally. At continental level, South Africa made significant contributions to the drafting of the framework for the Common African Defence and Security Policy, and participated in drafting the AU Convention on the Prevention and Combating of Terrorism. On a global level, South Africa played a role in the establishment of the International Criminal Court.

South Africa is a relative newcomer to peace-support operations, but has quickly developed a reputation for its positive contribution in support of UN- and AU-mandated peace-support operations. Members of the SANDF are performing exemplary duties in the name of peace and stability as part of the UN and AU missions in the DRC, Burundi and Ethiopia/Eritrea, and more recently in Liberia and Sudan.

South-South co-operation and transformation of North-South relations

South Africa has sought the transformation of North-South relations (particularly with respect to debt relief, market access and fairer terms of trade) while consolidating South-South relations. The latter includes a new alignment of co-operation between India, Brazil and South Africa (IBSA). A tri-lateral commission and co-operation agenda between these three countries has been established and is being implemented. The country's strategy in transforming North-South relations has included an ongoing and meaningful dialogue with the North through bilateral meetings, engagement with the G-8 countries, and a series of confer-

ences examining mutual issues of concern such as sustainable development, AIDS and racism.

Commitment to multilateralism and international law

Over the past decade, South Africa has consistently emphasised the need to strengthen and deepen multilateralism to meet the global challenges of poverty, insecurity and underdevelopment. Multilateralism has provided South Africa with a vehicle through which to advance a number of foreign policy priorities, including human rights, democracy, debt relief, peace and stability, an equitable global trading system, sustainable development, and an enhanced international response to issues of poverty and health.

Key findings and lessons of the First Decade of Freedom

The challenges of the next decade arise from lessons of the First Decade and from new challenges created by the process of change and transformation itself.

Influence of the State

Government's successes have often, though not always, been where it has had significant control and less so where its influence has been indirect.

There has been great progress in building a new constitutional democracy, three spheres of government and a more integrated administration – but in many areas of service delivery there is a need for better performance by the Public Service.

There has been a major extension of social services, with striking impact on women's rights. However, many of those entitled to grants are still unregistered or poorly serviced. There are still many people who have not been reached by services they need.

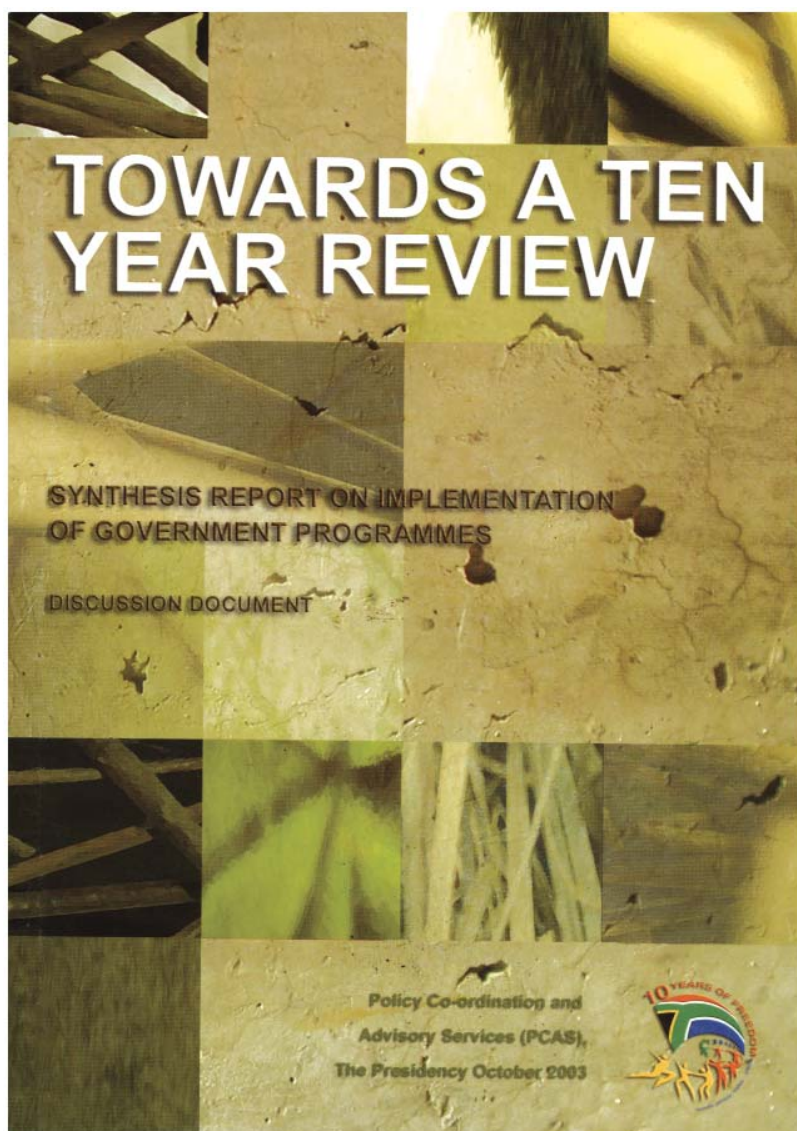
Very good progress has been made in economic areas under government control, but it has not been

matched in areas where new agencies or partnerships are involved – such as small business, HRD, restructuring of SOEs and empowerment. Government has had even less success in matters that depend on the private sector and civil society – including investment and employment creation.

National security has been enhanced, the rule of law established and institutions transformed. But,

owing to challenges of the social transition, insufficient civil-society involvement and new forms of organised crime, the gains in crime prevention could have been better.

Internationally, government has made progress beyond its limited resources as the country reintegrated in the global arena.



The social transition

Four major social trends of the First Decade shape the challenges ahead:

More and smaller households

From 1996 to 2001, the South African population grew 11% from 40,4 million to 44,8 million. But the number of households grew by 30% from 9,7 million to 11,8 million, as households became smaller. The average household size has dropped from 4,5 to 3,8 persons. So, government has to provide additional housing and services for instance, to almost three million instead of one million households.

Bigger economically active population

The population has grown about 2% a year since 1995, but the economically active population grew over 4% a year (from 11,5 million to 16,8 million). The number of jobs grew by 20% (after accounting for jobs lost) but the economically active population has grown by over 40%. New job seekers are not only young adults but also older people who, under Apartheid, did not consider themselves part of the labour market, many of them African women from rural areas.

Two economies in one country

While all main economic sectors grew between 1995 and 2002, there was a shift from public services, construction and mining to financial and business service sectors (where employment doubled). This is consolidating 'two economies' in one country. One is advanced and skilled, becoming more globally competitive. The second is mainly informal, marginalised and unskilled. Despite impressive gains in the First Economy, the benefits have yet to reach the Second Economy, which could fall even further behind without decisive government intervention.

Increased rural migration

There has been a shift from rural to big urban areas. Twenty percent of people in the main urban areas are new migrants. This adds pressure on urban service delivery and economic opportunities and causes loss of people and opportunities in rural areas.

These trends, added to the Apartheid backlog, help explain the scale of the past decade's challenges and some of the limitations in progress, for example in unemployment, poverty alleviation and the fight against crime.

The global setting

As we enter the Second Decade of Freedom, the global environment is uncertain, with increasing tension, unilateralism and unresolved international trade issues.

But there are also new opportunities for developing countries to assert their interests. While many developments could marginalise Africa, there are opportunities for the continent to mobilise itself for a more humane approach to its plight and that of other poor regions. Among governments and citizens of developed countries there is potential to focus attention on the common objectives of humanity contained in the UN Millennium Declaration. South Africa is equipped to play a critical role in this regard due to its location, the size of its economy on the continent, and its current endeavours and outlook.

Challenges and opportunities in the Second Decade of Freedom

If South Africans are to make continued and faster progress towards a united, non-racial, non-sexist and democratic society in the Second Decade of Freedom, then they should move to a higher growth and development path. To achieve this, South Africa needs a major intervention: to reinforce the consolidation of democracy with measures aimed at integrating all of society into a growing economy from which they can benefit. This will require:

- an encompassing framework and vision defining a shared approach by all sectors of society in partnership around common development objectives

- better performance by the State, with focus on efficient implementation and decisive intervention to unlock any delivery logjams
- addressing consequences of the social transition, by improving access to work opportunities and sustainable livelihoods in urban and rural areas, and ensuring that, when people migrate, they have the skills and information to take advantage of opportunities
- improving the regional environment and implementing NEPAD, so that South Africa can weld together a number of southern African countries into a locomotive for faster growth in sub-Saharan Africa.

Acknowledgement

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Agriculture and land affairs

The Department of Agriculture aims to lead and support sustainable agriculture and promote rural development through:

- providing access to sufficient, safe and nutritious food
- eliminating skewed participation and inequity in the sector
- maximising growth, employment and income in agriculture
- enhancing the sustainable management of natural agricultural resources and ecological systems
- ensuring effective and efficient governance
- ensuring knowledge and information management.

Agriculture plays an important economic role and employs a significant number of people. It has a

considerable impact on rural areas and most importantly, on food supply.

Agricultural Sector Plan

The Department, through its socio-economic development initiatives, is committed to reduce poverty in South Africa and on the continent, broaden access to agriculture, and increase productivity and profitability within the agriculture sector.

The Agricultural Sector Plan, adopted in 2001, consists of three core objectives:

- equitable access and participation: the Plan aims to ensure equitable access to and participation in agricultural opportunities, to deracialise land and



enterprise ownership and to unlock the full entrepreneurial potential in the sector

- global competitiveness and profitability: the Plan seeks to enhance profitability through sustained global competitiveness in the agricultural sector's input supply, primary production, agriprocessing and agritourism industries
- sustainable resource management: the Plan aims to enhance farmers' capacity to use resources in a sustainable manner and to ensure best practices in the use and management of natural resources.

The Plan is the result of collaboration between government, Agri SA and the National African Farmers' Union (NAFU).

Agricultural economy

South Africa has a dual agricultural economy, comprising a well-developed commercial sector and a predominantly subsistence-orientated sector in the rural areas. About 13% of South Africa's surface area can be used for crop production. High-potential arable land comprises only 22% of the total arable land. Some 1,3 million hectares (ha) are under irrigation.

The most important factor limiting agricultural production is the availability of water. Rainfall is distributed unevenly across the country. Almost 50% of South Africa's water is used for agricultural purposes.

The country can be subdivided into a number of farming regions according to climate, natural vegetation, types of soil and the type of farming practised. Agricultural activities in these regions range from intensive crop production and mixed farming in winter-rainfall and high summer-rainfall areas, to cattle-ranching in the bushveld, and sheep-farming in the more arid regions.

Due to the country's geographical location, some parts of South Africa are prone to drought. The low levels of rainfall in the 2002/03 summer season led to drought conditions that affected Limpopo, Mpumalanga, KwaZulu-Natal, the Northern Cape and parts of the Eastern Cape, North West and the Free State.

Primary commercial agriculture contributes about 3,7% to the Gross Domestic Product (GDP) of South Africa and about 7,5% to formal employment. However, there are strong backward and forward linkages into the economy, so that the agro-industrial sector is estimated to comprise 15% of GDP.

Today, South Africa is not only self-sufficient in virtually all major agricultural products, but in a normal year it is also a net food exporter.

Despite the farming industry's declining share of GDP, it remains vitally important to the economy and the development and stability of the southern African region.

For the past five years, agricultural exports have contributed on average about 8% (8,4% in 2003) of total South African exports.

Normally, South Africa is a net exporter of agricultural products in Rand value. The largest export groups are wine; citrus; sugar; grapes; maize; fruit juice; wool; and deciduous fruit such as apples,

pears, peaches and apricots. Other important export products are non-alcoholic beverages, food preparations, meat, avocados, pineapples, peanuts, preserved fruit and nuts, hides and skins, and dairy products.

Genetically Modified Organisms (GMOs)

South Africa does not have ideal conditions for crop production. Less than 12% of its land is arable, and serious climatic constraints, such as periodic droughts, hinder agricultural production.

Despite these circumstances, productivity must increase to meet the growing population's need for food. Recent developments in biotechnology have brought hope in tackling the challenge of increasing food production. Genetic modification provides a way of meeting the growing demand for food without placing even greater pressure on scarce resources.

The GMO Act, 1997 (Act 15 of 1997), was implemented on 1 December 1999, making provision for the regulation of GMOs in South Africa, particularly new biosafety assessments.

In terms of the Act, permits are issued for trials and the commercial release of any GMO crops in the country, to ensure contained cultivation and reduced environmental impact.

The objectives of the Act are to increase crop yield while protecting biodiversity. In 2001, the Department of Agriculture approved the planting of three commercial Genetically Modified (GM) crops: insect-resistant cotton, herbicide-resistant cotton and insect-resistant maize.

Exports

	1999	2000	2001	2002	2003	Average: five years
Total South African products ('000 000)	R165,1	R210,0	R245,4	R314,9	R274,6	R242,0
Total agricultural products ('000 000)	R14,8	R15,8	R20,1	R25,5	R23,0	R19,8
Agriculture as % of total exports	8,95	7,53	8,18	8,08	8,37	8,18

Source: Directorate: Agricultural Statistics, Department of Agriculture

There are no GM crops planted for human consumption in South Africa. Neither are there fresh GM fruit and vegetables on sale in the country. Imported engineered soya is used in processed meat and other locally produced food.

In terms of the GMO Act, 1997, the Advisory Committee, comprising scientific experts, conducts risk assessments to determine if a particular GMO is safe for humans, animals and the environment. The Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972), oversees the safety of food in South Africa.

Sustainable resource management and use

South Africa, at most times, is able to meet its own food requirements with considerable food exportation.

However, improved information about the potential and limitations of the natural resource base is essential for good management decisions.

An inventory of soils, terrain forms and climate (land types) was undertaken by the Agricultural Research Council's (ARC) Institute for Soil, Climate and Water. The National Land Type Survey, completed in 2001, assists land-use planning and decision-making. Data from this and other more detailed soil and climate surveys are integrated into a comprehensive Agricultural Geo-referenced Information System (GIS), which provides access to information, via the Internet, on agricultural potential and land suitability.

Although it is generally recognised that soil degradation is a problem, there have been little reliable data systematically collected over time. Soil degradation is largely related to the decline in soil organic matter. Monoculture cereal production, intensive tillage, short-to-no fallow, and limited crop rotation have contributed to this in the commercial sector.

Excessive fuelwood collection, inappropriate land-use, population density and overgrazing are the main causes of soil degradation in communal areas. In addition, it is estimated that about 60% of

the cropland area is moderately to severely acid, and probably at least 15% is affected by subsoil acidity.

Physical degradation

Physical degradation of South Africa's agricultural land results in soil erosion by both water and wind. It has been estimated that water erosion affects about 6,1 million ha of cultivated soil in South Africa, and wind erosion about 10,9 million ha. Another degradation problem is compaction within the soil profile, especially on fine sandy soils where, for example, maize yields can be adversely affected by some 30% to 40%.

Urban spread, industrialisation and mining (such as the opencast coal-mining in Mpumalanga) also impact on the sustainable use of agricultural land.

The Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983), allows the national Department of Agriculture to exercise control over the utilisation of South Africa's natural agricultural resources. The Act provides for the conservation of these resources by maintaining the land's production potential, eliminating and preventing erosion and bush encroachment, protecting vegetation, and combating weeds and invader plants. The Act generally applies to agricultural land in South Africa, except for the sections dealing with weeds and invader plants, which also apply to urban areas.

The Conservation of Agricultural Resources Act, 1983, as amended, details specific requirements and prohibitions applicable to land users.

To promote natural agricultural resource conservation, policies, norms, standards and guidelines have been developed, as has a national agricultural resource audit division and a conservation GIS. National long-term grazing capacity norms were derived from National Oceanic and Atmospheric Administration satellite data, as well as seasonal norms, taking into account the impact of climate on biomass production. At farmer level, conservation committees can be appointed to promote the conservation of the natural agricultural resources in the area concerned.

International agreements and conventions

South Africa is a signatory to a number of international agreements and conventions that require the matter of sustainable resource-use and management to be addressed in a responsible way.

Agenda 21 is an action plan and blueprint for sustainable development, and was one of five documents adopted by more than 178 governments at the United Nations (UN) Conference on Environment and Development (UNCED) in Rio de Janeiro in 1992. Specific to sustainable resource-use is Chapter 14 on promoting sustainable agriculture and rural development.

International conventions that apply to aspects of sustainable resource-use include the Convention on Biological Diversity, the UN Framework Convention on Climate Change, and the Convention to Combat Desertification (CCD). The CCD requires South Africa to draw up a national action programme, which will be integrated into a regional programme for the Southern African Development Community (SADC) region. All these activities are receiving attention under the leadership of the Department of Environmental Affairs and Tourism, involving all stakeholders, including the national and provincial departments of Agriculture.

Production

The prices of agricultural products increased by 2,6% from 2002 to 2003. During 2002/03, the estimated total volume of agricultural production was 3% lower than during 2001/02. Producer prices of agricultural prices increased, on average, by 19,6% from 2001/02 to 2002/03, compared with an increase of 22% during the previous year.

In 2002/03, producer prices of horticultural products increased by 19,4% compared with 2001/02.



Formal agriculture provides employment for about 900 000 farm workers.

In addition, the small-holder sector provides full- or part-time employment for at least 1,3 million households.

During the same period, the prices of fresh vegetables increased significantly, by 43%, while the prices of fruit increased by 6,4%.

The producer prices of animal products were 17,4% higher in 2002/03 than in 2001/02. The price of pastoral products increased by 25%, and that of dairy, slaughtered stock and poultry by 11,3%, 23,8% and 15,2%, respectively.

During 2002/03, the producer price of field crops was 23% higher than during 2001/02.

The total gross value of agricultural production (total production during a production season valued at the average basic prices received by producers) for 2002/03 was estimated at R68 680 million (R66 818 million in 2001/02) – an increase of 2,8%.

Farm income

The gross income of producers (the value of sales and production for other uses plus the value of changes in inventories) for 2002/03 amounted to R70 037 million in 2002/03 compared with R62 244 million in 2001/02 – an increase of 12,3%.

By June 2003, the gross income from field crops had increased by only 5,6% to R24 508 million, much less than the 39,4% increase during the preceding 12 months. This was mainly because of lower levels of production of some of the important summer grains, as well as the downward trend in the prices that farmers received for summer crops during 2003.

The gross income from horticultural products increased by 17,2%, from R15 596 in 2001/02, to R18 279 million in 2002/03.

The income from subtropical fruit increased by 18,6%, from R816 million in 2001/02 to R968 million in 2002/03, while that from citrus fruit remained at the same level.

The income from vegetables amounted to R6 437 million in 2002/03, up from R5 034 million in 2001/02 – an increase of 27,7%.

Field crops and horticulture

The largest area of farmland is planted with maize, followed by wheat and, to a lesser extent, sugar cane and sunflowers.

The grain industry is one of the largest in South Africa and is also a very strategic one.

This industry produces between 25% and 33% of the total gross value of agricultural production. The gross value of grain production is usually around R12 billion, but in the 2001/02 season, it increased to R22 billion as a result of, among other things, higher prices.

Grain South Africa represents a total of 17 000 grain producers, of whom 11 000 are from disadvantaged communities. These farmers represent roughly 90% of all grain produced in South Africa.

Other major role-players include the silo, milling, baking and animal-feed industries, all of which have undergone a number of changes following the deregulation of the grain industry.

Maize

The maize industry plays a very important role in the economy. Maize is the largest locally produced field crop, and the most important source of carbohydrates in the SADC for animal and human consumption.

South Africa is the main maize producer in the SADC, with an average production of about 8,8 metric tons (mt) per annum over the past 10 years.

It is estimated that more than 9 000 commercial producers of maize are responsible for the major part of the South African crop, while the rest is produced by thousands of small-scale producers.

Maize is produced mainly in North West; the north-western, northern and eastern Free State; the Mpumalanga Highveld; and the KwaZulu-Natal Midlands. Local commercial consumption of maize amounts to about 8,0 mt, and surplus maize is usually exported.

Wheat

Wheat is produced in the winter-rainfall areas of the Western Cape and the eastern parts of the Free State. Production in the Western Cape is the highest, but there are considerable annual fluctuations. The price of wheat increased by 14,1% in 2002/03.

Wheat is imported to meet local requirements.

Barley

Barley is produced mainly on the southern coastal

plains of the Western Cape. The area where barley is planted was estimated at 84 220 ha for the 2003/04 production season, and production was estimated at 235 821 t.

Ground-nuts

Ground-nuts are grown mainly in the Free State, North West and the Northern Cape. Ground-nut planting increased by 25% from 49 800 ha in 2002/03 to 62 300 ha in 2003/04.

Sunflower seed

South Africa is the world's 10th-largest producer of sunflower seed. Sunflower seed is produced in the Free State, North West and on the Mpumalanga Highveld, as well as in Limpopo.

Lucerne seed

For many years, Oudtshoorn, De Rust and Douglas were the only areas in South Africa in which lucerne seed was produced in reasonable quantity. Today, the Oudtshoorn district is responsible for about 90% of the lucerne seed produced in South Africa. Between 100 to 120 lucerne bales per hectare can be produced every three weeks, provided enough water is available.

Sorghum

Sorghum is cultivated mostly in the drier parts of the summer-rainfall areas such as Mpumalanga, the Free State, Limpopo, North West and Gauteng.

Sugar

South Africa is ranked as the world's 13th-largest sugar producer. Sugar cane is grown in 15 cane-producing areas extending from northern Pondoland in the Eastern Cape, through the coastal belt and Midlands of KwaZulu-Natal, to the Mpumalanga Lowveld.

An estimated 2,5 mt of sugar is produced per season. About 50% of this is marketed in southern Africa. The remainder is exported to numerous markets in Africa, the Middle East, North America and Asia. Based on actual sales and selling prices in 2003/04, it is estimated that the South African sugar industry contributed R1,7 billion to South Africa's foreign exchange earnings.

The producer price of sugar cane increased by 6,6% in 2002/03.

The established sugar industry aims to redistribute at least 78 000 ha of sugar-producing land to Black farmers by 2015, as part of its contribution to the 30% national target redistribution of agricultural land. In 2004/05, government committed R6 million towards the first phase of the programme.

Gross value of agricultural production, 2003 (R'000)	
Field crops	
Maize	9 110 962
Wheat	2 423 009
Hay	1 880 944
Grain sorghum	383 270
Sugar cane	3 099 377
Ground-nuts	338 009
Tobacco	716 674
Sunflower seed	1 349 131
Cotton	156 283
Other	1 204 242
Total	20 661 901
Horticulture	
Viticulture	2 597 442
Citrus fruit	3 629 915
Subtropical fruit	1 292 672
Deciduous and other fruit	4 632 923
Vegetables	4 100 382
Potatoes	2 593 362
Other	1 229 034
Total	20 075 730
Animal products	
Wool	888 976
Poultry and poultry products	12 142 833
Cattle and cattle slaughtered	5 807 588
Sheep and goats slaughtered	1 703 703
Pigs slaughtered	1 162 526
Fresh milk	3 441 831
Milk for dairy products	1 546 204
Other	1 565 902
Total	28 259 563
Grand total	68 997 194

Preliminary source: Agricultural Statistics: Department of Agriculture

Deciduous fruit

Deciduous fruit is grown mainly in the Western Cape and in the Langkloof Valley in the Eastern Cape. Smaller production areas are found along the Orange River and in the Free State, Mpumalanga and Gauteng. This industry's export-earnings represent 12% of the country's total earnings from agricultural exports. In 2002, apples made up the largest percentage of the crop (38%), while pears totalled 21% and grapes 19%. About 76% of the total crop was produced in the Western Cape, 11% in the Northern Cape, and 13% in the Eastern Cape.

In 2002/03, the price of fruit increased by 6,4%.

Wine

South Africa is the 10th-largest wine producer in the world.

About 110 200 ha of land are under cultivation with about 317 million vines. About 84% of wines are produced by co-operatives. Some 4 435 primary wine producers employ about 67 000 people. According to the South African Wine and Spirits Export Association, the export of white wine increased from 20 million litres (ML) in 1992 to 239 ML in 2003.

In 2003/04, South Africa harvested 1 257 219 t of grapes which resulted in the production of 974 ML of wine, as compared against 1 233 689 t, and about 956 ML of wine in 2002/03. This represents an increase of 18,2 ML compared with the 2002/03 vintage.

The Wine and Spirits Agreement between South Africa and the European Union (EU) was signed on 28 January 2002.

The Agreement improves access for South African wine and spirits to the large European market. Applying an annual duty-free tariff quota of 42 ML ensures better access for South African wines. In addition, the EU makes available an amount of 15 million Euro for restructuring the South African wine and spirits industry.

Part of the Agreement involves phasing out names traditionally used in South Africa for specific types of wines. The names 'port' and 'sherry' were to be phased out over five years for exports to non-

SADC markets, starting from 1 January 2000. They must be phased out of all markets after 12 years. South Africa also has to phase out the names *grappa*, *ouzo*, *korn/kornbrand*, *jägertee* and *pacharan* within five years of signing the Agreement.

Citrus and subtropical

Citrus production is largely limited to the irrigation areas of Limpopo, Mpumalanga, the Eastern and Western Cape, and KwaZulu-Natal.

A total of 1,9 mt of citrus was produced in 2002/03.

Pineapples are grown in the Eastern Cape and northern KwaZulu-Natal. Other subtropical crops such as avocados, mangoes, bananas, litchis, guavas, pawpaws, granadillas, and macadamia and pecan nuts are produced mainly in Mpumalanga and Limpopo at Levubu and Letaba, and in the subtropical coastal areas of KwaZulu-Natal and the Eastern Cape.

In 2002/03, South Africa produced 344 000 t of subtropical fruit.

Potatoes

About 40% of the country's potato crop is grown in the high-lying areas of the Free State and Mpumalanga. Limpopo, the Eastern, Western and Northern Cape, and the high-lying areas of KwaZulu-Natal are also important production areas. About two-thirds of the country's total potato crop is produced under irrigation.

Of the total crop, 50% is delivered to fresh-produce markets and a further 18% is processed. The South African potato-processing industry has grown tremendously over the past few years. This growth took place primarily in the three main disciplines of the processing industry, namely crisps, chips and French fries. Frozen French fries comprise 44% of the total processed potato products in South Africa.

In terms of gross income to the grower (apart from potatoes, which contribute 40%), tomatoes, onions, green mealies and sweetcorn are probably the most important vegetable crops.

These crops contribute 38% to the income derived from vegetables.

The income from potatoes increased by 28%, from R2 006 million in 2001/02, to R2 579 million in 2002/03.

Tomatoes

Tomatoes are produced countrywide, but mainly in Limpopo, the Mpumalanga Lowveld and Middleveld, the Pongola area of KwaZulu-Natal, the southern parts of the Eastern Cape, and the Western Cape.

Onions

Onions are grown in Mpumalanga; in the districts of Caledon, Ceres and Worcester in the Western Cape; and at Venterstad and adjoining areas in the southern Free State.

Cabbages

Cabbages are also grown countrywide, but are concentrated in Mpumalanga and the Camperdown and Greytown districts of KwaZulu-Natal.

Cotton

Cotton is cultivated in Mpumalanga, Limpopo, Northern Cape, KwaZulu-Natal and North West. It constitutes 74% of natural fibre and 42% of all fibre processed in South Africa. Cotton is grown under irrigation as well as in dry-land conditions.

Cotton under irrigation usually contributes almost as much to the national crop as that grown in dry-land conditions, although the number of hectares under dry-land conditions are much more than those under irrigation. Seventy-five percent of local production is harvested by hand. In 2002/03, the price of cotton increased by 10,5%.

Black farmers are being assisted to grow cotton on 9 000 ha of land in four provinces.

A Strategic Plan for the South African Cotton Sector has been developed, aimed at:

- growing farm output to a stable 370 000 lint bales by 2007
- broadening participation to enable emerging farmers to deliver an average of 100 000 lint bales annually by 2007
- raising productivity by training at least 60% of small growers by 2007
- improving research, extension services and

technology transfer; expanding exports by value, diversity, country of destination and client base; and accelerating the elimination of unfair competition through promoting regional and international co-operation, and through more effective lobbying in international trade fora.

Tobacco

Virginia tobacco is produced mainly in Mpumalanga and Limpopo, with smaller quantities of Oriental tobacco being produced in the Western and Eastern Cape. There are more than 1 000 growers in the country, who produce an annual average of 34 million kilograms on about 24 000 ha of land. The crop represents 173 different grades of Virginia tobacco and five different grades of Oriental tobacco.

Tea

Honeybush tea grows mainly in the coastal and mountainous areas of the Western Cape but also in certain areas of the Eastern Cape. The honeybush has grown into a commercial crop, with the production of more than 100 t of processed tea per year. The industry has seen an improvement in the quality of tea and the establishment of export standards, the construction of a large processing and packaging facility in Mossel Bay, increased consumer awareness, the appearance of several brand names on supermarket shelves, and a growing overseas market.

Rooibos tea is an indigenous herb produced mainly in the Cedarberg area of the Western Cape.

Production of important field crops and horticultural products, 2003 ('000 t)

Maize	9 705
Wheat	1 547
Sugar cane	20 419
Grain sorghum	264
Ground-nuts	67
Sunflower seed	682
Deciduous and other soft fruit	1 781
Citrus fruit	1 979
Subtropical fruit	672
Vegetables	2 081
Potatoes	1 487

Preliminary source: Agricultural Statistics,
Department of Agriculture

In 2003, the demand for *rooibos* was estimated to be 3 800 t compared with 3 500 t exported in 2002. The active producers of *rooibos* tea are estimated at 320, ranging from small to large farming enterprises.

Ornamental plants

Ornamental plants are produced throughout the country, but production aimed particularly at the export market is concentrated in the central parts of Limpopo, Mpumalanga and Gauteng. Ornamental-plant production includes nursery plants, cut flowers and pot plants. The country's most important plant export products are gladioli, proteas, bulbs, chrysanthemum cuttings and roses.

Amaryllis bulbs are a lucrative export product to the United States of America (USA). In support of the protea and *fynbos* industry, the ARC is involved in several ongoing research activities.

The *fynbos* industry is being transformed from 'wild harvesting' to 'cultivation', with an array of cultivars planted. Further *fynbos* species have potential for development as crops, provided the necessary research funding can be secured. Dried flowers form an important component of the *fynbos* industry. A large variety of proteas, cone-bushes and other products are well-established in the marketplace.

Ornamental plants are produced throughout the country, with greenhouse and open-field production concentrated mainly in Limpopo, Mpumalanga and Gauteng. The protea industry is mainly concentrated in the Western Cape.

Flowers

South Africa's indigenous flowers, such as, gladioli, nerine, freesia and gerbera, have undergone many years of extensive research in Europe, and have become major crops throughout the world.

South Africa is the leading exporter of protea cut flowers, which account for more than half of proteas sold on the world market. South African proteas and so-called Cape greens (*fynbos*) are mainly marketed in Europe.

Livestock

Livestock is farmed in most parts of South Africa.

Numbers vary according to climatic conditions. Stock-breeders concentrate mainly on the development of breeds that are well-adapted to diverse climatic and environmental conditions. The latest estimates for cattle and sheep are 13,8 million and 28,8 million, respectively. South Africa normally produces 85% of its meat requirements, while 15% is imported from Namibia, Botswana, Swaziland, Australia, New Zealand and European countries.

The livestock industry is currently the largest national agricultural sector. The local demand for products, which generally outstrips production, creates a dependence on imports, even though there are untapped production reserves in the communal farming sector.

Dairy-farming

Dairy-farming is practised throughout South Africa, with the highest concentration of dairy farms in the eastern and northern Free State, North West, the KwaZulu-Natal Midlands, the Eastern and Western Cape, the Gauteng metropolitan area, and the southern parts of Mpumalanga.

The ARC participates fully in the Multiple Across-Country Evaluation for all four major dairy breeds in South Africa, namely Holstein, Jersey, Guernsey and Ayrshire. A new rye grass cultivar developed by the ARC Range and Forage Institute can improve the milk production of a Jersey herd by 0,9 litres (l) per cow per day, and the production of a Holstein herd by 1,5 l per cow per day.

The South African Milk Federation co-ordinates industry matters, including the information and research functions, and is financed by means of voluntary contributions. Market forces determine prices. The dairy industry is an important employer as some 4 300 milk producers employ about 60 000 farm workers and indirectly provide jobs to some 40 000 people. Milk production for 2003/04 was estimated at 2 000 ML.

Stock-farming

Cattle ranches are found mainly in the Eastern Cape, parts of the Free State and KwaZulu-Natal, Limpopo and the Northern Cape. The indigenous Afrikaner and Nguni, and the locally developed

Bonsmara and Drakensberger, are popular beef breeds, but British, European and American breeds, such as Charolais, Hereford, Angus, Simmentaler, Sussex, Brahman and Santa Gertrudis are maintained as pure breeds or used in cross-breeding.

The Taurus Livestock Improvement Co-operative (in Irene, Gauteng) is one of the companies providing the country's beef farmers with an annual average of some 110 000 units of semen, and the dairy industry with 580 000 units of semen, for use in artificial insemination.

Sheep-farming is concentrated mainly in the Northern and Eastern Cape, Western Cape, Free State and Mpumalanga, with Ermelo in Mpumalanga being one of the largest wool-producing districts. Most sheep are fine-woolled Merinos (50%). Other breeds include the locally developed Afrino (a woolled mutton breed adapted to arid conditions), the South African Mutton Merino, the Dohne and the Merino Land Sheep. Non-wool breeds such as the Dorper, a highly productive, locally developed mutton breed for arid regions, and the woolled Merino account for most of South Africa's mutton production.

Karakul sheep are farmed in the more arid areas. Some 20 173 Karakul pelts were produced during 2002/03. The gross value of these pelts is estimated at R3 million.

The indigenous meat-producing Boer goat accounts for about 30% of all commercial goats. The Angora goat is used for mohair production. South Africa has about 3 500 Angora farmers.

The gross income from animal products increased by 15,7%, from R23 548 million in 2001/02 to R27 249 million in 2002/03. Slaughtered cattle and calves earned producers R5 754 million in 2002/03, compared with R4 629 million in 2001/02 – an increase of 24,3%. The average production of beef increased by 22,8% during 2002/03.

Poultry and pig-farming

The poultry and pig industries are more intensive than the extensive sheep and cattle industries, and are located on farms near metropolitan areas such as Gauteng, Durban, Pietermaritzburg, Cape Town

and Port Elizabeth. The predominant pig breeds are the South African Landrace, the Large White, the Duroc and the Pietrain.

South Africa's annual poultry meat production is estimated at 960 000 t. Broiler production contributes about 82% to total poultry-meat production, with the rest made up of mature chicken slaughter (culls), small-scale and backyard poultry production, ducks, geese, turkeys and other specialised white-meat products.

Income from poultry and egg production amounted to R11 274 million in 2002/03, compared with R10 361 million in 2001/02 – an increase of 8,8%.

Commercial producers slaughtered an estimated 558 million broilers during 2003. The gross value of broilers and other fowls slaughtered during this period is estimated at R12 121 million.

South Africa accounts for 67% of world sales of ostrich products, namely leather, meat and feathers. The income from ostrich products is derived as follows: leather (50% – 70%), meat (30% – 45%) and feathers (5% – 15%).

The gross value for ostrich feathers and products during 2002/03 was estimated at R276,5 million.

Game-farming, aquaculture and bee-keeping

South Africa has more game and a wider variety of game species than most countries. Game-farming has grown over the years, and today it is a viable industry with great economic potential. The main game areas are in Limpopo, North West, Mpumalanga, the Free State, the Eastern Cape, the Karoo, the Kalahari in the Northern Cape, and the thorn scrub of KwaZulu-Natal.

Despite periodic droughts in the past, game numbers have consistently increased.

Livestock numbers, 2002 – 2003 (million)		
	2002	2003
Cattle	13 635	13 538
Sheep	29 034	28 780
Pigs	1 570	1 570
Goats	6 694	6 603

Source: Agricultural Statistics, Department of Agriculture

A descriptive game-production model has been developed for optimising intensive animal production on game farms. The model has the potential to increase the global produce of the game industry by between 8% and 15%.

The aquaculture industry in South Africa continues to make meaningful progress in cultivation technology, marketing strategy, marketing practice and scientific innovation. Mussels, trout, tilapia, catfish, oysters and *waterblommetjies* (Cape pondweed) are the major aquaculture species. Mussel-farming occurs mainly at Saldanha Bay.

The South African honey industry is still small, worth some R32 million annually.

Veterinary services

State Veterinary Services constantly guards against the introduction of animal diseases from outside South Africa. Existing animal diseases, which may be detrimental to the economy of South Africa and to human and animal health, are also controlled and combated. Stock in the high-risk areas is inspected at short intervals.

The Directorate: Animal Health of the national Department of Agriculture sets norms and standards for the delivery of veterinary services in South Africa.

Legislation provides the necessary powers to control diseases such as foot-and-mouth disease (FMD), swine fever, rabies and anthrax. South Africa, excluding the Kruger National Park and surrounding game reserves, is recognised as an FMD-free zone by the *Office International des Épizooties (OIE)*, the world animal health organisation.

Animal disease control is an important factor in ensuring the productivity of the livestock sector and promoting international trade in agricultural products.

Surveillance systems are in place to ensure that all agricultural products entering and leaving the country are free of disease and thus safe for human consumption. All ports are thoroughly monitored, making sure that imported and exported goods are disease-free.

Particular emphasis is placed on the control of borders with neighbouring countries to prevent the introduction of FMD.

In 2002/03, about R61 million in additional funds was allocated over two years to enhance the control of cross-border animal and plant diseases, and to maintain South Africa's FMD-free status through the South African Food, Quarantine and Inspection Services subprogramme.

Animal health and disease

The Department of Agriculture is responsible for the delivery of a number of critical regulatory and control services aimed at ensuring that the country is disease-free with respect to animals.

The Department was expected to introduce its Food Safety and Traceability Policy in 2004, as well as implement improved animal-disease control measures.

In association with the South African Police Service and the Airports Company of South Africa, the Department will launch a new inspection service at the country's ports of entry.

The new service was expected to be rolled out at Johannesburg International Airport by November 2004.

Since the Ministerial Treaty has been signed between South Africa, Zimbabwe and Mozambique, continuous State veterinary input through the Joint Management Board ensures that no undue animal-disease risks emanate from the Great Limpopo Transfrontier Park.

Onderstepoort Biological Products (OBP)

The OBP is a State-owned public company. It has the capacity and technology to produce veterinary vaccines and related biological products for local and international markets.

The OBP is the sole or main producer of at least 15 vaccines for African animal diseases, and eight vaccines in the world for tropical diseases. A vaccine bank is being established to assist in the rapid response to disease outbreaks in the country and region.

The OBP provides vaccines to fight major outbreaks of diseases such as CBPP (lung-sickness in cattle), lumpy-skin disease, Rift Valley fever, horse sickness and anthrax.

The OBP has also joined the Pan-African Vaccine Network to supply rinderpest and lung-sickness vaccines for Africa, and is involved in projects of the OIE, the World Health Organisation (WHO) and the EU to supply vaccines to African countries.

Pest control

The Department of Agriculture, in co-operation with the ARC and the Working for Water Programme of the Department of Water Affairs and Forestry, is involved in the chemical and biological control of invader plants.

Most countries have established Maximum Residue Limits (MRLs) for pesticides used in the control of pests and diseases, not only to safeguard consumer health, but also to minimise the presence of these residues in the environment.

As a condition of market access, products exported must comply with these residue standards. To ensure compliance with legislation, monitoring samples are drawn for analyses during quality inspections.

Exporters and producers are obliged to:

- comply with the requirements of the correct, approved use and application of pesticide remedies
- keep records of the chemical remedies used in spray programmes and as a post-harvest treatment, and provide this information on request to the responsible authorities
- verify the MRLs with their importer or agent in the relevant country
- keep up with the registration and re-registration processes of pesticides within South Africa as well as in importing countries
- inform the Directorate: Plant Health and Quality of any rejections by importing country authorities due to residues.

Migratory pest control

In terms of the Agricultural Pests Act, 1983 (Act 36 of 1983), the Department is continuously involved in the control of migratory pests such as the quelea, locust and blackfly.

Quelea is controlled by aerial chemical spraying and explosives.

Locust outbreaks are controlled by knapsack sprayers, sprayers mounted on bakkies and by aerial chemical sprayers if the outbreak is very high.

Blackfly is controlled by aerial and boat chemical spraying, depending on the water level of the river.

Research conducted by the ARC contributes towards maximising South Africa's ability to provide timely and reliable forecasts of brown locust outbreaks, both for its own food-security needs and those of neighbouring countries in the brown locust invasion area.

The South African Pest Control Association (SAPCA) is the official representative of the pest-, termite- and woodborer-control industries. All SAPCA-qualified inspectors have to register with the Department of Agriculture.

South Africa liaises with other countries and international organisations to ensure technology transfer on pest control.

Marketing

South Africa's agricultural marketing has undergone transformation since 1994 through the introduction of the Marketing of Agricultural Products Act, 1996 (Act 47 of 1996).

This Act has, over the past decade, dramatically changed agricultural marketing policy and practice to ensure that it occurs in a free environment. The deregulation process was aimed at ensuring that farmers and agribusiness position themselves as players in the globally competitive environment.

The deregulation process entailed the closing of agricultural marketing boards, phasing out import- and export-control measures, eliminating subsidies, and introducing tariffs to protect the domestic agricultural industry value chains against unfair international competition.

Since deregulation, the sector has begun to adjust to the high levels of competitiveness across most value chains. Deregulation has further created many opportunities and has resulted in an increase in the number of new entrepreneurs participating in different nodes of agricultural marketing value chains, including producers, processors, traders and providers of other supplementary services to ensure

efficiency in the operation of the overall marketing value chains.

The phasing out of controls and the closure of marketing boards resulted in a shortage of essential services that were formerly provided by co-operatives and marketing boards, ranging from storage, grading, deliveries, and value adding, to information dissemination, research, etc.

As a result, specialised marketing support institutions such as the South African Futures Exchange (SAFEX) and the Agricultural Futures Market of the Johannesburg Securities Exchange (JSE) were established to provide all market participants with a much-needed price-risk-management mechanism on grain trade.

The Futures Market was established to ensure that the price of grain in South Africa reflects the market fundamentals of domestic demand and supply, regional demand and supply, and import and export parity pricing. SAFEX is generally used to hedge adverse price movements.

The South African Grain Information Service was established by the grain industry to promote information collection and dissemination and research, and also to deliberate on issues around market access.

Other specialised commodity-oriented organisations have also been established.

National Agricultural Marketing Council (NAMC)

The NAMC was established in 1997 in terms of the Marketing of Agricultural Products Act, 1996, as amended by Act 59 of 1997 and Act 34 of 2001.

The objectives of the Act are to:

- increase market access for all market participants
- promote efficiency of the marketing of agricultural products
- optimise export earnings from agricultural products
- enhance the viability of the agricultural sector.

The mandate of the NAMC is, when requested by the Minister or of its own accord, to investigate the establishment, continuation, amendment or revocation of statutory measures and other regulatory

measures affecting the marketing of agricultural products.

The NAMC also evaluates the desirability, necessity and efficiency of the measures and, if necessary, proposes alternatives to the establishment, continuation, amendment or repeal of a statutory measure or other regulatory measures. It reports to and advises the Minister accordingly.

The NAMC continues to do important work, monitoring the agricultural marketing environment to promote the existence of a more diverse and competitive sector. The Outreach Programme – which empowers emerging farmers with information – had reached 5 886 such farmers by March 2004.

Attendance at agricultural shows, farmers' days, conferences and workshops offers the NAMC the opportunity to disseminate information to farmers.

Land administration

The Department of Agriculture, through the Directorate: Farmer Settlement and Development, controls and administers 673 253 ha of State agricultural land.

State agricultural land is divided as follows:

- some 581 864 ha of land expropriated by the South African Development Trust
- some 91 388 ha of commercial land purchased from insolvent estates and properties transferred by the Department of Public Works in terms of Section 7 of the Disposal Act, 1961 (Act 48 of 1961).

The primary goal of the Directorate is the internal administration of State agricultural land, with the aim of farmer settlement and ownership reform.

Food security

The Cabinet approved the Integrated Food Security and Nutrition Programme in July 2002 as one of the key programmes of the Social Cluster. The Programme aims to achieve physical, social and economic access to safe and nutritious food for all South Africans.

Its goal is to eradicate hunger, malnutrition and food insecurity by 2015.

By June 2004, the Department, working with the provincial departments of Agriculture, had distributed production support packages to 37 000 of its target of 50 000 households.

The project started in Limpopo by providing poor people with day-old chickens, point-of-lay hens and young lactating cows (heifers), which, in various combinations, form the agricultural starter pack. These in turn produce milk, eggs and meat, and in some cases there is even surplus production, which enables people to earn an income.

The Department of Agriculture has also joined forces with its neighbouring SADC countries and adopted an action plan for food security. This includes the establishment of domestic support measures for vulnerable small-holder farmers, to ensure access to key agricultural input, and to encourage research and the development of affordable farming equipment.

The Directorate: Plant Health and Quality drafted the Draft Food Security Bill to ensure not only food safety, but also the quality of agricultural products, including fresh fruit and vegetables, exported within the current control system. By implementing the prevention-is-better-than-cure rule, control is transferred from end-product testing to the design and manufacture of such products.

In any international exchange of plants and plant products, there is a risk that pests and diseases might be introduced into the territory of the importing country. In view of this, the South African Government is a signatory member of various multi-national agreements.

The most important, in terms of safeguarding the country's agricultural resources and natural environment, are the International Plant Protection Convention (IPPC) and the World Trade Organisation (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures (WTO-SPS).

Human Rights Commission and UN Council for Human Rights officials have hailed the Draft Bill as the first of its kind to comprehensively address all pertinent food-related issues. The document will be used as a basis for discussions in Africa and at the UN. Normal procedures on new legislation and policy guidelines will follow when discussions are finalised.

National Food Pricing Monitoring Committee (FPMC)

The FPMC was established in January 2003 in terms of Section 7 of the Marketing of Agricultural Products Act, 1996. The Committee was tasked with monitoring the prices of food, particularly basic foodstuffs, and investigating any sharp or unjustified food-price increases.

The investigation provided recommendations on required productivity improvements in the areas of market inefficiencies and distortions, incidents of predatory pricing and monopolistic tendencies, as well as collusive and discriminatory practices.

The Minister of Agriculture and Land Affairs, Ms Thoko Didiza, released the results of the second and final FPMC Report in August 2004.

The Report confirmed the initial sharp increase in basic food commodity prices, notably maize.

This initial shock spread through several food value chains, followed by a levelling off of price increases for virtually all food items, and even a decline for some products such as red meat, maize meal, samp and cooking oil.

Between January and October 2003, the Committee found that 11 out of 24 food prices that they had monitored had declined. However, it was discovered that prices of products such as milk powder, peanut butter, margarine and onions, increased too far above food-price inflation in 2003.

According to the Report, the analysis of food-price inflation for different income groups showed that poor households experienced higher inflation rates than wealthier households. At its peak in October 2002, poor households were confronted with a year-on-year food price inflation of 23,1%,

while wealthier households experienced a food price inflation of 19%.

The benefit to the poor of the recently lowered prices for most staple foods is reflected in a food inflation rate of 3,35% compared with that of wealthier households of 4,21%.

The Report states that in September 2003, the total cost of the basket of food items monitored by the Committee was only 1,5% cheaper than in September 2002.

By June 2004, the same basket of food was 3% cheaper than in December 2003.

Regional issues

South Africa participates in the Regional Advisory Committee (RAC) of the Regional Food Security Training Programme (RFSTP).

The RFSTP has been developed over a five-year period as endorsed by the RAC. The activities of the RFSTP focus on three main areas: strengthening the supply of food-security training services, strengthening the effective demand for training and developing and sustaining regional markets for food-security-related training services.

The SADC has instituted the Subcommittee for Plant Protection, tasked with harmonising phytosanitary requirements in southern Africa. South Africa is also one of some 52 members of the Inter-African Phytosanitary Council, which was established in 1954. Regional plant-protection organisations such as these are able to provide valuable co-ordination for the activities and objectives of the IPPC at local level.

The Department of Agriculture was instrumental in the development of the New Partnership for Africa's Development's (NEPAD) agriculture programme, known as the Comprehensive African Agricultural Development Programme (CAADP).

It also developed the African Agriculture Development Programme to promote mutually beneficial partnerships with other SADC countries. Among other things, the Programme will assist in the implementation of programmes and projects that rest on the four pillars of the CAADP, namely land and water infrastructure, market access, food security, and research and development.



Ncera Farms (Pty) Ltd is a public company with the Department of Agriculture as the sole shareholder.

The project is managed to establish small and emerging farmers. The majority of the company's revenue is earned from the sale of fresh produce and livestock, and is expected to average around R1,2 million per year between 2004/05 and 2006/07.

International issues

As a signatory to the Rome Declaration, South Africa has committed itself to the implementation of the World Food Summit Plan of Action. For this purpose, South Africa reports annually to the World Committee for Food Security. South Africa is also collaborating with the Food and Agricultural Organisation (FAO) on the implementation of the Special Programme for Food Security, within the context of the Integrated Sustainable Rural Development Programme (ISRDP).

South Africa is an active participant in other international standard-setting bodies vital to its global market share, such as the IPPC and Codex Alimentarius.

Risk management

A working group has drafted an agricultural disaster-management plan that will be aligned with the guidelines provided by the Department of Provincial and Local Government.

The Government is moving forward with the development of an agricultural risk-management programme that includes agricultural risk insurance as one of the major tools in managing agricultural production risk.

In the 2003/04 financial year, the Department disbursed R235 million to farmers in eight provinces that were affected by cold spells, floods and drought.

The Directorate: Agricultural Risk Management delivers Early Warning Monthly Climate Advisories to farmers to enable them to anticipate possible natural disasters.

Drought management

The Draft Drought Management Strategy is being discussed with stakeholders. It will place the responsibility of coping with drought back on the normal production system. This will cause farmers to exercise greater prudence and make themselves less vulnerable to the effects of drought.

On 22 January 2004, the Cabinet allocated a further R250 million towards drought relief in some parts of the country, bringing the total amount set aside for this purpose to R500 million.

The money was intended for emergency relief to vulnerable rural communities (R60 million), the provision of fodder for livestock to established and emerging farmers (R30 million), water provision for human consumption (R100 million), water provision for livestock (R20 million), the safeguarding of boreholes (R5 million), and the prevention of communicable diseases in affected poor rural communities (R35 million).

An additional allocation for long-term interventions was expected to be considered in the 2005/06 financial year. Such interventions include improving the country's early warning capabilities and agricultural sector strategies to avoid long-term dependency on aid.

Agricultural risks insurance

The Department of Agriculture has drafted an Agricultural Risks Insurance Bill, a risk transfer which will assist farmers in managing production risk.

The Bill will assist farmers to recover from natural disasters. The insurance-based risk management programme allows the farmer, government and the private sector to share the risk involved in agricultural production.

Credit and assistance

The agricultural sector has, to date, been a net borrower, in that it borrows more than it saves. In fact, the total debt of South African farmers has grown by about 10% a year since 1995 – reaching R30 897 million by the end of 2003, compared with R9 495 million at the end of 1984.

The six major sources of credit for farmers are: banks (45%), agricultural co-operatives and agribusinesses (13%), the Land Bank (24%), private creditors (9%), other creditors and financial institutions (8%), and the State (1%).

By the end of 2003, the Department of Agriculture had recovered R1,1 billion of agricultural debts from commercial farmers who were assisted through loans from the former Agricultural Credit Board (dissolved in 1998), which has since been paid into the Agricultural Debt Account in accordance with the Agricultural Debt Management Act, 2001 (Act 45 of 2001).

Business and Entrepreneurial Development (BED)

The Directorate: BED is responsible for promoting participation and equity-sharing towards an inclusive, equitable and prosperous agricultural sector.

The ultimate aims are:

- unlocking the economic potential of idle-to-underutilised resources of emergent groups
- facilitating restructuring and the expansion of existing agribusinesses to enhance their competitiveness and contribution to the sector as well as the economy as a whole.

National LandCare Programme (NLP)

The NLP is a community-based and government-supported approach to the sustainable management and use of agricultural natural resources.

The vision of the NLP is for communities and individuals to adopt an ecologically sustainable approach to the management of South Africa's environment and natural resources, while improving their quality of life. It implies that cultivation, livestock grazing and the harvesting of natural resources should be managed in such a manner that no further degradation (such as soil erosion, nutrient loss, loss of components of the vegetation, and increased run-off of water) occurs.

The overall goal of the NLP is to optimise productivity and sustainability of natural resources, result-

ing in greater productivity, food security, job creation and better quality of life for all.

LandCare themes are grouped into two areas, namely, focused investment (WaterCare, VeldCare, SoilCare, Eco-Agriculture and JuniorCare) and small community grants.

Projects are underway in Limpopo, Mpumalanga, North West, KwaZulu-Natal and the Eastern Cape.

The LandCare Implementation Framework serves as a guideline to empower resource-poor communities to develop LandCare groups and activities through awareness, training and education. This includes communication strategies directed towards rural community groups and young people. The Framework formulates policy and legislation to develop incentives for natural-resource management.

It also serves as a tool to establish and implement a monitoring system to evaluate progress, assess contemporary issues, and provide a basis for planning and research.

The Department also aims to promote its National Policy on Agricultural Land and Resource Management in all spheres of government and other stakeholders.

There are more than 340 LandCare projects throughout the country, funded to an amount of R240 million.

In line with the 2003/04 targets, the Department led and managed the LandCare projects, through which 5 000 ha of high-potential land were protected from degradation resulting from poor farming practices and erosion.

In 2004/05, the Department committed R72 million for closing dongas, clearing bush encroachment, and introducing new water-harvesting technologies to support poor Black farmers. Priority was given to areas such as Sterkspruit, Nongoma, the former Transkei and Ciskei, and the rural development nodes.

The Australian Government, through the Australian Agency for International Development, funded a R10-million capacity-building programme for LandCare over a period of three years, from April 2001 to June 2004.



South Africa hosted the 23rd Session of the Food and Agricultural Organisation's (FAO) Africa Regional Conference from 27 February to 6 March 2004 in Sandton, Johannesburg.

As part of the Conference, all African United Nations member states, together with the Minister of Agriculture, Ms Thoko Didiza, launched a special food-security programme at the Tswelopele Irrigation Scheme in Burgersfort, Mpumalanga. The R6-million programme is funded by the national Department of Agriculture. The FAO will provide technical expertise.

It is part of a continued programme of African Ministers of Agriculture to develop and facilitate the implementation of the New Partnership for Africa's Development Agricultural Sector Plan, known as the Comprehensive African Agriculture Development Plan.

Focused investment

The WaterCare theme targets Limpopo in particular, because of water shortages and the importance of water for irrigation. This theme establishes a framework for managing land and preventing the silt-up of dams for irrigation. WaterCare works in partnership with the community to develop action plans for managing and restoring irrigation schemes. The rehabilitation of irrigation schemes increases water supply and household food security. Furthermore, WaterCare promotes the development of techniques for water-resource management and encourages opportunities for training in this field.

There are 138 small-holder schemes in Limpopo. Under the WaterCare project, 28 schemes have been revitalised. It aims to revitalise the remaining schemes over a six-year period from 2003 to 2009. The Limpopo Government has committed R252 million to this project.

VeldCare promotes best-grazing systems and erosion-prevention practices to improve production. It develops and maintains agricultural activities in accordance with the principles of ecologically sustainable development within North West. Economic and social development opportunities are realised by improving grazing areas and maintaining viable grazing areas throughout rural communities.

SoilCare encourages rural farmers in KwaZulu-Natal, the Eastern Cape and Mpumalanga to build innovative structures to combat soil erosion. This includes reducing the depletion of soil fertility and acidity. Through SoilCare, sustainable agricultural production systems, such as diversification, management of input and conservation tillage are introduced.

The Eco-Agriculture Extended Landcare Programme was introduced in 2004/05 to complement the Expanded Public Works Programme. The Department of Agriculture is contributing R42,9 million to job creation and training.

The objectives of JuniorCare are to empower previously disadvantaged youth through training in facilitation and leadership skills.

This includes the promotion of food security at home and at schools, awareness of sustainable

agriculture, and stimulating the formation of youth clubs and projects that aim to promote other components of LandCare. JuniorCare addresses the needs of young people in an integrated way and involves interdisciplinary approaches.

Land and Agricultural Development Bank of South Africa (Land Bank)

The Land Bank is a specialist agricultural bank guided by a government mandate to provide financial services to the commercial farming sector and to agribusiness. It also makes available new, appropriately designed financial products that facilitate access to finance by new entrants to agriculture.

A board of directors that reports to the Minister of Agriculture and Land Affairs governs the Bank.

The Bank's mission is to:

- develop and provide appropriate products for commercial and development clients
- leverage private-sector investment in the agricultural sector
- develop techniques for financing high-risk agriculture and new business areas
- support programmes of the Ministry of Agriculture and Land Affairs by aligning the Bank's products with these programmes
- contribute to rural development by linking up with government structures and activities.

These programmes and structures include Land Redistribution for Agricultural Development (LRAD), the Agricultural Sector Plan and the ISRD.

The Land Bank offers various strategies to support historically disadvantaged individuals (HDIs), including easy access to loans, equity finance, loans for land-reform beneficiaries, a special loan for HDIs buying farms for the first time (Special Mortgage Bond), incentives (a lower interest rate for farmers who show their commitment), micro-loans for people starting an enterprise or a small farming business, and 'We Come to You' – making banking more accessible through its branches nationally, its rural satellite offices, and partner organisations such as development, finance and government institutions.

Black Economic Empowerment (BEE)

BEE is seen as the driving force towards stimulating growth and wealth.

The main challenge facing the sector is to harmonise its strategic plan with the Government's BEE Strategy, codes and norms. On 26 July 2004, the Ministry of Agriculture and Land Affairs launched AgriBEE, a broad-based BEE framework for agriculture.

The framework is a key component of implementing equitable access and participation in accordance with the Agricultural Sector Plan. The document has been launched for public discussion and a further consolidation process aimed at reaching a common position before the end of 2004.

Agricultural Credit Scheme (ACS)

The Department has established the ACS with an initial budget of R1 million.

The aim of the ACS is to contribute to a competitive, efficient and sustainable agricultural financial system that will provide access to agricultural credit and related financial services.

Agri SA

Agri SA is a federation of agricultural organisations

comprising nine provincial unions, 28 national commodity organisations, and the agricultural business chamber as members.

It celebrated its centenary in 2004.

The mission and vision of Agri SA is to promote the economic opportunities and social well-being of commercial and commercially oriented farmers, by positively influencing agricultural policy and rendering supportive services.

It monitors policy developments and influences policy decisions in areas such as soil conservation and environmental affairs; land reform; aspects affecting small-scale farmers; water resources; labour legislation; safety, law and order; rural local government; monetary and fiscal policy; financing; trade policy and agreements; industrial policy; agricultural research, marketing, economics and financial and statistical information; input costs; liquid fuel; transport; disease; pest control; and food security.

Agri SA is involved in various products which include, among others:

- a R6-million project to teach farmers labour law, which reached 24 861 participants over six years
- a farmer-development desk established in 2003 to gather information regarding Black farmer-development projects supported by organised agriculture
- the Agri Securitas Trust.

Agricultural Business Chamber (ABC)

The ABC is a sectoral body representing an important component of South Africa's business sector. The ABC's members represent total assets of almost R30 billion and an annual agricultural business turnover of about R50 billion.

ABC members operate more than 2 000 service centres countrywide with more than 100 000 employees. In many rural areas, members of the ABC are the business hub of the community and make a key contribution towards maintaining rural infrastructure.

The ABC is an integral part of the Agri SA Group, and associates with Business South Africa and international bodies such as the International

In May 2004, the South African Government donated R100 million to United Nations (UN) agencies to help with poverty-alleviation projects in the rest of the southern African region.

This was in response to a worldwide appeal by the World Food Programme in July 2003.

Lesotho, Swaziland, Mozambique, Zimbabwe, Malawi and Zambia benefited from the donation.

The bulk of the donation, R67,5 million, was to be used by the Food and Agricultural Organisation of the UN for agricultural interventions and household food security.

Much of the South African donation was expected to find its way back into the local economy, with the UN buying huge quantities of maize from local farmers for use in the region and elsewhere on the continent, because of the competitive pricing.

In 2003, the UN bought 310 000 tons of maize from South Africa.



Federation of Agricultural Producers, the International Chamber of Commerce and the International Agribusiness Management Association.

The Chamber represents agricultural companies, agricultural co-operatives, companies which arose out of the conversion of agricultural co-operatives, and other agricultural business enterprises and organisations.

Agricultural businesses play a significant role in the economy of South Africa as handlers, processors and marketers of agricultural products, and as suppliers of production input and services.

Agribusiness as an economic sector

Agribusiness can be divided into two categories: non-co-operative business ventures and co-operatives or transformed co-operatives.

Non-co-operative business ventures, also known as profit companies, are involved in the production and distribution of agricultural equipment and production requisites, and the marketing of agricultural products.

Co-operatives dominate the distribution of intermediate requisites and the handling, processing and marketing of agricultural products.

Agricultural co-operatives or agribusinesses are regarded as the farmers' own independent business organisations. There are close to 1 000 primary agricultural co-operatives and agribusinesses throughout the country. They supply their members with production input such as seed, fertiliser, fuel and repair services. They also provide credit and extension services, and handle a large percentage of their members' produce.

There are more than 15 central co-operatives in the country, which aim to supply the primary co-operatives with specific services such as processing and marketing of agricultural products, insurance services for crops, short-term cover, and farming requisites.

The structure of agribusiness has changed substantially since the deregulation of the agricultural sector into a free-market economy in 1994. Many co-operatives transformed into private companies, consolidations and mergers occurred, international

groups entered South Africa, and agribusinesses listed on the JSE.

Agribusinesses are involved in the production and distribution of agricultural equipment and production requisites, and in the marketing and processing of agricultural products.

The co-operative movement in South African agriculture is expected to grow. A new Co-operative Bill is under consideration and it is envisaged that this enabling legislation will make co-operatives accessible to all communities through out-grower projects, contracting and share-equity schemes.

The Co-operative Development Initiative is one of many efforts to facilitate such linkages, and support a 'growth-with-equity' development path for South African agriculture.

National African Farmers' Union

NAFU strives to promote the interests of the disadvantaged farming sector by lobbying for access to support services and empowering its members through effective communication and capacity-building programmes.

The Department of Agriculture funds NAFU's capacity-building programme. Further funding is provided by the US Department of Agriculture.

Bergville Maize Milling Co-operative is also co-ordinated and funded by the national Department of Agriculture.

The Zijamele Farmers Co-operative training programme is co-ordinated by the Department and rendered by Africare as an implementing agent.

The Department also co-ordinates the Presidential Mechanisation Lead Projects.

Institutional capacity-building

The Department of Agriculture has developed a databank for South Africa's agricultural human resource capacity.

In collaboration with the Economic Development Institute of the World Bank, the Department has designed and developed training courses for rural restructuring and development. The Youth Entrepreneurship Programme was launched in 1999.

The Department co-ordinates and funds the National Emerging Red Meat Producers' Organisation. This includes the formation of provincial structures and the provision of organisational leadership training.

Training and research

South African agriculture has a strong research component. Many of the people involved are world leaders in their respective fields. The ARC, an autonomous statutory body set up in terms of the Agricultural Research Act, 1990 (Act 86 of 1990), is the largest agricultural research organisation in Africa.

The ARC provides research support to the Department of Agriculture and the nine provincial departments of Agriculture. ARC scientific expertise supports most of the Department of Agriculture's regulatory directorates, such as the Directorate: Public Veterinary Health, the Directorate: Animal Health, the Directorate: Plant Health and Quality, the Directorate: Agricultural Resource Conservation and the Directorate: Agricultural Production Input. The ARC also supports other agricultural institutions such as the Registrar of Livestock Improvement and Identification, the Registrar of Brands, the South African Veterinary Council and the Perishable Products Export Control Board.

The ARC serves the whole continuum of farmers, from the small-scale subsistence sector, and the emergent commercial sector, to fully fledged commercial farmers. Research is scale-neutral or directed to the specific needs of small-scale or commercial farmers.

South Africa has a number of specialised agricultural high schools and regular schools offering a comprehensive range of agricultural subjects. Prospective farmers are trained at 11 agricultural colleges: Elsenburg (Western Cape), Cedara and Owen Sitole (KwaZulu-Natal), Grootfontein Agricultural College at the Grootfontein Agricultural Development Institute (run by the Department of Agriculture), Glen (Free State), Potchefstroom (North West), Lowveld (Mpumalanga), Fort Cox and Tsolo (Eastern Cape), and Tompi Seleka and Madzi-

vhandila (Limpopo). Diploma courses are also offered at various universities of technology. Degree courses are offered by the faculties of agriculture at various universities.

Veterinary surgeons are trained at the University of Pretoria's Faculty of Veterinary Sciences at Onderstepoort. The former Faculty of Veterinary Sciences at the Medical University of South Africa has amalgamated with the University of Pretoria. State veterinarians are assisted countrywide by qualified animal health technicians.

Qualified meat inspectors in the provincial Directorate: Veterinary Services assist State veterinarians with meat inspections at abattoirs in South Africa.

In partnership with the University of Pretoria, the Umsobomvu Youth Fund and 40 Agricultural Business Enterprises, about 45 young agricultural graduates were placed in internship programmes with the aim of getting work experience linked to the advancement of their careers.

To address the critical challenge of an ageing scientist base, the ARC has developed the Professional Development Programme targeting especially young women and Black people. By June 2004, some 104 young people were enrolled in the Programme. The ARC is aiming at enrolling 150 young scientists.

Trade relations

The Directorate: International Relations facilitates and co-ordinates international activities on both multilateral and bilateral bases.

The Directorate: International Trade Relations analyses international trade and related policies, advises on multilateral and bilateral agricultural trade policy, and promotes trade initiatives. The Department is responsible for dealing with matters concerning agricultural relations with other countries and organisations, such as the Southern African Customs Union (SACU), the trade and industry sectors of the SADC, the WTO and the International Grains Convention.

The Department maintains bilateral trade agreements with countries in Africa, and is involved in

negotiations as part of SACU with the USA, South American Common Market (MERCOSUR), and the European Free Trade Association. It is also involved in the WTO negotiations individually, and as a member of the Cairns group, the G-20 and the Africa Group.

Work relating to agricultural relations in the field of trade is done in co-operation with the departments of Trade and Industry and of Foreign Affairs. The Department of Agriculture is a member of the FAO; the Consultative Group on International Agricultural Research; the Food, Agriculture and Natural Resources Sector of the SADC; the International Seed-Testing Association; the Organisation for Economic Co-operation and Development's Seed Schemes; the Union for the Protection of New Varieties of Plants; and the Cairns Group.

The Directorate: International Trade Relations is responsible for implementing South Africa's commitments in terms of the WTO Marrakech Agreement. These commitments include the reduction of tariffs, export subsidies, and domestic support given to agriculture. All of the commitments have been met.

In addition, the Department is creating market-access opportunities by implementing the minimum market-access commitments contained in the Agreement.

WTO agricultural negotiations embarked upon after the Doha Development Agenda in November 2001, were still continuing by June 2004.

South Africa's objectives in the agricultural negotiations, as part of the Doha Development Agenda, are to achieve a substantial reduction in domestic support and export subsidies, mainly from developed countries. Other objectives are to achieve a substantial improvement of market access for South African agricultural exports; and to ensure that South Africa's commitment, in terms of domestic support, fully covers the development needs of the country.

The Department is developing trade relations with other countries. This includes the implementation of the agricultural aspects of the SACU Agreement; the SADC Protocol on Trade; and the SA-EU Trade, Development and Co-operation Agreement (TDCA).

A substantive restructuring is aimed at graduating the SADC into a regional trading bloc. Key features of this restructuring include the grouping of the 21 sectors into clusters under four directorates at the SADC Secretariat, and the establishment of SADC national committees to co-ordinate their respective individual member-state interests relating to the SADC.

The SA-EU TDCA was implemented on 1 January 2000. The Department has introduced a system whereby market opportunities under the Agreement can be fully utilised. This includes providing information to potential exporters, as well as the administration of export quotas granted to South Africa under the Agreement. Since 1 January 2000, the Department has been issuing export permits for various products such as wine, canned fruit, fruit juice, cut flowers, proteas, cheese and frozen strawberries to be exported to the EU at reduced levels of duty.

The South African Government has signed a framework agreement with MERCOSUR (a treaty establishing a common market between Argentina, Brazil, Paraguay and Uruguay). This agreement lays down the framework for negotiations of a free trade agreement (FTA).

The Department is also preparing its position regarding possible FTAs with China, India, Nigeria and Kenya.

The Department is investigating and evaluating export opportunities for agricultural products on world markets. A subdirectorates was formed to deal specifically with issues related to the strategic repositioning of the agricultural export sector. Strategic market research and the formulation of new industry strategies for exports are priorities. Export-led development projects are also being considered as a means to alleviate poverty.

The Directorate: International Trade Relations facilitates the training of role-players in the utilisation of trade tools.

The ARC participates in various co-operative research agreements, international organisations and networks.

The ARC also supports various government departments in deliberations regarding international

agreements and disputes, for example the Convention on Biodiversity, the Kyoto Protocol on Global Change, the Montreal Protocol, GMOs and Indigenous Knowledge Systems.

Import and export control

The aim of the Import Export Policy Unit of the Directorate: Animal Health is to formulate and support policies to reduce sanitary (health) risks in the import and export of animals and animal products.

Import requirements vary according to the product and the animal-health situation in individual countries.

South Africa is an active member of the OIE. Disease reports are received from the OIE and through direct contact with the veterinary administration in the exporting countries.



The third Plenary Meeting of the National Agricultural Research Forum (NARF) was held in January 2004.

At the meeting, a Memorandum of Understanding for co-operation in the areas of research, development and technology transfer in agriculture was adopted.

The NARF was established in 2002 within the context of the Agriculture Sector Strategy adopted by the Presidential Working Group on Agriculture. The NARF's role is to:

- provide for information-sharing on scientific endeavours and advancement, as well as best practice
- promote collaboration, synergies and innovation through partnership arrangements
- act as a consultative forum for constructive dialogue on national, regional and international research collaboration.

Priorities for the NARF in 2004 included:

- exploiting the role of science and technology (S&T) in improving the competitiveness of agriculture through biotechnology, human and animal nutrition, intellectual property rights, and dealing with food security and drought
- formulating risk-management strategies, including drought, animal nutrition and early warning systems
- recognising biotechnology and its role in agricultural production
- human resource development and the brain-drain in agricultural research
- recognising intellectual property rights
- fostering public understanding of S&T.

Trade in animal and animal products is based on a series of requirements considered appropriate by the importing country to prevent the entry of diseases.

The Directorate: Plant Health and Quality of the Department of Agriculture is the designated National Plant Protection Organisation of South Africa and has an obligation to fulfil the requirements of the WTO-SPS and the IPPC.

The Department is one of the key regulatory State departments with the authority to enforce laws enacted by Parliament to protect the South African consumer, the environment and other national interests. The Department's regulatory activities, with regard to plants and plant products, are primarily enforced by the Directorate: Plant Health and Quality and the Directorate: Genetic Resources. In addition, South Africa's Customs Service participates in this effort by detaining imported goods when requirements are not met.

The Directorate: Plant Health and Quality promotes and regulates the availability of healthy and productive plant material and the quality of agricultural products in South Africa. Import control is vital to prevent the introduction of potentially harmful foreign pests. Prospective importers of plants and plant products have to apply for an import permit for those controlled goods not published in the *Government Gazette R1013* of 1989.

A pest-risk analysis, based on scientific data, is conducted, and specific phytosanitary requirements are set out according to the phytosanitary risk(s) involved. These conditions are then stipulated in the permit issued to the importer. Importers are obliged to present the material to the executive officer of the Act or the official representative, for inspection. Should any potentially harmful pest be introduced into and become established in South Africa, the Directorate: Plant Health and Quality will conduct a survey to determine the distribution of the organism, draft an eradication programme, liaising with other relevant parties, and possibly co-ordinate and participate in the eradication programme.

Despite strict precautions in the past, several harmful alien organisms have become established in specific production areas in South Africa, causing substantial losses to agriculture. Control measures

are published to prevent or combat the spread of these organisms to other areas in the country. Quarantine services ensure imported plant material and biological control agents are appropriately handled, to guarantee that harmful alien organisms do not enter and become established in the country.

In export control, South Africa has to comply with the import conditions of the specific country or group of countries it is exporting to, by issuing phytosanitary certificates. The Directorate furthermore maintains a database of the import conditions and procedures of various countries, and the occurrence of harmful organisms within South Africa. It renders advisory and identification services, carries out field inspections, and conducts laboratory tests as requested by the importing country.

All consignments of plants and plant products intended for export are inspected, evaluated and certified by the Directorate.

Food safety and quality assurance

Food safety has become an international public health issue which is considered a top priority by the WHO.

Over the years, emphasis in the Department has been mainly on setting norms and standards for the quality aspects of agricultural products. As a result of this shift in emphasis internationally, and the negative impact that a lack of consumer confidence in the safety of food products can have on trade, the Directorate: Food Safety and Quality Assurance was created in 2002.

The aim of the Directorate is to develop policy and set norms and standards for agricultural food products of plant and animal origin, as well as to regulate agricultural production input such as fertilisers, farm feeds, pesticides and stock remedies.

The EU is reviewing a number of agrochemicals used on agricultural products destined for their market. As South Africa exports between 60% and 70% of its total exports to the EU, the review of the use of these chemicals has the potential to impact negatively on South African products.

As a result of its diverse agroclimate, South Africa cannot remain competitive without the use of cer-

tain chemicals. To address this matter, the Department, the agricultural industry and the EU have embarked on the South African Pesticide Initiative Programme (SAPIP).

The objective of the SAPIP is to assist the local industry to adopt good agricultural practices, and find alternatives or do away with the affected agrochemicals. A financing agreement between the EU and South Africa was signed to facilitate the Programme.

To ensure the safety of exported products, the Directorate has also drafted food-safety regulations with regard to products of plant origin.

Before the registration of agricultural products, an appropriate risk and value assessment is conducted. The value assessment considers whether using the product has merit and whether the application rates will be effective.

The risk assessment considers the inherent toxicity, persistence and bio-accumulative nature of the product, and addresses key issues such as the degree to which humans and the environment may be exposed, and the possible health hazards associated with the product.

Fertilisers, farm feeds, agricultural and stock remedies will be registered if the data requirements of efficacy, safety and quality have been adequately addressed, and the human and environmental risks associated with its proposed use are acceptable. The household remedies, swimming pool remedies and pest control operators are also regulated in terms of the Fertilisers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947.

The inspection service ensures compliance with the regulations. Complaints about a specific product registered in terms of the Act are investigated by the inspection services and administrative and/or legal action can be taken against offenders when necessary.

In terms of the Meat Safety Act, 2000, (Act 40 of 2000), no person may sell or provide meat for human or animal consumption unless the animal from which the meat is sourced has been slaughtered at a registered abattoir. The Directorate is responsible for inspecting and auditing export abattoirs.

The Pathogen Reduction Programme is due for implementation in high capacity red-meat abattoirs.

It is envisaged that a national residue-monitoring programme will be introduced in the next three years to ensure that all South African consumers enjoy the same level of protection as the consumers of the export markets.

Land Affairs

The Department's key focus is to provide access to land and extend land rights, with particular emphasis on historically disadvantaged communities, within a well-planned environment.

The Department is responsible for:

- deeds registration
- cadastral surveys
- surveys and mapping
- spatial planning and information
- land reform, implementation management and co-ordination
- land-reform systems and support services.

Deeds registration

The aim of the Chief Directorate: Deeds Registration is to maintain a public register of land, as well as an efficient system of registration aimed at affording security of title to land and rights to land.

During 2003/04, the Chief Directorate played a very important role in supporting the Department's land-reform initiatives. Land-registration information supplied from the Deeds Registration System database plays a vital role during the preliminary investigative stages of any land delivery initiative, while the final step in the process, the registration of the relevant title deeds, is handled by the nine Deeds Registries.

These are situated in Pretoria, Cape Town, Johannesburg, Pietermaritzburg, Bloemfontein, Kimberley, King William's Town, Vryburg and Umtata. Despite an increase in their workload over the past year, the Deeds Registries have been able to maintain a turnaround time of their vital registration function of 10 working days from lodgement.

The Chief Directorate has taken an active part in the drafting of the Communal Land Rights Act, 2004

(Act 11 of 2004). Deeds officials were able to provide expert assistance with the formulation of the registration-related procedures, which form part of the Act.

The Act provides for legal security of tenure by transferring communal land, including KwaZulu-Natal Ingomnyama land, to communities, or by awarding comparable redress.

It also provides for the:

- conduct of a land-rights inquiry to determine the transition from old order rights to new order rights
- democratic administration of communal land by communities
- co-operative performance of municipal functions on communal land
- creation of Land Rights Boards.

Deeds Registries are responsible for the:

- registration of real rights in land
- maintenance of a public-land register
- provision of land-registration information
- maintenance of an archive of registration records.

Deeds and documents lodged with Deeds Registries are examined by deeds controllers for accuracy regarding the content, as well as for compliance with common, case and statutory law, and attachments against the property.

Holders of a title deed registered in the Deeds Registries are therefore assured of the security of their title to the property.

Deeds Registries employ data typists to update and maintain registration data on the Deeds Registration System (DRS) database daily. This database is mainframe-based and hosted by the State Information Technology Agency. The mainstay of the Chief Directorate's electronic systems is the DRS software.

The Chief Directorate: Deeds Registration has developed a bar-code-based document-tracking system (DOTS) for implementation in Deeds Registries. DOTS was born out of the need to eliminate the disappearance of deeds and documents during the registration process. DOTS' ability to track deeds and documents through the various processes within the Deeds Registry has repeatedly

proved its worth. In addition, the system provides Deeds Registries with valuable statistical information which is being used for managerial purposes.

Deeds Offices supply registration information in support of all units in the Department of Land Affairs conducting research for land-reform purposes.

The Department has launched an initiative aimed at establishing at least one Deeds Registry per province. The first of the new Deeds Registries will be established in Nelspruit, Mpumalanga. This is to be followed by the expansion of the areas of jurisdiction of the Eastern Cape Deeds Registries at Umtata and King William's Town.

The e-Cadastre, which forms part of the Department's Master Information Systems Plan, is a system proposed for the electronic submission and processing of diagrams in the offices of the Surveyors-General, and deeds and documents in the Deeds Registries.

By eliminating paper traffic between the legal fraternity, Deeds Registries and offices of the Surveyor-General, the system will reduce survey approval and deeds registration turnaround times and also enable easier access to survey and registration services from remote areas. Consequently, the e-Cadastre will benefit previously disadvantaged sectors of the community living in rural areas, informal settlements or low-cost housing schemes.

Cadastral surveys

The Chief Directorate: Cadastral Surveys aims to provide quality services that ensure the integrity of surveyed real rights, and to supply, maintain and provide access to spatially related information.

The Directorate: Cadastral Spatial Information and Professional Support is responsible for, among other things, preparing and updating cadastral maps in both paper and digital form, and examining and approving diagrams and general plans prior to them being registered by the Deeds Registry.

The website of the Chief Surveyor-General contains information and links to a number of other related sites.

Service delivery has improved and good turnaround times have been maintained in the offices of the Surveyor-General.

Processing periods of less than 15 working days in the examination of cadastral documentation are being maintained.

The turnaround times were made possible by the continued improvement of procedures, the restructuring of offices, and the enhanced Cadastral Information System, which is operational in the Office of the Surveyor-General. Ease of access to accurate spatial data has been provided through the enhanced usability and continual updating of the spatial database. Clients have ready access to such data, both in electronic and hard-copy format.

A decision to supply the three spheres of government with free digital data (diagram and general plan images) has been accepted with great enthusiasm.

Two Client Service Centres have been established at the Pretoria and Cape Town Surveyor-General Offices.

The Centres serve 100 to 150 clients a day and supply a legal registration help-desk function to attorneys, land surveyors and other professionals in the property industry.

Services provided to government include the preparation of documentation relating to the awarding of tenders to private land-survey firms, for the survey of State land. Assistance is given to the Land and Tenure Reform Branch and Land Claims Commissions (regional and provincial) in the form of surveys, the provision of cadastral information, the undertaking of field inspections, the undertaking of investigations to determine magisterial boundaries, and the upgrading of data on the former Transkei, Bophuthatswana, Venda and Ciskei states. A tendering process is administered by the Surveyor-General Offices for the appointment of land surveyors on request from either unit.

The formal and informal cadastral spatial data has proved invaluable in providing assistance to components dealing with land reform and restitution.

Surveys and mapping

The aim of the Chief Directorate: Surveys and Mapping is to provide high-quality spatial information through national mapping, national geodetic surveys, national control-survey systems, aerial

photography and other imagery in support of national infrastructure and sustainable development.

It provides surveying, cartographic, client and professional services in support of land reform and sustainable development.

In 2003/04, there was a marked increase in the Chief Directorate's output, and in the distribution of its products as a response to an ever-growing demand from users for updated maps and other spatial information. The quality of its products is known to be world-class.

National mapping

Mapping is a crucial resource for decision-making and development, and one of the most important deliverables of the Chief Directorate to support orderly development planning and sustainable land use.

All the maps of the national mapping series are continuously revised to reflect the change in landscape and other geospatial features. More than 2 000 maps were produced in 2003/04.

The Chief Directorate is a full member of the National Air Space Committee and produces aeronautical charts for the southern African region that are vital to the interests of air safety.

The Chief Directorate provides up-to-date charts that reflect changes to airspace with respect to the Future Airspace Management Efficiency Programme. During 2003/04, eight aeronautical charts were produced on request.

Topographical information system

The maintenance and continuous updating of the Digital Topographic information System is a key activity of the Chief Directorate. This System contains major features such as roads, railways, built-up areas, contours and rivers of the entire 1:50 000 national map series in digital format. A digital eleva-

tion model is available in horizontal intervals of 400 m and 200 m in mountainous areas, and 50 m for the major metropolitan and development areas.

National Control Survey System

The establishment of the National Control Survey System will facilitate the advance towards a uniform geodetic network for the continent.

This network plays a leading role in the African Reference Framework project aimed at harmonising and linking spatial reference systems across Africa, in support of NEPAD. The National Control Survey System consists of a network of about 62 000 control points distributed throughout the country. The network is made up of about 28 000 trigonometric beacons, 24 000 town survey marks and 10 000 elevation benchmarks.

National aerial photography and imagery

This archive of aerial photography, dating back to 1934, is enhanced annually with the acquisition of new photography.

In 2003/04, new coverage of about 20% of the country was attained. Aerial-photography programmes and priorities are determined in co-operation with local, provincial and national government departments, and are focused on the nodal areas defined by the ISRDP and the Urban Renewal Programme.

The archive is used for mapping, land-resource planning, infrastructure development, and legal and land restitution matters.

Spatial planning and information

The Chief Directorate: Spatial Planning and Information consists of three directorates:

- the National Spatial Information Framework is responsible for providing parameters for a coherent spatial data infrastructure, characterised by the availability of relevant, reliable spatial information for planning, delivering services, and the optimal allocation of resources
- the Spatial Planning Facilitation is responsible for establishing, implementing and monitoring a

The Chief Directorate: Surveys and Mapping's map awareness and map literacy campaign adds to the general drive to promote map literacy. MapAware workshops, offered to both public and private organisations, strive to develop and enhance the map skills of people who use spatial information in the workplace.



national spatial planning and land-use management system

- the Spatial Development Framework is responsible for developing policies and guidelines to support the formulation and implementation of spatial- development frameworks at national, provincial and local level, and to provide technical support for all related processes.

The Spatial Data Infrastructure Act, 2003 (Act 54 of 2003), came into effect on 28 January 2004. The Act aims to establish the South African Spatial Data Infrastructure, the Committee for Spatial Information, and an electronic metadata catalogue.

It also provides for the determination of standards and prescriptions with regard to the sharing of spatial information, the capturing and publishing of metadata, and the avoidance of duplication.

The Land-Use Management Bill proposes a set of directive principles to guide land-use management practices in the country. It aims to establish standards and tools for effective decision-making in land-development processes.

The Spatial Information Bill provides for greater access to spatial information, standards to enhance interoperability, and the institutional framework to govern and regulate the sector.

To improve and facilitate access to spatial information, the Spatial Data Discovery Facility (SDDF) has been maintained and expanded to link 22 nodes. It also contains information concerning approximately 3 259 spatial data sets.

The Council for Scientific and Industrial Research's Environmentek and the Demarcation Board are creating nodes and will populate them with more records. The Spatial Information Bill, when enacted, will encourage more data custodians to capture metadata, thus creating the critical mass necessary for the SDDF to become the one-stop portal for geospatial metadata.

The National Spatial Information Framework, in conjunction with the South African Bureau of Standards (SABS), is developing four standards. These include the Minimum Data Content of the Framework Data and the Unique Feature Identification Standard. A test bed will be developed to establish guidelines for the implementation of the

Unique Feature Identification Standard. The Land Cover Classification Standard has been completed and submitted to the SABS for comment.

Land-reform implementation, management and co-ordination

The Chief Directorate: Land-Reform Implementation Management and Co-ordination is located in the Branch: Land and Tenure Reform.

The Chief Directorate's aim is the actual delivery of land and tenure reform. This is primarily done through nine Provincial Land Reform Offices (PLROs) and 36 operational regions.

The main objective of the Land Reform for Agricultural Development (LRAD) Programme, in line with the Department's mission, is to provide access to land, and to extend land rights to previously disadvantaged communities.

On 18 February 2004, the Minister of Finance, Mr Trevor Manuel, announced that a new grant of R750 million would be transferred to provincial Agricultural departments in 2004/05.

The money will be used to provide comprehensive agricultural support to developing farmers, including those benefiting from the LRAD Programme.

Between 2001 and March 2004, the LRAD Programme delivered 124 562 31 ha to 7 622 beneficiaries. This translated into 377 farms that were distributed to Black farmers to commence agricultural activities. Notable progress was made to expedite labour tenant cases in Mpumalanga and



On 18 August 2004, the Minister of Agriculture and Land Affairs, Ms Thoko Didiza, launched the Comprehensive Agriculture Support Programme (CASP) in Boston, KwaZulu-Natal.

The CASP focuses on infrastructure, information and knowledge management, financial assistance, technical and advisory services, training and capacity-building, and marketing and business development.

The multiphase CASP specifically targets emerging women farmers in rural areas.

The Department committed R210 million in 2004/05 for the initial roll-out of the CASP.

KwaZulu-Natal, where the majority of labour tenants were located.

By June 2004, about 772 626 ha of land had been delivered under the State Land Disposal Programme. Between June 2003 and March 2004, the Department settled 1 655 Black farmers through LRAD. By June 2004, the cumulative figure of LRAD beneficiaries since 2001 was 19 736.

Land-reform systems and support services

The objectives of the Land and Tenure Reform Programme are:

- increased sustainable land-use
- better access to land-administration services
- reaching land-redistribution targets
- a decrease in State-owned land
- increased State-land vesting
- increased security of land tenure.

The Communal Land Rights Act, 2004 aims not only to ensure ownership of assets by families in rural areas, but also to encourage small-scale and co-operative agricultural production, thereby improving food security.

It also aims to give secure land-tenure rights to communities and persons who occupy and use communal land. Most of this land is registered in the name of the State, and is held in trust by the Minister of Agriculture and Land Affairs or the Ingonyama Trust, for communities.

The confirmation of vesting of State land through the issuing of certificates in terms of the Constitution, plays an integral role in freeing State land for land-reform purposes. This process confirms ownership thereof in either national or provincial government.

A total number of 16 996 land parcels covering 3 951 404 ha had been vested by 31 March 2004, comprising 15,7% of the total number of surveyed land parcels (108 222) to be vested.

Between 1994 and mid-2004, about 537 000 ha of land controlled by the Department of Land Affairs was disposed of. About 236 600 ha of agricultural land was made available to emergent farmers by the provincial departments through transfers and option to purchase.

About 50 000 ha of Fala land (under the Department of Public Works) has been made available to new farmers. Some 592 000 ha of agricultural State land under the Department's control was assigned to the provincial members of executive committees under the 'Agricultural Power of Attorney' to decentralise the administration and disposal thereof. From the 592 000 ha, some 192 000 ha were leased and 44 000 ha were disposed of during 2004/05.

The Chief Directorate: Land-Reform Systems and Support Services has proactively engaged with the private sector to increase their involvement in land reform so as to improve the scale of delivery. Positive engagements were initiated with the Banking Council. An existing service level agreement with the Land Reform Empowerment Facility (LREF) has been maintained.

The LREF is a wholesale credit facility hosted and administered by Khula Enterprise Finance, which was created by the Department to assist in the establishment of commercially viable land-reform projects.

The LREF approved seven land-reform projects during 2003/04.

Commission on the Restitution of Land Rights (CRLR)

In 1995, the CRLR was established in terms of the Restitution Act, 1994 (Act 22 of 1994), which aims to:

- provide equitable redress and restoration to victims of dispossession, particularly the landless and the poor
- contribute towards the equitable redistribution of land in South Africa
- promote reconciliation through the restitution process
- facilitate development initiatives by bringing together all relevant stakeholders, especially provincial governments and municipalities.

The Restitution of Land Rights Amendment Bill was signed by President Thabo Mbeki on 28 January 2004 and promulgated on 4 February 2004 in the *Government Gazette*. The purpose of the Act is to empower the Minister of Agriculture and Land Affairs to acquire, including by expropriation, land

for restitution purposes or for any other related land-reform purpose without a court order.

By March 2004, 48 825 claims had been settled, representing a 34% increase in the number of settled claims in 2003 (36 488). Of the 48 825 claims settled, 6 113 are rural and 42 712 urban.

Some 810 292 ha of land has been approved for restoration and R1 256 227 321 has been committed for this purpose.

The Commission has established a post-settlement support programme which pays special attention to development planning and facilitation. The thrust of this programme is to identify critical stakeholders for each claim, and to obtain their participation and commitment to supporting beneficiaries.

This support includes conducting feasibility studies, land-use planning, business planning, project management, business development, capacity-

building, settlement planning, financing, monitoring and control. There have been a number of claims for forestry, protected areas and land with mining rights.

In pursuit of more equitable land-ownership patterns, government allocated an additional R700 million to Land Reform and Restitution programmes in the 2004/05 financial year.

Land tenure is intended to promote, support and co-ordinate land rights of labour tenants and farm workers.

Restitution has contributed directly to poverty alleviation. Over the past 10 years, some R1,6 billion has been spent on financial compensation. Restitution beneficiaries have spent this money on home improvements, education and other livelihoods projects. These funds have boosted local economies and improved the socio-economic status of beneficiaries, thus restoring their dignity.

Acknowledgements

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Estimates of National Expenditure 2004, published by National Treasury
Land Bank
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Arts and culture

The Department of Arts and Culture aims to develop and preserve South African culture, to ensure social cohesion and nation-building. It is the custodian of South Africa's diverse cultural, artistic and linguistic heritage.

Funding

The Department's budget has grown at an annual average rate of 32,5% over the past three years.

Transfers to heritage, arts and culture institutions are projected to make up an average of 82,9% of the budget over the medium term.

The Department is responsible for 27 public entities, including museums, art galleries, the National Archives and six playhouses.

In 2004/05, about R1,8 million was invested in regional community arts centre projects. The Promotion of Arts and Culture in South Africa Subprogramme funded six theatres, three orchestras and a range of other artistic endeavours in 2003/04.

The sum of R93,2 million was allocated to performing arts institutions. The Promotion of Arts and Culture Subprogramme was allocated R36,2 million, and the National Arts Council of South Africa (NAC) R44,6 million. The Arts and Culture in Society Programme received 19,11% of the Department's budget.



National symbols

National Anthem

The National Anthem of South Africa is a combined version of *Nkosi Sikelel' iAfrika* and *The Call of South Africa* (*Die Stem van Suid-Afrika*). *The Call of South Africa* was written by C.J. Langenhoven in May 1918. The music was composed by the Rev. M.L. de Villiers in 1921. *Nkosi Sikelel' iAfrika* was composed in 1897 by Enoch Sontonga, a Methodist mission school teacher.

The words of the first stanza were originally written in isiXhosa as a hymn. Seven additional stanzas in isiXhosa were later added by the poet Samuel

Mqhayi. It has been translated into most of South Africa's official languages.

National Flag

The National Flag of the Republic of South Africa was brought into use on Freedom Day, 27 April 1994. The design and colours are a synopsis of the principal elements of the country's flag history.

The central design of the Flag, beginning at the flag-pole in a 'V' form and flowing into a single horizontal band to the outer edge of the fly, can be interpreted as the convergence of diverse elements within South African society, taking the road ahead in unity. The Flag was designed by the State Herald.

When the Flag is displayed vertically against a wall, the red band should be to the left of the viewer, with the hoist or the cord seam at the top. When it is displayed horizontally, the hoist should be to the left of the viewer and the red band at the top. When the Flag is displayed next to or behind the speaker at a meeting, it must be placed to the speaker's right. When it is placed elsewhere in the meeting place, it should be to the right of the audience.

National Coat of Arms

South Africa's Coat of Arms was launched on Freedom Day, 27 April 2000.

A central image of the Coat of Arms is the well-known secretary bird with its uplifted wings. Above the bird is the rising sun, a force that gives life while representing the flight of darkness and the triumph of discovery, knowledge and understanding of things that have been hidden, and illuminating the new life that is coming into being. Below the bird is the protea, an indigenous flower of South Africa, which represents beauty, the aesthetic harmony of all its cultures, and South Africa flowering as a nation. The ears of wheat are emblems of the fertility of the land, while the tusks of the African elephant, reproduced in pairs to represent men and women, symbolise wisdom, steadfastness and strength.

At the centre stands a shield, which signifies the protection of South Africans from one generation to the next. Above it, repose a spear and a *knobkierie*. Together, they assert the defence of peace rather than a posture of war. This shield of peace, which also brings to mind an African drum, conveys the message of a people imbued with a love of culture. Its upper part is a shield being imaginatively represented by the protea.

Contained within the shield are some of the earliest representations of humanity in the world. Those depicted were the very first inhabitants of the land, namely the Khoisan people. These figures are derived from images on the Linton Stone, a world-famous example of South African rock art. The motto of the Coat of Arms, *!ke e: xarra/ke*, written in the Khoisan language of the /Xam people, means 'diverse people unite' or 'people who are different joining together'.

National Orders

National Orders are the highest awards that the country can bestow on individual South Africans and eminent foreign leaders and personalities.

The Order of Mapungubwe is awarded to South African citizens for excellence and exceptional achievement.

The Order of the Baobab is awarded to South African citizens for distinguished service in the fields of business and the economy; science, medicine, technological innovation; and community service.

The Order of the Companions of O.R. Tambo is awarded to Heads of State and other dignitaries for promoting peace, co-operation and friendship towards South Africa.

The Order of Luthuli is awarded to South Africans who have made a meaningful contribution to the struggle for democracy, human rights, nation-building, justice and peace, and conflict resolution.

The Order of Ikhamanga is awarded to South African citizens who have excelled in the fields of arts, culture, literature, music, journalism and sport.

The Order of the Mendi Decoration for Bravery is awarded to South African citizens who have performed extraordinary acts of bravery.

National Symbols

South Africa's National Symbols are:

- National Animal: Springbok
- National Bird: Blue Crane
- National Fish: Galjoen
- National Flower: King Protea
- National Tree: Real Yellowwood.

Arts and culture organisations

National Heritage Council (NHC)

The NHC, a statutory body that aims to bring equity to heritage promotion and conservation, was launched in February 2004.

The 23-member Council was appointed by the Minister of Arts and Culture in terms of the NHC Act,

National Symbols and Orders



National Bird: Blue Crane



National Fish: Galjoen



National Animal: Springbok



National Tree: real Yellowwood



National Flower: King Protea



The Order of the Baobab



The Order of Mapungubwe



The Order of the
Companions of O.R. Tambo



The Order of Luthuli



The Order of the
Mendi Decoration
for Bravery



The Order of Ikhamanga

1999 (Act 25 of 1999). The Council, which receives a government grant for its activities, is responsible for museums, libraries, archives and sites with religious, political, cultural, scientific, archaeological or environmental significance. It is also the custodian of living heritage such as the traditions of song, dance, story-telling and oral history.

The Council provides funding for ongoing operational and project requirements by transfer payments to institutions under its aegis. Further funding may take place through matched subsidy or core funding, and applications for funds are assessed by subcommittees comprising Council members.

The Council also advises on policies for research and the management of collections, curating, exhibits and education.

South African Heritage Resources Agency (SAHRA)

The National Heritage Resources Act, 1999 (Act 25 of 1999), established the SAHRA to manage the heritage resources of the country in co-operation with similar provincial agencies.

The SAHRA has established the National Heritage Resources Fund to provide financial assistance, in the form of a grant or a loan, to an approved body or individual, for any project which contributes to the conservation and protection of South Africa's national heritage resources.

Conservation categories include:

- national heritage sites, registers, areas and objects
- protected areas
- structures over 60 years old
- burial grounds and graves
- fossils (palaeontology) and archaeology
- rock art
- historical shipwrecks.

South African Geographical Names Council (SAGNC)

The SAGNC is an advisory body appointed by the Minister of Arts and Culture in terms of the SAGNC Act, 1998 (Act 118 of 1998). The Council advises the Minister on the transformation and standardisation of official geographical names in South Africa.

The Council has jurisdiction over all names of geographical features and entities falling within the territories over which the South African Government has sovereignty or jurisdiction acquired by treaty.

The following principles are adhered to:

- each individual feature or entity should have only one official name
- the following types of geographical names should generally be avoided:
 - approved names of places elsewhere in South Africa
 - names of places in other countries, and names of countries
 - names that are blasphemous, indecent, offensive, vulgar, unaesthetic or embarrassing
 - names that are discriminatory or derogatory
 - names that may be regarded as an advertisement for a particular product, service or firm
 - names of living persons.

The SAGNC has been assigned, among its duties, to facilitate the establishment of Provincial Geographical Names Committees.

Publications of the Council are available on the departmental website under Heritage Chief Directorate. Applications for approval of a changed or new name can also be processed online by visiting www.dac.gov.za.

National Arts Council of South Africa

The NAC took over the structures and responsibilities of the Foundation of the Creative Arts on 29 October 1997.

The 22-member Council aims, among other things, to:

- support arts practice by creating and providing opportunities to achieve excellence in the arts, within a climate of freedom
- achieve equity by redressing imbalances in the allocation of resources
- promote and develop appreciation, understanding and enjoyment of the arts through strategies that include education, information and marketing
- enhance support and recognition for the arts by promoting and facilitating national and interna-

The National Anthem

Nkosi sikelel' iAfrika
Maluphakanyisw' uphondo lwayo,
Yizwa imithandazo yethu,
Nkosi sikelela, thina lusapho lwayo.

Morena boloka setjhaba sa heso,
O fedise dintwa le matshwenyeho,
O se boloke, O se boloke setjhaba
sa heso,
Setjhaba sa South Afrika –
South Afrika.

Uit die blou van onse hemel,
Uit die diepte van ons see,
Oor ons ewige gebergtes,
Waar die kranse antwoord gee.

Sounds the call to come together,
And united we shall stand,
Let us live and strive for freedom,
In South Africa our land.



tional liaison between individuals and institutions

- establish and recommend policy in the development, practice and funding of the arts.

The NAC supports several genres, such as music and opera, literature, the visual arts, craft, theatre and musical theatre, dance and choreography, and multidisciplinary arts.

It supports and funds a range of individuals and groups.

Mmino

Mmino, a South Africa-Norwegian Education and Music Programme, hosted by the NAC in close co-operation with the Norwegian Concert Institute, is the only funding programme in South Africa that funds music projects exclusively.

Since the inception of the *Mmino* Programme in August 2000, 143 projects have been funded. Funds are allocated twice a year.

Mmino aims to support projects with national impact in the areas of music education, documentation, research and exchange, choral music and festivals. The goal of *Mmino* is to strengthen South African musical cultures.

Living Treasures

The Living Treasures Project aims to create a living treasure of artists who are still alive and who have contributed to a democratic South Africa.



On 27 April 2004, South Africa celebrated the First Decade of Freedom.

Government adopted a multisectoral approach to this milestone to ensure that all South Africans and the international community participated in the celebrations.

The celebrations were aimed at uniting the country, marking its achievements as a nation, and consolidating its democracy. The event was celebrated through military salutes; a massive music concert; and a gala dinner, featuring the country's top musicians from all musical genres, sharing the stage with fellow international singers. A special 10-year song, composed by the creative collective, was also performed.

The event was televised on 100 big screens across the country and on national television.

Playhouses

The Department of Arts and Culture distributes an annual grant to the six playhouses in the country, to assist in creating a sustainable performing arts industry based on access, excellence, diversity and redress. They encourage the development of the full range of performing arts.

In 2003, three of the playhouses were declared cultural institutions in terms of Section 3 of the Cultural Institution Act, 1989 (Act 66 of 1989). The other three are in the process of being declared.

The Playhouses include the:

- State Theatre (Pretoria)
- Playhouse Company (Durban)
- ArtsCape (Cape Town)
- Market Theatre (Johannesburg)
- Windybrow Theatre (Johannesburg)
- Performing Arts Council of the Free State (Bloemfontein).

Business Arts South Africa (BASA)

BASA was launched in 1997 as a joint initiative between the Government, through the Department of Arts and Culture, and the business sector. It promotes and encourages sustainable partnerships between the business and the arts sectors, to their mutual benefit and that of the community at large. With funding from government, BASA has introduced the supporting grant scheme, whereby additional funds are made available to sponsor arts organisations or events.

BASA is a member of the International Network of Business Arts Associations, linking with similar organisations internationally.

Business Day continues to partner BASA in its annual awards, which acknowledge the importance of private sponsorships in the development of the arts.

Working with the Performing Arts Network of South Africa, BASA co-hosted the first arts marketing conference during 2003.

The conference culminated in the launch of the Arts and Culture Marketing Association of South Africa, a national forum for the arts sector focusing on the development of skills, and the identification of key trends locally and abroad.

Arts and Culture Trust (ACT)

The ACT was launched in October 1994 to finance and manage funding for the arts in South Africa. The Trust, with former President Nelson Mandela as its chief patron, has Nedbank, Sun International, the Ministry of Arts and Culture, Vodacom, and the Dutch Government as its major funders. The Trust also seeks to build a better arts and culture dispensation through proactive initiatives such as:

- fora, conferences and campaigns around strategic issues, such as support for the arts through the National Lottery
- the annual ACT Awards, which recognise the important contributions of role-players such as administrators, journalists and educators
- establishing mutually beneficial relationships between the Trust and the arts and culture community.

Other cultural organisations

Non-governmental organisations (NGOs), community-based organisations (CBOs) and other cultural projects which were previously not considered for funding are now being funded.

Arts and culture initiatives

Legacy projects

Monuments, museums, plaques, outdoor art, heritage trails and other symbolic representations create visible reminders of, and commemorate, the many aspects of South Africa's past.

Nine national legacy projects were initiated by government to establish commemorative symbols of South Africa's history and celebrate its heritage.

The legacy projects include the:

- **Women's Monument:** A monument to commemorate the contribution of the women of South Africa to the struggle for freedom was unveiled by President Thabo Mbeki on 9 August 2000, at the Union Buildings in Pretoria. The ceremony marked the day, in 1956, when 20 000 women marched to the Union Buildings to protest against the Government's pass laws.
- **Chief Albert Luthuli's house in KwaDukuza, KwaZulu-Natal,** has been restored by the Department of Arts and Culture as a museum with a visitors' interpretative centre. The project also involved the unveiling of Chief Luthuli's sculpture at the KwaDukuza Municipal Grounds. On 21 March 2004, the first of the Annual Chief Albert Luthuli lectures was held at the University of KwaZulu-Natal. A posthumous doctoral degree was conferred on Chief Luthuli. The Luthuli Legacy Project was launched on 21 August 2004 by President Mbeki.
- **Battle of Blood River/Ncome Project:** Following the unveiling of the Ncome Monument and Wall of Remembrance on 16 December 1998, the Ncome Museum was opened on 26 November 1999. The structures honour the role played by the Zulu nation in the Battle.
- **Samora Machel Project:** The Samora Machel Monument in Mbuzini, Mpumalanga, was unveiled on 19 October 1998.
- **Nelson Mandela Museum:** The Museum was opened on 11 February 2000. It is being developed as a single component comprising three elements, namely a museum in Umtata, a youth centre at Qunu, and a visitors' centre in Mvezo, where the former President was born.
- **Constitution Hill Project:** The Old Fort Prison in Hillbrow, Johannesburg, was developed into a multidimensional and multi-purpose precinct that houses the Constitutional Court (CC) and accommodates various constitutional commissions. As part of the 10 Years of Freedom celebrations, the new CC building was officially opened in March 2004. The Constitution Hill project involved the development of the Constitutional Hill precinct to accommodate the CC, the Constitution Museum, the Nelson Mandela Library and a commercial precinct.
- **Khoisan Project:** Consultation with relevant role-players at national, provincial and local level has been initiated to promote and protect the Khoisan heritage. It was decided to develop a heritage trail that will showcase the heritage of the Khoisan people.
- **Freedom Park Project:** Construction of the

Freedom Park Project, a memorial to the anti-Apartheid struggle at Salvokop in Pretoria, began in 2002.

The first phase of the R560-million memorial site was handed over to government in March 2004. This phase, costing R45 million, involved the design and construction of a Garden of Remembrance for the country's departed freedom fighters. President Mbeki joined traditional leaders in consecrating the Garden of Remembrance with the traditional casting away of evil spirits. The second phase is scheduled for completion in March 2006.

Additional legacy projects were expected to be announced in 2004. The Department is working with professionals to develop new national policy and strategic frameworks to ensure that there is adequate capacity to implement legacy projects as quickly as possible.

The Department will co-operate with other implementation agencies, NGOs and CBOs in project roll-out, acting in a management and monitoring role.

Education and training

Training is critical for the development of arts and culture, to achieve both the developmental and economic potential of the sector.

The creative industries form part of the Media, Advertising, Publishing, Printing and Packaging Sector Education and Training Authority (MAPPP-SETA).

Recognising the challenges facing this sector, the MAPPP-SETA, in partnership with the departments of Arts and Culture and of Labour, initiated the CREATE SA (Creative Education and Training Enterprise South Africa) Strategic Project to develop a comprehensive on-the-job training framework for the creative industries. The Project is funded by the National Skills Fund and the Department of Arts and Culture, and focuses on people who otherwise might not have had access to training opportunities.

Through CREATE SA, learnerships driven by industry demand have been awarded in a wide range of areas, including music, design, crafts, arts management, heritage and the performing arts. Between 2003 and June 2004, about 2 000 learnerships or skills development programmes had been taken up.

It is expected that by 2005, some 6 000 people from around the country would have benefited from learnerships and skills programmes as part of CREATE SA.

The Cultural Development and International Co-operation Programme is responsible for the Investing in Culture Programme. It focuses on the crafts, music, heritage and cultural tourism sectors. Investing in Culture identifies and uses existing skills within communities and among individuals. It is the single most significant intervention the Department is making in the Second Economy.

By mid-2004:

- 12 140 jobs had been created
- 22 258 people had been trained
- 428 420 training days had been counted.

Examples of partnerships created include:

- Women on the Move which supplies an Australian company with woven mats
- the Khumsani San Project which supplies an Italian fashion house with ostrich-shell buttons
- the Khumbulani Project which exports its products to London and other international destinations.

More information is available at www.createsa.org.za.

Cultural tourism

Cultural tourism is one of the most rapidly growing sectors of the multibillion-Rand international tourism industry, and is an area in which South Africa is well-placed to compete. Professional and innovative museums, galleries and theatres are key attractions for cultural tourists. Based on the success of crafts and cultural projects, the Department will allocate R95 million of poverty-alleviation funding towards this end over the next few years.

Cultural villages

Most tourists visiting South Africa are eager to explore the country's cultural diversity. At the same time, an increasing number of local tourists want to learn more about the people they were separated from under Apartheid. (See chapter 21: *Tourism*.)

Various projects around the country offer insight into South Africa's cultural wealth, ranging from tra-

ditional dances and rituals in rural areas, to excursions into the urban and township milieux that give South Africa its defining features. These include Khaya Lendaba near Port Elizabeth; the Basotho Cultural Village situated in the QwaQwa Nature Reserve near Harrismith, Free State; the Makhosini Cultural Village and Tourism Initiative in the Valley of Kings at Umgungundlovu in KwaZulu-Natal; Lesedi Cultural Village near Johannesburg; Tlholego in Magaliesburg; the KoMjekejeke Cultural Village north of Pretoria; the Mapoch Ndebele Village in Winterveld, north-west of Pretoria; the Gaabo Motho Cultural Village in Mabopane; the Rainbow Cultural Village west of the Hartbeespoort Dam, North West; Botshabelo in Middelburg, Mpumalanga; and Shangana in Hazyview, Mpumalanga.

The Cultural Industries Growth Strategy

The Cultural Industries Growth Strategy has made a meaningful contribution to the lives of thousands of people, while contributing to the growth of the tourism and marketing sectors, and promoting South Africa's identity at local and international level.

The Department of Arts and Culture allocated R16,6 million to cultural industries in 2004/05, to support music, crafts, books and publishing, film, design and other sectors.

International relations

By mid-2004, the Department of Arts and Culture had maintained over 65 international agreements. Each agreement is the outcome of research and lengthy negotiation processes to ensure that the contracts meet the developmental interests of both parties. Strong emphasis is placed on the consolidation of the African agenda and South-South co-operation. These include:

- The Joint Swedish/South African Cultural Fund, in which South Africa will partner with Sweden for a five- to 10-year period. The Fund will total contributions to the value of about R57 million over three years.

- An agreement was signed with the Italian Republic on 13 March 2002 and ratified in January 2004, leveraging a R10-million investment in South African culture.
- Five collaborative projects between the Department of Arts and Culture and the Flemish Government became operational in 2002/03. The projects run for a period of three years each, in the areas of community arts centre capacity-building and policy development, craft, arts education and training, cultural management, and local network cultural policy. The projects total about R25 million in Flemish development aid to South Africa, with the Department contributing in kind to the value of about R3 million.
- A Programme of Co-operation with France was signed in June 2004, including collaboration on the development of a market for South African design, heritage training, rock art, human language technology, music and copyright issues.
- South Africa's membership to the Commonwealth Foundation was expected to be finalised in 2004.
- About 250 artists and performers received support from the Department to participate in festivals internationally or perform at international events and shows. In 2004, about 100 performers travelled throughout the world in partnership with South African Missions abroad, in celebration of 10 Years of Freedom.
- In 2003, South Africa hosted the Southern African Development Community (SADC) Multi-disciplinary Festival and the first colloquium of SADC Ministers of Culture, where the Pretoria Statement on the role of culture in the New Partnership for Africa's Development (NEPAD) was released. A follow-up colloquium was held in Namibia in September 2004.
- Active cultural agreements were signed with the People's Republic of China, Mexico, India, Hungary and others.

Arts festivals

The range of arts festivals around South Africa offers visitors the opportunity to combine their pur-

suit of culture with sightseeing, wine tasting, beach visits, wildlife viewing, history, palaeoanthropology and relaxing in some of South Africa's most beautiful spots.

The National Arts Festival, held annually in July in Grahamstown, Eastern Cape, is one of the largest and most diverse arts gatherings of its kind staged in Africa, rating favourably with similar international festivals. It showcases southern African talent in all arts disciplines.

There is also growing interest and participation from artists in other African countries and from the rest of the world.

The *Klein Karoo Nasionale Kunstefees* is a vibrant festival for the performing arts, presented mainly, but not exclusively, in Afrikaans. It is held annually in Oudtshoorn in the first quarter of the year. Disciplines include drama, cabaret and contemporary and classical music. The festival celebrated its 10th anniversary in 2004. It was opened in April 2004 by President Mbeki, who, on the occasion, also received the Freedom of Oudtshoorn.

The Arts Alive International Festival, Johannesburg's annual festival of music, dance, theatre and performance-poetry, was hosted by the city for the 13th time in September 2004.

Heritage reclamation festivals are also emerging at local level in communities destroyed by Apartheid such as Vrededorp (Fietas) in Johannesburg.

The Mangaung Cultural Festival (Macufe) is gaining status as one of the biggest cultural tourism events in southern Africa, attracting 130 000 people in 2003.

Aardklop, held annually in Potchefstroom, is inherently Afrikaans, but universal in character. The festival provides a platform for the creativity and talent of local artists.

Other festivals that attract visitors at both national and international level are Oppikoppi, Calabash, The One City Festival, and the Awesome Africa Music Festival in Durban.

The Department of Arts and Culture and the NAC support numerous festivals throughout South Africa, including the North Sea Jazz Festival, Port St Johns Festival, Morgan's Bay Festival and the Grahamstown National Arts Festival.

The Department of Arts and Culture and the Department of Environmental Affairs and Tourism have established a forum of festival directors to maximise tourism opportunities.

Theatre

The theatre scene in South Africa is vibrant, with many active spaces across the country offering everything from indigenous drama, music, dance, cabaret and satire, to West End and Broadway hits, classical opera and ballet.

Apart from early productions, notably the groundbreaking musical *King Kong* in the 1960s, theatre created in South Africa by South Africans only began to make an impact with the advent of Johannesburg's innovative Market Theatre in the mid-1970s, just as the cultural, sporting and academic boycott was taking hold.

The performing arts marketed South Africa to overseas audiences most effectively during the 1980s, specifically through theatre and musical productions. South African theatre is internationally acclaimed as unique and top-class.

Music

South African music is characterised by its fusion of diverse musical forms.

South Africa has nurtured the development of an array of distinctive styles of music, and it has contributed significantly to music heard on the continent.

These styles range from South African jazz, which describes a range of music from early *marabi*-inspired sounds in the late-1930s and 1940s by bands like the Marry Blackbirds Orchestra, to current performers such as trumpeter Hugh Masekela.

Kwaito music is very popular. It combines elements of rap, reggae, hip-hop and other musical styles into a distinctly South African style. Popular *kwaito* musicians include Arthur Mafokate, Mzekezeke, Bongo Maffin, Zola, TKZee, Skwatta Kamp, Mandoza and Mdu.

The International Federation of Phonographic Industries Report released in April 2004 reported

that global music sales in 2003 were down 7% from 2002.

According to figures released by the Recording Industry of South Africa, music turnover in the country was R705 million in 2003, virtually unchanged from R704 in 2002. However, there was a marked increase in the value of local music sold – from some R192 million in 2002 to R225 million in 2003 – representing a 17% increase.

Music is one of the key cultural industries identified in the *Cultural Industrial Growth Strategy Report*, and government has committed itself to harnessing its potential. In addition to its cultural value, music plays an important economic role in the country, generating significant copyright revenue.

In music, the Department has solid foundations to build on. These include the annual South African Music Week, the in-school education programme run in conjunction with the Department of Education, and the Music in Public Spaces Initiative.

The Department's three-year plan for music includes establishing a legal aid facility for musicians, setting up a benevolent fund for artists, establishing a music industry export council, and implementing a levy on blank tapes. It also aims to introduce a regulatory framework in 2005 that will standardise contracts and work permits for musicians.

The North Sea Jazz Festival secured South Africa's position on the international jazz circuit when it took place for the first time on African soil in March 2001. The North Sea Jazz Festival held in Cape Town had a unique programming formula. With a 50/50 talent split between Africa and the rest of the world, the South African Festival allowed local musicians to take their rightful place alongside international artists.

Orchestras

The Department of Arts and Culture allocated R9 million to orchestras in 2004/05. Three orchestras received government assistance in 2003/04. Two new orchestras were envisaged for 2004/05.

Indigenous music

The Department has been funding the annual National Traditional Dance and Music Festival called *Zindala Zombili*, under the auspices of the African Cultural Heritage Trust. This platform showcases and promotes the rich and diverse indigenous traditional dance and music of South Africa.

The Festival consists of 22 regional and eight provincial competitions, culminating in a national festival.

During 2003/04, the Minister of Arts and Culture approved funding for research on indigenous music and oral history to be conducted at three historically disadvantaged universities in South Africa, namely the universities of Fort Hare, Zululand and Venda.

This research will focus on all aspects of indigenous music, including performances, musical instruments, and the oral history that accompanies this previously neglected part of South Africa's heritage.

Dance

South African dance is unique in its vitality and energy. More and more South African dance companies, individual dancers and choreographers are being



The Subdirectorate: Arts and Social Development in the Department of Arts and Culture is responsible for initiating and managing projects and programmes aimed at social cohesion. Its primary focus is on youth, HIV and AIDS, crime prevention, human rights and disability.

The Arts in Prisons Project focuses on using the arts to modify the behaviour of offenders serving time in prison. In July 2004, the Outstanding Inmate in Arts, and Dramatists Against Crime projects commenced, in co-operation with the Department of Correctional Services.

Its subprogramme, the Promotion of Arts and Culture in South Africa, develops the literary, performing and visual arts by providing financial assistance to performing arts institutions. It is active in 24 community arts centres around the country and funds 10 festivals every year.

In 2003/04, the Department successfully assisted 15 historically disadvantaged community arts centres with their funding applications to the National Lottery Distribution Fund. The R5-million application was approved by the Fund.

invited to perform at festivals throughout Europe, Australia and the United States of America (USA).

Contemporary work ranges from normal preconceptions of movement and performance art or performance theatre to the completely unconventional.

Added to this is the African experience, which includes traditional dance inspired by wedding ceremonies, battles, rituals and the trifles of everyday life.

An informal but highly versatile performance venue in Johannesburg, The Dance Factory, provides a permanent platform for all kinds of dance and movement groups.

The Wits Theatre (attached to the University of the Witwatersrand) is also a popular dance venue. It is home to the annual First National Bank (FNB) Dance Umbrella.

This annual festival of contemporary choreography and dance offers a free platform for original new work, to promote the development of creative talent on every level.

The FNB Dance Umbrella hosts community and youth groups, young up-and-coming choreographers, and established South African and international dance companies.

The 2004 Dance Umbrella, held in February and March, featured 20 programmes, including new works by 10 commissioned South African choreographers, and shows by five international dance companies.

Started in 1934 as the University of Cape Town Ballet Company, the Cape Town City Ballet is the oldest ballet company in the country.

Visual arts

Art galleries in South Africa's major cities, such as the Durban Art Gallery in KwaZulu-Natal; the Johannesburg Art Gallery in Gauteng; and the King George VI Gallery in Port Elizabeth in the Eastern Cape; showcase collections of indigenous, historical and contemporary works.

Universities also play an important role in acquiring works of national interest, with substantial collections housed at the Gertrude Posel Gallery at Wits, and the University of South Africa (UNISA)

gallery in Pretoria. There are also several corporate collections of national interest, including those of Standard and Absa banks, and the MTN cellular phone network.

The Department of Arts and Culture supports a number of projects that promote the visual arts. These range from arts publications and women-empowerment programmes to national and international exhibitions and infrastructure funding.

The Department considers the visual arts, crafts and design as integral to arts and culture. It is particularly interested in the application of interdisciplinary technology to develop the arts.

To celebrate 10 Years of Freedom, Iziko: South African National Gallery showcased a comprehensive exhibition featuring works of art made and acquired between 1994 and 2004.

Works of art produced by over 150 South African artists were on view in nine rooms throughout the Gallery. Works by major artists such as Jane Alexander, Willie Bester, Marlene Dumas, Kendell Geers, David Goldblatt, William Kentridge, Moshekwa Langa, Zwelethu Mthethwa, Malcolm Payne, Johannes Phokela, Berni Searle and Tracey Rose were seen alongside the work of emerging artists such as Theminkosi Goniwe, Thando Mama, Colbert Mashile, Robin Rhode, Usha Seejarim, Mgcineni Pro Sobopha and Doreen Southwood.

Photography

Various South African photographers have been acclaimed for their art and documentary work. A growing number of South African photographers are producing documentaries, coffee-table books and other material.

National and international photographic salons are held in South Africa annually, and various national awards are bestowed on outstanding local photographers.

Architecture

South Africa has a rich architectural heritage, to which all the cultural groups in the country have

contributed. The SAHRA conserves buildings of historical or architectural value. More than 4 000 buildings, sites and other objects (including trees) have been declared national monuments.

Heritage South Africa a non-profit private organisation that conserves South Africa's rich architecture.

Rock art

There are many traces of ancient cultures that roamed the country in the distant past. The San people left a priceless and unique collection of Stone Age paintings and engravings in South Africa, which is also the largest in the world. The mountains, especially the Drakensberg range and the Cape mountains, are home to fascinating rock art panels.

Rock engravings are scattered on flat rock surfaces and boulders throughout the interior. The artworks mainly depict hunter-gatherers and their relationship with the animal world, historical events, and interaction with and observation of newcomers encroaching upon their living space. Indigenous people with spears and Nguni cattle, Khoi-Khoi fat-tailed sheep, European settlers on horseback with rifles and wagons, and ships and soldiers in uniform were captured in surprising detail.

On the sandstone canvases are immortalised visions of the artists' spiritual world, depicting complex symbols and metaphors to illustrate the supernatural powers and potency they received from nature.

The oldest dated rock art in South Africa, an engraved stone, was discovered in a living floor some 10 200 years old at the Wonderwerk Cave near Kuruman in the Northern Cape.

The oldest painted stones (6 400 years) were recovered at Boomplaas Cave in the Cango Valley near Oudtshoorn.

Three painted stones were also found at the Klasies River Caves, which yielded the second-oldest stone, dating back 3 900 years.

The Department of Arts and Culture supports a number of projects, including a rock heritage project in Clanwilliam in the Western Cape.

Crafts

The crafts industry in South Africa employs about a million people. The crafts they produce are exported all over the world.

The development of South Africa's crafts industry is an ongoing priority for government, through the Department of Arts and Culture. There are numerous role-players involved in various initiatives to develop this sector.

The National Crafts Development Initiative, spearheaded by the NAC and supported by several national bodies, is one such example, providing a platform for growing the local market by staging craft fairs at various levels.

Together with the Department of Trade and Industry, the Department of Arts and Culture is developing a craft marketing strategy geared at enhancing export opportunities to curb the exploitation of crafters. The Minister of Arts and Culture will be entering into discussions with crafters to encourage their mutual support and protection.

The Department will also set up a national crafts council to empower crafters with business skills.

The biggest intervention from government and other craft development agencies is with regard to training. This covers areas such as product development, design and diversification; sustainable use of raw material; craft techniques and skills; costing and pricing; marketing and selling; managing a crafts business; financial management and business administration.

Examples of successful craft projects include the rural development projects in Limpopo, where the Council for Scientific and Industrial Research (CSIR) linked with various rural craft projects to develop new products. In Thohoyandou, in Limpopo, the Ifa textile project is producing fashionable handbags in traditional Venda design, while the crafters of the Lubombo Spatial Development Initiative in northern KwaZulu-Natal have incorporated minimal interventions in their designs to produce butter dishes, thus creating new marketing opportunities.

The Department has 115 craft projects in all nine provinces. The products of these and other projects can be viewed at a number of venues, including two

State-assisted outlets at the Bus Factory in Newtown, Johannesburg, and the Boardwalk in Port Elizabeth.

Design

The Department of Arts and Culture has launched a number of initiatives aimed at creating centres of expertise. These have promoted collaborative ventures between the private and public sectors in areas of product design and the use of computer-aided design engineering. The initiatives involve the following:

- The launch of the National Product Development Centre at the CSIR. This initiative operates within a national framework, optimising the contributions of service-providers throughout the country in the area of design technology.
- The launch of the computer-aided design initiative at the CSIR, which is linked to the technology station at the Free State University of Technology as well as similar institutions in KwaZulu-Natal and the Eastern Cape.
- The establishment of the Cape Craft and Design Institute.
- The award of learnerships in design through CREATE SA to help emerging designers.
- The seventh International Design Indaba, held in Cape Town in February 2004.

Literature

South Africa has a vibrant and rich oral tradition. This form of expression goes back many centuries,

and has been passed down from generation to generation as an important way of sharing advice, remembering history, telling stories and reflecting on contemporary society.

The African Languages Literary Museum at UNISA caters for all indigenous languages. Featured authors include Prof. Maja Serudu, E.M. Ramaila, O.K. Matsepe and Semakaleng Monyaise. The Museum also features books, manuscripts, old typewriters used by certain African writers, antiques, and authors' portraits.

There is an English literary museum in Grahams-town and an Afrikaans museum in Bloemfontein.

The Print Industries Cluster Council established a writer's network in 2000.

The National Language Service of the Department of Arts and Culture is encouraging the emergence of new literary magazines in English, Afrikaans and all the African languages. The Department of Arts and Culture plans on consulting with publishers about the development of a national strategy to promote a reading culture in South Africa.

The Department will also be addressing the challenge of preserving indigenous language writings dating from the mid-19th century. To achieve this, it will embark on initiatives to reproduce these old works in various African languages.

A comprehensive study on the print industry, funded by the Print Industries Cluster Council, established that the industry has an estimated annual turnover of R1,5 billion, pays royalties to some 8 309 authors/other parties, and employs more than 3 000 people.

Film

The South African film industry is clustered around Cape Town and Johannesburg. There are over 1 000 registered producers in South Africa.

South Africa also boasts outstanding production and post-production facilities, as well as a strong skills base. The cost of film production in South Africa is 30% – 40% cheaper than in the USA, and 20% less than in Australia.

The total value of the South African entertainment industry is estimated at R7,7 billion, comprising film



During the 2004 South African Music Awards held at the end of May 2004, Arno Carstens won the Award for Best Rock Album. Best Male Artist Award went to Zim Ngqawana. He also took home the Award for Best South African Traditional Jazz Album.

Swazi walked away with the prize for Best Female Artist for *My First Love*. The late Brenda Fassie's *Vulindlela* was announced as the winning Song of the Decade by popular vote.

The top award, for Artist of the Year, by popular acclaim, went to Mzekezeke. His song *Akekhu'Gogo* was named Song of the Year.

and television production, broadcast, cinema and interactive industries. Of this, the local production industry accounts for R1,4 billion.

Given the growth potential of the film industry in the country, the National Film and Video Foundation (NFVF) was established to increase local content quotas for television, which has had a positive impact on the growth of the local film industry.

In 2003, 24 films were produced in South Africa, of which the NFVF invested in 16.

The industry received a big boost with the launch of the Film and Television Production Rebate by the Department of Trade and Industry in June 2004.

The aim of the Rebate is to provide for the production of both foreign and local large-budget films made in South Africa or under co-production agreements.

For a company to be eligible for the Rebate, it must be a South African resident company, or a non-South African resident company with a South African business registration that is operating with a permanent establishment in the country.

The Rebate complements existing support measures.

In May, at Cannes 2004, the NFVF signed an agreement with *Le Centre National de la Cinématographie* (the French equivalent of the NFVF) and had numerous meetings, especially with the Canadian, Italian and German delegations.

By mid-2004, South Africa had co-production treaties with both Canada and Italy, and was expecting to sign the German Treaty in November 2004 at the Sithengi Film and Television Market in Cape Town.

Meetings also took place between the NFVF and representatives from the Venice, Genoa and Toronto film festivals. All three festivals had a special focus on South Africa in 2004, showcasing local films and profiling the local industry as part of the 10 Years of Freedom celebrations.

The biggest film festival on the African continent, *Fespaco*, which takes place on a bi-annual basis in Ouagadougou, Burkina Faso, also hosted a special programme on the South African film industry.

A number of large South African media companies have acquired production companies to

increase their capabilities in the media and entertainment sector. The increase in the number of television channels available to South African viewers has resulted in an increased demand for local programming, due to local-content quotas. In South Africa, locally produced television productions are extremely popular with viewers.

South African broadcasters are exploring opportunities to distribute local productions in the rest of Africa through direct sales and a form of bartering, where content is exchanged for advertising airtime. This is expected to increase the demand for locally produced television content.

The three largest film distributors in South Africa are Ster-Kinekor, United International Pictures and Nu-Metro. Ster-Kinekor has a specialised art circuit called Cinema Nouveau with theatres in Johannesburg, Cape Town, Durban and Pretoria.

The Film and Publication Board

The Films and Publications Act, 1996 (Act 65 of 1996), as amended by the Films and Publications Amendment Act, 1999 (Act 34 of 1999), provides for the regulation of films and publications intended for distribution and/or exhibition in South Africa.

The Act recognises the right of all South Africans to freely choose what they wish to watch or read. It encroaches on constitutional rights and freedoms only where there is a risk of harm. The Act allows for the invasion of privacy only where child pornography is concerned. The implementation of the Act has been entrusted to the Film and Publication Board, which consists of members appointed through a process of public nominations.

The Film and Publication Board no longer censors, but instead classifies movies for age appropri-



In January 2004, South African-born actress Charlize Theron, now based in the United States of America, won the Golden Globe Award for Best Actress for her performance in *Monster*. Later the same month, she also received the Academy Award for Best Actress, becoming the first South African to clinch the coveted acting Award. She received a total of 16 awards for this performance.

ateness. Its main focus is to protect children from harmful and disturbing material, while allowing adults to make informed decisions about what they want and do not want to watch, or allow their children to watch or not to watch. There is no pre-classification of magazines. Publications are classified only when a valid complaint about a certain publication is lodged with the Board.

In terms of legislation, the Board may ban the distribution of visual material containing:

- sexual acts involving persons under the age of 18 years or who appear to be under the age of 18 years
- bestiality
- explicit violent acts that promote violence
- material that promotes religious hatred
- explicit violent acts coupled with sexual conduct.

Although such material, classified as XX, is only banned from distribution, the possession of child pornography is a criminal offence. People found guilty of possessing child pornography face up to five years in prison for each item found. The Act has been amended to include the regulation and control of child pornography on the Internet, and a more precise definition of what constitutes child pornography. The Act also provides for the regulation of trade in previously banned, sexually explicit material. Adult shops that do not comply with the requirements of the Act could be closed by the Board for up to a year.

In February 2004, the Film and Publications Amendment Bill, aimed at tightening child pornography laws and closing loopholes, was presented to Parliament. The Bill's aim is to make provision for the prohibition of child pornography and for more effective investigation and prosecution of child pornography offenders.

The Bill also seeks to:

- amend the definition of child pornography, as the current definition is limited to images and the display of genitals
- bring Internet service-providers (ISPs) within its jurisdiction insofar as child pornography is concerned
- impose an obligation on persons who have material, which is potentially disturbing and harmful to children, to take reasonable steps to prevent access to such material by children
- address the problem of child pornography on the Internet by bringing ISPs within the jurisdiction of the Act
- increase the maximum prison sentence for offences involving child pornography from five to 10 years.

Museums

Museums are the windows to the natural and cultural heritage of a country. South Africa can justifiably be called the museum country of Africa, with the earliest of its museums dating back to the first half of the 19th century.

Today, more than 300 of the approximately 1 000 museums in Africa are situated in South Africa. They range from museums of geology, history, the biological sciences and the arts, to mining, agriculture, forestry and many other disciplines.

Most of the country's national museums are declared cultural institutions (national museums that have framework autonomy and are managed by their own councils), and fall under the overall jurisdiction of the Department of Arts and Culture. They receive an annual subsidy from the Department, but are otherwise autonomous.

In terms of the Cultural Institutions Act, 1998 (Act 119 of 1998), the declared museum institutions in



The first-ever isiZulu feature film *Yesterday*, produced by Anant Singh, premiered at the 25th Durban International Film Festival in June 2004.

Writer/director Darrell Roodt, and its lead stars Leleti Khumalo, Kenneth Kambule, Camilla Walker and Lihle Mvelase, attended the premiere.

The film was shot on location in the Bergville region in KwaZulu-Natal.

Apart from being the first-ever isiZulu feature film, *Yesterday* is also the first feature film to have the support of the Nelson Mandela Foundation, which will use the film as a resource in its Social Development Programme.

Yesterday received the inaugural Human Rights Film Award at the Venice International Festival in September 2004.

Gauteng and Cape Town have been grouped together into two new organisations, known as Flagship Institutions. While the components of these two museum flagships (the museums from which they have been constituted) continue to operate as semi-independent museums with regard to their core functions (collection, preservation, research and education), other functions, particularly administration, financing and human resource management, have been centralised.

The following museums report to the Minister of Arts and Culture in terms of the Act:

- Northern Flagship Institution, Pretoria
- Iziko Museums, Cape Town
- Natal Museum, Pietermaritzburg
- National Museum, Bloemfontein
- Afrikaanse Taalmuseum, Paarl
- National English Literary Museum, Grahamstown
- Voortrekker Museum, Pietermaritzburg
- War Museum of the Boer Republics, Bloemfontein
- Robben Island Museum, Cape Town
- William Humphreys Art Gallery, Kimberley
- Engelenburg House Art Collection, Pretoria
- Nelson Mandela Museum, Umtata.

The Northern Flagship consists of the National Cultural History Museum (NCHM) and its former satellite museums (Kruger House, Tswaing Crater Museum, Willem Prinsloo Agricultural Museum, Pioneer Museum, Sammy Marks Museum and the Coert Steynberg Museum), the Transvaal Museum of Natural History in Pretoria, and the South African National Museum of Military History in Johannesburg.

The Southern Flagship (renamed Iziko Museums of Cape Town) consists of the South African Museum, South African Cultural History Museum and its satellite museums, the South African National Gallery, the William Fehr Collection, and the Michaelis Collection.

In terms of the Cultural Institutions Act, 1998, the declared museums in other provinces continue to operate as before. These include the National Museum and the Anglo-Boer War Museum (Bloemfontein); the William Humphreys Art Gallery (Kimberley); the Natal Museum and the Voortrekker

Museum (Pietermaritzburg); the South African Institute for Aquatic Biodiversity in Grahamstown; and the Foundation for Education, Science and Technology in Pretoria, which manages a science and technology museum. The latter two museums fall under the Department of Science and Technology.

The Act also provides for a National Museums Division, comprising the Flagship museums and other declared museums.

The Robben Island Museum is very popular. It was established as a national monument and museum, and declared as South Africa's first World Heritage Site in 1999. Guided tours are offered to historical sites on the Island, including the cell in which former President Mandela was imprisoned. The Robben Island Museum has its own council and is a separate declared institution, independent of Iziko.

Apart from the declared museums that fall under the Department, there are also a number of other national museums, which are administered by central government departments or research councils. Notable examples are the Museum of the Council for Geoscience (Pretoria); the Theiler Veterinary Science Museum at Onderstepoort (Pretoria); the South African Air Force Museum at Air Force Base Zwartkop (Pretoria) with its satellites in Cape Town, Port Elizabeth and Durban; the Museum of the Department of Correctional Services (Pretoria); and the Porcinarium (the world's first pig museum) outside Pretoria on the Irene Campus of the Agricultural Research Council.

A number of museums fall directly or indirectly under the provincial government departments responsible for Arts and Culture. In some provinces, these museums render museum support services at provincial level, while other provinces, notably Gauteng, KwaZulu-Natal, Western Cape and the Free State, have separate museum-service organisations.

However, many museum and heritage services are also rendered by the declared national museums on a consultancy basis. Many municipalities also manage museums. Other museums fall under universities and university departments, or are owned and managed by private-sector companies, NGOs and individuals.

The largest museums are situated in Johannesburg, Pretoria, Cape Town, Durban, Pietermaritzburg and Bloemfontein. The best-known natural history collections in South Africa are housed in the Iziko Museums and the Northern Flagship Institution, as well as in the following:

- Natal Museum, Pietermaritzburg
- National Museum, Bloemfontein
- McGregor Museum, Kimberley
- East London Museum
- South African Institute for Aquatic Biodiversity, Grahamstown
- Port Elizabeth Museum
- Durban Museum of Natural History.

The best-known cultural-history collections are housed in the Iziko Museums and the Northern Flagship Institution, as well as in the following:

- National Museum, Bloemfontein
- Natal Museum, Pietermaritzburg
- Durban Local History Museum
- Museum Africa, Johannesburg.

Among the art museums are the following:

- South African National Gallery, Cape Town
- Johannesburg Art Gallery
- Pretoria Art Museum
- William Humphreys Art Gallery, Kimberley.

The South African Cultural History Museum in Cape Town houses the oldest cultural history collection in the country.

The South African Museum (Cape Town) showcases the natural history of South Africa, as well as relics of the early human inhabitants of the subcontinent. The huge Whale Hall houses possibly the most impressive of all its exhibitions. This is the only collection in South Africa with a planetarium attached to it.

The Transvaal Museum in Pretoria houses the skull of Mr Ples (until recently believed to be Mrs Ples), a 2,5-million-year-old hominid fossil, and depicts the origin and development of life in South Africa, from the most primitive unicellular form of life to the emergence of mammals and the first human beings. It has a collection of early human fossils.

The Tswaing Meteorite Crater is situated to the north-west of Pretoria. It supports the Presidential Imperatives by combining a museum with a cultural-development initiative.

The NCHM (former African Window) in Pretoria is a centre for the preservation and communication of the culture and heritage of all South Africans. It explores cultural diversity and commonalities, links the present and the past to offer a better understanding of both, and nurtures the living culture of all South Africans.

Mining is best represented by the De Beers Museum at the Big Hole in Kimberley, where visitors can view the biggest hole ever made by man with pick and shovel. It includes an open-air museum, which houses many buildings dating back to the era of the diamond diggings.

Another important mining museum is at Pilgrim's Rest, Mpumalanga, where the first economically viable goldfield was discovered. The entire village has been conserved and restored.

Agriculture in South Africa is depicted mainly at two museums. These are Kleinplaspie in Worcester, Western Cape, which showcases the wine culture and the characteristic architecture of the winelands; and the Willem Prinsloo Agricultural Museum between Pretoria and Bronkhorstspuit in Gauteng. This Museum comprises two 'house' museums, and runs educational programmes based on their extensive collection of early farming implements, vehicles of yesteryear, and indigenous farm animals.

In 2003/04, substantial progress was made with the declared cultural institutions situated in six of the provinces. New councils were established for all 13 bodies, and a transformation budget of R7 million was distributed.

The new councils have to improve access to the museum infrastructure; develop new audiences; develop human resources; implement an affirmative action policy by training, grooming and appointing a new generation of curators and managers from all races; implement community outreach programmes; introduce acquisition policies that accord indigenous artefacts their rightful place; and integrate living heritage in the form of oral tradition, oral history and indigenous knowledge systems into the ambit of South Africa's heritage institutions.

More than R340 million was set aside for these institutions in 2004/05.



The Absa Museum and Archives in Johannesburg, which belongs to Amalgamated Banks of South Africa (Absa), aims to preserve the banking group's more than 110 years of history. It also houses a unique and very valuable coin and banknote collection.

The Apartheid Museum in Johannesburg offers a realistic portrayal of the political situation in South Africa during the 1970s and 1980s. Exhibitions in the Museum feature, among other things, audio-visual footage recorded during the Apartheid era.

One of the most common types of museum in South Africa is the 'house' museum. Examples include an entire village nucleus in Stellenbosch; an example of the lifestyle of the wealthy wine farmer in Groot Constantia in the Western Cape; the mansion of the millionaire industrialist Sammy Marks, outside Pretoria; the Victorian affluence mirrored in Melrose House, Pretoria; and the Kruger House Museum in Pretoria, former residence of President Paul Kruger.

Simpler architectural variations have not been neglected, for instance the pioneer-dwelling in Silverton, Pretoria, and the humble farmhouse at Suikerbosrand near Heidelberg in Gauteng. There are several open-air museums which showcase the Black cultures of the country, for example Tsongakraal near Letsitele, Limpopo; the Ndebele Museum at Middelburg, Mpumalanga; the Bakone Malapa Museum at Polokwane, Limpopo; and the South Sotho Museum at Witsieshoek, Free State.

South Africa has two national military history museums. The South African Museum for Military History in Johannesburg reflects the military history of the country, while the War Museum in Bloemfontein depicts the Anglo-Boer/South African War in particular. The famous battlefields of KwaZulu-Natal, Northern Cape and North West are also worth a visit.

The work of the War-Graves Division of the SAHRA includes the upkeep of the graves of victims of the struggle for South Africa's liberation.

Archives and heraldry

Archives of governmental bodies are transferred to archive repositories after a period of 20 years, and

are accessible to the public and the office of origin. National Archives functions in terms of the National Archives and Records Service of South Africa Act, 1996 (Act 43 of 1996).

The National Archives in Pretoria include the National Film, Video and Sound Archives (NAFVSA). Its primary functions are to obtain and preserve films, videotapes and sound recordings of archival value, and to make these available for research and reference purposes.

The archives of central government are preserved in the National Archives Repository in Pretoria. Provincial archive repositories in Pretoria, Cape Town, Pietermaritzburg, Durban, Ulundi, Umtata, Port Elizabeth and Bloemfontein house archives dating from before 1910, as well as the relevant provincial archives. Record centres for archives younger than 20 years exist in Pretoria, Bloemfontein and Cape Town.

The retrieval of information from archives is facilitated by the national automated archival information system (www.national.archives.gov.za), which includes national registers of manuscripts, photographs and audio-visual material. National Archives also renders a comprehensive record-management service for current records, aimed at promoting efficient administration.

During 2004, National Archives collaborated with the South African Bureau of Standards to adopt a national standard for records management.

An important aspect of the Act is its mandate to National Archives to collect non-public records with enduring value of national significance. In so doing, National Archives is obliged to pay special attention to aspects of the nation's experience neglected by archives of the past. A key project in this regard is



The Department of Arts and Culture honoured one of South Africa's most-loved musicians, Miriam Makeba, at a special event on 16 July 2004.

The event formed part of the 10 Years of Freedom celebrations and the 40th anniversary of the National Film, Video and Sound Archives.

This celebration also marked the 41st anniversary of the first time that Makeba gave evidence to the Anti-Apartheid Committee of the United Nations.

the Oral History Project, which seeks to build the National Archives' capacity to document the spoken word, and to develop a national oral history programme. The automated National Register of Oral Sources is an important element of the project. The Act also provides government with a measure of control over private collections. Archives are taken to the people through co-ordinated national and provincial archive services. At the same time, National Archives is responsible for trying to ensure effective, transparent and accountable management of all public records.

The NAFVSA celebrated its 40th anniversary on 3 April 2004. During the First Decade of Freedom, NAFVSA was granted full membership of institutions such as the Federation of International Film Archives. It participated in training and preservation projects in Africa, such as Tanzania's National Film Heritage Project, and hosted the International Association of Sound and Audio-Visual Archives Conference. The NAFVSA also established the African Branch for the Association of Sound and Audio-Visual Archives.

The Bureau of Heraldry is responsible for the registration of coats of arms; badges and other emblems such as flags, seals, medals and insignia

of rank and offices of order; as well as the registration of names and uniforms (colours) of associations and organisations, such as universities.

The Timbuktu Manuscripts Project was officially launched by President Mbeki and President Amadou Toumani Toure of Mali as Africa's very first NEPAD cultural project, on Africa Day, 25 May 2003.

The preservation of the Timbuktu Manuscripts is a Presidential Project co-ordinated by The Presidency and the Department of Arts and Culture through the National Archives.

President Mbeki first noted the existence of these manuscripts, which are believed to be more than 800 years old, during a visit to the *Institut Des Hautes et de la Recherche Islamique* (IHERI-AB) as part of his State visit to Mali in 2001.

He subsequently undertook that South Africa would assist with the preservation of the Manuscripts through exchange training and infrastructure-development programmes.

The National Archives of South Africa will lead the programme to build the infrastructure and develop skills in conservation and preservation management for the staff at IHERI-AB. A Trust Fund for the preservation of the Manuscripts was launched on 29 May 2003.

Acknowledgements

BuaNews

Department of Arts and Culture

Department of Home Affairs

Film and Publication Board

National Cultural History Museum

Sunday Times

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Communications

The Department of Communications is the centre of policy-making and policy review for the postal, telecommunications and broadcasting sectors in the country. This includes policy-making that affects State-Owned Enterprises (SOEs) such as Telkom SA Ltd, the South African Post Office (SAPO) (Pty) Ltd, Sentech, the South African Broadcasting Corporation (SABC), National Electronic Media Institute of South Africa (NEMISA), as well as the regulators – the Independent Communications Authority of South Africa (ICASA) and the Universal Service Agency (USA).

In recent years, the Department has set the policy and regulatory frameworks to create a sound and enabling environment that promotes business and the sharing of information.

The Department's focus has shifted to extend access to all forms of communications services, and improve the quality of services provided.

Policy

The Department's policy-making objectives ensure that the development of the information and communications sectors is well-regulated, and that the services provided are accessible to all. In addition, policy development since 1998/99 has sought to restructure SOEs, introduce competition, accelerate the penetration of services into underserved communities, and streamline the regulatory framework.



Developing a stable and predictable regulatory regime on e-commerce is central to the Department's vision of moving South Africa into the knowledge economy.

The Electronic Communications and Transactions Act, 2002 (Act 25 of 2002), paves the way for a secure environment for e-commerce transactions. The DOT ZA Domain Name Authority was established and incorporated as a Section 21 company in accordance with the Act. A representative board was appointed, reflecting cultural and linguistic diversity.

The Draft Convergence Bill was published for public comment in December 2003. The redrafted Bill was expected to be submitted to the Cabinet in

2004. The Bill is likely to unleash further economic growth, reduce the cost of doing business, and enhance price competition.

The Telecommunications Amendment Act, 2001 (Act 64 of 2001), was passed in November 2001 to give effect to the policy of managed liberalisation of the South African telecommunications market.

It also provides for the licensing of operators in underserved areas with a teledensity of less than 5%. The majority of these are situated in the Integrated Sustainable Rural Development Programme's (ISRDP) nodal points. This process will bring about the most significant ownership and involvement in the communications sector by Black people and women in South Africa. The amend-

ments provide for a new public emergency telephone service and an emergency number, 112. A pilot project has been established in the Western Cape to test the technology to be rolled out throughout the country.

To promote investment in the development of telecommunications infrastructure in underserved areas, the USA will subsidise licences for R5 million each, per annum, over a three-year period, provided that service-providers meet their community-service obligations as set out by ICASA.

By mid-2004, the USA, working with the Department of Public Service and Administration, was deploying Information Communications Technology (ICT) to the first 10 Multi-Purpose Community Centres (MPCCs) that were part of the first phase of the *Batho Pele* Gateway portal. The hardware, software and satellite connectivity roll-out provide streamlined government services online.

In March 2004, the Minister of Communications, Dr Ivy Matsepe-Casaburri, accompanied by the chief executive officer (CEO) of the USA, Dr Sam Gulube, launched 35 ICT facilities in the form of telecentres, e-school cyberlabs, and a multimedia resource centre in the rural nodal points of South Africa.

These facilities, which use ICT to support their development objectives, and which are managed at community level, have emerged as a central attribute of national strategies for rural development. They are becoming a crucial feature for identifying supportive interventions on fronts such as policy, technology and applications.

To further ensure that modern ICTs are introduced as quickly as possible in the 21 urban and rural nodes identified in terms of the ISRDP, the USA was expected to deploy an additional 50 e-school cyberlabs before the end of 2004/05.

The Minister of Communications granted Under-Services Area Licences to four successful companies on 3 June 2004.

The areas to benefit are the Capricorn district in Limpopo, the Zululand and Ugu districts in KwaZulu-Natal, and the O.R. Tambo Municipality in the Eastern Cape. Until then, these areas shared less than 5% connection of telecommunications to homes.

The four companies are expected to provide value-added telecommunications services to these areas, such as local voice telephone services, fixed mobile data services, emergency services, directory services, voice-over Internet protocol, public pay-phones and operator-assisted services.

On 17 September 2004, a licence to provide Public Switched Telecommunications Services in South Africa was granted to the Second National Operator (SNO) comprising Nexus Connexion (Pty), Transtel, Esitel, WIP Investments Nine (Pty) Ltd trading as CommuniTel, Two Telecom Consortium (Pty) Ltd, and a remaining unallocated equity shareholder. The licence was subject to the following conditions:

- acceptance of the shareholding and control structure of the SNO
- finalisation of and agreement on the business plan
- finalisation of the shareholders' and subscription agreements.

According to the structure of the SNO:

- a new company, SepCo, will be incorporated, and will hold 51% of the equity share capital of the SNO
- control of SepCo will be held by a new financial investor, which will have a 51% shareholding in SepCo, while CommuniTel and Two Telecom Consortium (Pty) Ltd will each hold 24,5% of SepCo
- Transtel and Esitel will together hold 30% of the equity share capital of the SNO
- Nexus will hold 19% of the equity share capital of the SNO
- a new financial investor will control the board of SepCo.
- SepCo will, in turn, control the board of the SNO. ICASA will manage the integration of the SNO company and the finalisation of the licensing process.

Telecommunications

By October 2003, South Africa's ICT industry was the 20th-largest in the world, contributing 0,5% to worldwide ICT revenue.

In the last 10 years, investment in the telecommunications sector has exceeded R60 billion.

The telecommunications sector has witnessed an accelerated growth of data communications. The rate of connections of mobile subscribers, in particular, has surpassed that of fixed line services.

The growth of South Africa's ICT sector depends on infrastructure development, coupled with progressive policy, legislation and regulation, as well as political commitment.

Regulators and licensing

Independent Communications Authority of South Africa

ICASA was established in terms of the ICASA Act, 2000 (Act 13 of 2000). Before ICASA was established, two separate authorities regulated broadcasting and telecommunications. These were the Independent Broadcasting Authority (IBA) and the South African Telecommunications Regulatory Authority.

The merger of the two previous regulators was in recognition of the rapid changes and developments in technology, which are blurring the traditional distinctions between the broadcasting and telecommunications sectors.

ICASA's tasks include:

- licensing broadcasters and telecommunications operators
- formulating rules, policies and regulations that govern the two sectors
- monitoring the activities of the licensees and enforcing compliance
- planning the broadcast frequency spectrum
- receiving, hearing and adjudicating complaints
- regulating the broadcasting and telecommunications industry as a whole.

ICASA's vision is to be a strong, service-orientated and responsive communications regulator in South Africa.

Its mission is to increase access to communications services, through the promotion of a competitive and socially responsive communications industry.

Universal Service Agency

The USA was launched in May 1997. It is a statutory body created in terms of the Telecommunications Act,

1996 (Act 103 of 1996), and its objectives include advising the Minister on ways to bring about universal access and service, and co-ordinating initiatives by service-providers such as Telkom, Vodacom, Mobile Telephone Network (MTN) and Cell C.

It extends access to telecommunications by working with community-based organisations (CBOs), non-governmental organisations (NGOs), donor organisations and businesses. The Universal Service Fund is used to reinforce the development of infrastructure in underserved communities. In addition, support is given to schools procuring Information Technology (IT) equipment to access the Internet.

Information Technology

Knowledge Management Unit

The Knowledge Management Unit of the Department of Communications promotes awareness of knowledge management among stakeholders, particularly within government, focusing on local government.

The Unit aims to:

- take advantage of the convergence of communications technologies in the areas of telecommunications, broadcasting, IT and multimedia
- increase the human resource capability of the communications sector
- make South Africa globally competitive by becoming a hub of multimedia development, particularly through the opening up of opportunities for historically disadvantaged communities
- contribute towards an African communications strategy that will help build an information backbone to ensure the success of Africa's renewal.



By mid-2004, the Advanced Institute for Information and Communications Technology (AIICT) was being established, based on Cabinet's acceptance of the concept and the governance structure.

The AIICT will be a collaborative effort with industry, institutions of higher education, and the research community. It will include components of the Council for Scientific and Industrial Research and the Institute for Satellite and Software Applications.

State Information Technology Agency (SITA)

On 29 January 1999, SITA was incorporated as a private company, with the State as sole shareholder, to provide IT-related services exclusively to the Public Service. (See chapter 12: *Government system*.)

arivia.kom

arivia.kom is a leading South African IT solutions company and service-provider. The group has offices in Nigeria, Ghana and Botswana.

Its shareholders are Denel (22,98%), Transnet Ltd (31,96%), and Eskom Enterprises (45,06%).

It is rated one of the four-largest IT professional service-providers in South Africa, with an estimated 7,8% share of the local market, about 1 450 permanent employees, 17 service centres across the country, and a R1,51-billion turnover, recorded in 2002/03.

The group focuses on high-end business technology solutions that support the public sector and large private-sector corporates, primarily within the Africa client base.

arivia.kom supports Black Economic Empowerment (BEE) through shareholder equity, employment equity, procurement and corporate social investment.

In March 2003, the group's employee base consisted of 50% historically disadvantaged individuals (African, Coloured and Indian) and 30% women. In 2002/03, about R48 million (72%) of its assignable business was allocated to BEE companies.

Presidential International Advisory Council on Information Society and Development

The aim of the Presidential International Advisory Council on Information Society and Development is to assist government in narrowing the digital divide between South Africa and the rest of the world. The Council consists of CEOs from major international ICT corporations, and industry experts. The Council meets once a year to exchange ideas.

Presidential National Commission on Information Society and Development

The Presidential National Commission on Information Society and Development mobilises national knowledge and builds common approaches. The Commission recommends strategies to bridge the digital divide, and helps to develop an ICT policy framework.

Institute for Satellite and Software Applications (ISSA)

ISSA was established by the Department of Communications in 1997. It targets mainly women from historically disadvantaged rural backgrounds, and contributes towards human resource development.

Since its first intake of students in 1998, ISSA has produced graduates at Master's level in areas such as Software Engineering and Satellite Engineering.

Internet

A World Wide Worx survey, entitled *The Goldstuck Report: Internet Access in South Africa 2004*, showed that an estimated 3,28 million South Africans had access to the Internet at the end of 2003.

The Telecommunications Business Unit in the Department of Communications has established a specialist unit to develop a national strategy and to focus on the development and expansion of the Internet. The Unit is required to fulfil the following obligations under the Electronic Communications and Transactions Act, 2002:

- develop the National E-Strategy for submission to the Cabinet



The departments of Communications and of Education, in conjunction with Telkom, have introduced an e-rate for all public schools.

From January 2005, public schools will be charged only 50% of the normal rate for their Internet calls. This will facilitate the adoption and use of Internet and other forms of Information and Communications Technology to access educational material in South Africa's public schools.

- co-ordinate and monitor the implementation of the National E-Strategy
- conduct research into and keep abreast of developments relevant to electronic communications and transactions.

The Unit is responsible for establishing the foundations for the requisite technical regulatory structures, including the:

- Domain Name Authority
- authentication of service-providers
- cryptography-providers
- accreditation authority
- listing of critical databases
- establishment of the Cyber Inspectorate
- alternative dispute-resolution regulations.

The Unit has, in collaboration with the Department of Education, implemented a programme of connectivity in schools across the country, providing access to the Internet and e-mail.

International co-operation

The Department of Communications has contributed significantly to the process that led to the establishment of the New Partnership for Africa's Development (NEPAD) ICT Task Force, the e-Africa Commission, which is housed at the Council for Scientific and Industrial Research (CSIR).

The e-Africa Commission has prioritised two projects. The first, the East Africa Submarine Cable System, will complete the submarine cable loop around the African continent and provide links to landlocked countries. This project is expected to be completed within three years. Several South African companies are involved.

The second project is the NEPAD e-Schools Project, whose main objective is to ensure that all African children leaving the school system have the skills to function and participate in the information society. Six South African schools were to be identified to join 94 schools from the 15 other African countries to be part of the NEPAD e-Schools Project, which was expected to be launched before the end of 2004.

South Africa played an important role in the first phase of the World Summit of the Information Society (WSIS) that took place in December 2003, and adopted a comprehensive plan of action.

Preparations are underway for the final leg of the WSIS to be held in Tunisia in 2005.

South Africa has been active in the reform of the International Telecommunications Union (ITU), chairing its Restructuring Committee and sitting on the Council. The country also chaired the Ministerial Oversight Committee of the African Telecoms Union (ATU) for four years.

The Department of Communications and Development Bank of Southern Africa also hosted the African Connection Strategic Centre, which developed a rural telephony toolkit, and helped shape policy and regulation development.

The ATU and the Centre also helped shape Africa's common positions on standards-setting, co-ordinated spectrum management and frequency planning, harmonising regulation, as well as co-ordinating African positions for the WSIS.

The African Network Information Service, which is responsible for the management and allocation of Internet addresses, has started its technical operations in South Africa with the assistance of the Department of Communications and the CSIR.

South Africa is also the vice-chair of the Regional Planning Group for co-ordinating African positions and preparations for Digital Migration, which will be discussed at the next ITU Regional Radio Communications Conference.

Telkom

On 7 May 2002, the South African telecommunications landscape faced the end of Telkom's period of exclusivity, which opened the door to competition. During this time, Telkom transformed itself into a competitive player, providing total communications solutions in the ICT sector.

During its five-year period of exclusivity, the company was required to comply with a number of conditions and obligations relating to milestone targets, as set out in its licence.

The Public Switched Telecommunications Services licence included service and fixed-line roll-out targets. Telkom substantially met all of these targets, with the exception of the residential fault-rate target, targets relating to service provision in under-served villages, and the replacement of analogue

lines with digital ones. The company narrowly missed the aggregate fixed-line roll-out target as it decided to refrain from rolling out lines in areas that were not economically viable.

In 1997, Telkom embarked on an extensive five-year capital-investment programme in the fixed-line business. The fixed-line capital investment for the five years ended 31 March 2002 was R41,7 billion, of which R27,9 billion was to be used for network modernisation and line roll-out in order to comply with licence obligations and prepare for competition.

On 4 March 2003, Telkom listed on the JSE Securities Exchange (JSE) and the New York Stock Exchange.

As at 31 March 2004, the South African Government owned 38,3% of Telkom's issued share-capital, Thintana Communications LLC – a beneficiary owned by SBC Communications and Telekom Malaysia – owned 30%, and the public owned 31,7%.

Telkom's listing created meaningful value for BEE shareholders. Over 100 000 South African retail investors subscribed during Telkom's Initial Public Offering, specifically targeted at historically disadvantaged individuals. In its first year as a listed company, the estimated value created for retail shareholders amounted to about R560 million.

Telkom maintained market leadership in the mobile sector through its 50% ownership of the Vodacom Group. The Group's operating revenue grew by 8,8% during 2003/04, reaching R40,8 billion.

Other highlights included:

- fixed-line data revenue growth of 13,5%
- the launch of several new data products

- Asymmetric Digital Subscriber Line customers grew to 20 313 at 31 March 2004, compared with 2 669 at 31 March 2003
- the Integrated Services Digital Network grew by 16,5% to 655 994
- a 17,3% growth in leased lines
- a 17,2% growth in managed network sites
- a 44,1% growth in Internet customers.

Telkom invested in the SAT-3/WASC/SAFE submarine cable system, which provides increased fibre-optics transmission capability between South Africa and international destinations.

During 2003/04, Telkom's fixed-line employees, excluding subsidiaries, were reduced by 8,5% through a controlled and socially responsible retrenchment programme, underpinned by reskilling and other relevant support services. As at 31 March 2004, Telkom had 32 358 employees, with 3,6% of job losses being involuntary reductions.

Telkom has a socially responsible retrenchment programme, the efficiency of which has been greatly assisted by the Agency for Career Opportunities. This is an initiative to help employees, often through reskilling, to become re-employed either internally or externally.

Increased employee productivity was reflected in the growth from 137 to 149 lines per employee.

Telkom Foundation

The Telkom Foundation, founded in 1998, enables Telkom to play an active role in South Africa's socio-economic development.

On 1 July 2002, the Foundation became an autonomous legal entity of Telkom SA Ltd and a non-profit organisation. It is now registered as a trust, with a Board of Trustees and its own CEO. Despite its autonomy, the Foundation remains Telkom's sole corporate social-investment arm tasked with co-ordinating the company's social-investment activities.

The Foundation continues to pursue a philosophy of empowerment and sustainable development through its focus on:

- Mathematics, Science and Technology
- the empowerment of women, children and people with disabilities
- education and training.



In April 2004, the Minister of Labour, Mr Membathisi Mdladlana, launched a multimillion Rand learnership programme in the Information and Telecommunications sector that will benefit 264 previously unemployed young adults.

The project is a joint venture between the Information Systems Electronic and Telecom Technologies Sector Education and Training Authority (ISSET-SETA) and Telkom.

The ISSET-SETA has invested about R10,7 million in the placement of learners in the areas of call-centre technology and project management.

During 2003/04, the Foundation's expenditure amounted to R40,5 million. Some 56% was allocated to science and technology, 17% to empowerment projects, and 15% to education and training. A further 12% was spent on general projects.

Establishing partnerships with national and provincial role-players in government and NGOs, ensuring full community involvement, and building relationships with stakeholders and structures in historically disadvantaged communities, lie at the core of its philosophy.

Economic empowerment

Between 1 April 1997 and 31 March 2004, Telkom spent close to R24 billion to meet its empowerment objectives, constantly refining its focus to meet the changing needs of the empowerment process.

Centres of Excellence (CoEs)

This is a collaborative programme between Telkom, the telecommunications industry and the Department of Trade and Industry, to promote postgraduate research in ICT and allied social sciences. It also provides facilities that encourage young scientists and engineers to pursue their interests in South Africa.

Since the inception of the postgraduate research programme, about R175 million has been realised for telecommunications research in South Africa.

Launched in 1997, the programme has already improved local telecommunications and IT skills, yielding substantial benefits for the academic institutions involved. It has helped Telkom and its local technology partners to solve technical problems and cut costs. Telkom's corporate partners are also reaping rewards, as the work undertaken at the CoEs is relevant to their areas of business.

By mid-2004, there were 15 Centres located at tertiary institutions around the country. About 350 students conducted postgraduate telecommunications research through the CoE programme. Seventy-three of these received support from Telkom to conduct full-time research.

Sponsorships

Telkom has a clear sponsorship strategy, centred on

a programme of national events designed to enable, encourage and support talented South Africans, while positively promoting the Telkom brand. Telkom has committed R8,25 million over three years to Proudly South African, an organisation established to create jobs, increase the demand for South African products and services, and encourage companies to improve their quality and competitiveness.

Proudly South African's membership criteria are based on the principles of sound environmental policies, fair labour practice, unwavering commitment to quality, and meaningful local production value.

Mobile communications

In the last 10 years, mobile communications has grown by 19 million subscribers, and continues to grow. The world's fastest growing cellular market is Africa.

South Africa has three operators, namely Vodacom, MTN and Cell C.

The country's third cellular licence was granted to Cell C in June 2001. It started operating on 17 November 2001. Cell C (Pty) Ltd is wholly owned by 3C Telecommunications (Pty) Ltd, which in turn is 60% owned by Oger; Telecom South Africa, a division of Saudi Oger; and 40% by Cell SAF. It also brought in Verizon Communications, the biggest cellular operator in the United States of America, as its operating partner.

Cell C started operating on an 084-prefix number range. Three service-providers, namely Cell C, Nashua Mobile and Autopage Cellular, have been working together to connect South Africans to the 084 network. Cell C signed a 15-year roaming agreement with Vodacom in July 2001.

By the end of 2003, Cell C had more than three million subscribers. Some 1,6 million or 84% of its subscribers were prepaid users. Cell C aims to achieve 20% of the market-share by 2007.

Cell C has six active roaming agreements, in Namibia, Mozambique, Spain, the Ivory Coast, Mauritius and Swaziland, and has entered into roaming agreements with an additional 49 international operators.

Vodacom is a Pan-African cellular communications company and provides a service to millions of

customers in South Africa, Tanzania, Lesotho, the Democratic Republic of Congo, Mozambique and Nigeria.

It is the market leader in South Africa, with more than 95% of South Africans within the coverage area of its more than 5 000 base stations.

Vodacom's commitment to rolling out subsidised community telephones in South Africa's underserved areas has significantly boosted the company's coverage in rural areas.

Vodacom's shareholders include Telkom SA (Ltd) (50%), Venfin Ltd (15%), and Vodafone Group plc (35%).

MTN is a growing, multinational company that seeks to expand its African market by moving into the Middle East. The company already operates Global System for Mobile Communications networks in six African countries.

MTN South Africa has four million subscribers. MTN International offers cellular network access and associated services through its subsidiaries and joint ventures in Nigeria, Cameroon, Uganda, Rwanda and Swaziland.

The Telecommunications Act, 1996 provides for 1 800 MHz spectrum (as well as 2,4 GHz – 3G

spectrum) to be issued to existing operators, the SNO and underserved area operators. A key element in this process is the determination of access fees and universal service obligations (USOs) for the allocation of the frequency spectrum.

The Department of Communications negotiated these issues, including new service fees and additional USOs, with the industry. The proposed obligations will include:

- the supply of 250 000 free phones and numbers to public emergency services over a period of five years
- the provision of Internet, phone links and computers in schools
- public payphones in accessible places in rural areas and MPCCs
- the issue of some four million free SIM cards over a period of five years.

The postal sector

Policy and legislation

The cornerstone of national policy for the postal sector is the provision of a universal service at an affordable price and acceptable standard of service for all citizens. To ensure this, a USO is placed on SAPO. To offset the cost of providing a basic service in low-density, rural or uneconomical areas, it has also been common practice to confer exclusive rights and privileges, i.e. a monopoly on the provision of the basic letter service.

A USO is an obligation to provide specified services to the whole community, even though these services may not be commercially viable in their own right. The universal postal service implies that all citizens have equal access to a basic letter service:

- that is reasonably accessible to all people
- at a single uniform rate of postage
- at the lowest price consistent with meeting all its obligations, financial and otherwise
- to places outside the country
- at a standard of performance which reasonably meets the needs of the population.

In terms of the Post Office Act, 1958 (Act 4 of 1958), SAPO enjoyed exclusive rights and privi-



In September 2004, the Minister of Communications, Dr Ivy Matsepe-Casaburri, announced amendments to the telecommunications policy as part of government's aim to reduce costs, stimulate competition and growth, and expand the availability of services.

The amendments, which were expected to come into effect on 1 February 2005, include the following:

- cellphone companies may use any supplier's fixed lines
- the provision of payphone facilities and equipment will be expanded to allow any person or organisation to apply for a licence in any area
- any value-adding service-provider will be able to provide voice transmission over any medium, including the Internet
- any business may offer value-adding services
- private telecommunications services and equipment may be traded
- companies with private internal network services will be able to sell, rent out or transfer the rights for excess facility and capacity.

leges, including a monopoly on letter mail up to 2 kg. According to the Postal Services Act, 1998 (Act 124 of 1998), SAPO continues to enjoy certain exclusive rights and privileges. The monopoly is now on letter mail up to 1 kg.

In addition, SAPO is obliged to operate under a 25-year licence, with explicit universal service targets and other terms and conditions. The monopoly and compliance with the terms and conditions of the licence will be reviewed and monitored by the Regulator.

New projects of the postal policy section include the establishment of a Postal Training Institute for the postal industry, and postal-security improvements, both local and regional.

Postal services regulatory framework

The Postal Regulator, established in terms of the Postal Services Act, 1998, is responsible for exercising regulatory functions in relation to reserved and unreserved postal services. The Regulator encourages the expansion of postal services, and promotes the interests of postal-service users in terms of the cost of reserved services. The Regulator is also responsible for issuing postal licences and monitoring compliance with licence conditions by the operators.

South African Post Office

SAPO has achieved the stringent financial targets it set for itself. From an operating loss of R170 million in March 2003, a target of an operating profit of R1,8 million was set for March 2004. An actual operating profit of R35,5 million was achieved.

These results were achieved through growing the revenue by 6%, maintaining increases in costs at 1%, aggressively managing costs, decreasing staff numbers by 1 042 (through voluntary packages and in consultation with labour unions), reducing the transport fleet by 350, reducing Post Office debtor days from 30 to 20 days, and generating R270 million in cash from operations.

Retail outlets

The SAPO outlet network has grown to more than

2 500 outlets, comprising:

- 1 102 conventional post offices
- 197 postpoints
- 1 451 agents
- 6 585 counter points
- 11 500 personnel.

The network is responsible for:

- cash collection comprising about 4,3 million transactions per year to the value of R12 billion, on behalf of beneficiaries such as municipalities, Telkom, Eskom and major retail chains
- cash pay-outs of 500 000 pensions per month
- lottery services on behalf of Uthingo
- money-transfer services (postal and money orders)
- electronic filing on behalf of government and the private sector that involves the data capturing of licences for SABC-TV, motor vehicles and fishing.

Bridging the digital divide

The partnership between the Department of Communications and SAPO in addressing ICT disparities has provided a solid base for eventually bridging the digital divide. A number of projects have been earmarked in this regard, including Public Internet Terminals (PITs) and Citizens Post Offices (CPOs).

Public Internet Terminals

The main objective of the PIT project is to create a communications infrastructure through which the public will have access to information from government/business/SAPO, as well as to empower citizens to communicate via e-mail or the Internet.

There are five basic categories of services offered by the PITs. These are government information and forms, an e-mail service, Internet browsing, a business section, and educational services.

The projected number of mailboxes after the deployment and commissioning of the additional 600 terminals is 250 000.

Additional developments on the PIT project include:

- government job-application forms
- games

- a free SMS service
- links to bursaries available for students
- links to the *Batho Pele* E-gateway.

A PIT-customised truck houses computer terminals, which have access to Internet and all the back-end services available to other PIT terminals currently at the Post Offices. This is made possible by the satellite link between the truck and the servers. The satellite-link technology is provided by Sentechn. This has helped to broaden the PIT project's services to any place in the country.

It was announced in May 2004 that the Post Office will complete its roll-out of 600 PITs over the Medium Term Expenditure Framework period.

Citizens Post Offices

This project provides electronic-based services as a one-stop shop in the Internet café mode. By July 2004, 17 CPOs had been launched. A further roll-out of 200 sites is planned for 2005.

The main target market for the CPOs is small, medium and micro-enterprises (SMMEs). The services on offer include: Internet browsing and e-mail; government services and information; Microsoft Office products like Word, Excel and PowerPoint; faxing; photocopying; binding; and all related stationery.

Mail delivery

The delivery point roll-out is aimed at ensuring that

every household in the country has access to mail delivery. The project is also aimed at ensuring that every citizen in the country has a physical address. SAPO has been providing addresses through boxes and street addresses. The target, as set out and confirmed in the license agreement is 4 018 100.

By July 2004, some 3 641 540 new addresses had been rolled out.

National Address Database

The development of the National Address Database has been initiated. SAPO, together with the Department of Communications, has piloted an addressing system at Ga-Rasai, Brits, in the North West.

Postbank

The Postbank is responsible for:

- providing banking services to lower-income groups and rural areas underserved by financial institutions
- fulfilling the need for a countrywide network of financial services
- mobilising savings and therefore contributing to domestic investment
- developing values of thrift and savings
- treasury and investment (potential to be the empowerment vehicle for SMMEs)
- being a deposit facility for welfare and maintenance payments.

Some of the key achievements of the Postbank are the following:

- the deposit base grew from R1,19 billion (March 2003) to R1,75 billion (March 2004)
- the account base grew from 2,2 million to 2,8 million
- the introduction of new saving products.

The Postbank also joined forces with Safrican Insurance to provide various insurance products.

Social investment

This includes:

- supporting the fight against HIV, AIDS and cancer
- awarding scholarships and bursaries
- supporting choral development
- contributing towards the alleviation of poverty

Despite the slow-down in growth of online retail in South Africa, the number of retail websites increased from 215 at the end of 2001, to 719 at the end of 2003.

According to the *Goldstuck Report: Online Retail in South Africa 2004*, the market is dominated by the top eight online retailers, who between them account for about 80% of all online retail sales in South Africa.

The survey found that online sales by retailers – which excludes the sale of property, cars and travel – increased by 35% in 2003, but was expected to grow by only 25% in 2004. A total of R341 million in online retail sales was achieved in 2003 – a mere 0,14% of the overall retail market in South Africa.

Of this, around R66 million in sales, or 20% of online retail, was recorded over the November-December holiday shopping season.

- promoting the recognition of South Africa's legends through philately
- promoting the culture of writing, through letter-writing contests
- promoting the documentation of the country's history through the History Project – where ordinary South Africans share their experiences of contributing towards democracy.

International and regional co-operation

South Africa is a member of the Universal Postal Union (UPU). The country participates in technical assistance programmes within the UPU, and uses its international accounting facility. It also participates in other international bodies such as the Pan-African Postal Union, Council of Commonwealth Postal Administrations, and the Southern African Transport and Communications Commission.

South Africa, through the Department of Communications, is a signatory to international treaties, conventions and agreements. It co-operates and works in partnership with other postal administrations through either bilateral or multilateral agreements relating to letters, parcels and financial postal services.

The media

Media freedom

According to the Bill of Rights, as contained in South Africa's Constitution, 1996 (Act 108 of 1996), everyone has the right to freedom of expression, which includes:

- freedom of the press and other media
- freedom to receive or impart information or ideas
- freedom of artistic creativity
- academic freedom and freedom of scientific research.

Several laws, policies and organisations act to protect and promote press freedom in South Africa.

The second Press Freedom Index by Reporters Without Barriers, released late in 2003, ranked press freedom in South Africa as 21st in the world. This was an improvement from 26th position in 2002.

Finland, Iceland, Norway and the Netherlands share first place on the Index. South Africa shares 21st place with Hungary and Jamaica.

Broadcasting

South Africa has an extremely diverse broadcast media sector catering for the unique demands of the local market.

Policy and legislation

The Broadcasting Act, 1999 (Act 4 of 1999), and the IBA Act, 1993 (Act 153 of 1993), are aimed at establishing and developing a broadcasting policy to regulate and control all broadcasting, to:

- contribute to democracy, nation-building, the provision of education, and strengthening the moral fibre of society
- encourage ownership and control of broadcasting services by people from historically disadvantaged communities
- ensure fair competition in the sector
- provide for a three-tier system of public, commercial and community broadcasting services
- establish a strong and committed public broadcaster to service the needs of all South Africans.

The Broadcasting Act, 1999 defines the objectives of the South African broadcasting system, the structure of the SABC, and the role of the various sectors in meeting these objectives. It also guarantees the independence of the SABC as public broadcaster. Section 8 of the Act sets out the objectives of the SABC. The SABC is being corporatised and restructured to better fulfil its mandate of meeting the needs of its audiences.

These include broadcasting accurate and credible news and current affairs programmes; South African content programming in languages reflecting the country's cultural diversity; educational programming to advance lifelong learning; and programming targeted at children, women and people with disabilities.

The Act deals with the restructuring of the SABC to fit into the changing broadcasting environment. It requires that the SABC Board establishes two management boards to focus on the public and commercial services. Under the new dispensation, the

public broadcasting wing will execute and meet its public-service mandate free from commercial interests. The commercial wing will be allowed to generate profit to be self-sustainable.

The Broadcasting Amendment Act, 2002 (Act 64 of 2002), brings into effect, among other things, the new Code of Conduct for Broadcasters. Implementation of the Act will result in a better definition of public and commercial broadcasting services.

The SABC has developed, for the first time, editorial policies for news and other programming that cover current affairs, including content accuracy and impartiality. These policies are open to public comment. The Broadcasting Amendment Act, 2002 provides for the establishment of two regional television licences: the first for the northern region, to cater for those speaking Sesotho, Xitsonga, Tshivenda and Sepedi languages; and the second for the southern region, to cater for those speaking the isiXhosa, Siswati, isiZulu and isiNdebele languages.

Cross-media control and South African content

The schedule to the Broadcasting Act, 1999 provides for certain amendments to Section 50 of the IBA Act, 1993. It states the specific parameters for cross-media ownership, pending the investigation called for in the White Paper to review the limitations on cross-media control.

ICASA also has to investigate the level of foreign ownership. Early in 2003, the level of ownership of private radio and television stations permitted for a foreigner was 20%.

The Government believed that this should be raised to increase investment. In May 2004, ICASA released its final recommendations on amendments to important broadcast ownership laws. These recommendations represent the culmination of a comprehensive policy process, involving extensive public and industry consultation. The recommendations set out proposed amendments to provisions in the IBA Act, 1993 that deal with limitations on:

- ownership of commercial broadcasting licences
- foreign control of broadcasting services
- cross-media control of commercial broadcasting services.

ICASA released a position paper requiring local radio and television stations to increase their quotas of locally produced content as of August 2003. New quotas for public and community radio stations were doubled to 40%, while quotas for private and public commercial stations were raised to 25%. New quotas for television were increased to 55% for public broadcasters, 30% for commercial private and public free-to-air stations, and 8% for pay stations.

Broadcasting role-players

Radio

The first radio broadcasts in South Africa took place under the auspices of a broadcasting committee of the South African Railways. The first experimental broadcast was undertaken in Johannesburg on 18 December 1923 by the Western Electric Company.

During 1924, the Associated Scientific and Technical Association of South Africa began regular broadcasts in Johannesburg. The Cape Peninsula Publicity Broadcasting Association began a similar service, and the Durban Municipality followed suit with its own regular broadcasts.

The first radio station, JB Calling, went on air in July 1924.

By 1926, legislation had become necessary. Under the Radio Act, 1926 (Act 20 of 1926), all radio transmission and reception was placed under the control of the Postmaster-General.

Following the contribution made by Sir John Reith, the then Director-General of the British Broadcasting Corporation, the SABC was established on 1 August 1936.

The SABC is the country's public broadcaster. It introduced its own national news service on 17 July 1950, with daily news bulletins on the English service, the Afrikaans service and Springbok Radio.

Radio Zulu, Radio Xhosa and Radio Sesotho were established on 1 June 1960.

In July 2004, the SABC's national radio network comprised 18 stations broadcasting in 13 languages, which, combined, reached an average daily adult audience of 19 million.

For its internal coverage, Radio News uses about 13 editorial offices, a countrywide network of 1 300

correspondents, and more than 2 000 news contacts.

World news is provided by international news agencies and strategically situated foreign correspondents.

Copy supplied to Radio News from various sources amounts to almost a million words a day, and is compiled around the clock into 300 news bulletins and 27 current affairs programmes broadcast daily on the SABC's radio services. There is a public broadcasting service radio station for each language group.

At the end of March 2004, the Cabinet approved the corporatisation of Channel Africa Radio as a subsidiary company of the SABC. Known as Channel Africa Network, the new company will have its own board of directors, with four non-executive directors.

Channel Africa Network comprises four language services, reaching millions of listeners throughout Africa. Broadcasts are in English, French, Kiswahili and Portuguese. It is targeted at audiences in Africa and the Indian Ocean islands, and concentrates on providing programmes with a specific African content.

Private radio stations

The following private radio stations have been granted licences by ICASA:

- Radio Algoa (Eastern Cape)
- Classic FM (Gauteng)
- Kaya FM (Gauteng)
- YFM (Gauteng)
- Highveld Stereo (Gauteng)
- Radio 702 (Gauteng, Limpopo, North West and Mpumalanga)
- Radio Jacaranda (Gauteng, Limpopo, North West and Mpumalanga)
- Radio Oranje (Free State, Northern Cape and North West)
- East Coast Radio (KwaZulu-Natal)
- P4 Durban (KwaZulu-Natal)
- Cape Talk MW (Western Cape)
- Radio KFM (Western Cape)
- P4 Cape Town (Western Cape).

Stations such as Radio Jacaranda, Highveld Stereo, Radio Oranje, Radio Algoa and East Coast Radio

were initially SABC stations, but were sold to private owners to diversify radio ownership in South Africa as part of the transformation of the public broadcaster.

In August 2002, ICASA revoked the licences of Punt Geselsradio in Johannesburg and Cape Town, after having considered and applied a recommendation by the Broadcasting Monitoring Complaints Committee (BMCC). On 13 January 2004, ICASA released the *Position Paper on the Ownership and Control of Broadcasting Services and Existing Commercial Sound Broadcasting Licences*. According to the Position Paper, at least seven new commercial sound broadcasters will be licensed over the next two years. At least four of these licences will be granted in secondary markets, and at least three will be granted in primary markets. By March 2006, this should increase the current number of commercial sound broadcasting licensees from 13 to 23, taking into account the sale and licensing of Capital Radio in the short-term, as well as the re-licensing of the medium wave (MW) frequencies forfeited by Punt Geselsradio.

Community radio stations

In 1997, ICASA commenced with phasing out one-year community radio licences. There were more than 70 one-year licences in 1997.

The finalisation of the four-year licensing process in Gauteng will complete the folding of the one-year temporary licensing regime.

As at 13 July 2004, the Authority licensed 101 community radio stations. The breakdown is as follows: Mpumalanga (10), Northern Cape (three), Free State (nine), Limpopo (eight), Eastern Cape (11), North West (five), KwaZulu-Natal (11), Western Cape (15) and Gauteng (19).

Satellite Communications Network

By mid-2004, the establishment of the Satellite Communications Network had begun. The Department of Communications was working together with Parliament, the community radio sector and Government Communications for the launch of the Network. The Network will make it possible for grassroots communities, through their community

radio stations, to access parliamentary proceedings, general news, and government information and services.

The process was expected to be completed before the end of 2005.

Television

SABC

A one-channel television service was introduced on 5 January 1976.

Today, the SABC's national television network comprises four full-spectrum free-to-air channels and two satellite pay-TV channels aimed at audiences in Africa. Combined, the free-to-air channels broadcast in 11 languages and reach a daily adult audience of almost 18 million people via the terrestrial signal distribution network and a satellite signal.

There are more than four million licensed television households in South Africa. South Africa has the largest television audience in Africa.

About 50% of all programmes transmitted are produced in South Africa. Locally produced television programmes are augmented by programmes purchased abroad, and by co-productions undertaken with other television programming organisations. Television news is fed by SABC news teams reporting from all parts of the country, using modern portable electronic cameras and line-feed equipment via more than 220 television transmitters. *Ad hoc* satellite feeds are arranged from wherever news events occur.

News bulletins are broadcast in all 11 official languages.

The SABC's online news service, *SABCnews.com*, which attracts an average of 600 000 site visits a month, is gaining popularity and raising the profile of SABC News internationally.

Sharp increases in visits coincided with major breaking news and special features on international events.

Live streaming of national events such as the annual Budget Speech and the State of the Nation Address has proved popular.



The SABC's terrestrial television channels devote about 17% of their airtime during prime time to news and news-related programmes.

NewsBreak 802 152, a news-by-telephone service, is one of the country's most popular audio news/information lines.

This joint venture with Vodacom and Marketel gives the latest news in English and isiZulu, with regular sports and weather updates.

M-Net

M-Net, South Africa's first private subscription television service, was launched in 1986. Today, it has over 1,23 million subscribers in 49 countries across the African continent.

M-Net, which is listed on the JSE, features broad-ranging programme scheduling on its two terrestrial channels in South Africa.

In November 1999, it also made its debut on the Nigerian Stock Exchange, making it the first South African company to list in Nigeria.

The main M-Net channel focuses on movies and sport, but also offers a general entertainment line-up of children's programmes, series and magazine programmes.

It has a daily two-hour 'open window' when unencoded programmes (available to viewers without decoders), including the country's longest-running local soap opera, *Egoli – Place of Gold*, are screened.

The second channel, Community Services Network, offers niche sports programming and specialised community channels for the local Indian, Portuguese, Italian, Jewish, and Christian communities.

Development of the local film and television industries is a priority, and is supported by the New Directions project, which identifies and mentors emerging film-makers; and the M-Net All Africa Awards, which recognise excellence in films made across the African continent. These projects, which play a dynamic role in nurturing and investing in the film and television industry, are among a number of initiatives and co-productions funded by M-Net's commissioning and productions department, MagicWorks.

M-Net's licence has been renewed until 2010.

Satellite broadcasting

MultiChoice Africa (MCA), was formed in 1995 to manage the subscriber services of its sister company, M-Net. It became the first African company on the continent to offer digital satellite broadcasting.

MCA provides television entertainment through its DStv, Indian, Portuguese and Arabic bouquets, to some 638 000 subscribers in South Africa and a total of 860 000 subscribers across 50 countries on the African continent and adjacent Indian Ocean islands. This is done through franchises and joint ventures. Operations include subscriber-management services and digital satellite television platforms broadcasting 55 video and 48 audio channels, 24 hours a day. Included are six data channels which were the first interactive television offerings on the continent. In addition, interactive services like TV-Mail and TV-Shopping are also available in South Africa.

MCA is 100% owned by the MIH Group, which is listed on the JSE, NASDAQ in New York, and AEX in Amsterdam.

Free-to-air television

The *White Paper on Broadcasting Policy*, released in June 1998, provided for the extension of free-to-air, pay and regional television services. On 30 March 1998, the consortium Midi Television was awarded the first privately owned free-to-air television licence.

The station they operate, e.tv, is a commercial service dependent on advertising. It does not charge subscription fees. The e.tv channel started broadcasting on 1 October 1998. News broadcasts and a 24-hour service were introduced early in 1999.

Signal distribution

Sentech began operating in 1992 under the auspices of the SABC as a signal distributor for all transmissions related to the public broadcaster. This mandate included services provided to M-Net, Radio 702, Radio Ciskei, Radio Transkei and the Bophuthatswana Broadcasting Corporation.

After an inquiry was launched and the subsequent report approved by Parliament in March 1996, Sentech started operating as a commercial SOE with its own board of directors.

Sentech owns and operates about 210 terrestrial transmitter sites where short-wave, MW, Frequency Modulation (FM), television and Multichannel Multipoint Distribution Service transmitters (more than 1 200) are accommodated to serve the various broadcasters in the country.

In May 2002, Sentech was granted two telecommunications licences, allowing the company to move into international telephony and multimedia communications. The International Telecommunications Gateway licence allows Sentech to carry international traffic on behalf of other licensed operators. The multimedia services licence enables the company to deliver e-commerce, Internet, broadband and value-added telecommunications services directly to consumers and businesses.

Print

Technical handling of the print media in South Africa rates among the best in the world. On the editorial side, concerns have been raised about the general quality of content from a journalistic point of view. Research has shown that journalists lack certain basic skills, and the juniorisation of newsrooms has impacted negatively on most of the major publications.

Over the last two years, the industry has held strategic planning sessions and implemented special training programmes in an attempt to improve the quality of newspapers' editorial content.

The roots of the print media in South Africa can be traced back to the 19th century, when the first issue of a government newspaper, the *Cape Town Gazette and African Advertiser/Kaapsche Stads Courant and Afrikaansche Berigter*, was published in 1800.

The first independent publication, *The South African Commercial Advertiser*, was published in 1824 by Thomas Pringle and John Fairbairn. Eighteen issues later it was banned, and reappeared only after various representations had been made to the authorities in London.

South African newspapers and magazines are mainly organised into press groups, which have burgeoned over the years as a result of take-overs.

The major press groups are Independent Newspapers (Pty) Ltd, Media24 Ltd, CTP/Caxton Publishers and Printers Ltd, and Johnnic Publishing Ltd.

Other important media players include Primedia; M&G Media; Associated Magazines; Ramsay, Son & Parker; NAIL (New Africa Investments Limited); and Kagiso Media. NAIL has unbundled into a commercial company (New Africa Capital) and a media company (New Africa Media).

Johnnic Communications clinched a deal with NAIL in which it acquired NAIL's shares in New Africa Publications, the owners of *Sowetan* and *Soweto Sunday World*.

Since 1994, the major press groups have embarked on programmes to boost Black empowerment in media ownerships.

Newspapers

Most South African newspapers are based on the British model. Management and editorial departments are controlled separately.

The size of the country – 1 400 km separating the main centres of Cape Town and Johannesburg – still precludes national dailies in the true sense of the word.

A new daily, *ThisDay*, started publishing in the big centres in 2003 and was the closest to a national daily. It must be taken into account that, except for *ThisDay*, all dailies belong to the bigger press groups, and sister papers will therefore carry quite a

broad variety of news from all over the country in their regional issues.

ThisDay reached an averaged and audited circulation of 32 401 copies per day over the first three months of its publication. It ceased trading in the second half of 2004.

Some of the bigger titles and specialist newspapers like *Business Day* are distributed in metropolitan areas. The only truly national newspapers are the four Sunday newspapers, *Sunday Times*, *Rapport*, *Sunday Independent* and *Sunday Sun*, and the weekly newspaper *City Press*.

All are published simultaneously in various cities, using the printing facilities of related dailies. A number of newspapers have introduced separate weekend editions of their daily newspapers, e.g. *Saturday Dispatch* and *Weekend Witness*. *The Post Weekend* and the Saturday edition of the *Herald* in Port Elizabeth have ceased trading.

Sunday World, launched in March 1999, soon lost its initial popularity. It was relaunched in 2000 as *Sowetan Sunday World* and almost doubled its circulation. The continuous biggest success story of the South African newspaper scene belongs to *Daily Sun*. This Gauteng newspaper, launched by Media-24 in July 2002, has become the biggest daily in South Africa. Imitating the tabloid format and the

Winners of major annual press trophies

	Frewin*	McCall**	Cronwright***	Hultzer****	Joel Mervis*****
2000	Beeld	Business Day	Record District Mail	Vaal Weekly	Naweek-Beeld
2001	The Star	The Mercury	Sandton Chronicle	Potchefstroom Herald	Rapport
2002	Beeld	Natal Witness	Paarl Post	Potchefstroom Herald	Rapport
2003	Beeld	Business Day	South Coast Herald	Springs and Brakpan Advertiser	Mail & Guardian
2004	Beeld	Witness	Paarl Post	Eikestadnuus	Naweek-Beeld

* Best urban daily newspaper with a circulation exceeding 50 000

** Best daily with a circulation under 50 000

*** Best community newspaper with a circulation exceeding 10 000

**** Best community newspaper with a circulation below 10 000

***** Best urban weekly

Source: Print Media South Africa

controversial content line that appears in its British namesake, *The Sun*, it took the South African daily market by storm. An Afrikaans version, *Die Son*, launched on 28 March 2003, initially focused its distribution within the Western Cape, but has extended its circulation to Gauteng with the launch of its North edition in November 2003.

By mid-2004 there were 18 dailies and eight Sunday papers in South Africa. Almost 120 regional or country newspapers, most of which are weekly tabloids, serve particular towns or districts in the country, by covering local affairs and carrying local advertising. Most are published in English and Afrikaans. The most popular publication day is Thursday.

Newspapers appearing only in certain neighbourhoods are also part of this section. They are known as knock-and-drops or freebies, as they are distributed free of charge. They have a guaranteed readership with advertising being their only source of income. More than 4,5 million newspapers in this sector are distributed weekly.

In 2003, there were more than 178 such papers listed. They are distributed mainly in urban areas, and number in the hundreds when unlisted ones are considered. Press groups such as Media24 and CTP/Caxton are major players in this field.

Since 1996, local newspapers, freebies and corporate newspapers have ventured into reporting in indigenous languages as well. In Durban, Independent Newspapers started the isiZulu newspaper *Isolezwe*, which is holding its own.

With 11 official languages, it can be expected that more home-language publications will emerge. Separate newspapers for different cultural groups are still preferred, with English the popular language of choice.

Circulation

Newspapers

In general, circulation has remained static for the traditional titles, while the one-year old entrant in the market, *Daily Sun*, has been a remarkable success story for the daily tabloid market. The July to December 2003 circulation figures revealed that *Daily Sun* was the biggest South African daily news-

paper with a circulation of 235 386, followed by *The Star* with a circulation of 165 948.

Daily Sun's success can be attributed to its strategy of focusing directly on the new mass reader and appealing specifically to their areas of interest i.e lifestyle aspirations, sports, entertainment, etc. *Daily Sun* has shifted readers away from traditional titles such as *Sowetan*, which saw a drastic decline in circulation from 154 747 in 2002, to 123 590 in 2003.

Weekly newspapers remained static, with *Sunday Times* still the dominant Sunday read in South Africa. *Rapport* and *City Press* showed a slight decrease in circulation, while *Soccer Laduma* and *Sunday Sun* (the weekend edition of *Daily Sun*) showed an increase.

According to the All Media Products Survey (AMPS) 2003B (January to December 2003) readership survey, compiled by the South African Advertising Research Foundation:

- Daily newspaper readership at any daily level increased due to a growth in readership, mainly in Gauteng in the 35 to 49 age group.
- *Daily Sun* is the only title in this group to show a significant growth in readership. With a penetration of 5,5% (1,755 million readers), it was close to *Sowetan*, which was the daily with the largest readership at 6,2% (1,853 million readers). *Daily Sun* was, however, the largest daily in Gauteng.
- Total readership of daily newspapers increased by 24,3% or 1,9 million readers compared with AMPS 2002B (January to December 2002) data.
- Weekly newspaper readership remained stable overall, but readership of weeklies increased significantly in the Western Cape and particularly in Cape Town.
- The Western Cape was by far the leader, with 62,3% of the adults in this province reading at least one or more newspapers a day, as opposed to Gauteng (Johannesburg) which has 58,2% of the population reading one or more newspapers per day.
- Total readership of weekly newspapers increased by 6,8% or 1,2 million readers compared with AMPS 2002B data.
- Basic literacy (can read and understand at least one language) remained static at 92,6%, while

functional literacy (primary school completed) increased from 79,5% in 2002 to 81% in 2003.

Magazines

Overall, the circulation performance of magazines during the last six months of 2003 remained static, with the exception of a few special interest niche titles. Measured against the same period in 2002, net sales increased by 6% in 2003.

The business-to-business magazine market is currently larger than the consumer market, but only by a small margin. Most titles have low circulation and are highly niched. The custom or contract magazine market continues to show significant growth in the number of titles. However, it is seldom recognised as a distinct category in South Africa and very little research into this market has been done.

In terms of magazine sectors, the men's magazine sector showed an increase in circulation across all three titles, and the women's magazine market remained highly competitive. The year 2003 saw the launch of two more titles into these specific markets – *Razor* for men and *Glamour* for women.

There are currently more than 1 100 magazine titles published monthly across an ever-broadening range of topics. The first quarter of 2004 saw the launch of four new titles: *Heat* (UpperCase Media), *Glamour* (Condé Nast Independent Magazines), *SoccerLife* (Johnnic Communications) and *Webreak* (Media 24).

The major publishers in the magazine industry are Media24, Caxton, Johnnic, Associated Magazines, and Ramsay Son & Parker.

Magazine readership

South Africa has a magazine readership of almost 12 million and the average number of titles per reader is 3,45.

At national level, the number of people who read at least one magazine has not changed. However, the number of people reading a subscriber magazine (including a television magazine) increased in 2003.

Despite the fact that magazine readership reflects a very stable picture, the readership of one or more women's interest, men's interest, sport and home/garden magazine is still growing.

With the exception of weekly newspapers and subscriber magazines, there are slight increases in the average number of titles being read.

Weekly magazines

Drum showed a small decrease in readership from 1,8 million in the AMPS 2002B survey to 1,6 million in AMPS 2003B. *Finance Week* showed an increase from 91 000 readers to 115 000, *Huisgenoot* from two million to 2,1 million, and *Vroukeur* from 330 000 to 454 000.

Monthly magazines

Car magazine saw an increase from 824 000 readers to one million, *Fair Lady* from 767 000 to one million, *FHM* from 438 000 to 552 000 readers, *Sarie* from 716 000 to 916 000, and *True Love* from 2,1 million to 2,2 million readers in 2003.

Distribution

In cities, newspapers rely heavily on street sales and door-to-door delivery. Cafés, spaza shops and general stores provide additional selling points. In rural areas, newspapers are distributed mainly by special truck deliveries, often covering hundreds of kilometres in a single run. The cost of bulk transport by air is very high.

Newspaper Circulation Services and Magazine Circulation Services handle all Johnnic Publishing's circulation. The Afrikaans press group, Media24 (*Nasionale Nuusdistribueerders*), handles most of its distribution itself. Allied Publishing handles Independent Newspapers and RNA Distributors Caxton/CTP.

Online media

Most of the bigger publications have websites on the Internet. There are more than 600 'netzines' listed as online publications in South Africa, with at least 16 of them specialising in daily news. *Mail and Guardian* has received worldwide acclaim as the best online publication in Africa.

Media organisations and role-players

Several organisations and associations play an important role in the media field.

Print Media South Africa (PMSA), formed in 1996, is an umbrella organisation administering individual bodies, namely the Newspaper Association of South Africa (the oldest communication organisation, established in 1882), Magazine Publishers Association of SA, and the Community Press Association of Southern Africa.

The purpose of PMSA is to represent, promote, interact and intervene in all matters concerning the collective industry and matters of common interest. It represents some 530 newspaper and magazine titles in South Africa. PMSA is a member of a number of international bodies such as the World Association of Newspapers, and Federation of Periodical Press. Allied to PMSA, but not a constituent member, is the Audit Bureau of Circulation, responsible for auditing and verifying print-media circulation and cinema attendance figures.

The South African National Editors' Forum (SANEF) was conceived at a meeting of the Black Editors' Forum, the Conference of Editors, and senior journalism educators and trainers in October 1996.

SANEF's membership includes editors and senior journalists from the print, broadcast and online/Internet media, as well as journalism educators from all the major training institutions in South Africa.

SANEF has facilitated the mobilisation of the media in the *Partnership Against AIDS* Campaign,

and in campaigns to end violence against women and children.

Various seminars and debates are held on media freedom and transformation, especially in relation to gender and technology. SANEF is involved in training initiatives and in setting practical standards in journalism education.

Against the backdrop of positive political developments on the African continent, SANEF spearheaded the formation of the All Africa Editor's Conference.

President Thabo Mbeki gave the keynote address to delegates from 32 other African countries. The Southern African Editors' Forum was subsequently formed in late 2003. South Africa is its first chairperson, while the secretariat is held by Swaziland. The Central, Eastern, Western and Northern African Forum bodies are in various stages of being formed.

In 2004, SANEF was involved in the SANEF-Multichoice 10-year media reviews, a series of national debates which are to be published.

The Forum of Black Journalists, consisting only of Black journalists, tackles issues which directly affect its members.

Members of the public who have complaints or concerns about reports in newspapers and magazines can submit their grievances to the Office of the Independent Press Ombudsman.

Sold magazines with the largest circulation, July – December 2003

Name	Frequency	Language	Audited circulation
Huisgenoot	W	A	342 130
You	W	E	225 454
Sarie	M	A	146 257
People	W	E	140 133
True Love	M	E	128 708
Rooi Rose	M	A	127 271
Cosmopolitan	M	E	119 562
Reader's Digest	M	E	112 304
Car	M	E	108 693
TV Plus	F	B	105 899

The abbreviations used are the following: W (weekly), F (fortnightly), E (English), M (monthly), Q (quarterly), A (Afrikaans), B (bilingual)

Source: Audit Bureau of Circulation

Daily and weekly papers					
Name	Publisher	Contact information	Frequency	Language	Audited circulation Jul – Dec 2003
Beeld (Daily)	Media 24	PO Box 333, Auckland Park, 2006 T. 011 713-9000 / F. 011 713-9960 E-mail: beeld@beeld.com	MD, M-F	A	101 367
Beeld (Saturday)	Media 24	PO Box 333, Auckland Park, 2006	W, Sat	A	83 718
Burger, Die (Daily)	Media 24	PO Box 692, Cape Town, 8000	MD, M-F	A	102 902
Burger, Die (Saturday)	Media 24	PO Box 692, Cape Town, 8000 T. 021 406-2214 / F. 021 406-3211	W, Sat	A	114 587
Business Day	BDFM Publishers (Pty) Ltd	PO Box 1742, Saxonwold, 2132 T. 011 280-3000 / F. 011 280-5505 E-mail: bday@tml.co.za	MD, M-F	E	42 057
Cape Argus, The	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000 T. 021 488-4911 / F. 021 488-4173 E-mail: josepha@ctn.independent.co.za	AD, M-F	E	73 206
Cape Times	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000 T. 021 488-4911 / F. 021 488-4173 E-mail: chriswh@independent.co.za	MD, M-F	E	48 812
Citizen, The (Daily)	Caxton Publishers & Printers Ltd	PO Box 43069, Industria, 2042 T. 011 248 6000 / F. 011 248 6222 E-mail: news@citizen.co.za	MD, M-F	E	98 228
Citizen, The (Saturday)	Caxton Publishers & Printers Ltd	PO Box 43069, Industria, 2042	W, Sat	E	77 107
City Press	RCP Media Bpk	PO Box 3413, Johannesburg, 2000 T. 011 713-9002 / F. 011 713-9977 E-mail: news@citypress.co.za	W, Sun	E	167 885
Daily Dispatch	Dispatch Media (Pty) Ltd	PO Box 131, East London, 5200 T. 043 702 2000 / F. 011 702 2968	AD, M-F	E	32 770
Daily News	Independent Newspapers KZN	PO Box 47397, Greyville, 4023 T. 031 308-2472 / F. 013 308-2662 E-mail: truce@nn.independent.co.za	AD, M-F	E	51 131
Daily Sun	Media 24	PO Box 333, Auckland Park, 2006 T. 011 713 9000 / F. 011 713 9960	MD, M-F	E	235 386
Diamond Fields Advertiser	Independent Newspapers Gauteng Ltd	PO Box 610, Kimberley, 8300 T. 053 832-6261 / F. 053 832-8902 E-mail: pbe@independent.co.za	MD, M-F	E	8 775
Herald (Daily)	Johnnic Pub. Eastern Cape	PO Box 1117, Port Elizabeth, 6000 T. 041 504-7911 / F. 041 585 3947 E-mail: epherald@tmecl.co.za	MD, M-F	E	30 050
Ilanga	Mandla Matla Publishing Co (Pty) Ltd	PO Box 2159, Durban, 4000 T. 031 309-4350 / F. 031 309-3489	BW, Th Mo	Z	98 492
Isolezwe	Independent Newspapers KZN	PO Box 47549, Greyville, 4023 T. 031 308 2878 / F. 031 308 2885	MD, M-F	Z	55 195
Independent on Saturday, The	Independent Newspapers KZN	PO Box 47397, Greyville, 4023 T. 031 308-2472 / F. 013 308-2662	W, Sat	E	56 116
Mail and Guardian	M&G Media (Pty) Ltd	PO Box 91667, Aucklandpark, 2006 T. 011 727-7000 / F. 011 727-7110 E-mail: newsroom@mg.co.za	W, Fr	E	37 689
Mercury, The	Independent Newspapers KZN	PO Box 47397, Greyville, 4023 T. 031 308 2472 / F. 031 308 2662	MD, M-F	E	39 235
Witness	Natal Witness Pr & Pub Co (Pty) Ltd	PO Box 362, Pietermaritzburg, 3200 T. 033 355-1111 / F. 033 355-1377 E-mail: news@witness.co.za	MD, M-S	E	23 408
Post	Independent Newspapers KZN	PO Box 47397, Greyville, 4023 T. 031 308-2472 / F. 031 308-2662 E-mail: khalil@independent.co.za	W, Wed	E	38 545

Daily and weekly papers

Name	Publisher	Contact information	Frequency	Language	Audited circulation Jul – Dec 2003
Pretoria News (Daily)	Independent Newspapers Gauteng Ltd	PO Box 439, Pretoria, 0001 T. 012 300-200 / F. 012 325 7300 E-mail: tle@pretorianews.co.za	AD, M-F	E	27 164
Pretoria News (Saturday)	Independent Newspapers Gauteng Ltd	PO Box 439, Pretoria, 0001 T. 012 300-200 / F. 012 325 7300	W, Sat	E	16 477
Rapport	RCP Media	PO Box 333, Auckland Park, 2006 T. 011 713-9002 / F. 012 713 9977 E-mail: aleroux@rapport.co.za	W, Sun	A	324 882
Saturday Dispatch	Dispatch Media (Pty) Ltd	PO Box 131, East London, 5200 T. 043 702 2000 / F. 043 743 2968	W, Sat	E	27 816
Saturday Star, The	Independent Newspapers Gauteng Ltd	PO Box 1014, Johannesburg, 2000 T. 011 633-9111 / F. 011 834-3918 E-mail: starnews@star.co.za	W, Sat	E	136 345
Soccer-Laduma	CT Media Proprietor	PO Box 787, Sea Point, 8060 T. 021 439 8080 / F. 021 439 7434	W, Thu	E	217 594
Son, Die	Media 24	PO Box 692, Cape Town, 8000 T. 021 406 2075 / F. 021 406 3221	W, Fri	A	90 015
Southern Cross, The	Catholic Newspapers & Pub Co Ltd	PO Box 2372, Cape Town, 8000 T. 021 465 5007 / F. 021 465 3850	W, Sun	E	10 082
Sowetan	New Africa Publications (NAP) Ltd	PO Box 6663, Johannesburg, 2000 T. 011 471-4000 / F. 011 474-2074 E-mail: editor@sowetan.co.za	MD, M-F	E	123 590
Sowetan Sunday World	NAP Ltd	PO Box 6663, Johannesburg, 2000 T. 011 471-4200 / F. 011 471-4163 E-mail: newsed@sundayworld.co.za	W, Sun	E	141 634
Star, The	Independent Newspapers Gauteng Ltd	PO Box 1014, Johannesburg, 2000 T. 011 633-9111 / F. 011 834-3918 E-mail: starnews@star.co.za	MD, M-F	E	165 948
Sunday Independent, The	Independent Newspapers Gauteng, Ltd	PO Box 1014, Johannesburg, 2000 T. 011 633-9111 / F. 011 834-7520 E-mail: newstips@independent.co.za	W, Sun	E	41 037
Sunday Sun	RCP Media Ltd	PO Box 8422, Johannesburg, 2000 T. 011 713-9465 / F. 011 713-9731	W, Sun	E	164 374
Sunday Times	Johnnic Pub.	PO Box 1742, Saxonwold, 2132 T. 011 280-5101 / F. 011 280-5111 E-mail: suntimes@tml.co.za	W, Sun	E	505 717
Sunday Tribune	Independent Newspapers KZN	PO Box 47549, Greyville, 4023 T. 031 308-2911 / F. 011 308-2662 E-mail: clarke@independent.co.za	W, Sun	E	109 576
Volksblad, Die (Daily)	Media24	PO Box 267, Bloemfontein, 9300 T. 051 404-7600 / F. 051 447-7034 E-mail: mvanrooyen@volksblad.com	MD, M-F	A	27 179
Volksblad, Die (Saturday)	Media24	PO Box 267, Bloemfontein, 9300 T. 051 404-7600 / F. 051 430-7034	W, Sat	A	23 021
Weekend Argus	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000 T. 021 488-4528 / F. 021 488-4229	W, Sat & Sun	E	103 938
ThisDay	ThisDay Media	PO Box 78262, Sandton, 2147 T. 011 217-2000 / F. 011 217-2356	MD, M-F	E	32 401
Weekend Post	Johnnic Pub. Eastern Cape	PO Box 1121, Port Elizabeth, 6000 T. 041 504-7911 / F. 041 585-3947	Sat	E	35 212
Weekend Witness	Natal Witness Pr & Pub Co Pty Ltd	PO Box 362, Pietermaritzburg, 3200 T. 033 355-1377 / F. 033 355-1377	W, Sat	E	27 309

The abbreviations used are the following: MD (morning daily), AD (afternoon daily), BW (bi-weekly), M-F (Monday to Friday), Mo (Monday), Tu (Tuesday), W (Wednesday), Th (Thursday), Fri (Friday), Sat (Saturday), Sun (Sunday), A (Afrikaans), E (English), Z (Zulu), n/a (not available)

Source: Audit Bureau of Circulation

Should they not be satisfied with the resultant ruling, they can lodge an appeal with an independent appeal panel. The office of the Press Ombudsman was set up by the PMSA, SANEF, the Media Workers' Association of South Africa, and the South African Union of Journalists (SAUJ).

As self-regulating mechanisms of the media industry, the Press Ombudsman and the appeal panel act in accordance with the South African Constitution, 1996, and embrace the spirit of transformation in South Africa.

The Freedom of Expression Institute (FXI) was established in 1994 to protect and foster the rights to freedom of expression and access to information, and to oppose censorship.

The FXI undertakes a wide range of activities in support of its objectives, including lobbying, educating, monitoring, research, publicity, litigation and the funding of legal cases that advance these rights.

In the process, it networks and collaborates with a wide range of local and international organisations.

Another body that protects freedom of speech is the Freedom of Commercial Speech Trust. Backed by the marketing communication industry and supported by organised business and consumer organisations, the Trust focuses on transparent negotiations with legislators.

The SAUJ has fought consistently and primarily for a free and independent media, and acceptable working conditions for its members. To this end, the SAUJ has signed formal agreements with most employer groupings, and participates in structures aimed at fostering and enhancing media freedom.

The Broadcasting Complaints Commission of South Africa is an independent self-regulatory body which serves as a voluntary watchdog to adjudicate complaints from the public about programmes flighted by members subscribing to its code of conduct. It is empowered by its members, which include, among others, the SABC, M-Net, Radio 702, and Trinity Broadcasting Network. However, the Commission does not deal with X-rated material which, under criminal law, is prohibited.

The BMCC was established under sections 21 and 22 of the IBA Act, 1993.

It monitors broadcasting licensees for their compliance with, or adherence to, the terms, conditions and obligations of:

- their broadcasting licences
- the Code of Conduct for Broadcasting Services
- the Code of Advertising Practice.

The BMCC receives and adjudicates complaints from the public with regard to licence conditions, and is also entitled to initiate its own investigations into suspected non-compliance by a broadcaster.

If a member of the public is concerned that a broadcaster is not observing its licence conditions, that person may lodge a complaint with ICASA. If a broadcaster is found to be guilty of contravening its licence conditions, the BMCC makes recommendations to ICASA about action that should be taken.

Material that could be considered X-rated must be submitted to the Film and Publication Board prior to being shown. (See chapter 5: *Arts and culture*.)

The mission of the National Association of Broadcasters is to protect the interests of broadcasting as a whole, at the same time interfacing with ICASA on matters such as freedom of speech.

Other press organisations operating in the country are the Foreign Correspondents' Association of South Africa, the Printing Industries Federation of South Africa, the South African Typographical Union, the Specialist Press Association, the South African Guild of Motoring Journalists, Professional Photographers of South Africa, the Media Institute of Southern Africa, and press clubs in major centres.

In 2003, the Online Publishers' Association (OPA) was established. Its mission is to provide a non-profit forum in which South African online publishers can address issues of common interest, and which can represent these publishers before advertising agencies and the advertising community, the press, government and the public.

News agencies

The South African Press Association (SAPA), which is a national news agency, is a co-operative, non-profit news-gathering and distribution organisation operating in the interests of its members and the public.

SAPA's foreign news is received from Associated Press (AP) and its representatives in London.

The main foreign news agencies operating in South Africa are *Agence France-Presse*, AP, *Deutsche Presse Agentur*, Reuters and United Press International.

Other agencies are the Eastern Cape News Agency, African Eye News Service in Mpumalanga, and Network Radio News.

Training centres

Over 40 institutions offer media training in South Africa.

Tertiary institutions include various universities of technology (technikons) and universities such as Tshwane University of Technology, and Rhodes, Potchefstroom, Stellenbosch and Witwatersrand universities; and organisations such as the Cape Town Film and Television School; the SABC's Television Training Centre; the Radio Freedom Institute; the Institute for the Advancement of Journalism; Cross Media Training Centre; and NEMISA, a government-funded training institute specialising in broadcasting, news media and multimedia skills.

In 2003/04, NEMISA provided a three-month training course in radio and television broadcasting for 26 students from Nigeria.

NEMISA also launched a language portal in all indigenous languages at www.sedibafountain.org.za with the focus on the history, culture and languages of indigenous people.

The Media, Advertising, Publishing, Printing and Packaging Sector Education and Training Authority (MAPPP-SETA) was gazetted on 15 March 2000.

It has six advisory committees, comprising representatives from labour, business and government, which advise on:

- print media
- advertising
- publishing
- printing
- packaging
- film and electronic media.

The MAPPP-SETA is responsible for co-ordinating a sector training plan across the media industry, and assesses the quality of training courses that are run by the industry.

Parallel with this, the South African Qualifications Authority has approved the establishment of several standards-generating bodies for the media industry.

Similar bodies were implemented for journalism training and communication studies. These bodies are substructures of the National Standards Body 04 (language and communication), which co-ordinates standard-setting in the communication and language sectors.

Journalism awards

The most important awards include the:

- Mondi Paper Magazine and Newspaper Awards
- Nat Nakasa Award for Courageous Journalism
- SAPPI Magazine Publishers Association of South Africa PICA Awards
- Sanlam Community Press Awards
- Vodacom Awards for Journalism Across All Mediums
- South African Breweries (SAB) Journalism Awards.

The winner of the 2004 Nat Nakasa Award for Courageous Journalism was Buks Viljoen from *The Lowvelder* in Nelspruit, Mpumalanga.

In the 2004 Media24 Excellence Awards, *Men's Health* magazine claimed prizes for Best Speciality Editor and Magazine Innovation.

In 2004, the Sanlam Community Press Journalist of the Year was Malané Bosman from *Paarl Post*.

Media diversity

Media diversity in any country is regarded as a sign of the status of its democracy. South Africa is on its way to achieving wide diversity.

Media Development and Diversity Agency (MDDA)

The MDDA Act, 2002 (Act 14 of 2002), provides for the establishment of an independent, statutory body, which is jointly funded by government, the media industry and other donors, and which must act in terms of the Public Finance Management Act, 1999 (Act 1 of 1999).

The Agency is also enabled by the Act to approach donor organisations to mobilise further

funding. Although jointly funded, the MDDA functions independently and at arm's length from all funding sectors.

This arrangement enables government, the media industry and donors to work together towards addressing the legacy of imbalances in access to the media.

The MDDA awarded its first two rounds of grants in January and May 2004 when 20 different projects were provided with support. During the third round in September 2004, support for a further 15 projects was approved.

Support ranges from a once-off injection of funds to acquire equipment such as printers and scanners, to broader support over a one-year period.

The Agency disburses grants to community, small commercial, and media-research projects in four cycles each year.

At least 60% of the funding has been set aside for community media projects, about 25% for small commercial projects and 5% for research into media development and diversity. The remaining 10% will be allocated according to need.

The Agency is developing strategies aimed at creating an enabling environment for media development and diversity, including dealing with the problems of distribution, circulation, audience research and advertising.

Advertising

In 2004, two publications recognised excellence and achievement in South African advertising, namely *AdFocus* and *AdReview*.

Some of the awards made by *AdFocus*, supplement to *Financial Mail* of 14 May 2004, were:

- Agency of the Year and Large Agency of the Year: Ogilvy & Mather, Johannesburg
- Mid-sized Agency of the Year: Net#work BBDO
- Small Agency of the Year: King James
- Brand Agency of the Year: Harwood Kirsten Leigh McCoy (HKLM)
- Media Agency of the Year: Nota Bene
- Marketing Agency of the Year: Instant Grass
- Agency Leader of the Year: Nunu Ntshingila, Ogilvy, Johannesburg
- Media Owner of the Year: *Daily Sun*

- *Financial Mail's* New Broom Award: Instant Grass
- The Tony Koenderman Lifetime Achievement Award: Robyn Putter

- Advertiser of the Year: Exclusive Books
- The SABC People's Choice Award: Tastic Rice.

Some of the top advertising agencies, as recognised in the *AdReview* supplement in *Finance Week* of April 2004, were:

- Net#work BBDO: Oracle Agency of the Year Award
- Large Agency of the Year: (joint winners) TBWA South Africa and Ogilvy
- Mid-sized Agency of the Year: Net#work BBDO
- Small Agency of the Year: King James
- Newcomer of the Year: Open Communication
- Media Agency of the Year: OMD
- Broadcast Marketing Award: YFM
- Campaign of the Year: Exclusive Books; agency Ogilvy
- Advertising Personality of the Year: Mpho Makwana, CEO, Marketing Federation of South Africa
- Lifetime Achievement Award: Nkwenkwe Nkomo, deputy chairman, FCB.

A process to transform the advertising and marketing industry has been initiated by the Portfolio Committee on Communications in collaboration with the industry and relevant government departments.

Advertising awards

The Loerie Design, Integrated and Sponsorship Awards are the best-known South African awards that recognise excellence in advertising. The Association of Marketers established these Awards in 1978 to coincide with the advent of commercial television in South Africa. The first ceremony took place in 1979.

These Awards cover several mutually exclusive media awards. They are: television, international television, cinema, radio, newspaper, magazine, international print and poster, outdoor advertising (above-the-line) and design (below-the-line) campaigns, graphic design, promotional marketing, audio-visual, corporate events, digital interactive media and a student award. In 2004, a sponsorship category was added to the Awards.

In 2004, 34 gold Loeries, 57 silver Loeries and 35 bronze Loeries were awarded.

The Pendering Awards reward excellence in Afrikaans advertising, both verbal and non-verbal. Categories include radio, television, magazines, newspapers, outdoor advertising and campaigns. The 2004 winners were spread across five advertising agencies but, as in 2003, FCB (Cape Town and Johannesburg) walked away with the most gold Pendorings. Net#work BBDO, Ogilvy SA and Grey Worldwide each received one gold Pendering, and FCB Cape Town and Net#work BBDO also received a silver Pendering each.

Other marketing communication awards

Advertising is, in academic circles, regarded as one of the core elements of any marketing communication strategy. Marketers are increasingly integrating other core marketing communication elements, such as direct marketing and sponsorship – two of the fastest-growing areas in marketing communication – into their overall campaigns.

The Assegai Awards originated in 1998 to honour excellence in direct marketing strategic prowess and innovation, with an emphasis on results. These Awards are acclaimed as the only South African marketing communication awards that recognise 'Return on Investment' – talking directly to targeted prospects and existing customers by way of various integrated and actionable media. The Awards are recognised as the industry benchmark – with a mandate to promote growth, and recognise and reward excellence in the direct marketing arena.

International exposure

The South African advertising industry is truly world-class. In international award events, South Africa regularly rates in the top five or six.

South African agencies are very visible at international events such as the Cannes International Advertising Festival. This Festival is widely accepted as the leading global advertising event. Thousands of delegates, representing the global advertising fra-

ternity, spend days and nights viewing and screening more than 10 000 entries.

In 2003, Lowe Bull (Gauteng) won two Golden Lions at Cannes, while TBWA Hunt Lascaris (Gauteng, Cape and Durban) won two bronze awards.

Local creatives did South Africa proud by winning a slew of awards during the 2004 Clio Awards. Net#work BBDO was awarded one gold, two silver and three bronze Clios across the categories of innovative media print and poster, television and integrated campaigns.

Also scoring gold for South Africa were Herdbuys McCann-Erickson, Johannesburg, in the print category; and Saatchi & Saatchi, Cape Town, in the design category.

South African agencies are also active elsewhere in Africa. The top three are: McCann-Erickson Africa (in 40 countries), Ogilvy Africa (39), and FCB Africa (32).

Online and offline advertising

Online advertising and sponsorship spend increased by 17% during the third quarter of 2003, to a total of over R20 million for the quarter. The quarter-on-quarter growth seen in the third quarter contributed to a total online adspend of R70 million per year for OPA members in the South African online marketplace.

According to AMPS 2003B, Internet usage grew significantly at both the four-week and seven-day levels. This growth included a wide range of demographic and geographic subpopulations.

Most access took place at home, and was still growing. Access elsewhere (excluding home and work) was declining. Sending and receiving e-mails was the most important Internet activity in a four-week period (1,347 million or 4,5%), followed by obtaining information (1,085 million or 3,6%).

Advertising Standards Authority (ASA)

The ASA is the protector of the ethical standards of advertising in South Africa and protects consumers against manipulative advertising and unfair claims.

Acknowledgements

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Print Media SA
South African Broadcasting Corporation
South African Post Office
South African National Editors' Forum
Telkom Ltd
www.arivia.co.za
www.fx1.org.za
www.gov.za
www.icasa.org.za
www.mtn.co.za
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Economy

South Africa has achieved a level of macro-economic stability not seen in the country for 40 years. These advances create opportunities for real increases in expenditure on social services, and reduce the costs and risks for all investors, laying the foundation for increased investment and growth.

The budget deficit decreased from 9,5% of Gross Domestic Product (GDP) (including the deficits of the former Bantustans) in 1993, to fractionally over 1% in 2002/03. Total public-sector debt fell from over 60% of GDP in 1994 to barely 50% of GDP in 2002/03.

The net open forward position of the Reserve Bank decreased from US\$25 billion in 1994 and \$22,5 billion in 1998 (the highest level since 1994)

to zero in 2003. Foreign reserves rose from one month's import cover to two and half months' import cover.

Domestic output

According to figures released by Statistics South Africa (Stats SA) in February 2004, South Africa's economy grew by 1,9% in 2003 compared with an economic growth rate of 3,6% in 2002.

The slowdown in overall growth for 2003 as a whole can mainly be attributed to a contraction in growth in the agricultural and manufacturing sectors. The real value added by the non-agricultural sector in 2003 increased by 2,2% compared with 2002.



According to Stats SA, the real quarterly GDP increased by 1,3% in the fourth quarter, following an increase of 1,1% in the third quarter of 2003.

The unadjusted real GDP at market prices increased by 2,5%; 1,9%; 1,6%; and 1,5% during the first, second, third and fourth quarters of 2003 as compared with the first, second, third and fourth quarters of 2002 respectively.

According to the South African Reserve Bank's *Quarterly Review* released in March 2004, global economic activity picked up noticeably during the second half of 2003. The cumulative effect of the sustained application of expansionary monetary and fiscal policies in a number of key economies, and in

the United States of America (USA) in particular, contributed to the welcome acceleration in economic activity, as did the strong economic growth in China and India, the solid revenues befalling oil-exporting countries, and, more generally, the relatively high prices received by commodity exporters. Inflationary pressures, however, were kept at bay in most parts of the world.

In South Africa, output growth fell significantly behind growth in real domestic expenditure during the course of 2003. Despite the acceleration in global economic activity, South African export volumes remained subdued. This was partly a result of the usual time delay before stronger global activity spills over into higher domestic exports.

Furthermore, in some of South Africa's important export markets on the European continent, the stagnation in income and production continued throughout 2003. The significant recovery of the exchange rate of the Rand in 2002 and 2003 also reduced South Africa's price competitiveness in the world market, dampening exports and boosting imports.

Under these circumstances, the goods-producing sector in South Africa performed poorly, with production volumes in manufacturing contracting during all four quarters of 2003. Real value added in agriculture also declined, suppressed by adverse climatic conditions and lower product prices. In mining, real production rose somewhat in 2003, while the services sector, and especially communications services, recorded firm growth. In 2003 as a whole, real GDP rose by roughly 2%, while on a quarter-to-quarter basis, the lowest annualised growth rate recorded was 0,5% in the second quarter, picking up to 1% in the third quarter and 1,5% in the final quarter of 2003.

Production in the primary sector contracted further in the fourth quarter of 2003, albeit at a more restrained pace than in the third quarter. The quarter-to-quarter decline moderated from an annualised rate of 6,5% in the third quarter of 2003, to 4% in the fourth quarter. This was mainly owing to a significantly lower rate of contraction in the real value added by the agricultural sector. After increasing at a rate of 3% in 2002, the real value added by the primary sector declined by 1% in 2003.

The real value added by the secondary sector also contracted further in the fourth quarter of 2003. Following a modest contraction at an annualised rate of 0,5% in the third quarter, the negative rate of growth worsened to 1,5% in the fourth quarter. This can be attributed to a further contraction in the real value added by the manufacturing sector, which more than offset solid growth by the construction sector and the sector that supplies electricity, gas and water. Virtually no growth was recorded for 2003 in the secondary sector.

The real value added by the tertiary sector recorded its sixth consecutive quarter of growth at an annualised rate of 3% in the fourth quarter, raising the real output level in this sector in 2003 by 3% more than that of the previous year. The fourth-quarter performance was mainly underpinned by solid growth in real output by the commerce, finance, insurance, real-estate and business-service sectors.

Despite a contraction in the primary sector and no growth in the secondary sector for 2003 as a whole, growth in total real production increased for the 21st successive quarter since the third quarter of 1998.

Domestic expenditure

Compared with real GDP, real domestic expenditure rose considerably in 2003. For the year as a whole, real expenditure advanced by around 4%, while in the fourth quarter of 2003 its annualised growth

Real Gross Domestic Product

Percentage change at seasonally adjusted and annualised rates

Sector	2002					2003				
	1st qr	2nd qr	3rd qr	4th qr	Year	1st qr	2nd qr	3rd qr	4th qr	Year
Primary sectors	7	7,5	5,5	3	3	-2,5	-6,5	-6,5	-4	-1
Agriculture	13,5	14	9,5	5,5	6,5	-5,5	-19,5	-22	-9,5	-6
Mining	2	3	2,5	1,5	0,5	0,5	5	6	0	2,5
Secondary sectors	4,5	8,5	6	1,5	4,5	-3	-3	-0,5	-1,5	0
Manufacturing	5	10	7,5	0	5,5	-4,5	-4,5	-1,5	-3,5	-1
Tertiary sectors	3	3,5	3	3	3,5	3	3	3	3	3
Non-agricultural sectors	3,5	5	4	2,5	3,5	1	1,5	2	1,5	2
Total	4	5	4	2,5	3,5	1	0,5	1	1,5	2

Source: South African Reserve Bank

rate amounted to 7%. If the effect of the surge in real expenditure on account of the delivery of a new vessel, the *SAS Amatola*, to the South African Navy is excluded from the final quarter's expenditure total, the annualised rate of growth in the remaining real expenditure total amounted to 6%.

Growth in real gross domestic expenditure for 2003 was just below the rate of 4,5% attained in 2002.

The growth in real final consumption expenditure by households remained firm for 2003 as a whole, similar to that attained in 2002. All expenditure categories recorded solid expansions but spending on durable goods and services actually witnessed accelerated growth compared with 2002.

Growth in final consumption expenditure by households accelerated towards the final quarters of 2003.

The firm expansion in this aggregate was generally underpinned by high consumer confidence resulting from a number of factors, including:

- the declining prices of some consumer items, especially those with a high import content
- the decline in interest rates during 2003
- generally high wage settlements relative to the inflation rate.

Real final consumption expenditure by general government increased by about 4,5% for 2003, repre-

senting a slight acceleration of the growth of about 3,5% for 2002. The sturdy increase in real outlays by the general Government was inclusive of the delivery of the *SAS Amatola*.

Meanwhile, general government continued to contain the growth in its wage bill. As a result of these developments, the ratio of final consumption expenditure by general government to GDP increased to 19% compared with 18,5% in 2002.

Real gross fixed capital formation expanded in an accelerated fashion for four consecutive years.

For 2003 as a whole, a growth rate of about 8,5% was recorded, following an already high growth rate of 6% in 2002.

From an institutional point of view, public corporations and private business enterprises showed accelerated growth compared with already high growth levels in 2002.

Growth rates of about 17,5% and 7% were realised for public corporations and private business enterprises respectively for 2003.

General government also recorded a sturdy growth rate of 9,5% in 2003.

The acquisition of aircraft by South African Airways (SAA) during 2003, together with the continued expansion of the Coega development project, boosted real gross fixed capital formation by public corporations.

Real gross domestic expenditure

Percentage change at seasonally adjusted and annualised rates

Components	2002					2003				
	1st qr	2nd qr	3rd qr	4th qr	Year	1st qr	2nd qr	3rd qr	4th qr	Year
Final consumption expenditure by households	3,5	3,5	3	2,5	3	2,5	3	4	4	3
Final consumption expenditure by general government	3,5	3,5	4	4	3,5	4	4,5	4,5	13	4,5
Gross fixed capital formation	6	9	13,5	16	6	5	3	7,5	8,5	8,5
Domestic final demand	4	4,5	4,5	5	4	3,5	3	4,5	6,5	4
Change in inventories (R billion)	8,8	0,2	7,3	6,6	5,7	6,3	9,2	7,9	7,9	7,8
Gross domestic expenditure	7,5	1	7	5	4,5	2,5	3,5	4,5	7	4

Source: South African Reserve Bank

Local government also continued to increase real capital expenditure to improve and maintain infrastructure. Against the background of these developments, gross fixed capital formation relative to GDP improved from 15% in 2002 to 15,5% in 2003.

Inventory accumulation in 2003 as a whole amounted to R7,8 billion at 1995 prices, compared with R5,7 billion in 2002, thus contributing a 0,5 percentage point to real economic growth. The continued build-up in inventories during 2003 took place against the backdrop of an environment of comparatively lower prices, particularly of imports, as well as lower holding costs of inventories due to lower interest rates.

The ratio of industrial and commercial inventories to GDP, excluding agriculture, rose accordingly from about 15,5% in 2002 to 16% in 2003.

Price inflation

Consumer Price Inflation (CPI) fell from 15,3% in 1991 to 5,4% in 2000, rising to 5,7% in 2001 and 10,1% in 2002. The steady decline of CPI during the 1990s was the result of sound monetary and fiscal policies and the opening of the economy to international trade and capital flows. In more recent years, movements in the CPI have been determined mainly by changes in mortgage interest costs, petrol and food prices, and import and export parity pricing, which generally lift price inflation.

CPIX accelerated from 6,6% in 2001 to 10,0% in 2002, reaching 11,2% in March 2003.

Independent surveys and the yield differential between conventional 10-year government bonds and inflation-linked debt show that inflation expectations are falling. Lower oil and food prices and a slowdown in the US economy, coupled with a marked appreciation in the exchange rate of the Rand, are helping to reduce external pressure on domestic inflation.

Production price inflation has risen sharply in recent years. The annual increase in the all-goods production price index accelerated from 3,5% in 1998 to 5,8% in 1999; 9,2% in 2000; 8,4% in 2001; and 14,2% in 2002.

Factors underlying the acceleration during 2002 included the rise in the prices of energy and food, the depreciation of the Rand against a basket of currencies in the closing months of 2001, and the somewhat faster increases than before in the production prices of South Africa's major trading partners.

Changes in production prices have fallen considerably from a year-on-year inflation rate of 15,4% in September 2002, to 5,1% in March 2003. Lower rates of increase in the prices of imported and domestically produced goods assisted the slowdown in production price inflation in the opening months of 2003. The two main drivers slowing production price inflation were the substantial appreciation in the exchange rate of the Rand, and moderating food price inflation at both the agricultural and manufacturing level. The easing in food price inflation resulted from good crops and the strengthening of the Rand, which has a direct influence on the determination of domestic food prices.

Exchange rates

The weighted average of the Rand, which appreciated by 24,2% between the end of December 2001 and the end of December 2002, improved further by 16,2% between the end of December 2002 and the end of December 2003.

The strengthening in the external value of the Rand coincided with a large surplus on the financial account, which more than made up for the deficit on the current account. The improvement in the external value of the Rand occurred mainly in the first quarter of 2003, when, on balance, the nominal effective exchange rate of the Rand strengthened by 7,5%. Factors that probably supported the improvement in the external value of the Rand during 2003 were:

- the continued weakness of the US Dollar
- the upgrading by Standard & Poor's and Fitch Ratings of South Africa's foreign and local currency sovereign debt ratings in May 2003
- the closing out of the Reserve Bank's net oversold international liquidity position, formerly referred to as the net open foreign currency position

- rising foreign currency prices of South Africa's export commodities
- the positive, although shrinking, interest rate differential between South Africa and its main trading partners
- the continued commitment of national government and the Reserve Bank to prudent fiscal and monetary policies.

The external value of the Rand weakened by 5,9% on a trade-weighted basis during January 2004, but strengthened again by 6,9% and 5,1% respectively during February and March 2004. From the end of December 2003 to the end of March 2004, the nominal effective exchange rate of the Rand appreciated by 5,7%.

The net average daily turnover in the domestic market for foreign exchange, which increased to US\$10,6 billion in the third quarter of 2003, rose further to US\$11,3 billion in the fourth quarter of 2003 – its highest level to date.

The value of transactions in which non-residents participated, increased from US\$7,2 billion per day to US\$7,6 billion per day over the same period. Participation by resident parties increased from US\$3,4 billion per day in the third quarter of 2003, to US\$3,6 billion in the fourth quarter.

The average monthly real effective exchange rate of the Rand increased by 19% from December 2002 to December 2003. In December 2003, the real effective exchange rate reached its highest level since May 1998.

Foreign trade and payments

The South African economy has weathered the turbulent global economic conditions well in recent years.

While the current account of the balance on payments reverted from a surplus of R6,7 billion in 2002 to a deficit of R10,1 billion in 2003, it was still well within the boundaries of sustainability, being equal to 0,3% of GDP. The deterioration in the current account of the balance of payments was due to a decline in the value of merchandise and gold

exports, which outstripped the decline in the value of merchandise imports.

Consequently, the trade balance recorded a surplus of R28,5 billion in 2003, compared with a surplus of R48,9 billion in 2002. The value of merchandise exports declined throughout 2003 and for the year as a whole, the nominal value of merchandise exports declined by 10,6% to R256 billion from R286,4 billion in 2002.

An analysis of changes in the value of exports by product category indicates that all the major categories registered declines of more than 10% from 2002 to 2003. The Rand prices of exported goods decreased on average by 11,7% in 2003, mainly due to a decline in the weighted exchange rate of the Rand.

However, the strengthening of commodity prices and a pick-up in global economic growth, which supported the demand for locally produced goods, caused the physical quantity of exports to increase by 1,2%, slightly cushioning the decline in the value of merchandise exports.

The reversal of the current account surplus in 2003 was also brought about by a decrease of 18,1% in the value of net gold exports, from R43,1 billion in 2002 to R35,3 billion in 2003.

This resulted from a decrease in the average realised price of gold, which fell by 15,8%, from R3 242 per fine ounce to R2 740 per fine ounce over this period. As a result of the war in Iraq and a broad increase in the demand for precious and non-precious metals, the average fixing price on the London market rose from US\$310 per fine ounce in 2002 to US\$364 per fine ounce in 2003.

The seasonally and annualised value of merchandise imports remained fairly stable during the first three quarters of 2003. In the last quarter of 2003, the nominal value of merchandise imports advanced mainly owing to the imports of aircraft and the *SAS Amatola*. For the whole of 2003, the value of merchandise imports declined by 6,4%, compared with an increase of 26,9% in 2002.

Real merchandise imports as a percentage of gross domestic expenditure increased gradually throughout 2003, to where foreign suppliers satisfied about 20,7% of aggregate domestic demand in

the fourth quarter of 2003. In 2003, the volume of imported goods increased by 8,4%, whereas the Rand price declined by 13,5%, owing mainly to the strengthening of the external value of the Rand.

Net service, income and transfer payments, which increased in the second and third quarters of 2003, receded to R36,3 billion in the fourth quarter.

The improvement in the balance on this account resulted mainly from higher expenditure by foreign tourists in South Africa. The improvement was also assisted by non-residents' net sales of shares and bonds listed on South African exchanges, and a decline in dividends declared on foreign direct investment (FDI), which caused a decline in investment income payments. For 2003 as a whole, the shortfall on the services and income account amounted to R38,6 billion, compared with a deficit of R42,2 billion in 2003.

Following an outflow of capital in the first quarter of 2003, substantial inflows were recorded during the remainder of the year.

Net financial inflows to the value of R18,5 billion were recorded in the first half of 2003. These inflows increased substantially during the second half of the year when an amount of R44,9 billion was recorded.

For 2003 as a whole, the financial account registered a surplus of R63,4 billion, compared with a surplus of R30,6 billion in 2002.

FDI flows into South Africa increased during the year, which resulted in an inflow of R5,8 billion for 2003 as a whole. Direct outward investment recorded an outflow of R5,4 billion in 2003, compared with an inflow (i.e. a reduction in foreign investment assets) of R4,2 billion in 2002. For 2003 as a whole, a net inflow of direct investment capital to the value of R0,3 billion was recorded.

Net portfolio investment changed from an outflow of R4,3 billion in 2002 to an inflow of R6,9 billion in 2003. The inflow recorded in 2003 was mainly as a result of substantial inflow of capital in the second quarter of 2003.

Other foreign investment in South Africa, consisting mainly of loans, trade finance and bank deposits, increased substantially from an inflow of R0,3 billion in 2002 to an inflow of R13,6 billion in

2003. Over the same period, South African entities reduced their other foreign investment assets by R23,4 billion.

The country's net international reserves increased by R53,3 billion during 2003, owing to a strong surplus on the financial account. Total gross gold and foreign exchange reserves increased from R132,6 billion at the end of December 2002 to R165,3 billion at the end of December 2003.

In US Dollar terms, South Africa's total gross international reserves rose from US\$15,4 billion to US\$24,9 billion over the same period.

Import cover, i.e. the value of gross international reserves expressed as a ratio of the value of imports of goods and services, increased from 17,5 weeks at the end of 2002, to 23,5 weeks at the end of 2003.

Department of Trade and Industry

The Department of Trade and Industry believes that a modern, well-functioning economy requires that the State plays an active leadership role. Therefore, the State should ensure that there is policy certainty and stability, and that regulatory services are efficient and transparent.

In addition, the State should promote functioning markets for goods and services, provide incentives to overcome market failures, encourage efficient platforms for competitiveness, and promote greater levels of equity in access to information and opportunities for all citizens.

In pursuing these aims, there are a number of critical policy challenges confronting the Department over the medium term, including targeting support towards the Second Economy (emerging enterprises and the informal sector).

It should also continue to promote the alignment of economic role-players in the different spheres of government, in agencies and parastatals, and in the private sector, in line with government's Vision 2014. This Vision is targeted towards an adaptive economy, characterised by growth, employment and equity, and is built on the full potential of all persons, communities and geographic areas.

The Department will be focusing on seven key objectives between 2004/05 and 2006/07:

- to increase the contribution of small enterprises, in particular, to the economy
- to promote Broad-Based Black Economic Empowerment (BEE)
- to increase the level of direct investment in the manufacturing and service sectors
- to increase market access opportunities for, and the export of, South African goods and services
- to contribute towards building skills, technology and infrastructure platforms from which enterprises can benefit
- to reposition the economy in the higher value-added segments of manufacturing and services
- to contribute towards providing accessible, transparent and efficient access to redress for economic citizens such as consumers.

To develop enterprises, the Department of Trade and Industry will focus on promoting entrepreneurship and small business development, and developing sector-specific support programmes for small and medium-sized enterprises (SMEs).

Targeting support towards the Second Economy will involve the establishment of the microcredit Apex Fund, the development of a comprehensive co-operative support programme and programmes aimed at the economic empowerment of women.

International trade and economic development

The mission of the International Trade and Economic Development (ITED) Division of the Department of Trade and Industry is to increase South Africa's access to markets worldwide, by negotiating international trade agreements, where possible, on preferential terms. At the same time, the ITED seeks to ensure that the country's commitments are honoured in the multilateral, rules-based trading system underpinned by the World Trade Organisation (WTO).

Internationally, open economies with an export base fare much better in terms of economic growth than closed economies. Production is more and more globally integrated, and South Africa forms a vital part of international supply chains. Therefore,

dismantling barriers to trade, especially those barriers faced by South African exporters, is a critical component of any economic strategy that promotes sustainable growth. The ITED's global economic strategy considers sustainable growth as its departure point. It is not developed in isolation but is part of South Africa's broad industrial strategy. It was formulated in light of the country's relations with the Southern African Development Community (SADC), the rest of Africa, the New Partnership for Africa's Development (NEPAD), and economic relations with developed and developing trading partners in the North and the South.

Since 1994, the (Rand) value of both South Africa's exports and imports in manufactured goods has grown steadily. Even accounting for inflation and the depreciation in the Rand since 1994, exports, and, importantly, exports in manufactured goods, have exhibited strong upward trends. South Africa's export base is diversifying rapidly with success having been achieved most notably in processed agricultural goods, automobiles, and a number of categories of industrial machinery.

South Africa is situated on the southern tip of a continent whose exports as a percentage of world imports constituted just 2,1% in 1998. Moreover, Africa's export base is limited, and attempts to expand it too quickly will be thwarted by what may be termed, in a number of cases, severe supply-side constraints. The ITED is committed to the pursuit of market access for South Africa, more effective efforts at subregional and continental integration, and the strategic and positive engagement of the region and the continent in the WTO.

Policy and programme developments in international trade development include:

- Continued negotiations with India, Brazil, and Nigeria. In the case of India, this has already been successful, with a 25% rise in South Africa's exports to that country.
- Continued negotiations with MERCOSUR, a trading bloc consisting of six Latin American countries, namely Argentina, Bolivia, Brazil, Chile, Paraguay and Uruguay.
- The administration of various binational commissions (BNCs) with other governments.

- The implementation of the new Southern African Customs Union (SACU) Agreement, concluded in September 2001, in which the ITED played a pivotal role.
- Strengthening the trade capacity of the SADC.
- Preparing for and participating in a new trade round under the auspices of the WTO. A breakthrough was the agreement on a new development round achieved at Doha, Qatar, in late 2001, to which the ITED, led by the Minister of Trade and Industry at the time, Mr Alec Erwin, made a vital contribution.
- Ongoing analyses of trade threats and opportunities.
- Replacing the Board of Tariffs and Trade (BTT) with the new International Trade Administration Commission (ITAC), an independent regulatory agency. The ITAC will take over BTT's function of administering the tariff regime and is set to play a central role within the SACU on tariff and related issues.

In 2004/05, the ITED undertook further policy development work regarding the implications of the European Union's (EU) eastward expansion, as well as the promotion of intra-African trade within the NEPAD framework. This also involved the streamlining of international trade administration in South Africa, including the finalisation of work towards the simplification of South Africa's customs tariff.

Top 10 countries investing in South Africa, 1994 – 2003

Rank	Country	R million	US\$ million
1	United Kingdom	65 640	8 984
2	United States of America	41 892	6 989
3	Japan	14 959	2 089
4	Germany	13 507	2 088
5	Malaysia	9 934	2 027
6	Switzerland	10 023	1 640
7	Australia	8 216	839
8	Canada	5 676	761
9	Italy	4 980	759
10	Saudi Arabia	5 300	680

Source: *Business Map*

Furthermore, the ITED continued to participate in interdepartmental processes, promoting greater co-ordination of activities and policies under the Cluster system in government, in particular in the International Relations, Peace and Security Cluster.

Trade relations

Africa

Africa forms the focus of South Africa's global economic strategy, within which government pursues a strong developmental agenda. Partnerships with countries on the continent are therefore considered vital and strategic. South Africa's economy is inextricably linked to that of the southern African region, and its own success is linked to the economic recovery of the continent through NEPAD. The developmental challenges must be viewed in light of the mutually beneficial economic and developmental impact on South Africa and Africa's self-enforcing and economic existence.

Africa is an important market for South African exports. In 2003, about 18% of South Africa's exports were destined for the continent. Unfortunately, this was not mirrored by imports from the continent, which accounted for only 4% of South Africa's total imports.

This trade imbalance has largely been offset by South Africa's investment on the continent, aimed at infrastructural projects designed to enhance the productive capacities of African economies. In addition to bilateral trade relations and the normal aspects involved in forging economic relationships, the Department of Trade and Industry is committed to increasing South Africa's involvement in large capital projects on the continent. The following areas have been prioritised:

- infrastructure and logistics (roads, ports, etc.)
- energy and Information and Communications Technology (ICT)
- water and waste management
- transport
- construction
- oil and gas infrastructure
- agri-business
- mining
- human resource development (HRD).

During meetings of the World Economic Forum (WEF) for southern Africa, the formation of a business forum for southern Africa was announced (a joint initiative between the Department and the private sector), established to take advantage of investment opportunities in the region.

The Department, through Trade and Investment South Africa (TISA), has established trade and investment promotion offices on the continent to facilitate trade and investment flows.

The Department provides supportive services to the NEPAD Secretariat, which plays a critical role in catalysing trade and economic development on the continent. In southern Africa, South Africa seeks to restructure regional arrangements promoting industrialisation. The Department supports a process whereby integrated manufacturing platforms form the basis for an integrated regional industrial strategy. This entails using southern Africa as an integral part of supply chains for globally competitive manufacturing processes.

Through a combination of sectoral co-operation, policy co-ordination and trade integration, South Africa's regional policy aims to achieve a dynamic regional economy capable of competing effectively in the global economy. For instance, South Africa works closely with its neighbours in engaging with multilateral international institutions and agreements – from the WTO to the African-Caribbean-Pacific (ACP) Declaration adopted in 2003.

Southern African Development Community

The SADC is constituted by Angola, Botswana, the Democratic Republic of Congo (DRC), Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. Madagascar submitted an application for membership during the SADC Heads of State Summit, held in Mauritius during August 2004, and was granted conditional membership for a year, allowing it time to prepare a plan on how it will meet its obligations and implement the various SADC legal instruments.

Since attaining democracy in 1994, South Africa has put regional integration by SADC member

states on the top of its foreign economic agenda. This approach comes from the belief in the economic benefits that can be brought to all member states by closer economic co-operation in the region. To support this approach, South Africa has reviewed its trade relationship with other SADC members, adopted the SADC Trade Protocol, promoted investment by South African firms in the SADC, and helped to facilitate greater volumes of trade by South Africa and other SADC members.

Implementation of the Southern African Development Community Protocol on Trade

The SADC is in the fourth year of the implementation of the SADC Protocol on Trade, which was signed in 1996 in Maseru, Lesotho, and came into force on 25 January 2000.

Since then, negotiations on the operationalisation of the Protocol centred on tariff-reduction schedules, rules of origin, dispute-settlement mechanisms, a special trade agreement on sugar, elimination of non-tariff barriers, and harmonisation of customs and trade documentation. Agreement was generally achieved on all these issues, hence the launch of the Free Trade Area (FTA) on 1 September 2000.

All SADC countries, with the exception of Angola, the DRC and Madagascar, have been implementing the Protocol. Angola has committed itself to the Protocol by signing and acceding to it, and is preparing its tariff-reduction offers that are critical in the implementation of the Protocol.

By August 2004, the SADC Secretariat was finalising the mid-term review on the implementation of the Protocol. The findings of this review will indicate the levels of trade that have taken place under the Protocol preferences, to assess the rules of origin and any other issues that may impact on regional economic integration.

Substantial progress has been made towards customs co-operation with respect to the harmonisation of documentation and procedures, and in preparation for a Memorandum of Understanding (MoU) on Co-operation and Mutual Assistance among Customs Administrations.

Southern African Customs Union

The new SACU Agreement came into force on 15 July 2004. New institutional features include the Council of Ministers, which is the highest decision-making body on all matters pertaining to the SACU Agreement; a SACU Tariff Board, responsible for making recommendations on tariff and trade remedies to the Council; a small SACU Secretariat, responsible for rendering administrative and support services to SACU structures; and a dispute-settlement mechanism similar to the one in place in the SADC.

SACU members agreed on the establishment of national bodies responsible for receiving tariff applications from each member state. Consensus was also reached on a new revenue-sharing formula. The new SACU Agreement also provides for member states to develop common policies and strategies with respect to industrial development. Agreement has also been reached to co-operate on agricultural issues to ensure the co-ordinated development of the agricultural sector. Member states will also co-operate to ensure fair competition and address unfair trade practices.

A sizeable share of South Africa's exports (estimated at over R15 billion) is destined for SACU and other SADC countries. Trade with SADC countries has increased significantly, from R16 billion to about R32 billion between 1998 and 2002. However, in 2002, there was a significant increase in the amount of imports from the region, to about R4,2 billion. This gives an overall export:import ratio of 8:1. There is a definite need to reverse this trend and close the trade imbalance between South Africa and its SADC partners.

A disaggregation of South Africa's exports to SADC by country reveals that Zimbabwe has become the main destination for South Africa's exports into Africa, absorbing well over R7 billion of exports.

Trade with Europe

Trade relations with Europe, particularly with the EU, are pivotal to South Africa's economic development. The Trade Development and Co-operation Agreement (TDCA) with the EU forms a substantial

element of South Africa's reconstruction and development.

Europe remains South Africa's largest trading region and source of investment. In 2003, Europe accounted for 40% (R92 billion) of South Africa's total exports, and 45,8% (R116,59 billion) of its total imports. During the same year, the EU accounted for the bulk of this trade, with exports to the EU reaching R84,95 billion in 2003 (down from R98,25 billion in 2002), and imports reaching R109 billion in 2003 (down from R115 billion in 2002).

Six European countries are among South Africa's top 10 export destinations and four European countries are among the top 10 countries from which South Africa's imports originate. Since 2001, Germany has been South Africa's largest source of imports. In 2001, South Africa's imports from Germany totalled R32,35 billion. It reached R43 billion in 2002, and fell to R38,45 billion in 2003.

The United Kingdom (UK) remains South Africa's largest export destination in Europe and the second-largest in the world (after the USA). South Africa's exports to the UK amounted to R24,17 billion in 2003.

European Union

The TDCA, which came under provisional implementation on 1 January 2000, has established an FTA between South Africa and the EU. The TDCA commits South Africa to grant duty-free access to 86% of EU imports over a period of 12 years, while the EU will liberalise 95% of South Africa's imports over a 10-year period. This Agreement is expected to contribute towards the restructuring of the South African economy and its long-term economic growth. The Agreement covers trade and related issues, and co-operation in economic, social and political fields. It also provides a legal framework for ongoing EU financial assistance on grants and loans for development co-operation.

The wines and spirits agreements were signed in January 2002 and are under provisional implementation. The agreements are part of the framework of agreements under the TDCA and established the basis for trade in wines and spirits between South Africa and the EU. Negotiations on areas related to

geographical indications, intellectual property and trademark protection are ongoing.

In 2004, there were two major developments in the relations between South Africa and the EU. Ten more European countries became members of the EU. After 1 May 2004, the enlarged EU became a larger internal market, accounting for 450 million citizens (increasing from 374 million). The second event was the ratification of the TDCA by all EU member countries. The implication of this full ratification is that the TDCA will now be fully implemented, elevating South Africa's relations with the EU.

Cotonou Agreement

South Africa is a member state of the ACP Group, but a qualified member of the Cotonou Agreement (signed on 23 June 2000 in Cotonou, Benin), in the sense that, in the case of trade and development co-operation, the TDCA takes precedence over the Cotonou Agreement. The Cotonou Agreement is a trade and aid framework between the EU and 77 members of the ACP countries. Its main aim is to reverse the economic and technological marginalisation of ACP countries in the global trade and investment arena.

The Agreement states that future EU-ACP relations will be characterised by the following:

- a stronger political partnership between the EU and the ACP
- decentralised co-operation, which involves the active participation of civil society and the private sector in the planning of national development strategies
- reformed financial co-operation programmes of the European Development Fund's financial resources amounting to 24 billion Euro
- WTO-compatible regional economic partnership agreements, essentially covering all trade, and implemented over 10 to 12 years as of 1 January 2008.

The Americas

North America

The USA is South Africa's number one trading partner in terms of total trade (the sum of exports and

imports) recorded in 2003. Exports to the USA dropped in nominal terms from R30 billion in 2001 to R29 billion in 2003. Imports from the USA also declined in nominal terms from R26 billion to R25 billion from 2001 to 2003. Since 2000, trade has been in South Africa's favour with the trade surplus increasing marginally in nominal terms from R3,4 billion to R3,8 billion between 2000 and 2003.

South Africa is a beneficiary of the USA's Generalised System of Preferences (GSP), which grants duty-free treatment for more than 4 650 products.

South Africa is also a beneficiary of the Africa Growth and Opportunity Act (AGOA), which was promulgated in May 2000. In terms of the AGOA, an additional 1 783 products were added to the existing GSP products. Although the AGOA was initially due to lapse in 2008, the US Government consented in 2004 to requests by African countries to extend the measure to 2015 under what is called the AGOA III amendments. The AGOA also allows duty-free entry of clothing and selected textiles into the USA subject to certain criteria and policy reforms. By 2003, about 38 countries had qualified under the AGOA, including Swaziland, Ivory Coast, the DRC and The Gambia.

Since the lifting of sanctions in 1994, bilateral trade between South Africa and Canada has been on the increase, from R903 million in 1993 to R4 billion in 2003.

Canada extended a quota on clothing and textile products from South Africa to enter its market at a better rate than Most Favoured Nation tariff rates. The Trade and Investment Co-operation Arrangement, signed in 1998, sought to enhance bilateral trade and investment.

South Africa is a beneficiary of Canada's General Preferential Tariff (GPT). GPT rates range from duty-free, to reductions in the Most Favoured Nation rates. South Africa has an MoU with Canada relating to the export of clothing and textile products to that country.

Latin America

South Africa's major trading partners in Latin America are Brazil, Argentina, Colombia, Chile, Mexico and Peru. Most trade is with Brazil and Argentina, which are members of the MERCOSUR

trade bloc. As a result, a framework agreement committing South Africa and MERCOSUR to an FTA was signed in 2000. However, as a first step towards achieving this goal, the parties agreed to exchange preferences in certain sectors in the early stages of the negotiation process.

By August 2004, negotiations towards an FTA in consultation with other stakeholders had reached an advanced stage.

Trade between South Africa and MERCOSUR grew substantially from R2,7 billion in 1994 to R10 billion in 2003. Both South Africa and Brazil regard each other as strategic partners, with co-operation taking place in bilateral fora as well as in multilateral fora such as the WTO. Notwithstanding South Africa's strong ties with MERCOSUR, Chile is becoming an increasingly important partner for South Africa. South African mining companies are heavily involved in mining activities in Chile.

Trade between South Africa and Mexico declined from R1,4 billion in 2000 to R1,2 billion in 2003. The balance of trade has been in South Africa's favour for a number of years.

Bilateral trade between South Africa and the Andean Community (Peru, Ecuador, Bolivia, Colombia and Venezuela) has been growing at a relatively slow pace since 1994. The Andean Community, more specifically Colombia and Peru, offers great potential for South African companies participating in the mining industry.

Asia

South and south-east Asia and Australasia

India is a key partner for South Africa in South Asia and total trade with that country has been increasing rapidly since 1994. Total two-way trade between the two countries reached R6,5 billion in 2003. South Africa and India have enjoyed strong historical ties, which have translated into a firm political commitment. The shared historical links between the two countries have led to closer economic ties.

South Africa and India are strengthening bilateral economic links through mutual strong business and

governmental co-operation. The Joint Ministerial Commission (JMC) provides an institutional mechanism for Ministerial consultations on political and economic matters, and has facilitated several initiatives including the conclusion of a general trade agreement, sector co-operation through the India-South Africa Commercial Alliance, and India's pledge of US\$200 million for NEPAD.

Developments in building economic relations with India are also expanding to include partners in the SACU, as reflected in the recent SACU decision to pursue FTA negotiations with India.

South Africa also co-operates with India in areas of common interest in the WTO and other fora, and works closely in the India-Brazil-South Africa Forum. The two countries furthermore co-operate in the G-20+, a grouping of developing countries that seeks to address developmental challenges in the global economic system.

Bilateral trade with south-east Asia, particularly the Association of South-East Asian Nations (ASEAN) members, increased rapidly off a low base from 1990. The ASEAN presents South Africa with a potential market in excess of 520 million people. Within the ASEAN, partners for South Africa include countries such as Singapore, Thailand, Indonesia, Malaysia, Vietnam and the Philippines. Initiatives are underway to develop and strengthen relations with these economies. South African exports to the region totalled R7,4 billion in 2003, and are set for continued growth.

North-east Asia

The People's Republic of China (PRC) is a key partner for South Africa. The PRC's influence in the global economy has significantly changed in the last few decades as its share of international trade has increased and it is becoming a pillar of economic growth in the global economy.

Economic and trade relations between South Africa and the PRC have grown rapidly since the formal establishment of diplomatic relations, with China becoming South Africa's fifth-largest import trading partner in 2003, and seventh-largest export partner. Total trade grew from R5,3 billion in 1998 to R23,4 billion in 2003.

The two countries engage regularly on economic issues through the Joint Economic and Trade Committee, which is held under the auspices of the BNC. The launching of SACU-China FTA negotiations were recently announced.

Beyond bilateral and regional initiatives, South Africa and the PRC also co-operate in multilateral fora, including the WTO, based on shared developmental perspectives.

Japan is South Africa's largest trading partner in Asia and its fourth- largest overall trading partner. It also became South Africa's third-largest export destination during 2003.

At the end of 2003, trade between the two countries totalled R43,4 billion. The Partnership Forum, designed to strengthen bilateral ties between Japan and South Africa, meets regularly. New initiatives are being explored to expand relations.

Multilateral economic relations

The WTO, in partnership with the Bretton Woods Institutions, the World Bank and the IMF, have been setting the parameters for and directing the economic development policies of governments around the world.

This has had serious implications for the content, evolution and trajectory of economic development strategies being pursued by developing countries, including South Africa. As the process of globalisation is being questioned, it is imperative for South Africa to influence and shape the configurations of the emerging system of global governance to address the needs and concerns of the developing world. This is best done by participating actively and effectively in all multilateral fora, to ensure that its particular economic interests and developmental goals and objectives, as well as those of the African continent, are taken into account.

United Nations Conference on Trade and Development (UNCTAD)

The UNCTAD is an important resource organisation for South Africa and the African continent. The main goals of the organisation are to:

- maximise the trade, investment and development opportunities of developing countries

- help developing countries to face challenges arising from globalisation and integration into the world economy on an equitable basis.

This is pursued through research and policy analyses, intergovernmental deliberations, technical co-operation, and interaction with civil society and the business sector.

The UNCTAD is focusing much of its energy on assisting developing countries to prepare for mandated and possible future negotiations in the WTO.

The UNCTAD member states gathered in São Paulo, Brazil, from 13 to 18 June 2004 for its 11th Ministerial Conference. South Africa participated constructively and contributed valuable input at the UNCTAD XI, which focused on enhancing the coherence between national development strategies and global economic processes towards economic growth and development, particularly for developing countries. The Conference closed with the adoption of a declaration entitled the *Spirit of São Paulo*, as well as the *São Paulo Consensus*, which provides more detail on the role of the UNCTAD in a globalising world.

The *Spirit of São Paulo* recognises that most developing countries, especially African and other least-developed countries, have remained on the margins of the globalisation process, and that there is a need to focus on the ability of international trade to contribute to poverty alleviation.

During the negotiations, delegates also vigorously debated the role of the UNCTAD and the implications of the ongoing UN reform programme. Developing countries, including South Africa, pressed for a stronger role for the UNCTAD, including targeted policy research and analysis of global issues.

World Trade Organisation

South Africa regards its membership of the WTO as very important because of the enhanced security and certainty in the multilateral trading system provided by WTO rules.

The country is an active participant and contributor towards a strengthened multilateral trading system, whose benefits are equitably distributed across the world community. South Africa wants to partici-

pate in the shaping of global governance to ensure beneficial and full integration of its economy, as well as those of other developing nations, into the global trading system.

The WTO Doha Development Agenda continued to set the work programme of the WTO in 2003/04. However, the work slowed down considerably after the 5th WTO Ministerial Conference held in Cancun, Mexico, during September 2003. At the Conference, WTO members failed to reach agreement on key developmental issues, as a result of divergent positions between developed and developing countries.

The positive outcome of the Cancun meeting was the formation of a grouping of developing countries known as the G-20+. The Group succeeded in pushing for significant reforms in agricultural trade which were strongly opposed by the developed world. The failure to reach agreement in Cancun showed that developing countries are participating more effectively in the WTO to ensure they also benefit from the rule-based trading system and globalisation. The G-20+ has become an important player in the Doha Development Agenda to ensure that the needs and concerns of the developing world are addressed.

The G-20+ consists of Argentina, Bolivia, Brazil, Chile, China, Cuba, Egypt, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Philippines, South Africa, Tanzania, Thailand, Venezuela and Zimbabwe.

Cairns Group

The Cairns Group is an association of countries exporting agricultural products with the objective of free and fair trade in the global agricultural market. It participates as a group in WTO agricultural negotiations. The Group consists of Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Fiji, Guatemala, Indonesia, Malaysia, New Zealand, Paraguay, Philippines, South Africa, Thailand and Uruguay. The Cairns Group and the G-20 worked together in the WTO agriculture negotiations to ensure agricultural reform that would benefit developing countries.

World Economic Forum

The WEF, an annual meeting of world economic

leaders, held in Davos, Switzerland, has become the world's global business summit. South Africa is well represented at the Forum, and is actively participating in discussions to address economic development and globalisation.

Export and investment promotion

A central task of the Department of Trade and Industry is to promote value-added exports and attract investment. The vision is one of a restructured and adaptive South African economy, characterised by growth, employment and equity (regional, spatial, gender and racial).

Old manufacturing support schemes, such as the Tax Holiday Scheme, the Small Medium Manufacturing Development Programme, the Regional Industrial Development Programme, and the Simplified Regional Industrial Development Programme, have been replaced with a suite of six incentives, namely the:

- Small Medium Enterprise Development Programme (SMEDP)
- Skills Support Programme
- Critical Infrastructure Programme (CIP)
- Industrial Development Zones (IDZs)
- Foreign Investment Grant (FIG)
- Strategic Investment Programme (SIP).

Trade and Investment South Africa

TISA is a division of the Department of Trade and Industry and has a national mandate to develop the South African economy, focusing on investment facilitation and promotion, export development and promotion, and customised sector policy development.

TISA's mission is to provide strategic vision and direction to key growth sectors in the economy, increase the level of direct investment flow, and develop South Africa's capacity to export into various targeted markets.

TISA facilitated investments to the value of R3,6 billion in the first half of the 2003/04 financial year. One-third of these investments were made in the automotive sector. Fifty import and export missions took place during the same period.

Several export training and development seminars were hosted.

Almost 1 000 exporters received financial assistance, while more than 2 500 enterprises received non-financial assistance.

Customised Sector Programme (CSP)

Early in 2002/03, TISA was assigned responsibility for priority sector development, which is a crucial part of government's Micro-Economic Reform Strategy (MRS) and the Department of Trade and Industry's Integrated Manufacturing Strategy (IMS). Both strategies centre on the accelerated development of priority sectors selected by government for their potential contribution to South Africa's economy, in terms of growth, equity and employment creation.

TISA's strategy is to develop sector strategies for all priority sectors, with the aim of enhancing their growth and competitiveness. With this in mind, the CSP Methodology, which provides a strong and intellectually vigorous platform for optimal sector development, was finalised.

A key characteristic of the CSP Methodology is that it supports a high level of stakeholder interaction. In addition, the CSP Methodology includes interventions to promote and develop investment and exports, and provide input related to policy development.

Export development and promotion

TISA is responsible for the development and promotion of South African goods and services. The following TISA objectives contribute directly towards the objectives of the Department of Trade and Industry:

- to identify, research and promote market-access opportunities for South African exporters
- to facilitate exports by matching potential exporters with foreign buyers
- to develop and help South African exporters promote their products through the provision of non-financial support.

Investment promotion and facilitation

TISA is responsible for attracting FDI, and developing and promoting investment by domestic and foreign investors. It offers the following services:

- information on investing in South Africa and the business environment
- detailed sector information
- finance to explore investment opportunities in South Africa
- direct government support in the form of investment incentives
- investment facilitation.

International Investment Council

The Council meets twice a year to advise President Thabo Mbeki on investment promotion and other economic issues.

Enterprise and industry development

The Department's Enterprise and Industry Development Division (EIDD) moves trade and industrial policy in South Africa towards an internationally competitive status, capitalising on the country's competitive and comparative advantages.

During 2003/04, considerable policy and advocacy work was carried out by the EIDD, particularly in support of the MRS and the IMS. This included research on the identification of critical skill shortages in the economy, the identification of bottlenecks in the national logistics systems, and interventions to address these.

Government's industrial policy strives to achieve a balance between greater openness and improvement in local competitiveness. South Africa has made great strides in opening the domestic economy to international competition.

One of South Africa's key industrial policies remains its commitment to fostering sustainable industrial development in areas where poverty and unemployment are at their highest. This objective is implemented through the Spatial Development Initiatives (SDIs), which focus high-level support on areas where socio-economic conditions require concentrated government assistance, and where inherent economic potential exists.

The SDI programmes focus government attention on the various national, provincial and local govern-

ment spheres, with the goal of fast-tracking investment and maximising synergies between various types of investments.

The SDI programme consists of 11 local SDIs and four IDZs at varying stages of delivery. They are:

- SDIs: Maputo Development Corridor; Lubombo SDI; Richards Bay SDI, including the Durban and Pietermaritzburg nodes; Wild Coast SDI; Fish River SDI; West Coast Investment Initiative; Platinum SDI; Phalaborwa SDI; and the Coast-2-Coast Corridor
- IDZs: Gauteng, Coega, East London, Saldanha and Richards Bay.

The SDI concept has a variety of focuses, such as:

- Industrial – KwaZulu-Natal and Fish River SDIs
- Agrotourism – Lubombo and Wild Coast SDIs
- Sectoral mix – Maputo Development Corridor
- IDZs – Coega, Saldanha and East London.

IDZs are located near major transport nodes such as ports or airports. The benefits of IDZs are support to investing companies, especially for green-fields development projects; access to transport for exporting purposes; waiver of import duties for products that are produced for export; and subsidies in the provision of skills training for employees.

Good progress is being made with regard to the Richards Bay IDZ. Eight projects worth R580 million were targeted in 2004/05.

Infrastructure contracts for the East London IDZ worth nearly R200 million were awarded in 2004/05. By June 2004, the East London IDZ had created some 500 direct jobs.

Rigorous BEE targets were exceeded in the procurement of contracts for the Coega IDZ. During 2003/04, participation by local enterprises in the Coega development accounted for nearly 60% of contracts awarded. Sixty-five percent of these were affirmative contracts awarded to small, medium and micro-enterprises (SMMEs). By June 2004, the Coega IDZ had employed more than 9 500 construction workers.

The Enterprise Organisation

The Enterprise Organisation of the Department of Trade and Industry provides incentives to stimulate

or catalyse investment in infrastructure, HRD, integrated manufacturing and related activities, small business development, specific regions, and technology and innovation.

During 2003/04, the Organisation administered the following incentive schemes:

- The SIP encourages investment in South Africa from local and foreign investors. Ten projects with an investment value of R3 billion were approved in 2003/04.
- The SMEDP and FIG provide cash grants for qualifying projects in targeted sectors of the economy. During 2003/04, 1 397 SMEDP applications with an investment value of R5 billion were approved, equalling a total incentive value of R1,6 billion. The average incentive per firm is R376 000.
- The CIP aims to leverage private-sector investment by providing grants for the construction of infrastructure. The CIP also provides infrastructure requirements of enterprises located within the IDZs. During 2003, seven CIP projects were approved, amounting to R425 million. The projected total value of infrastructure that will be constructed is R1,6 billion.
- The Black Business Supplier Development Programme is a cost-sharing grant scheme which offers financial support to Black-owned private-sector firms involved in manufacturing and retail services. During 2003/04, a total of 205 grant applications were approved, with a total value of R9,7 million, while 51 entities submitted 73 claims to the value of R2,6 million.
- The Competitiveness Fund is a cost-sharing grant scheme, which is financed with a loan from the World Bank. During 2003/04, 162 grant applications to the value of R33 million were approved, while 131 entities submitted claims to the value of R22 million.
- The Sector Partnership Fund (SPF) provides financial assistance to partnerships of firms in the manufacturing and agro-processing industries, to define and implement collaborative projects related to production and marketing that will enhance their productivity and international competitiveness. The SPF offers partnerships at

65:35 non-refundable cost-sharing grants. A total of 27 grant applications were approved in 2003/04, totalling R16 million. Forty-two partnerships submitted claims totalling R15 million.

Innovation and technology

Venture capital

The Venture Capital Fund is a joint initiative between the Department of Trade and Industry, and the Council for Scientific and Industrial Research (CSIR). It aims to provide early-stage capital; and to a lesser extent, expansion capital, for technology-based SMMEs; and management support for investee companies.

An amount of R10 million was made available to the Fund in 2004/05.

Technology Transfer Centre (TTC)

The TTC is to be established by the CSIR as an agent to provide the following services to South African industries:

- negotiating and drafting assistance agreements related to technology transfers
- technology-transfer training
- technology evaluation, assessment and selection services related to technology transfer
- technology advisory services
- match-making between technology sellers and buyers, and appropriate financial institutions
- if required, direct and/or indirect financial assistance for technology-transfer activities.

Incubators

A technology business incubator is a facility that provides a variety of services under controlled conditions to create an environment favourable for developing, nurturing and accelerating growth of new technology-based companies. The support services provided include physical space, business development and technical services.

Through a partnership between the Department of Trade and Industry, the Department of Science and Technology, and the EU, the Godisa Trust was formed to consolidate technology incubators covering different sectors, e.g. furniture, stainless steel and

biotechnology. Since its establishment in 2001, Godisa has assisted in creating more than 3 000 jobs and supporting 400 business enterprises through its centres across South Africa. A venture capital fund in support of the incubators' tenants was being established in 2004/05. Some R48 million was allocated to technology incubators in 2004/05.

The Department directly funds four incubators, namely the Furniture Technology Centre (Furntech) in George, Western Cape; the National Fibre Centre in Port Elizabeth, Eastern Cape; the Downstream Aluminium Centre for Technology in Richards Bay, KwaZulu-Natal; and the Mpumalanga Stainless Steel Initiative in Middelburg, Mpumalanga.

The EU financially supports three pilot projects, namely the Innovation Support Centre situated in Cato Manor, KwaZulu-Natal, which commercialises embedded technologies; the Demonstration Centre situated at Mintek in Randburg, Gauteng, which demonstrates equipment to small-scale miners all over South Africa; and the Technology Incubator, situated at the CSIR in Pretoria, specialising in incubating software for wireless technologies.

Five other incubators have been established, namely the:

- Acorn Incubator at the University of Cape Town, specialising in medical-device technologies
- EgoBio in Modderfontein, Gauteng, focusing on biotechnologies
- Timbali Incubator in Nelspruit, Mpumalanga, focusing on floriculture technologies
- Chemin Incubator at the Port Elizabeth University of Technology, focusing on fine chemicals technologies
- Brainworks Incubator in Sunninghill, Johannesburg, focusing on information, communications and electronic technologies. (See chapter 18: *Science and technology*.)

Workplace Challenge Programme

This supply-side Programme of the Department of Trade and Industry (administered by the National Productivity Institute), assists enterprises and industries to improve their productivity and competitiveness. The Programme focuses on improving work-

place collaboration, adopting world-class manufacturing and practices, and disseminating best practices.

The focus of the Programme, which was allocated R7 million in 2004/05, has been on the manufacturing and processing sectors.

National Industrial Participation Programme (NIPP)

Launched in 1996, the NIPP's principal objective is to raise investment levels and increase exports and market access for South African value-added goods and services, by leveraging off government procurement.

Participation in the NIPP becomes obligatory when the imported content of any public-sector purchase exceeds US\$10 million.

When the South African Government makes a sizeable investment in foreign purchase, the suppliers participate in economic activities in the country, designed to increase fixed investment and/or promote international market access for South African value-added goods and services.



The new Liquor Act, 2003 (Act 59 of 2003), came into effect on 13 August 2004.

The Act is aimed at establishing national norms and standards to maintain economic unity within the South African liquor industry. According to a study commissioned by the Department of Trade and Industry, the industry is estimated to be generating a gross revenue of R30 billion per year.

The Act applies to all current and future manufacturers and distributors of liquor or methylated spirits, and sets out the regulation of importable substances in the country.

The Act does not, however, apply to the regulation of the retail sale or micro-manufacturing of liquor. These aspects will continue to be regulated by the provinces.

All liquor manufacturers whose production volume is equal to or exceeds the following thresholds, should convert their current licences and will be regulated by the National Liquor Authority of the Department of Trade and Industry:

- beer manufacturing – 100 million litre (ML) per year
- African traditional beer manufacturing – 50 ML per year
- wine manufacturing – 4 ML per year
- spirits manufacturing – 2 ML per year.

In terms of these obligations, they are described as obligors, and the Industrial Participation Secretariat within the EIDD of the Department of Trade and Industry ensures that they meet these obligations, in terms of quantity and time scales, without disrupting existing South African industrial activity, and as far as possible encouraging labour intensity.

The size of obligations being monitored by August 2004 was about US\$14 billion, which increased in the preceding year as a result of SAA's acquisition of the Airbus. The majority of the projects only started in 2000 after the strategic defence procurement and the SAA acquisition of Boeing aircraft.

Since 1997, the Programme has facilitated investments and sales credits worth US\$2 billion, consisting of investments of US\$677 million, export sales of US\$1 billion, and local sales (including technology transfer, BEE and SMME promotion) of US\$547 million.

Between April 2003 and March 2004, the Industrial Participation Control Committee approved 125 projects encompassing all economic sectors outlined in the Department of Trade and Industry's IMS.

A significant number of these projects arose from strategic partnership agreements (SPAs), i.e. proactive arrangements that encourage international companies to identify opportunities prior to obligations being incurred, and bank credits for any future obligation that may arise.

These obligations need to be discharged over a period of seven years, with the exception of the BAE/SAAB obligation, which must be discharged over 11 years due to its size (US\$7,2 billion worth of credits to be fulfilled in investment and export promotion).

BAE/SAAB has established the South African National Industrial Participation to manage their off-set programme.

Other significant obligations have arisen from purchases made by Telkom and SAA, with the rest based on purchases by other government departments and State-Owned Enterprises (SOEs), such as Eskom, Transnet and PetroSA.

At least 60% of sales credits from SPAs must be through exports. Binding agreements for the placement of work and the purchase of locally produced,

value-added goods have been signed for most projects between obligors and their international partners on the one hand, and domestic firms on the other. These products include electronic components, heavy-duty trucks, communications products, beneficiated minerals, etc.

Manufacturing

South Africa has developed an established and diversified manufacturing base that has demonstrated resilience and the potential to compete in a global economy. The manufacturing sector provides a locus for stimulating the growth of other activities, such as services, and achieving specific outcomes, such as value addition, employment creation and economic empowerment. This platform of manufacturing presents an opportunity to significantly accelerate growth and development.

Key functions of the Department include:

- supporting increased investment in the manufacturing sector
- enhancing the establishment of new manufacturing entities
- supporting new sustainable and profitable manufacturing entities.

Some of the key aspects of the Government's IMS involves the following:

- improving market access for South African products in key markets
- promoting beneficiation and value addition so that value is added to the many natural resources already present in the country
- finding ways to harness the skills and expertise in South Africa so that they can be sold to other countries.

The IMS identifies the need to capture local knowledge. It encourages big corporations and large companies to make greater use of small businesses, as well as promoting greater integration between the different sectors of the economy so that they add value to each other.

The IMS also promotes BEE, small business development, increased use of ICT, job creation, and a more equitable geographic spread of investment and economic activities.

By March 2003, the Motor Industry Development Plan (MIDP) had transformed the South African motor industry into a dynamic export business.

From 11 500 vehicles worth R750 million being exported in 1996, the MIDP resulted in 130 000 cars worth R15 billion being exported in 2002. The number of exported cars is expected to reach 200 000 per year.

Automotive component export statistics for 2003, compiled by the Automotive Directorate of TISA, indicate a 7% decline, from R22,9 billion in 2002 to R21,3 billion in 2003. The decline ended the record-breaking export level cycle that had been experienced for seven consecutive years since the introduction of the MIDP in 1995.

Despite the lower export figure in 2003, automotive component exports have been growing at a compounded annual rate of 26% since 1995.

South Africa exported completely built-up vehicles and components to 117 countries in 2003.

Although the industry's market share of global vehicle production is less than 1%, Japan and the USA – the two biggest and most demanding markets in the world – were again South Africa's top destinations in Rand terms for passenger cars in 2003.

Competition policy

The Competition Act, 1998 (Act 89 of 1998), which came into effect on 1 September 1999, is aimed at eliminating anti-competition practices, eliminating abuse of dominant positions, and strengthening merger control. The Act provides for the establishment of the Competition Commission, Competition Tribunal and Competition Appeal Court to replace the former Competition Board. The Act outlaws the following main areas of business practice:

- Restrictive practices between businesses, or between businesses, their supplier(s) and customers, which hinder competition. These include price-fixing, collusive tendering, and restricting output, investment and market sharing.
- The abuse of a dominant position which, according to the Act, is defined as a market share of 35% or more.

The Competition Second Amendment Act, 2000 (Act 39 of 2000), includes an amendment to provisions which allowed the Minister to change the thresholds in relation to merger control and abuse of dominance only every five years. Section 3(1)(d) was amended to cater for concurrent jurisdiction over competition matters between competition authorities and sector regulators. Furthermore, the Minister can now change the thresholds for merger controls and abuse of dominance whenever the need arises.

In addition to the Act, new rules for proceedings in the Competition Commission and the Competition Tribunal, new thresholds for the notification of mergers and acquisitions, as well as new forms, became effective. In terms of the new regulations, the lower threshold for mergers was raised from R50 million to R200 million for combined annual turnover/asset value, while the value of the primary target firm/asset value was raised from R5 million to R30 million. The fees for merger notification were significantly reduced and simplified.

A single fee for intermediate mergers of R75 000 has been introduced. Prior to the amendments, fees for intermediate mergers ranged from R5 000 to R250 000. The fee for large mergers has been halved from R500 000 to R250 000.

The Competition Commission also has an obligation to evaluate the impact of mergers and acquisition activity on employment.

Small, medium and micro-enterprises

There are an estimated three million small businesses in South Africa (this includes businesses of an informal nature).

The Department of Trade and Industry's Small Business Programme ensures that all sector-development policies incorporate the development, growth and investment measures with regard to maximising small business' contribution to the total economy.

The Programme's initiatives focus on, among others, cross-cutting and sectoral initiatives, the introduction and review of small-business-specific

incentives, improved access to finance/capital, improved access to information and advice, and promoting entrepreneurship among the youth and women.

Institutional support framework

Ntsika Enterprise Promotion Agency

Ntsika's mission is to render non-financial support services to the SMME sector through a broad range of intermediaries, and to contribute substantially towards achieving equitable economic growth in South Africa.

During 2003/04, Ntsika implemented a comprehensive range of specialised, non-financial programmes in support of SMMEs, namely business-development support, programme design, research and information, chamber support, export readiness and business linkages.

Between 1996 and 2003, Ntsika supported a network of 1 299 service-providers, and trained 3 028 of their employees. With the Agency's interventions and support programmes, 334 000 SMMEs were trained in business skills, counselled and advised during the same period.

In addition, 156 491 jobs were created and/or sustained owing to interventions extended since its inception. Some 3 142 business linkages were achieved, yielding over R400 million in turnover for the SMMEs, confirmed by orders won with the support of professional Tender Advice Centres and Local Business Service Centres.

Ntsika has assisted numerous organisations, many achieving economic growth in turnover ranging from R4 million to R48 million during the three-year programme lifecycle.

The Department of Trade and Industry tabled legislation amending the National Small Business Act, 1996 (Act 102 of 1996), and under the policy direction of the Department, Ntsika was strategically involved in a restructuring process that has led to a further alignment of its programmes.

The objective of this process is the implementation of support services in accordance with a set target of SMMEs (a minimum of 170 000 SMMEs to be supported between 2004 and 2007). This target

will be increased gradually to ensure that the objective of Vision 2014 is achieved.

Transfers to Ntsika totalled R40 million in 2004/05, with an additional R67 million raised from donors and the private sector.

By September 2004, the merger between Ntsika and the National Manufacturing Advisory Centre (NAMAC), which was announced in May 2004, was underway.

Khula Enterprise Finance

Khula is a wholesale agency which provides financial support for small businesses through intermediaries. Its financial products include loans, a national credit-guarantee scheme, grants, institutional capacity-building, equity funds and mentorship schemes. The achievements of Khula can be categorised into providing support to financial intermediaries as retail distribution networks, and direct services to SMMEs.

The Thuso Mentorship Network provides entrepreneurs with pre-loan business plans and post-loan support in the form of technical expertise management.

During 2003/04, Khula provided more than 600 loan guarantees to the value of R180 million, disbursed loans worth R100 million, and allocated R20 million through its equity fund. It also set up three new retail finance institutions.

National Manufacturing Advisory Centre

NAMAC's role is to implement SMME support programmes on behalf of the Department of Trade and Industry, and promote and co-ordinate national and international linkages and value-adding activities.

NAMAC Trust's target sector is intermediary beneficiary organisations delivering services to SMMEs. Products are developed, packaged and channelled through the programmes.

NAMAC develops other relevant products and programmes for SMME support, which it delivers through its existing national networks of Manufacturing Advisory Centre (MAC) and Business Referral and Information Network (BRAIN) outlets.

Additional funding of R80 million saw the establishment of NAMAC offices in all provinces in South

Africa; the extension of its BRAIN Network to 415 locations; increased support in the provision of franchise information; and the piloting of Growth Achieved by Integrated Networks, intensive hand-holding, one-stop shops, and the Forestry Industry and the Sector Education and Training Authority (SETA) and Chemical Industry Sector SETA.

Some of NAMAC's achievements include providing support to 7 087 enterprises, the creation of 4 440 new jobs in those enterprises, and ensuring that more than 62 634 jobs were sustained through the interventions of the MACs. By mid-2004, there were 17 MACs countrywide.

The Small Enterprise and Human Development Programme, previously under the UN Overseas Project Services banner, is now incorporated into NAMAC, and is designed to complement the existing national small business development support machinery in South Africa, with the overall objective of localising support and maximising outreach.

Technology for Women in Business (TWIB)

The TWIB aims to enhance the use of technology by women in business, promote innovation among women, and encourage young girls and women to choose careers in science and technology.

By 2004, the TWIB had established itself in a variety of business sectors, including minerals and energy, construction, Information Technology (IT) and ICT, as well as agriculture, arts and culture, and science and technology.

The launch of the Girl Child Initiative is one of the TWIB's most important initiatives. This includes the establishment of Techno-Girls, which encourages young girls to pursue a career in the field of science and technology.

The 2004 TWIB Conference was held in Kimberley in the Northern Cape under the theme *Celebrating a Decade of Innovation and Creativity Through Technology*.

South African Women Entrepreneurs Network (SAWEN)

The SAWEN was established to assist aspiring and existing women in business. The Network advocates

policy changes, builds capacity, and facilitates the access of women to business resources and information.

The SAWEN signed an MoU with the Johannesburg Securities Exchange (JSE) in May 2003. In accordance with the MoU, the JSE will train these women entrepreneurs in the workings of stock, commodity and bond markets, the operations of the JSE, and how to engage with these markets and institutions.

The SAWEN, in partnership with the Department of Trade and Industry's Gender and Women's Empowerment Unit and the JSE, hosted a Women's Enterprises Seminar in July 2004.

The Seminar, with the theme *Exploiting the Benefits for Growing Women's Enterprises*, provided women entrepreneurs with a broader understanding of the dealings of the JSE, advised them on how their enterprises can access the benefits of securities exchange investments, and imparted to them the importance and benefits of stock listing on the JSE.

National Empowerment Fund (NEF) Trust

The NEF was established by the NEF Act, 1998 (Act 105 of 1998), to promote and facilitate economic equality and transformation.

The Fund received an initial capital injection of R2 billion from government in 2004/05.

The NEF leverages its funding by setting up strategic alliances with other private-sector financial institutions to further increase the funding for BEE.

It also operates at several different levels, providing finance and business support to rural women and fledgling entrepreneurs, and large-scale financial support to BEE groups. The NEF partners with key business organisations that are focused on serving women. The NEF deploys its resources to optimise the empowerment dividend to government. Only those transactions that advance government's transformation and BEE objectives are supported.

The NEF's funding comprises a hybrid of loans and equity, and is designed to lower the cost of capital for BEE participants. This approach to BEE funding is aimed at overcoming the traditional risk aversion of existing funders.

Industrial Development Corporation (IDC)

The IDC plays an increasingly important role in supporting and assisting with venture capital in the formation of new SMEs. The IDC has three operational and client-oriented divisions, namely Services Sectors, Industrial Sectors and Project Division.

The Services Sectors Division looks at various ways of increasing its development impact on economic growth and job creation, which is increasingly evident in the service sectors. The Division fulfils the IDC's mandate of SMME and BEE development as well as its obligations in line with government's IMS, which identified new sectors of strategic importance that need support.

The Industrial Sectors Division intensifies financing activities in the traditional business areas and concentrates on the development of medium-sized enterprises, focusing on labour-intensive sectors such as agro-industries and entrepreneurial mining.

The Projects Division impacts on the regional economy by utilising its expertise in evaluating project ideas, participating in and co-funding project pre-feasibility and/or feasibility studies, as well as providing project finance for viable new and/or expanded projects.

Over the last five years, the IDC has facilitated the creation of 70 000 jobs, and approved projects responsible for generating more than R20 billion per year in export earnings.

The IDC also facilitated investments of more than R21 billion in South Africa, and made significant progress in the support of BEE by providing loan finance to the value of R1,4 billion to historically disadvantaged businesses. Almost 60% of the IDC projects were in rural and peri-urban areas, and 1 200 SMEs received loan finance.

The Department of Trade and Industry's contribution to the IDC goes to the Fund for Research into Industrial Development, Growth and Equity, which is an initiative of the National Economic Development and Labour Council (NEDLAC), managed by the IDC.

Funds also go to the Support Programme for Industrial Innovation, a partnership between government and the private sector, which promotes technology development in manufacturing industries in

South Africa through support for innovation of competitive products and/or processes.

Business Partners Ltd

Business Partners Ltd is a specialist investment group, providing customised and integrated investment, mentorship and property-management services for SMEs in South Africa.

Business Partners is an unlisted public company whose major shareholders include the Department of Trade and Industry (through Khula Enterprise Finance), Remgro, the Business Partners Employee Share Trust, Sanlam, BHP Billiton SA, Amalgamated Banks of South Africa, Nedcor, FirstRand, Old Mutual Nominees, Standard Bank Investment Corporation of South Africa, Anglo American Corporation of South Africa, De Beers Holdings and Standard Bank Nominees.

The group has been investing in entrepreneurs for over 20 years, providing private equity of up to R15 million for viable start-ups, expansions, outright purchases, management buy-outs and buy-ins, franchises, tenders and contracts. It also provides a range of value-added services including property broking and management, consulting and mentorship.

In 2003/04, Business Partners boasted an investment portfolio of R991 million, with equity-based investments amounting to 40% of the portfolio. A total of 513 investments valued at R449 million were approved in 2003/04. Of these, 185 investments to the value of R177,4 million were approved for historically disadvantaged entrepreneurs, and 152 investments amounting to R131,4 million were approved for female entrepreneurs.

Business Partners also facilitated 7 400 employment opportunities in 2003/04.

The Business Partners Umsobomvu Franchising Fund was established in 2003. With an initial investment allocation of R125 million, the Fund aims to make all of the opportunities and benefits of franchising available to the country's new generation of entrepreneurs.

During 2003/04, investments amounting to more than R20 million were approved on behalf of the Fund.

Business Partners has 22 offices nationwide. It offers free initial consultations to existing or potential entrepreneurs with a viable business plan.

More than 340 mentors are available to assist entrepreneurs with advice, consulting and mentoring.

It also offers a user-friendly business planning model on its website at www.businesspartners.co.za.

Restructuring of State assets

The Department of Public Enterprises is responsible for redressing the imbalances created by Apartheid, through the accelerated restructuring of SOEs in an integrated and coherent manner, to promote economic growth and socio-economic development.

The policy framework entitled *An Accelerated Agenda towards the Restructuring of State-Owned Enterprises* forms the basis of the Department's restructuring activities.

The Department leads government's overall restructuring programme of SOEs.

The key objectives of the Department's restructuring programme are to:

- co-ordinate, develop and implement restructuring and transaction plans
- promote wider economic participation in the South African economy
- realise proceeds from restructuring transactions
- enhance the global competitiveness of SOEs
- promote long-term sustainable development
- ensure stakeholder support for restructuring plans
- safeguard the integrity and transparency of the restructuring process.

Energy

The *White Paper on Energy Policy*, released in December 1998, lays the foundation for energy-sector reform. Government has opted for a 'managed liberalisation' approach and has multifaceted objectives that need to be balanced with the reform of the energy sector. In South Africa, energy provision must meet the developmental and social objectives of government.

Electricity Supply Industry (ESI)

Two separate restructuring processes, namely the Electricity Distribution Industry under the leadership of the Department of Minerals and Energy, and the ESI under the leadership of the Department of Public Enterprises, are ongoing.

Cabinet policy on ESI restructuring has the following objectives: to introduce competition into electricity generation, divest 30% of generation capacity with a minimum of 10% to BEE groups, create a transmission company as a separate national entity, and establish the Multimarket Model (MMM) for wholesale electricity trading.

One of the key objectives of ESI restructuring is to ensure involvement of BEE within the generation sector of a minimum of 10% of the existing electricity-generating capacity. The Department of Public Enterprises, in consultation with other government departments, is in the process of designing the BEE transaction.

The amount of capacity committed to BEE groups will represent the most significant BEE transaction thus far and is an expression of government's desire to see real economic empowerment, not just in equity but also in management and operation.

The main deliverables for 2003 as defined in the ESI Restructuring Implementation Plan were:

- ringfencing Eskom generation into generation clusters
- ringfencing Eskom Transmission
- establishing the MMM and developing market rules
- establishing the South African Power Exchange.

Eskom Enterprises (EE)

The EE was transformed and repositioned to ensure that the EE vision and strategy is integrated with the broader Eskom Holdings and Eskom Regulated Strategy. This will ultimately enable Eskom Holdings to further its strategic intent to expand into international markets.

The main focus of the EE is on:

- support services for the ESI
- developing a globalisation capability to drive the growth of the EE and Eskom as a whole
- new enterprise development and management.

The rationalisation of the EE includes full disposal of non-core divisions. The partial sale of core divisions is ongoing. (See chapter 16: *Minerals, energy and geology*.)

Telecommunications

To increase productivity and efficiency in the telecommunications sector, government decided to introduce competition in the fixed-line telecommunication market. A Second National Operator (SNO) will be licensed, with the possibility of a Third Licence Operator, following a feasibility study in 2005.

The primary motivation for the SNO licence is the creation of a strong and sustainable competitor for Telkom in the context of a managed liberalisation policy. An equally important motivation is the recognition and maximisation of value of existing State-owned telecommunication assets.

On 17 September 2004, the SNO licence was awarded to the SNO comprising Nexus Connexion (Pty), Transtel, Esitel, WIP Investments Nine (Pty) Ltd trading as CommuniTel, Two Telecom Consortium (Pty) Ltd and a remaining unallocated equity shareholder.

The licence was awarded on the following conditions:

- acceptance of the shareholding and control structure of the SNO
- finalisation of and agreement on the business plan
- finalisation of the shareholders' and subscription agreements. (See chapter 6: *Communications*.)

Spoornet

Progress on the turnaround of Spoornet has been slow, mainly due to the absence of a turnaround strategy that would underpin the turnaround plans. In June 2003, a new Spoornet chief executive officer was appointed and a Spoornet strategy was presented in early 2004. Spoornet has also presented a five-year capex (money spent to acquire or upgrade physical assets such as buildings and machinery) requirement of R14 billion which will be mainly used for infrastructure investment, including signalling and safety improvements.

It is expected that the Department will call for public invitations to bidders in 2005, once all the preparatory work is finalised, including reviews of completed financial and legal due-diligence processes. (See chapter 22: *Transport*.)

Ports restructuring

By June 2004, the National Ports Authority Bill, which makes way for the establishment of a port authority to perform a landlord role and the establishment of an interim ports regulator was in the parliamentary process, and was expected to be finalised by December 2004. It will create an enabling legal environment for concessions to private-sector terminal operators.

In August 2004, the Department was expected to complete the overall port restructuring plan and the concession strategy, and prioritise the concession of the Durban Container Terminal in the latter part of 2004 or early 2005.

A new Transnet Board was appointed in August 2004. A comprehensive financing strategy was to be presented to Cabinet by the end of September 2004. (See chapter 22: *Transport*.)

Forestry

In 1999, government set out to restructure its forest assets to private investors. The packages comprised South African Forestry Company Limited (SAFCOL) forests, combined in some instances with Department of Water Affairs and Forestry forests in the former homeland areas.

The Amatola, Singisi, Siyaghubeka, and Komatiland forest packages were acquired by the private sector in 2002. The Komatiland forest package, however, was suspended following allegations of irregularities.

After a fresh bidding process, the Komatiland and Mountain to Ocean (Pty) Ltd forest packages were sold to private businesses for a total of R542 million.

The Longmore flower project, which is a non-core asset in the forest packages, has been sold to its employees and SAFCOL will contribute some R1,2 million to the project. (See chapter 23: *Water affairs and forestry*.)

Consumer and corporate regulation

The Consumer and Corporate Regulation Division of the Department of Trade and Industry is responsible for administering the regulation of the liquor, gambling and lottery industries, as well as commercial, competition and consumer-protection policies.

The South African Company Registration Office and the South African Patents and Trademarks Office, funded from this programme, have been merged into the Companies and Intellectual Property Registration Office (CIPRO). The overall objective is to ensure that the market is fair, efficient and transparent.

Corporate and consumer regulation has become a creative endeavour that seeks to serve the interests of both business and consumers, and to create a modern and globally competitive national economy. Running a corporate law-reform project and making amendments to the intellectual property-rights regime are ongoing activities.

The CIPRO was established as a trading entity in 2002 and was expected to become self-sustainable by July 2004.

The CIPRO improved the registration of enterprises by facilitating more than 100 000 close corporations in 2002/03. It also improved the availability of registration forms, simplified procedures, and improved the use of technology in the tracking and management of documents.

The Department is engaged in corporate law-reform processes that are likely to result in new functions for the CIPRO.

Public works programmes

The Department of Public Works is responsible for:

- providing and managing the accommodation, housing, land and infrastructure needs of all government's national departments
- promoting the national Expanded Public Works Programme (EPWP)

- transforming the construction and property industries.

As the custodian of national immovable State assets, the Department provides a comprehensive management framework to maximise the value of the State's property portfolio. This includes finalising the Immovable Asset Management Bill, which was expected to be considered by Parliament before the end of 2004.

The Department's expenditure between 2000/01 and 2003/04 increased by an annual average of 9,2%. This was owing to the upgrading of regional offices, new capital works projects, maintenance of infrastructure, and payment of leases, rates and taxes.

The Department's income is mostly derived from letting property and official quarters, and the sale of land, buildings and structures.

All income received is paid directly into the National Revenue Fund.

Between April 1994 and January 2004, the Department made great strides in the improvement of public service delivery, contributing to economic growth and poverty alleviation. In the same period, the Department implemented 7 692 construction-related projects worth R10 billion as part of its core function to provide physical accommodation and other essential infrastructure to government.

These projects sustained about 15 000 jobs in the construction industry.

National Public Works Programme (NPWP)

The aim of the NPWP is to promote transformation of the construction and property industries, and to contribute to meeting infrastructure needs through labour-based projects. It is divided into two subprogrammes, namely the Construction Industry Development Programme (CIDP) and the EPWP.

The Community-Based Public Works Programme (CBPWP), which used to form part of the NPWP, was discontinued at the beginning of the 2004/05 financial year.

Between 1994 and 2003, the CBPWP invested over R2,5 billion in six provinces. Some 4 047 community-infrastructure projects were implemented, resulting in the creation of more than 167 000 job

opportunities, of which 48% was allocated to women and 30% to the youth.

Allocations for poverty relief, which previously formed part of the CBPWP, were amalgamated into the Municipal Infrastructure Grant under the Department of Provincial and Local Government.

Expanded Public Works Programme

The EPWP was launched by President Thabo Mbeki at Giyani in Limpopo in May 2004, followed by launches in other provinces.

The aim of the EPWP is to facilitate and create employment opportunities for the poor and vulnerable, through integrated and co-ordinated labour-intensive approaches to government infrastructure delivery and service provision.

The objectives of the EPWP are:

- job creation
- poverty alleviation
- investment in social and economic infrastructure
- HRD, through the training of participants.

One million work opportunities are expected to be created through:

- Increasing the labour-intensity of government-funded infrastructure projects.
- Creating work opportunities in public environmental programmes (e.g. Working for Water).
- Creating work opportunities in public social programmes.
- Utilising general government expenditure on goods and services, to provide the work experience component of small enterprise learnership/incubation programmes.
- Other possible economic-sector initiatives that include micro-enterprise development. Over the first five years, it is conservatively estimated that the EPWP will, through the:
 - infrastructure sector, create 900 000 jobs
 - environmental and cultural sectors, create 200 000 jobs
 - social sector, create 20 000 jobs
 - economic sector, create 3 000 venture learnerships lasting 18 months and employing 9 000 people.

By September 2004, a fully fledged EPWP Unit had been established in the Department of Public Works

to drive the Programme. All the provinces had also committed to setting up their own steering committees for the implementation, review, monitoring and evaluation of the EPWP.

A R20-billion budget has been allocated to take the EPWP into the next five years.

Construction Industry Development Programme

The CIDP, which includes the Property Industry Development Programme, ensures the leadership role of government, an alignment of objectives and programmes, and co-ordination of government representation within the construction and property industries.

The purpose of the CIDP is to promote:

- enhanced industry stability, investment, sustainability, employment and HRD
- improved industry performance, best practice, and value for money
- growth and development of the emerging sectors
- public-sector capacity development
- enhanced delivery, and national, regional and global competitiveness.

The allocation to the CIDP increases by an average of 16,2% annually over the medium term, largely owing to the expansion of regional offices.

Government has identified a number of initiatives to promote the image of the industry and improve its overall performance and growth.

Emerging Contractor Development Programme (ECDP)

The ECDP, a subprogramme of the CIDP, awarded contracts for 1 653 small projects with a total value of R146 million to historically disadvantaged enterprises and individuals in 2003. The majority of these enterprises were SMMEs.

Contracts to the value of R791 million were awarded to emerging contractors under the ECDP in 2003/04, of which R88 million was allocated to women-owned enterprises.

In 1999, the ECDP had a mere 1 200 emerging contractors registered on its database. Of those, only 7% were women, mostly involved in the lesser

support side of the industry, primarily providing cleaning, horticultural and catering services.

By 2004, the database had grown to 3 300, with women representing 10% of the registered small enterprises.

Contracts worth R200 million have been awarded to and successfully implemented by women contractors.

Construction Industry Development Board (CIDB)

The CIDB is a Schedule 3A public entity that provides leadership to stakeholders and stimulates sustainable growth, reform and improvement in the construction sector, for effective delivery and the industry's enhanced role in the country's economy. The Board, consisting of private and public-sector individuals, is appointed by the Minister of Public Works on the basis of their individual knowledge and expertise.

The Board's mandate is to:

- drive an integrated industrial development strategy
- provide strategic leadership to construction industry stakeholders to stimulate growth and reform, and improve the construction sector for effective delivery and the industry's enhanced role in the country's economy.

In April 2004, the CIDB launched a comprehensive review of the construction industry and its development. The report provides a review of progress, challenges, and the need for sustainable empowerment to meet anticipated growth in construction demand. It is expected to inform work done on the proposed Construction Industry Charter. The report was expected to be tabled in Parliament during 2004.

The process to develop the Charter was officially launched on 4 October 2004 by the Minister of Public Works, Ms Stella Sigcau.

Council for the Built Environment (CBE)

The CBE promotes the uniform application of policy and improves co-ordination between the building profession and government. It drives the transformation and improved performance of the building profession.

Access to finance

Access to finance remains the single major problem facing Black contractors, but efforts to promote this are beginning to show positive results. Within the Strategic Empowerment Programme, the Department of Public Works has succeeded in mobilising the support of Standard Bank, Khula and the IDC to provide access to bridging finance for working capital, and performance guarantees to all qualifying contractors awarded contracts within the Strategic Projects Initiative Programme. Contractors requiring financing of R1 million and less are referred to Standard Bank and Khula, while those requiring more than R1 million are catered for by the IDC.

The Department is still exploring mechanisms to broaden this finance facility. Further relief for emerging contractors has been brought about by the waiver of guarantees for projects up to R2 million, and by the intensified campaign to shorten payment cycles.

Strategic asset management

The Department of Public Works spent R1,85 billion in 2003/04 on capital works, including R364 million on planned maintenance.

Seventeen new projects were acquired and registered at the Deeds Office at a total cost of R16,77 million.

During 2003/04, the Department disposed of 121 properties in extent of 4 565 hectares with an estimated value of R45 million, for the purpose of land reform, low-cost housing, municipal infrastructure, government-to-government transfers and commercial gain.

A total leasing amount of R1,07 billion was spent, indicating an increasing demand and associated costs for accommodation and space.

Since 1999, the Department has been implementing the Repair and Maintenance Programme and the Programme for Accelerated Capital Expenditure to improve service delivery. By April 2004, 305 repair and maintenance contracts to the value of R1,8 billion had been awarded, 206 of which, with a value of R1,2 billion, were awarded to affirmable business enterprises as part of the Department's BEE efforts.

Black Economic Empowerment

The Department of Trade and Industry, in partnership with several non-profit organisations, namely the Black IT Forum, the Electronic Industries Federation, the Insurance Institute of South Africa, the IT Association, and the South African Electrotechnical Export Council, has developed a database of BEE companies in the IT, telecommunications and electronics sectors.

Phase One of the project was funded by the Department, the South African Electrotechnical Export Council, and the Electronics Industry Federation.

The BEE company database is available on the Department's website, www.thedti.gov.za, and lists more than 250 small, medium and large BEE companies.

Broad-Based Black Economic Empowerment Strategy

In March 2003, government launched its Broad-Based BEE Strategy, which aims to address HRD, employment equity, enterprise development, preferential procurement and investment, ownership and control of enterprises, and economic assets. The Strategy is the result of an extensive consultation process by government and private-sector role-players, including the BEE Commission, the Department of Trade and Industry, NEDLAC and the President's Black Business and Big Business working groups.

The successful implementation of the BEE Strategy will be evaluated against the following policy objectives:

- a substantial increase in the number of Black people who have ownership and control of existing and new enterprises
- a significant increase in the number of Black-empowered and Black-engendered enterprises
- a significant increase in the number of Black people in executive and senior management positions.

The Minister of Trade and Industry appointed the BEE Task Team in April 2003 to finalise legislation

and devise the guidelines outlined in the Broad-Based BEE Strategy. The Task Team will serve until the Advisory Council on BEE is appointed.

The Broad-Based BEE Act, 2003 (Act 53 of 2003), was signed into law in 2004.

Government will use various regulatory means to achieve its BEE objectives, including a balance scorecard to measure progress made by enterprises and sectors in achieving BEE. The use of a common scorecard by different stakeholders provides a basic framework against which to benchmark the BEE process.

The scorecard will measure three core elements of BEE, namely:

- direct empowerment through ownership and control of enterprises and assets
- HRD and employment equity
- indirect empowerment through preferential procurement and enterprise development.

The Minister of Finance, Mr Trevor Manuel, issued the Code of Good Practice for Black Economic Empowerment in Public Private Partnerships (PPPs) in August 2004.

The Code sets a clear BEE framework for both public and private parties engaging in PPPs, eliminating uncertainty and ensuring a consistent approach.

Black Business Supplier Programme (BBSP)

The Department of Trade and Industry launched the BBSP in April 2003.

The BBSP is a 20:80 cost-sharing cash-grant incentive scheme, which offers support to Black-owned enterprises in South Africa. The scheme provides such firms with access to business-development services that assist them to improve their core competencies, upgrade managerial capabilities, and restructure to become more competitive.

It is aimed at growing Black-owned enterprises by fostering links between Black SMMEs and corporate and public-sector enterprises.

Any enterprise that is majority Black-owned (50 plus one share), has a significant number of Black managers, and has a minimum trading history of one year, qualifies for the Programme.

Employment and skills development

The Employment and Skills Development Strategy (ESDS) and HRD Branch of the Department of Labour has two areas of legislative responsibility.

It is responsible for the implementation of the Skills Development Act, 1998 (Act 97 of 1998), (amended in 2003), and the Skills Development Levies Act, 1999 (Act 9 of 1999), the latter in co-operation with the South African Revenue Service (SARS).

The Branch also manages the Department's responsibilities in relation to the South African Qualifications Authority (SAQA) Act, 1995 (Act 58 of 1995), which is co-managed with the Department of Education.

Skills Development Act, 1998

In 2002/03, a number of implementation challenges were experienced with regard to the management of SETAs. The Minister of Labour therefore resolved to amend the Act to address these issues.

The Act was amended to:

- define certain expressions and amend certain definitions
- extend the functions and change the composition of the National Skills Authority (NSA)
- provide for the obligations of SETAs in respect of their performance management in general, and financial management in particular
- extend the Minister's powers to regulate learner-ship agreements and private employment agencies
- provide anew for budgeting in respect of training by public entities
- empower the Minister to establish a national standard to promote good practice in skills development.

The President assented to the Skills Development Amendment Act, 2003 (Act 31 of 2003), on 11 November 2003.

South African Qualifications Authority Act, 1995

The SAQA Act, 1995 established the SAQA with a

mandate to oversee the development and implementation of an integrated national framework of quality-assured learning achievement that would:

- facilitate access, mobility and progression within education, training and employment
- enhance the quality of education and training
- accelerate redress of educational and job opportunities
- advance personal, social and economic development.

The Minister of Labour jointly administers this Act with the Minister of Education. Funds for the Authority are disbursed through the Department of Education.

National Skills Development Strategy (NSDS)

The NSDS drives the work of the ESDS and HRD Branch.

The Minister of Labour launched the country's first NSDS in February 2001, for the period 2001 to March 2005.

There are two key delivery vehicles for the NSDS, namely the:

- National Skills Fund (NSF)
- 25 SETAs.

The Strategic Management Unit, reporting directly at branch level, straddles the two programmes and ensures that consolidated plans and reports are prepared against the overall NSDS. The Secretariat of the NSA also reports within the Branch.

The implementation of the NSDS, with regular assessments of progress in meeting its objectives and targets, continues.

By mid-2004, work on the next NSDS for the period 2005 – 2009 was underway. The Minister of Labour, Mr Membathisi Mdladlana, was expected to launch the new Strategy in February 2005.

The Department has also embarked on the Learnership Programme.

Workshops have been conducted with stakeholders to develop strategic plans around learnership implementation, funding, marketing and communication, group training for SMMEs, and employment-service functions such as recruitment and the placement of learners.

The Programme has three phases. Phase One was expected to be completed in March 2004, Phase Two will be rolled out from 2005 to 2009, and Phase Three from 2010 to 2014.

The learnership regulations were amended to enable the Department of Labour and SETAs to establish 22 pilot Employment and Skills Development Lead Employers Agencies to assist small enterprises in learnership training.

Sector Education and Training Authorities

The 25 SETAs are responsible for about R2,5 billion each year collected through the skills-levy system. The SETAs make grants available, principally to employers who provide skills plans and report on their implementation.

The SETAs are also responsible for the Learnership Programme and the implementation of strategic sector-skills plans. The SETAs have discretionary funds, drawn from their levy income, that can be used for projects designed to assist in the achievement of sector priorities, including the design and implementation of learnerships.

The Department signs an annual MoU with each SETA. This MoU sets out commitments to contributing to the achievement of the NSDS targets and reporting requirements.

The SETAs' performance improved in 2003/04, with 25 MoUs concluded in the course of 2003.

Employers' compliance level with regard to skills development levies increased by 72%. The projected total levy revenue for 2003/04 was R3,4 billion.

By December 2003, 38% of small firms were receiving skills development grants, and 13 617 enterprises were benefiting from SETA initiatives to support SMEs.

A total of 6 712 SMEs received workplace skills grants to the value of R29 million, 308 SMEs received implementation grants of R7,8 million, and 311 received discretionary grants to the value of R7,6 million.

The SETAs have developed various strategies to assist small enterprises, using both the NSF and their discretionary funds. These strategies include contracting skills development funds by SETAs to

assist with the development of their business plans, the establishment of co-operatives to train on their behalf, free information seminars, and the funding of short courses.

Regulations enabling SETAs to simplify forms and even waive certain requirements for SMMEs were published in November 2003.

There are still issues to be resolved to ensure the accurate and timely reporting of the work of SETAs and the appropriate analysis of this data.

The Department and the SETAs are committed to transparency and full accountability to the various stakeholder groups the NSDS seeks to serve.

National Skills Authority

The NSA was established under the Skills Development Act, 1998. Its membership consists of organised business, labour and community organisations, government departments, and representatives from the education and training-provider community.

The NSA advises the Minister of Labour on all aspects of skills development, namely:

- the National Skills Development Policy
- the NSDS
- guidelines on the implementation of the NSDS
- the allocation of subsidies from the NSF.

The NSA has set itself key priorities and an action plan. It advises the Minister on amendments to legislation and on policy issues concerning the NSF. The NSA routinely monitors the implementation of the NSDS and its members are involved in the planning of the annual National Skills Conference.

National Skills Fund

The NSF was established following the promulgation of the Skills Development Act, 1998. Administered by the Department of Labour, it is made up of 20% of the total skills levy paid by employers and is used to address significant national skills priorities.

Funds are allocated through a range of funding windows. The funding windows for 2001 – 2004 were:

- Social development – The Department of Labour's provincial offices are the disbursing agents. During 2003/04, this window spent

R171 million on increasing the number of people trained by 45%, to 144 056 trainees. About 79% of these were placed in temporary jobs.

- Strategic projects – The SETAs are the disbursing agents. Allocations go towards training in small business development, strategic occupations and educational skills. Achievements during 2003/04 included supporting 1 957 SMMEs and microlenders in growing their enterprises, while 321 providers benefited from improved assessor and/or provider-upgrading programmes.
- Bursaries – Working closely with the Department of Education, the NSF allocated more than R21 million to the National Research Foundation to fund postgraduate bursaries in fields of scarce skills such as Accounting, Auditing, Bio-informatics, Chemistry, Computer Science, Earth



In June 2003, the South African Government, in partnership with the National Economic Development and Labour Council (NEDLAC), hosted the Growth and Development Summit (GDS). The GDS was aimed at bringing together government and its social partners to take advantage of the conditions for faster growth and development that exist in South Africa.

The NEDLAC Executive Council reviewed the GDS agreements in June 2004. Progress made included:

- More jobs, better jobs, and decent work for all:
 - The National Expanded Public Works Programme was launched by President Thabo Mbeki in May 2004.
 - The local procurement *Buy Local* Campaign was gaining momentum.
 - The Labour Job Creation Trust, founded by the Congress of South African Trade Unions, National Council of Trade Unions and Federation of Unions of South Africa continues to create jobs. By June 2004, it had assisted 39 projects with grants, and 29 with interest-free loans, creating more than 6 000 permanent and temporary job opportunities.
- Addressing the investment challenge:
 - The NEDLAC process regarding the Co-operative Bill had been completed.
 - The task team dealing with the 5% investible income was fast-tracking its work.
- Advancing equity, developing skills, creating economic opportunities for all and extending services:
 - A number of initiatives to strengthen Sector Education and Training Authorities were undertaken to ensure delivery on general skills and learnerships targets.
 - The Task Team on Jobs Impact and Monitoring made substantial progress in identifying the mechanisms to monitor trends in the job market.

Sciences, Mathematical Sciences and Microbiology. More than R100 million was allocated to the National Student Financial Aid Scheme of the Department to fund undergraduate bursaries in the fields of Science, Engineering, Computer Science, Information Systems, Tourism Management and Commerce.

- Innovation and research – Nine projects were approved in 2003/04. The total amount committed to these projects amounted to R6,9 million in 2003/04 and R6,2 million in 2004/05.
- Skills Support Programme (SSP) – This is linked to the Department of Trade and Industry's SMEDP and SIP, which are designed to encourage new investment and major expansion. The SSP has three funding elements, namely training, development and capital grants. The training grant incentives are mainly approved for a period of up to three years. Based on SSP claims received from enterprises in 2003/04, 2 316 new workers received training. Of these, 2 200 were Black (95%) and 1 697 were female (73%).
- Learnerships – The objective is to fund the implementation of learnerships for unemployed learners, thereby contributing towards achieving the targets of the Growth and Development Summit. Between 2003 and February 2004, R172 million was spent on training 117 392 unemployed people. A study conducted on placement within this reporting period indicated that 78% of trainees were placed in income-generating opportunities. During 2003/04, the NSF contributed R20 million towards the Literacy Programme of the Department of Education. In the process, the Department provided literacy training to some 230 836 adult learners and used more than 10 000 volunteer educators.

The Department of Labour announced that in 2004/05, it would secure its service level agreement with the SARS and improve the skills-levy compliance rate among employers. It will also encourage SARS to step up its prosecution of those found non-compliant.

The NSA provides advice on each window and the criteria to be used to determine the allocation of funds.

Unemployment Insurance Fund (UIF)

The Unemployment Insurance Amendment Act, 2003 (Act 32 of 2003), is part of the successful turnaround strategy being implemented by the UIF, based on four main pillars. These are legislative reform, IT, human resources and institutional restructuring.

The successful and ongoing implementation of this strategy has resulted in an increase in the UIF's income, from R3,8 billion in 2002/03 to R5,8 billion in 2003/04.

Between 1 April 2003 and 31 March 2004, the UIF received 584 393 claims, approved 499 439 and made payments with a total value of R2,17 billion.

On 30 April 2004, the Fund's reserves stood at R6,2 billion from a previous string of deficits. As part of the turnaround strategy, expenditure was contained in an attempt to return to financial health and create the financial strength needed to bring about lasting change.

From 2003, employers who employ domestic workers (including gardeners), must register with the UIF if the employee works for more than 24 hours a month.

By mid-May 2004, some 600 912 domestic employers and 496 154 domestic workers were registered.

The Act also regularises the status of domestic, seasonal and other workers. Workers with more than one employer are entitled to unemployment benefits should they lose their jobs.

As from 1 January 2004, pensioners in employment are no longer required to contribute to the UIF.

As from 1 April 2004, only those workers legally defined as public servants, certain trainees and those receiving State old-age pensions are legally exempted from contributing to the UIF.

An electronic banking pilot project known as the 'A Card', which will enable UIF beneficiaries to access their benefits through electronic banking, was launched in Limpopo in April 2004.

The new system replaces the old system of paying UIF benefits by means of cheques. Instead, money will be deposited directly into beneficiaries' bank

accounts. The debit ATM card provided to beneficiaries' can also be used for buying goods at stores.

Similar projects will be rolled out nationwide in the near future.

Occupational health and safety (OHS)

The OHS legislative framework consists of the OHS Act, 1993 (Act 85 of 1993), and its regulations.

The OHS Programme focus for 2003/04 was on enhancing OHS awareness, promoting stakeholder participation, implementing a preventative strategy, and updating OHS regulations for better service delivery.

OHS awareness rose remarkably during 2003/04. This is closely related to inspector visibility, the education and enforcement campaign, and co-operation between the Department of Labour and its social partners. During 2003/04, 173 987 inspections were conducted in terms of the Inspection and Enforcement Strategy which monitors compliance with legislation. Out of the total 31 031 notices issued to non-compliant employers, some 1 337 were OHS contraventions issued during the weeklong blitz inspections concentrating on the construction industry.

Six new explosives workplaces and six mines were licensed during 2003/04. Many new licences were issued during the year owing to new explosives formulations manufactured and changes to explosives buildings.

A total of 1 038 licences, 100 drawings and 19 special rules were approved and issued in 2003/04. However, the total number of licences was lower than in 2002/03.

During 2003/04, 13 inspections were conducted in explosives workplaces and 84 consultation meetings were held. Nine workshops on explosives safety and legislation were held with role-players.

Only small explosive-related accidents occurred and no workers were injured.

Construction regulations were promulgated in July 2003 and were widely accepted in the industry.

The integration of OHS and compensation competencies nationally remains an urgent and important challenge. Draft policy has been developed and

stakeholders were expected to refine it in the course of 2004/05.

The OHS Preventative Strategy is beginning to raise awareness among employers and workers. During 2004/05, the National OHS Stakeholders Forum and provincial labour fora will embark on a campaign to promote the establishment of health and safety committees as well as the appointment of health and safety representatives in the workplace.

Compensation Fund

The Compensation Fund administers the Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993), as amended by Act 61 of 1997.

The main objective of the Compensation Fund is to generate and collect funds from employers and use it to compensate workers and in fatal cases, their dependants, for injuries sustained and diseases contracted in the course of and as a result of their employment.

The Act provides for the establishment of medical advisory panels throughout the country that will assist with the general policy on and diagnosis of occupational diseases.

A pilot medical advisory panel was established at the University of Cape Town in 2003/04.

Presiding and medical assessors have been appointed to assist with legal hearings.

This will expedite the processing of all outstanding claims in the legal process, and improve services to clients.

The Fund reviewed its list of occupational diseases (Schedule 3 of the Act) in November 2002 in line with Recommendation 194 adopted by the International Labour Organisation in June 2002. The next revision was planned for November 2004.

During 2003/04, the Fund:

- increased its collections from employers by R300 million to R2,2 billion
- paid out compensation benefits totalling R493,7 million
- spent about R1,2 billion on medical expenditure
- paid out pension payments totalling R346,2 million
- registered some 220 000 claims

- registered 39 426 new employers
- completed 286 969 assessments.

Labour relations

In 2003/04, the focus was on the implementation of employment equity issues, amendments to labour legislation, and clarifying farm workers' sectoral determination with the stakeholders.

Legislation

The amendments to the Labour Relations Act, 1995 (Act 66 of 1995), and the Basic Conditions of Employment Act, 1997 (Act 75 of 1997), came into effect on 1 August 2002. The objective of these amendments is to address policy imperatives of government to create jobs, promote and develop small business, improve the protection of vulnerable workers, and stimulate investment.

Since the publication of the legal notice in the *Government Gazette* on 30 January 2003, announcing the intentions of the Minister to identify and weed out trade unions and labour organisations that are not genuine, 153 trade unions and 31 employers' organisations have been deregistered in terms of Section 106 of the Labour Relations Act, 1995. By mid-2004, there were 369 trade unions and 239 employers' organisations registered.

The Department continues to administer activities and developments regarding the Labour Relations Act, 1995, the Basic Conditions of Employment Act, 1997 and the Employment Equity Act, 1998 (Act 55 of 1998).

Code of Good Practice

The Code of Good Practice on Key Aspects of Disability was published in August 2002. The Code guides employers on how to treat people with disabilities in the workplace. The Technical Assistance Guidelines of the Code on Managing HIV and AIDS in the Workplace were also finalised.

The Employment Equity Directorate is in the process of developing the Code of Good Practice for Human Resources. Technical assistance guidelines were published in 2003/04 to assist in the implementation of existing codes.

Directorate: Collective Bargaining

The Directorate's role is to:

- administer the Labour Relations Act, 1995
- register trade unions, employer organisations, and bargaining and statutory councils
- publish bargaining council agreements and the extension of agreements to non-parties
- promote and monitor collective bargaining
- achieve appropriate balance between security and flexibility.

Commission for Conciliation, Mediation and Arbitration (CCMA)

Between April 2003 and March 2004, the CCMA adjudicated more than 125 602 cases, an average of 553 cases per day. The settlement rate of these cases was 60%. It was also involved in 87 cases of Section 189A (large retrenchments) and 67 cases of Section 188A (pre-dismissal arbitration).

Directorate: Employment Equity

The Directorate's role is to:

- administer the Employment Equity Act, 1998
- promote employment equity and the elimination of unfair discrimination
- monitor the implementation of employment equity at workplaces, through the collection and analysis of employment-equity reports from employers
- support the Commission for Employment Equity (CEE) to fulfil its statutory obligations.

The Directorate monitors enforcement and provides support and advice on the implementation and enforcement of the Employment Equity Act, 1998.

The Directorate's staff partner with labour inspectors in the provincial offices of the Department and conduct workplace inspections on employment equity. Private-sector employers as well as organs of State throughout the country are targeted for inspection.

Government's priority is to promote diversity in the workplace to ensure that the workforce of busi-

ness, government and non-governmental organisations is representative of the broader demographics of society. This is being achieved through the implementation of the Employment Equity Act, 1998.

During 2003/04, the Directorate facilitated employment-equity enforcement training for trainers at all its provincial offices, with 107 inspectors receiving training.

Commission for Employment Equity

The CEE meets monthly to assist in the development of policy and to advise the Minister on the implementation of the Employment Equity Act, 1998.

In 2004, the Commission was working on the critical issues contained in the regulations of the Employment Equity Act, 1998 and the proposed Code of Good Practice on Human Resources, Policies and Practice.

The Employment-Equity Registry captures employment-equity reports and maintains a database of these.

This makes it possible to measure the extent of employment equity of designated employers with 50 or more workers.

Some 3 368 employers with 150 or more workers submitted their reports by 1 October 2003. The Minister will release a complete Public Register listing all the employers who reported, and a report on the analysis of data collected during the 2004/05 financial year.

Employment Conditions Commission (ECC)

The ECC meets monthly to discuss matters relating to employment conditions.

The Commission formed part of the investigations into the taxi, sheltered employment and forestry sectors. The Commission was consulted on an *ad hoc* basis on applications for Ministerial determinations. The Minister has requested the Commission to further investigate the farm worker sector. The challenge is to review all the old wage determinations, to either repeal them or make them sectoral determinations.

Directorate: Employment Standards

The Directorate's role is to implement the Basic Conditions of Employment Act, 1997. It also assists the ECC with fulfilling its statutory functions. This includes conducting investigations into working conditions and advising the Minister on the establishment of sectoral determinations.

Regulations and sectoral determinations

The following regulations and amendments to sectoral determinations have been published:

- The Schedule for Remuneration was published in May 2003. It ended much of the uncertainty surrounding the calculation of retrenchment packages and severance pay by clearly setting out what constitutes remuneration.
- The private security sectoral determination was amended in June 2003. The amendments focused on minimum wages (moving away from the hourly rates to monthly rates) and conditions of employment.
- The civil engineering sectoral determination was amended in February 2004. The amendments were made to minimum wages and conditions of employment, paving the way for a collective bargaining process.



The unemployment rate in March 2004 was 27,8% as compared with 28,4% on September 2003. The decrease is not statistically significant but may be indicative that the employment rate is stabilising.

The number of unemployed people, at 4,6 million in March 2004, based on the official definition, was virtually unchanged compared with September 2003.

In March 2004, 11 984 000 persons were employed, compared with 11 652 000 persons in September 2003.

The expanded unemployment rate (which does not require active job search by the unemployed) also remained virtually unchanged over the same period, at 41,2% in March 2003 and 42,0% in September 2003.

In light of these findings, it would appear that rather than employment opportunities being lost, the labour market may be showing initial signs of stability.

- Since 1 March 2003, every farmer in South Africa is legally obliged to pay a minimum wage to their employees. From March 2004 to February 2005, employers were obliged to pay a monthly rate of R871,58 (Area A) and R713,65 (Area B) for farm workers working more than 27 hours per week. All farm workers working 27 hours or less per week, would be paid an hourly rate of R4,47 and R3,66 per hour for Area A and Area B respectively.
- The sectoral determination for the domestic worker sector was published on 15 August 2002, setting minimum wages and conditions of employment. Minimum wages for domestic workers working more than 27 hours a week are R861,90 per month (Area A) based on an hourly rate of R4,42, and R700,05 (Area B) based on an hourly rate of R3,59. The monthly wages respectively for domestic workers working 27 hours or less per week are R569,79 per month based on an hourly rate of R4,87, and R462,15 per month based on an hourly rate of R3,95. Wages are increased in November each year. Domestic and farm workers have been included in the Unemployment Insurance Contributions Act, 2002 (Act 4 of 2002), which came into effect on 1 April 2002.
- Minimum wages and basic employment conditions were determined for workers in the wholesale and retail sector in December 2002. The determination, which came into effect on 1 February 2003, replaced the old wage determination for the commercial distributive trade in certain areas. It furthermore incorporates, for the first time, workers from the former homelands of South Africa.

In the former Transkei, Bophuthatswana, Venda and Ciskei (TBVC states), concessions have been made to allow for the phasing in of the minimum wage. Initially, employers in these regions will pay 30% less than other areas, with annualised increases aimed at these employers reaching the same wage as for other areas by 1 February 2005.

The wage levels are set at hourly, weekly or monthly levels. Wages are set for a three-year period, with an 8,8% increase per annum in the second and third years.

The determinations allow for commission-based payment of salespersons, and allow employees to work a 40-hour week, on condition that they work at least three Sundays a month, taking other days of the week off to rest.

The Minister of Labour announced in January 2004 that workers in the wholesale and retail sector in the former homelands are entitled to wage increases of up to 20% from the beginning of February 2004. Their counterparts in the rest of the country are entitled to an increase of 8,8%. The rationale behind the difference is that workers in the former TBVC states were earning much lower wages, and increments are an attempt to minimise the wage disparities. These increments are based on job categories ranging from general assistant to assistant manager.

- The Department of Labour hosted public hearings for stakeholders within the forestry sector in March 2004 in five of the country's nine provinces, to determine appropriate conditions of employment and wages for forestry workers. A report was compiled which was forwarded to the ECC for discussion.
- Hearings and investigations into the taxi sector have been finalised. By July 2004, the report was being finalised with recommendations for approval by the ECC before submission to the Minister.
- Public hearings into the sheltered employment sector were conducted and completed in all nine provinces. The report was compiled for submission to the ECC. The ECC, in turn, will make recommendations to the Minister.



The Department of Labour services the public through 125 labour centres and 529 satellite offices under the jurisdiction of 10 provincial offices.

As part of enhancing its reach, it was expected to establish three additional labour centres in remote centres by the end of 2004.

These include areas in Limpopo and the Eastern Cape.

- The Minister of Labour launched the sectoral determination for children in performing arts, advertising and artistic and cultural activities in July 2004. Employers will be required to apply for a permit if they wish to employ children younger than 15 years of age. The determination was to seek Cabinet approval in 2004. The Department of Labour will also engage with its social partners to develop a Code of Good Practice for this sector. In this respect, issues such as the role of child minders, the status of dressing rooms, and how education should be offered to these children will be addressed.

Eradication of child labour

The Basic Conditions of Employment Act, 1997 prohibits the employment of children under 15 years or minimum school-leaving age. The Act protects children between 15 and 18 years, establishing

whether the employment is appropriate for the age of the child; whether the workplace risks the child's well-being, education, physical or mental health or spiritual, moral or social development; and whether it has been prohibited through regulations.

However, special provision can be made to accommodate the employment of children in the performance of advertising, sport, artistic or cultural activities.

The Department of Labour has developed the first-ever comprehensive Child Labour Action Programme. It contains action steps that the Department and other key government departments such as Social Development, Water Affairs and Forestry, Justice, Provincial and Local Government, Education and the South African Police Service have identified and pledged to implement in order to eradicate child labour.

They have also committed themselves to allocating both human and financial resources.

Acknowledgements

Business Day

Business Map

Business Partners Ltd

Department of Labour

Department of Public Works

Department of Trade and Industry

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Office for Public Enterprises

Quarterly Review (March 2004), published by the South African Reserve Bank

South African Reserve Bank

Towards a Ten-Year Review

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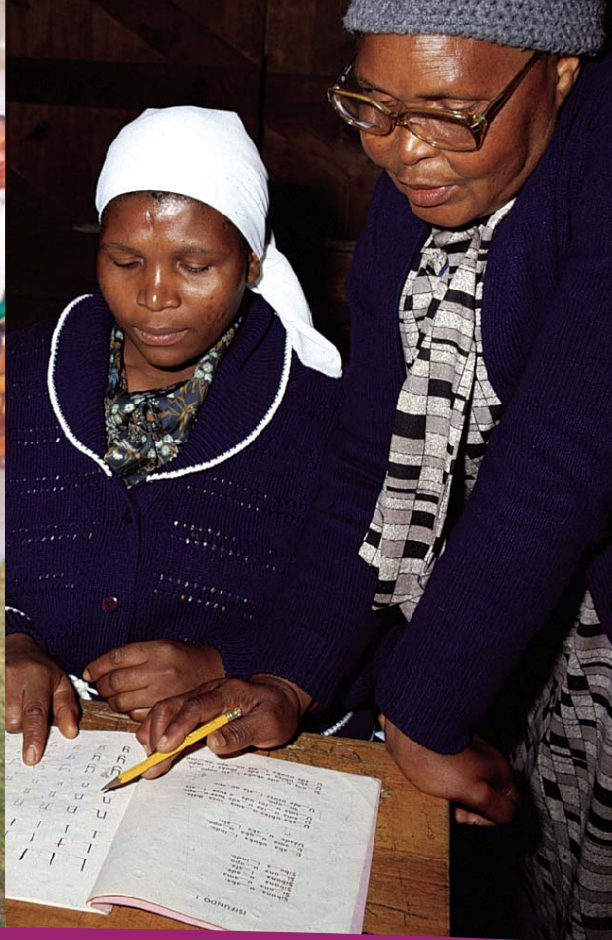
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Education

The aim of the Department of Education is to develop, maintain and support a South African education and training system for the 21st century.

According to the Bill of Rights contained in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), everyone has the right to a basic education, including adult basic education and further education, which the State, through reasonable measures, must make progressively available and accessible.

At almost 6% of Gross Domestic Product, South Africa has one of the highest rates of government investment in education in the world.

Formal education in South Africa is categorised according to three levels – General Education and

Training (GET), Further Education and Training (FET), and Higher Education (HE).

The GET band consists of the Reception Year (Grade R) and learners up to Grade 9, as well as an equivalent Adult Basic Education and Training (ABET) qualification. The FET band consists of all education and training from the National Qualifications Framework (NQF) Levels 2 to 4 (equivalent to Grades 10 – 12 in schools) and the N1 to N6 in FET colleges. The HE band consists of a range of degrees, diplomas and certificates up to and including postdoctoral degrees. These levels are integrated within the NQF provided by the South African Qualifications Authority (SAQA) Act, 1995 (Act 58 of 1995).



In 2003, the South African public education system accommodated more than 11,6 million school learners, 463 025 university students, 206 087 technikon students and over 350 000 FET college students. There were 26 489 primary, secondary, combined and intermediate schools, with 340 000 educators.

The matric exam pass rate improved from 48,9% in 1999 to 73,3% in 2003. This improvement is due to numerous intervention strategies by the national and provincial departments, aimed at improving the quality of teaching and conditions in the classroom, especially in previously disadvantaged areas.

Girl learners' performance in matric Mathematics improved, with 78,3% passing the exam (compared with 74,3% in 2002).

The FET and HE sectors recently underwent a major rationalisation process that reduced the overall number of institutions through mergers.

Education structures

South Africa has a single national education system, which is organised and managed by the national Department of Education and the nine provincial departments.

Ministry of Education

The National Education Policy Act, 1996 (Act 27 of 1996), gives the Minister of Education the power to determine national norms and standards for educa-

tion planning, provision, governance, monitoring and evaluation. The principle of democratic decision-making must be exercised within the context of overall policy goals. In determining policy, the Minister must take into account the competence of provincial legislatures and the relevant provisions of any provincial law relating to education.

National and provincial departments of Education

The Constitution has vested substantial power in the provincial legislatures and governments to run educational affairs (other than universities and universities of technology – until recently, technikons), subject to a national policy framework. The national Department of Education is responsible for formulating policy, setting norms and standards, and monitoring and evaluating all levels of education. It also funds HE institutions through subsidies and by providing financial support to students through the National Student Financial Aid Scheme (NSFAS).

The national Department shares a concurrent role with the provincial departments of Education for school education, ABET, Early Childhood Development (ECD) and FET colleges. The South African Schools Act, 1996 (Act 84 of 1996), further devolves responsibility to school level by delegating the governance of public schools to democratically elected school-governing bodies consisting of parents, educators, non-educator staff and (in secondary schools) learners.

Relations with provincial departments of Education are guided by national policy, within which the provincial departments have to set their own priorities and implementation programmes. The National Education Policy Act, 1996 formalised relations between national and provincial authorities, and established the Council of Education Ministers (CEM) and the Heads of Education Departments Committee (HEDCOM) as intergovernmental fora to collaborate in developing the education system.

The role of the national Department is to translate the education and training policies of government and the provisions of the Constitution into a national education policy and legislative framework.

It is the responsibility of the Department to ensure that:

- all levels of the system adhere to these policies and laws
- mechanisms are in place to monitor and enhance quality in the system
- the system is on par with international developments.

The core activities of the Department are to:

- provide research and policy review
- provide planning and policy development
- provide support to the provinces and HE institutions in their implementation of national policy, norms and standards
- monitor the implementation of policy, norms and standards to assess their impact on the quality of the educational process, and identify policy gaps.

The Department of Education has six branches:

- Administration
- Systems Planning and Monitoring
- Quality Promotion and Development
- General Education
- FET
- HE.

Administration

This Branch provides administrative support for policy formulation and the overall management of the Department, including administrative support to the Minister, Deputy Minister, Director-General and Internal Audit.

It is responsible for personnel; financial, administrative and other office services; as well as Information Technology; security; and asset management.

Systems Planning and Monitoring

The Systems Planning and Monitoring Branch has three major functions, namely: costs and financing of education, infrastructure development and human resource planning. The Branch provides leadership through:

- developing standards for the provision, utilisation, employment and management of educators
- rendering a professional service to the education and training sector (not HE), as well as financial and physical planning, and information systems

- analysing, developing and planning for policy developments in the education sector
- managing development support and promoting optimal budgeting processes for provinces.

Quality Promotion and Development

The Quality Promotion and Development Branch is responsible for providing strategic leadership for the development of policies and programmes to ensure access to quality education for all learners in the system, through:

- ensuring that all education institutions reflect the ethos and principles of the Constitution
- promoting and ensuring access to both curricular and extra-curricular activities for all learners
- addressing health conditions that constitute barriers to learning and development, and promoting essential health awareness and behaviour
- monitoring and evaluating the performance of the education system, individual schools and education institutions, and tracking progress on the achievement of major transformation goals.

General Education

The General Education Branch is responsible for the development and implementation of policies for early childhood education, school education, ABET, inclusive education, governance capacity, and in-service education and pre-service education and training.

The Branch provides leadership through the management and evaluation of programmes for ECD, school education, ABET, learners with special needs, education management and governance programmes, and education human resources.

Key achievements of the Branch include:

- replacing the Apartheid curriculum with a new curriculum aimed at meeting the needs of a democratic South Africa in the 21st century
- improving the qualifications of thousands of teachers who were previously unqualified or underqualified
- establishing democratic governance in all schools
- providing training in literacy and formal ABET programmes to 1,4 million adults.

Key priorities of the Branch include expanding ABET programmes; providing Grade R to all children; further developing a truly inclusive system of education, including the consolidation of special schools; ensuring that there are no underqualified teachers; and successfully implementing the Revised National Curriculum Statement (RNCS).

Further Education and Training

The FET Branch is responsible for the development of policy for Grades 10 to 12 in public and independent schools as well as public and private FET colleges. It oversees the integrity of assessment in schools and colleges and offers an academic curriculum as well as a range of vocational subjects. FET colleges cater for out-of-school youth and adults.

The Branch oversees, co-ordinates and monitors the system's response to improved learner participation and performance in Mathematics, Science and Technology. It devises strategies aimed at the use of Information and Communications Technology (ICT) in schools and identifies and nurtures talent.

The Branch provides leadership through:

- establishing a system to promote open and life-long learning
- promoting the integrity of the assessment of learners
- rendering a professional support service to the FET Board.

Higher Education

HE is central to the social, cultural and economic development of modern societies. The HE Branch provides strategic direction and institutional support towards the development of a single co-ordinated system.

The Branch provides leadership through:

- the development of legislation
- the development of policy support to the HE system
- liaison with constituencies in HE
- the registration of private HE institutions
- oversight of the NSFAS
- the implementation of the National Plan for HE

- the allocation and transfer of subsidies to public HE institutions.

Statutory bodies

Council of Education Ministers

The CEM, consisting of the Minister of Education, the Deputy Minister of Education and the nine provincial members of the executive council (MECs) for Education, meets regularly to discuss the promotion of national education policy, share information and views on all aspects of education in South Africa, and co-ordinate action on matters of mutual interest.

Heads of Education Departments Committee

The HEDCOM consists of the Director-General of the Department of Education, the Deputy Directors-General of the Department, and the heads of provincial departments of Education. The functions of the Committee include facilitating the development of a national education system, sharing information and views on national education, co-ordinating administrative action on matters of mutual interest, and advising the Department on a range of specified matters related to the proper functioning of the national education system.

Council for Quality Assurance in General and Further Education and Training (Umalusi)

The Council ensures that education- and training-providers have the capacity to deliver, and also

assesses qualifications and learning programmes to ensure that they conform to set standards. Umalusi is guided by the General and Further Education Act, 2001 (Act 58 of 2001). The functions of the defunct South African Certifications Council (SAFCERT) were incorporated into those of the new Council, which was constituted in June 2002. SAFCERT concentrated on quality assurance of the Senior Certificate.

The Council has a five-point programme:

- quality assurance of providers
- quality assurance of qualifications and learning programmes
- quality assurance of assessments
- issuing of certificates
- monitoring and reporting on quality in education and training.

South African Qualifications Authority

The SAQA is a statutory body of 29 members appointed by the Ministers of Labour and of Education.

The SAQA, via the NQF, ensures that South African qualifications are of the highest quality, and internationally comparable. The Authority oversees the:

- development of the NQF by formulating and publishing policies and criteria for the registration of bodies responsible for establishing education and training standards or qualifications, and for the accreditation of bodies responsible for monitoring and auditing achievements in terms of such standards and qualifications
- implementation of the NQF, by ensuring the registration, accreditation and assignment of functions to the referred bodies, as well as the registration of national standards and qualifications on the NQF.

The NQF is a set of principles and guidelines in which records of learner achievement are registered. This enables national recognition of acquired skills and knowledge, thereby ensuring an integrated system that encourages lifelong learning. The NQF also attempts to move the measurement of achievement in education and training away from input towards outcomes.

On 31 March 2004, the Ministry of Education celebrated 10 years of transformation in education with the launch in Cape Town of a high school history book series aimed at creating an African view of the country's past.

The series, *Turning Points*, was initiated by the Institute for Justice and Reconciliation as part of its Reconciliation and Social Reconstruction Programme.

High schools nationwide will each receive eight volumes, written by South African scholars.



The SAQA's Centre for the Evaluation of Educational Qualifications determines the equivalence between foreign and South African qualifications in the South African context.

The integration of a seamless system, encompassing ECD, GET, ABET, FET and HE is achieved through the development of the NQF.

Thirty-one Education and Training Quality Assurance Bodies have been accredited, including the Council on Higher Education (CHE) and 25 Sector Education and Training Authorities (SETAs). There are 8 000 qualifications registered with the NQF.

In 2004, SAQA registered, for the first time, a qualification known as the National Certificate Statutory Intelligence Practice. The recognition of statutory intelligence training by a national qualifications authority is unique in South Africa.

Intelligence officers will now be awarded a SAQA-approved qualification, thus placing them in a better position to study further and broaden their employment prospects.

All new recruits to civilian, police and defence intelligence will undergo this training.

The National Certificate is a Level 5 qualification comprising 149 credits. It entails various unit standards including project management, communication, effective work skills, democracy and intelligence, legislation, ethics, intelligence operations and analysis.

Council on Higher Education

The CHE was established by the HE Act, 1997 (Act 101 of 1997), as an independent statutory body to advise the Minister of Education on all HE issues. The Council is also responsible for quality assurance through the HE Quality Committee (HEQC).

The functions of the CHE include:

- advising the Minister either at his/her request or proactively on all matters related to HE
- monitoring and evaluating whether and with what consequences the vision, policy goals and objectives for HE are being realised, including reporting on the state of South African HE
- executive responsibility for quality assurance within HE and training – including programme accreditation, institutional audits, programme

evaluation, quality promotion and capacity-building

- contributing to developing HE – giving leadership around key national and systematic issues, producing publications, holding conferences, undertaking research to sensitise government and stakeholders to immediate and long-term challenges of HE, and consulting with stakeholders about HE.

Starting in 2004, the HEQC has embarked on its first six-year cycle of audits at public and private HE institutions. The audits will focus on the quality of the core functions of learning, research and community engagement in HE institutions.

As part of this process, the HEQC completed a re-accreditation exercise of Master of Business Administration (MBA) programmes in 2004, during which 37 MBA programmes offered by 18 public and nine private HE institutions were evaluated in a stringent peer review process.

The review included MBA programmes offered by universities and technikons, as well as by local and foreign HE institutions operating in South Africa. The outcome of the review resulted in 10 MBA programmes not being accredited, 12 receiving conditional accreditation, and six receiving full accreditation.

The HEQC is developing a report on the state of MBA provision in South Africa that will include an analysis of MBA education as well as recommendations and strategies to enhance the quality of MBA programmes and make them internationally competitive.

The next national review will focus on programmes in the field of teacher education.

South African Council for Educators (SACE)

The SACE functions under the auspices of the SACE Act, 2000 (Act 31 of 2000), and is responsible for the registration, promotion and professional development of educators; and setting, maintaining and protecting their ethical and professional standards. It aims to enhance the status of the teaching profession. The Council relies on initial registration fees and monthly levies from educators as its main source of revenue.

The SACE's Code of Conduct determines the ethical rules of the profession which educators must adhere to.

It is dedicated to ensuring adherence to the Code, which includes dealing with complaints against educators. Serious offenders can lose the right to teach.

The SACE partners the Department of Education and the Education Labour Relations Council (ELRC) in facilitating the upgrading of teacher qualifications.

National Board for Further Education and Training (NBFET)

The NBFET was launched in June 1999 in terms of the National Education Policy Act, 1996. It provides the Minister with independent and strategic advice on matters relating to the transformation of FET. The Board may, on its own initiative, advise the Minister on any aspect of FET, as well as:

- national FET policy, goals and priorities
- norms and standards, including those regarding funding
- norms and the terms, purposes and conditions of earmarked grants
- reports on FET from provincial advisory bodies.

Education Labour Relations Council

The ELRC is a bargaining council for the education sector. The Council consists of equal representation of the employer (the national and provincial departments of Education) and the employees (trade unions representing educators and other employees in the sector).

The ELRC aims to create effective and constructive labour relations in the education sector, and to ensure the promotion and transformation of education at all levels within society.

National Student Financial Aid Scheme

The NSFAS is responsible for:

- allocating loans and bursaries to eligible students in public HE

- developing criteria and conditions for the granting of loans and bursaries to eligible students, in consultation with the Minister
- raising funds, recovering loans, maintaining and analysing a database, and undertaking research for the better utilisation of financial resources
- advising the Minister on related matters.

In 2004/05, the Department utilised R902 million in loans and bursaries to support students from the poorest communities to receive tertiary education. Of this amount, R578 million came from transfer payments allocated to the Department's Budget Vote.

By June 2004, the Scheme had awarded R4 billion in loans to 360 000 students.

Financing education

In the 2004/05 financial year, R75 862 billion was allocated to education. This amount included R9 908 545 for HE institutions and R65 192 026 for college and school education.

Financial planning in the Department occurs within the Government's Medium Term Expenditure Framework, which, through its three-year budgeting horizon, facilitates sustainable and properly planned financing.

Conditional grants amounting to R960,8 million were allocated to the National School Nutrition Programme (NSNP) and the HIV and AIDS Programme in 2004/05.

Responsibility for the NSNP was shifted from the Department of Health to the Department of Education with effect from 1 April 2004. The funds allocated for this Programme will be used to serve daily meals to five million learners at 15 000 schools for the period April 2004 to March 2005. An amount of R912 million has been recommended for 2005/06 and R937 million for 2006/07.

By August 2004, the Programme was reaching about 85% of the 15 000 targeted schools.

The conditional grant for provincial Education departments for HIV and AIDS programmes for public schools, and FET colleges in nodal areas and informal settlements was increased by R8 million for 2005. The Department will continue to manage and

support donor-funded construction projects in the provinces, such as those funded by the Netherlands, the European Union (EU) and Japan.

Some R20 million was allocated for the implementation of the RNCS at the General Education band in 2004. These funds were used for training for the Intermediate Phase (Grades 4 – 7) and the printing and distribution of teacher guides for these phases.

In addition, R40 million was allocated for curriculum writing and implementation of Outcomes-Based Education (OBE) for the FET band. These funds will be used to develop a cadre of trainers who will conduct the training of curriculum officials in the provinces.

Equity in education expenditure

Equity between and within provinces is achieved through the equitable division of national revenue between provinces, making use of the Equitable Shares Formula (ESF), the National Norms and Standards for School Funding, and the National Post Provisioning Norms.

The Government's ESF promotes financial equity between provinces, through the distribution of national revenue to provinces on the basis of relative need and backlogs. In the area of education, the size of the school-age population and the number of learners enrolled in public ordinary schools are taken into account, as well as capital-investment needs.

The National Norms and Standards for School Funding, which became national policy in 1999, are aimed at achieving equality and poverty redress at schools in terms of non-personnel expenditure within a province. The Norms are clearly progressive, with 60% of a province's non-personnel expenditure going to the poorest 40% of learners in public schools. The poorest 20% of learners receive 35% of non-personnel resources, while the richest 20% receive 5%.

To enhance the attainment of equity in funding ordinary public schools, the School Funding Norms provide for full, partial and conditional exemption for parents who cannot afford to pay school fees, thus ensuring that learners with financial difficulties cannot be denied access to education.

Considering that about 88% of provincial education expenditure goes towards personnel costs, the distribution of personnel, in particular, educators, is a key driver of equity within provinces. Equity in this regard is promoted by the National Post Provisioning Norms. These Norms have contributed to the narrowing of inequalities with regard to educator:learner ratios and the availability of more educator posts in historically disadvantaged areas.

Education policy

Legislative framework

Education policy is informed by the following legislation:

- The National Education Policy Act, 1996 is designed to identify the policy, legislative and monitoring responsibilities of the Minister of Education, and to formalise relations between national and provincial authorities. It established the CEM and HEDCOM as intergovernmental fora to collaborate in developing the education system, and provides for the determination of national policies in general and further education and training, including curriculum assessment, language policy and quality assurance. The Act embodies the principle of co-operative governance.
- The South African Schools Act, 1996 promotes access, quality and democratic governance in the schooling system. It ensures that all learners have access to quality education without discrimination, and makes schooling compulsory for children aged seven to 15, or learners reaching the ninth grade, whichever occurs first. It also provides for two types of schools – independent schools and public schools. The Act's provision for democratic school governance through school-governing bodies is in place in public schools countrywide. The school-funding norms outlined in the Act prioritise redress and target poverty in funding allocations to the public schooling system.
- The FET Act, 1998 and the *Education White Paper 4 on FET* (1998) provide the basis for developing a nationally co-ordinated system,

comprising the senior-secondary component of schooling and technical colleges. It requires that FET institutions, created in terms of the new legislation, develop institutional plans; and provides for programme-based funding and a national curriculum for learning and teaching.

- The HE Act, 1997 provides for a unified and nationally planned system of HE. It created the statutory CHE which advises the Minister and is responsible for quality assurance and promotion. The HE Act, 1997, *Education White Paper 3 on HE* (1997) and the National Plan for HE form the basis for the transformation of the HE sector.
 - The Employment of Educators Act, 1998 (Act 76 of 1998), regulates the professional, moral and ethical responsibilities and competencies of educators.
 - The ABET Act, 2000 (Act 52 of 2000), provides for the establishment of public and private adult-learning centres, funding for ABET provisioning, the governance of public centres, and quality-assurance mechanisms for the sector.
 - The SAQA Act, 1995 provides for the creation of the NQF, which establishes the framework for a national learning system that integrates education and training at all levels.
 - The SACE Act, 2000 provides for the establishment of a council to undertake the registration of educators; promote the professional development of educators; and set, maintain and protect ethical and professional standards for educators.
- The HE Amendment Act, 2002 (Act 63 of 2002), clarifies and brings legal certainty to labour and student matters regarding the mergers of public HE institutions. It provides clarity on the authority to take

the decision to merge and to give a name and physical location to a new institution.

A new section was inserted into the Employment of Educators Act, 1998, to enable a provincial department to appoint new recruits or applicants after a break in service, without requiring a recommendation from a governing body. It also enables the fair distribution of qualified educators by allowing provinces to distribute such educators, especially to schools in rural areas.

A new section was inserted into the FET Act, 1998, and the ABET Act, 2000, prohibiting corporal punishment in educational institutions and centres.

Tiriso

In January 2000, the *Tiriso* (meaning 'working together') plan was operationalised. Through it, the Department has achieved greater stability in the system, enhanced basic school functionality, improved the ability of provincial education systems to manage human and financial resources, and ensured a clear focus on delivery.

The priorities of *Tiriso* are to:

- deal urgently and purposefully with HIV and AIDS by utilising the education and training system
 - ensure the successful running of provincial systems through successful co-operative governance
 - reduce illiteracy among adults and the youth over the next five years
 - develop schools as centres of community life
 - end conditions of physical degradation in South African schools
 - develop the professional abilities of the teaching force
 - ensure the success of active learning through OBE
 - create a vibrant FET system, which will equip the youth and adults to achieve social goals
 - build a rational and seamless HE system that will embrace the intellectual and professional challenges facing South Africans in the 21st century.
- These priorities have been organised into the following six core programme areas:
- HIV and AIDS
 - school effectiveness and teacher professionalism



In July 2004, the *Tiriso* Youth Choir won two silver medals at the 2004 Bremen Choir Olympics in Bremen, Germany.

The Choir won the medals in the Mixed Youth Choir and Folklore acapella categories. Over 300 choirs from 75 countries participated in the competition.

The *Tiriso* Youth Choir comprises 150 learners from various schools countrywide.

- literacy
- FET and HE
- organisational effectiveness of the national and provincial departments of Education
- values in education.

The Minister of Education, Ms Naledi Pandor, has prioritised the following eight areas to guide the work of the Department:

- Improving access and results through quality of service and opportunity. This includes ongoing reviews to ensure that school education and the curriculum is of a high standard; and expanding access to ECD, including accelerating the provision of Grade R, improving school infrastructure, and enhancing teacher education and training.
- Equipping pupils and students with appropriate skills, especially with regard to Mathematics, Science and Technology.
- Supporting sectors that are critical to skills development, especially with regard to creating a vibrant, responsive and flexible FET college sector.
- Improving funding for education, especially at provincial level.
- Supporting and enhancing HE, especially in consolidating the merger process at HE institutions and enhancing access to the NSFAS.
- Education for all, especially with regard to adult literacy and education.
- Partnerships in government and beyond, especially those pertaining to the provision of school infrastructure and the alignment of ABET with the Expanded Public Works Programme.
- Making the system work, especially with regard to ensuring free access to quality education for those who cannot afford to pay school fees.

Policy developments

Improving access to free and quality basic education

School fees are set at an annual public meeting of the school-governing body where parents vote on the amount to be paid. Parents who cannot afford to pay, or who can only afford a lesser amount, are granted an exemption or reduction in the fees they must pay.

A Plan of Action to progressively improve access to free and quality education for all was developed and approved by the Cabinet. The Plan was made public on 17 June 2003 and includes mechanisms to ensure the following:

- Greater interprovincial equity so that learners with similar levels of poverty receive the same minimum level of school funding.
- The abolition of compulsory school fees, where adequate levels of resourcing are reached, for 40% of learners in the poorest schools.
- A national norm based on a minimum basic package of R450 per school term in 2003, which will be allocated per learner for non-personnel recurrent items, starting with the poorest 20% of learners. Adequate per-learner funding for the poorest 60% of learners in the poorest schools will be phased in over three years.
- The granting of automatic fee exemptions to learners who qualify for certain social service grants and payments.

e-Education

On 27 August 2003, the Cabinet approved the *Draft White Paper on e-Education*. It sets out govern-



The Department of Education launched the Girls' Education Movement (GEM) in Parliament in March 2003. As part of its objectives, the GEM aims to:

- provide opportunities for girls to develop and exercise their leadership and technical skills
- tap the potential of boys, women and men to work in partnership with girls to promote girls' education in Africa; and through education, create more equitable and just African societies.

The GEM is an organisation representing children in Africa which was initiated in Kampala, Uganda in 2001.

It comprises children in schools and communities throughout Africa, who work in different ways to improve the lives of African girls.

It also aims to ensure that girls receive an adequate education, especially in Science and Technology.

The Department of Education hosted a five-day Girls' Leadership Camp in Durban in July 2004, as part of making the GEM a reality.

The Camp, with the theme *Understanding the Self*, was attended by girls from across the country.

The Camp provided the girls with opportunities to develop and exercise their leadership and technical skills.

ment's approach to an ICT environment in education. Government wants to ensure that every school has access to diverse and high-quality communications services.

The goal is to ensure that every learner is ICT-capable by 2013 (able to use ICTs confidently and creatively to help develop the skills and knowledge they need as lifelong learners), and that all schools are connected to the Internet by that time. The need for teacher-training and ICT equipment is recognised, which will require additional resources from provincial budgets and other innovative sources.

By February 2004, agreements had been signed between the Department of Education and the private sector, including Microsoft and Symantec.

Provinces are at different levels of ICT implementation. Significant progress has been made through the Western Cape Khanya initiative, the Gauteng Online initiative, and the Connectivity Project in the Northern Cape.

General Education and Training

General school education is structured according to three phases, namely the Foundation Phase, Intermediate Phase and Senior Phase, and constitutes the compulsory component of the education system. The progressive provision of Grade R prior to Grade 1 started in 2002.

Currently, the Foundation Phase lasts three years. Basic learning activities during this Phase centre around three learning programmes, namely Literacy, Numeracy and Life Skills. One additional language is introduced in Grade 3.

During the three-year Intermediate Phase, learning activities centre on five learning programmes, namely Language Literacy and Communication; Mathematical Literacy, Mathematics and Mathematical Sciences; Arts and Culture; Life Orientation; Human, Social, Environmental and Management Sciences; and Natural Sciences and Technology.

The Senior Phase accounts for Grades 7 to 9. During these years, learners have to master the following learning programmes: Language Literacy and Communication; Mathematical Literacy, Mathematics and Mathematical Sciences; Arts and

Culture; Life Orientation; Human and Social Sciences; Economic Management Sciences; Natural Sciences; and Technology. Grade 9 signals the end of compulsory schooling and ends with a GET certificate, which is Level 1 on the NQF.

Curriculum 2005

Curriculum 2005 is the brand name of the National Curriculum Framework introduced into schools in 1998 and based on the concept of OBE.

OBE regards learning as an interactive process between and among educators and learners. The focus is on what learners should know and be able to do (knowledge, skills, attitudes and values). It places strong emphasis on co-operative learning, especially group work involving common tasks. The goal is to produce active and lifelong learners with a thirst for knowledge and a love of learning.

The revised Curriculum will be phased in, starting with Grades R to 3 in 2004.

The revised Curriculum Statement is available in all 11 official languages as well as in Braille. This Statement is much simpler to work with and provides more guidance to teachers about expectations and standards. In addition, a teacher's guide has been prepared, which assists the educator in developing appropriate learning programmes to achieve the specified outcomes.

A national core team provided training to officials from every province, including curriculum specialists, subject advisers and other key staff. They, in turn, have been training school principals, who are expected to provide instructional leadership in their schools and to educators.

The National Curriculum Statement Grades 10 – 12 was approved by the CEM and the Cabinet in August 2003. It will be accompanied by a new Further Education and Training Certificate (FETC), which will replace the current Senior Certificate. While the new Curriculum is expected to be introduced in Grade 10 in 2006, in Grade 11 in 2007, and in Grade 12 in 2008, a final decision in this regard will be made in 2005.

The FETC, which will require higher levels of performance in each subject, will greatly enhance the Department's ability to predict learners' future per-

formances by explicitly stating levels of learner performance. The FETC will not prejudge learners' potential by differentiating them into Higher and Standard grades.

School admission policy

The age of admission to Grade 1 is five years if the child turns six on or before 30 June in their Grade 1 year.

However, if a parent has reason to believe that their child is not school-ready at age five turning six, they can choose to send their child to Grade 1 at age six turning seven.

The Education Laws Amendment Bill of 2002 sets the age of admission to Grade 1 as the year in which the child turns seven. However, a Constitutional Court challenge to the Bill in 2003 resulted in the school-going age of Grade 1 to be changed to age five if they turn six on or before 30 June in their Grade 1 year. This was implemented with effect from the 2004 school year.

When applying for admission, parents must present the school with an official birth certificate and proof that the child has been immunised against communicable diseases.

For non-South African citizens, a study permit, temporary or permanent residence permit, or evidence of application for permission to stay in South Africa, is also required.

Further Education and Training

FET consists of all learning and training from NQF Levels 2 to 4, or the equivalent of Grades 10 to 12 in the school system, and National Technical Certificate 1 to 3 in FET colleges. Learners enter FET after the completion of the compulsory phase of education in Grade 9 or via the ABET route. The long-term vision of this sector includes the development of a co-ordinated FET system, providing high-quality, flexible and responsive programmes, and opportunities for a learning society. The short-to-medium-term focus is on addressing the weaknesses and deficiencies of the current system, while simultaneously laying the foundations for the next 20 years.

Curriculum development in Further Education and Training

The FET Curriculum is shifting away from the traditional divides between academic and applied learning, theory and practice, and knowledge and skills. The new Curriculum moves towards a balanced learning experience that provides flexible access to lifelong learning, higher education and training, and productive employment in a range of occupational contexts.

FET comprises three different pathways, namely academic, vocationally orientated and occupation-specific. The Curriculum consists of three components of learning: fundamental, core and elective. Curriculum development in FET regards the 12 learning fields of the NQF as its point of departure.

The National Curriculum Statement Grades 10 – 12 (General) as well as the Qualifications and



From 1 – 4 February 2004, some

29 Ministers of Education from various countries in Africa met in Cape Town for the first-ever All Africa Ministers' Conference on Open Learning and Distance Education.

Forty countries were represented and 279 delegates from across the continent attended. Held under the theme *Transforming Education for a New Africa: Realising the Potential of Open Learning and Distance Education*, the Conference focused on:

- practices in open learning and distance education, and realistic expectations of the role it can play in the African context
- the conditions necessary for the provision of cost-effective, quality distance education
- possible strategies for developing quality distance education
- possible regional and/or continental strategies for collaboration to help realise the potential of distance education.

The Conference concluded by affirming the goals of Education for All and aligning itself with the New Partnership for Africa's Development framework for education and training.

A Conference Statement was adopted, recommending core strategies and recognising the responsibility of governments for implementation, with the assistance of organisations such as the United Nations Educational, Scientific and Cultural Organisation, the Commonwealth of Learning, the Association for the Development of Education in Africa, and other relevant multilateral institutions.

Assessment Policy Framework Grades 10 – 12 (General) were developed and declared policy in September 2003. The Most Improved Schools Awards have been successful in providing an incentive for schools to improve their performance.

At its meeting in Pretoria on 5 April 2004, the CEM approved that Gujarati, Hebrew and Latin be included in the list of approved subjects at the FET level, bringing to 13 the number of non-official languages on offer in South African schools.

The Northern Cape Department of Education was also expected to investigate the possibility of including San and Khoi as school languages.

National Strategy for Mathematics, Science and Technology Education

A profile of 102 schools dedicated to Mathematics and Science was compiled in 2003. Through the 102 *Dinaledi* schools, the National Mathematics, Science and Technology Strategy assisted in increasing the performance and participation rate in gateway subjects, particularly for African students and girl learners. Performance in Physical Science Higher Grade (HG) and Mathematics HG has improved by 30% and 22% respectively over the last three years.

A national plan to enhance the Strategy was approved by the Cabinet in January 2004. It includes setting performance targets in Mathematics, Science and Technology, especially for African and girl learners; placing qualified and competent Mathematics, Science and Technology teachers in every school; identifying and nurturing talent and potential in Mathematics, Science and

Technology; and making interactive digital content on Mathematics, Science and Technology available via satellite, television, Internet, multimedia, print supplements and the educational portal.

Further Education and Training colleges

South African learners need a range of skills and knowledge to keep up with modern technology. Remote rural areas need to be reached, and adult learners need the opportunity to retrain for a second or third career. Small business entrepreneurs also need courses catering for their needs, and industry and the community need to be provided with productive people who see learning as a lifelong occupation, within an economy that is being restructured to meet the demands of globalisation.

In this context, the creation of a dynamic, responsive and high-quality FET system to promote wider access and social inclusion; encourage lifelong learning; meet the human resource development (HRD) needs of the country; contribute towards urban renewal and rural development; and develop an entirely new citizenry in the country, became imperative.

As a result, a major transformation of the FET sector took place during 2002/03, in which the existing 152 technical colleges were merged to form 50 multisite-campus FET colleges.

The colleges provide:

- high-level skills training
- a balanced training programme, emphasising both theoretical and practical skills linked to specific industry requirements
- vocational training, which continually exposes students to the demands of the work environment.

The new system operates under a single governing council appointed to oversee effective and accountable management across and within the various FET college campuses and sites.

The recorded increase in student intake, the development of new programmes, and increased participation in learnerships bear testimony to the potential for growth in this sector.



On 27 January 2004, the Ministry of Education launched the *Dinaledi* Awards in Johannesburg. *Dinaledi* means 'star' in Sesotho.

The Awards are aimed at increasing participation in Mathematics and Science in historically disadvantaged schools.

The Awards will be available for up to 10 schools every year and the winners will each receive a one-year grant of R100 000.

The Department of Education has selected 102 Mathematics and Science secondary schools as part of the *Dinaledi* Project, to increase participation and improve student performance.

Private Further Education and Training colleges

The private FET institutions' Pre-Registration Report was compiled in 2001. A regulatory framework for the registration of private providers awaits approval and implementation in 2005. The challenge in 2004/05 is the finalisation and implementation of mechanisms for the regulation of private providers of FET programmes.

Higher Education

The role of HE in the South African education system is threefold:

- HRD: Mobilising human talent and potential through lifelong learning, to contribute to the social, economic, cultural and intellectual life of a rapidly changing society.
- High-level skills training: Training and providing person power to strengthen the country's enterprises, services and infrastructure. This requires the development of professionals with globally equivalent skills, but who are socially responsible and conscious of their role in contributing to the national development effort and social transformation.
- Producing, acquiring and applying new knowledge: National growth and competitiveness are dependent on continuous technological improvement and innovation, driven by a well-organised and vibrant research and development system which integrates the research and training capacity of HE with the needs of industry and of social reconstruction.

Transformation and reconstruction of the Higher Education system

Due to the legacy of Apartheid, the HE education sector had to be restructured to meet the social, cultural and economic development imperatives of the new social order, and to establish a single co-ordinated national HE system.

The *Education White Paper 3: A Programme for the Transformation of HE* and the HE Act, 1997 provided the policy and legislative framework for the transformation of the HE system.

National Plan for Higher Education

The National Plan for HE was released in March 2001. The Plan establishes indicative targets for the size and shape of the HE system, including overall growth and participation rates, institutional and programme mixes, and equity and efficiency goals.

It provides a framework and outlines the process for the restructuring of the system. It also provides signposts for the development of institutional plans.

The key proposals of the Plan are that:

- the participation rate in HE will be increased from 15% to 20% in the long term, i.e. 10 to 15 years
- there will be a shift in the balance of enrolments over the next five to 10 years between the humanities; business and commerce; and science, engineering and technology, from the current ratio of 49:26:25 to 40:30:30 respectively
- institutions will establish student-equity targets with the emphasis on programmes in which Black and female students are under-represented, and develop strategies to ensure equity of outcomes
- institutions will develop employment-equity plans with clear targets for rectifying race and gender inequities
- institutional diversity will be achieved through the approval of a distinct mission and academic-programme profile for each institution
- the academic programme mix at each institution will be determined on the basis of its existing programme profile, as well as its demonstrated capacity to add new programmes
- redress for historically Black institutions will be linked to agreed missions and programme profiles, including developmental strategies to build capacity
- research will be funded through a separate formula based on research output, including, at a minimum, master's and doctoral graduates and research publications
- earmarked funds will be allocated to build research capacity, including scholarships to promote postgraduate enrolments
- the institutional landscape will be restructured through collaboration at regional level, in pro-

gramme development, delivery and rationalisation, particularly of small and costly programmes.

Institutional restructuring

The institutional landscape establishes a new institutional and organisational form, namely comprehensive institutions formed by merging universities and technikons. Technikons are in the process of being renamed universities of technology, on the advice of the CEM.

The establishment of 24 consolidated HE institutions, including two national institutes for HE, out of the former 36 universities and technikons will be finalised in January 2005. The HE system consists of 11 universities, five universities of technology, and six comprehensive institutions.

The new HE landscape consists of the following institutions:

- University of the Witwatersrand
- University of Cape Town
- Rhodes University
- University of the Western Cape (which incorporated the Dental Faculty of Stellenbosch University on 1 January 2004)
- University of Zululand
- Venda University
- University of the Free State (which incorporated the QwaQwa Campus of the University of the North on 1 January 2003 and the Bloemfontein Campus of Vista on 2 January 2004)
- North West University (from the merger of the universities of Potchefstroom – which incorporated Vista Sebokeng Campus on 2 January 2004 – and North West)
- University of Pretoria (which incorporated the Mamelodi Campus of Vista University on 2 January 2004)
- University of KwaZulu-Natal (from the merger of the University of Natal and the University of Durban-Westville)
- University of South Africa (UNISA) (after the merger of UNISA – which incorporated the Vista University Distance Education Campus on 2 January 2004 – with Technikon SA)
- Tshwane University of Technology (from the

merger of technikons Pretoria, North West and Northern Gauteng)

- Durban Institute of Technology (from the merger of Natal Technikon and Technikon M. L. Sultan)
- Central University of Technology, Free State (formerly Technikon Free State)
- Mangosuthu Technikon
- University of Johannesburg (to be established in January 2005 from the merger of Rand Afrikaans University – which incorporated the Soweto and East campuses of Vista University on 2 January 2004 – with Technikon Witwatersrand)
- University of Limpopo (to be established in January 2005 from the merger of the Medical University of South Africa and the University of the North)
- Nelson Mandela Metropolitan University (to be established in January 2005 from the merger of the University of Port Elizabeth – which incorporated the Port Elizabeth Campus of Vista University on 2 January – and Port Elizabeth Technikon)
- Walter Sisulu University of Technology and Science (to be established in January 2005 from the merger of the University of Transkei, Border Technikon and Eastern Cape Technikon)
- University of Fort Hare (which incorporated the East London Campus of Rhodes University on 1 January 2004)
- Cape Peninsula University of Technology (to be established in January 2005 from the merger of the Cape and Peninsula technikons)
- Northern Cape Institute of HE
- Mpumalanga Institute of HE.

Adult Basic Education and Training

The ABET Act, 2000 and the regulations for a National ABET Board provide a legislative framework for the establishment, governance and funding of ABET centres. Through the Adult Education and Training Multi-Year Implementation Plan (MYIP), the quality of ABET provisioning and delivery is improving.

The National ABET Board is an advisory body to the Minister which receives reports from all sectors on the progress of the MYIP.

The number of adults with no education decreased from 4,2 million in 1996 (Census 1996) to 1,8 million in 2001 (Labour Force Survey), which is an indication that there has been tremendous progress with adult literacy programmes.

The Department established the South African Literacy Agency to significantly reduce adult illiteracy; through:

- mobilising voluntary services in support of a nationwide literacy initiative
- developing training programmes for volunteer educators
- designing, developing and procuring reading and resource material
- setting up local literacy units
- establishing and maintaining a database of learners and providers
- servicing the needs of learners and educators.

As part of the advocacy campaign to mobilise learners, National Adult Learners' Week was launched as an annual event on 1 September 2000, and award ceremonies are held on International Literacy Day (8 September) to honour and applaud the courage and achievements of adult learners and their educators.

Partnerships to improve literacy levels in the country include the Bridges to the Future Initiative (BFI), a public-private collaboration that includes the Department of Education, Multichoice Africa Foundation, SchoolNet South Africa, UNISA and the International Literacy Initiative.

The BFI aims to provide skills for out-of-school youth and adults in ICT and adult education. Initiatives include the development of community learning and technology centres for lifelong learning and income-generation, the development of tools to improve basic education and literacy through teacher training in selected nodal areas, and the use of ICT for human development in areas such as health, agriculture and HIV and AIDS prevention.

A Memorandum of Understanding was signed in June 2004 between the Limpopo Department of Education, SchoolNet South Africa and the International Literacy Initiative to launch the project in Limpopo on a pilot basis. Lessons learnt from the

implementation of the project will be used as a guide for further expansion of the Initiative.

The Department of Education hosted the International Adult Learners' Conference in Johannesburg in July 2004.

The Department identified several ABET targets for 2004/05 at the Conference, including:

- completing a recruitment and training drive for learners and volunteer educators, with a target enrolment of 68 000 learners in 4 000 literacy units nationwide
- implementing a social mobilisation campaign to encourage participation and completion of ABET programmes
- finalising a development programme for ABET practitioners, which will be translated into accredited training programmes, and completing an audit of the development needs of ABET officials
- establishing a system for assessing and monitoring the functionality of Public Adult Learning Centres, as well as a system for the development, provision, procurement and retrieval of adult learning and teaching-support material.

Masifunde Sonke is another project set up by the Ministry of Education to address the challenges of illiteracy, and to promote a love of reading. The project is tasked to profile reading and to encourage stakeholders to promote reading. The project is being used to 'spread the word', and numerous reading-promotion messages are seen on television channels and heard on radio, owing to the strong working relationship with the SABC.

The Democracy in the Classroom Project was launched in August 2003. It is the result of a partnership between the United Kingdom's (UK) Department for International Development (DFID), the Independent Electoral Commission of South Africa and the ABET Institute of UNISA, in collaboration with the South African National Literacy Initiative (SANLI).

Education of learners with special education needs

The national Department of Education, together with the provincial departments, provides a wide range of

education services to learners with diverse challenges. These include:

- autism
- behavioural problems
- visual impairment
- tuberculosis
- children in conflict with the law
- physical disability
- neurological and specific learning disabilities
- multi-disability
- intellectual disability
- hearing impairment
- communication disorders
- epilepsy
- over-aged learners.

In accordance with the *2001 Education White Paper 6 on Special Needs Education: Building an Inclusive Education and Training System*, future provision of education will be provided in full-service schools, special schools as resource centres, or in ordinary public schools.

The White Paper outlines a 20-year plan for developing an inclusive education and training system across all bands of education. The expansion programme entails a phased conversion of 500 primary schools into full-service schools over a 20-year period. Donor funding totalling R65 million has been secured from the Swedish International Development Agency. Special schools will be converted into resource centres, and full-service schools will be established together with district-

based support teams. In the short term, 30 full-service schools and 30 district support teams will be established.

The Directorate: Inclusive Education implements inclusive education in classrooms and education institutions across the country. Their main tasks include removing barriers to learning experienced by learners with disabilities, and integrating learners with special needs into mainstream schools.

Early Childhood Development

ECD refers to the processes by which children under the age of nine develop intellectually, socially, physically, emotionally and morally.

The Department encourages an integrated cross-sectoral approach to child development that includes health, nutrition, education and psychosocial factors.

An audit of over 23 000 ECD centres and service-providers was conducted in 2001, which revealed that the ECD field was dominated by the non-governmental sector. Where departmental provision exists, it usually caters for children from the age of three years to school-going age. It is estimated that in South Africa, about 90% of children under the age of nine do not have access to ECD prior to attending school.

The *White Paper 5 on ECD*, which establishes a national system of provision of Grade R for children aged five, was launched in May 2001. The medium-term goal is for all children entering Grade 1 to have participated in an accredited Grade R programme by 2010.

The White Paper also focuses on expanding ECD provision, correcting imbalances, ensuring equitable access, and improving the quality and delivery of ECD programmes. These interventions aim to break the cycle of poverty by increasing access to ECD programmes, particularly among poor children. The programmes are implemented with other departments.

ECD centres must be registered with municipalities and their activities are controlled by the provincial Education departments. These regulations are applicable to public as well as private pre-primary schools.



In March 2004, the Ministry of Education established a seven-member Ministerial Committee on Rural Education.

The formation of the Committee was decided by the Council of Education Ministers.

Its mandate is to address issues related to the problems of rural education and to explore conditions of rural education. This includes the phenomena of platooning and double shifts, farm schooling, infrastructure, and the effective implementation of national policies.

The Committee aims to develop a comprehensive strategy for rural education and training for educational institutions in general, and schooling in particular.

The Committee was expected to complete its work in November 2004.

The SACE Act, 2000 provides for the registration of ECD practitioners. In terms of the Act, all educators must be registered before they can be responsible for the care and education of children. When ECD practitioners are registered, they undergo professional development sponsored by the Council and are subject to the Code of Ethics.

The School Register of Needs

The School Register of Needs provides an important benchmark for addressing historical inequities.

Considerable progress has been made since 1994 in correcting these inequities. The School Register of Needs 2000 Survey recorded significant improvements in school infrastructure and access to basic services countrywide.

The Register reported less overcrowding in institutions overall, with a decline in the average number of learners in a classroom from 43 (in 1996) to 35 (in 2000). Except in Mpumalanga, learner: classroom ratios also decreased. Classroom shortages decreased from 49% (1996) to 40% (2000). In 1996, 40% of all schools nationwide had no access to water. By 2000, this had been reduced to 34%. There was a 68% improvement in the provision of sanitation, although 16,6% of learners remained without toilet facilities. Fifty-nine percent of schools had no telephones in 1996. This percentage was reduced to 34% in 2000.

On the other hand, the biggest decline was in the number of schools in excellent and good condition, indicating that investment in infrastructure had not been adequately maintained. The number of buildings in good condition declined from 9 000 to 4 000 between 1995 and 2000, with at least 12 000 school buildings in need of repair.

Recent years have seen an improvement in infrastructure spending, especially on school education. The provincial education capital budget, which was R1,587 billion in the 2002/03 financial year, increased to R2,67 billion in 2003/04, with a projected increase to R3,13 billion in 2004/05. In par-

ticular, emphasis on classroom provision has reduced classroom backlogs drastically. Some 3 750 classrooms were built in 2002/03, while 4 330 were expected to be built by the end of the 2003/04 financial year.

President Thabo Mbeki said, in the State of the Nation Address in May 2004, that by the end of 2004/05, government would ensure that there was no learner or student learning under a tree, in a mud-school, or in any other dangerous conditions that exposed learners and teachers to the elements.

Human Resource Development Strategy

In April 2001, the Ministries of Education and of Labour jointly launched the HRD Strategy for South Africa, entitled *A Nation at Work for a Better Life for All*. The Strategy is underpinned by a set of institutional arrangements, including SETAs, and the general reshaping of further and higher education to meet the HRD needs of the country.

The Strategy ensures integrated HRD planning and implementation, monitored on a national, regional and sectoral level. Progress is measured against approved indicators.

The key mission of the Strategy is to maximise the potential of people in South Africa through the acquisition of knowledge and skills, and to set in place an operational plan and the necessary arrangements to ensure that everyone achieves productivity and works competitively to improve their quality of life.

The goals of the Strategy include improving the social infrastructure of the country, reducing disparities in wealth and poverty, developing a more inclusive society, and improving South Africa's position on the International Competitiveness Table over the next 10 years.

Primarily, the integration of different government policies will help to increase economic growth and employment, improve the standard of living for all, broaden participation in the labour market, and produce a more educated and trained citizenry.

HIV and AIDS

The Ministry of Education works alongside the Ministry of Health to ensure that the national education system plays its part in stemming HIV and AIDS, and ensure that the rights of all those infected with the disease are fully protected.

This priority has been operationalised into three objectives of the *Tirisano* implementation plan. Each is linked to anticipated outcomes and performance indicators. The three programmes are:

- awareness, information and advocacy
- HIV and AIDS within the curriculum
- planning for HIV and AIDS and the education system.

The Ministry's policy on HIV and AIDS for learners and educators has been converted into an accessible booklet aimed at educators, school-governing bodies and district officials.

On 9 June 2003, the CEM announced a three-year strategic plan which is consistent with the national five-year plan. The plan focuses on:

- limiting the spread of HIV and AIDS through life-skills education
- providing social support to educators and learners who are affected
- managing the impact of HIV and AIDS on the education system.

Partnerships, international relations and funding

Central to the education policy framework is the contention that a high-quality education sector cannot be built by government alone. It depends on creative and dynamic partnerships between the public sector, civil society and international partners. Several working partnerships have been, and are being, consolidated as the capacities of various sectors to contribute to educational development are better understood.

The Department of Education, the three teacher unions, the SACE, the ELRC and the Education,

Training and Development Practices SETA signed a historic declaration at the National Education Convention in November 2002, in which they committed themselves to work together to achieve education transformation goals.

Teacher unions

The majority of educators are organised into three teacher unions, namely the National Professional Teachers' Organisation of South Africa, the South African Teachers' Union, and the South African Democratic Teachers' Union. A labour-relations framework has been jointly agreed to by the Ministry of Education and the unions. This encompasses both traditional areas of negotiation and issues of professional concern, including pedagogy and quality-improvement strategies.

Non-governmental organisations (NGOs)

NGOs are emerging as important partners in educational transformation and are often a source of creativity and innovation. The Department of Education is working with NGOs and the private sector to expand relationships, particularly in the areas of educator training, school improvement, ABET, ECD and FET, as well as evaluation, research and monitoring. The private sector in particular is increasingly engaging in the provision of basic education by funding FET initiatives, building schools in needy communities, and supporting the provision of teaching and learning equipment.

Public-private partnerships

The success of key national initiatives (including SANLI) relies largely on partnerships with the private and NGO sectors.

Several partnerships have been consolidated, providing working models of educational transformation through public-private partnerships. The Business Trust, a partnership between business and government, works in education through three NGOs, namely the READ Educational Trust, the Joint Education Trust and the National Business Initiative Colleges Collaboration.

The international community

The international community's contribution to education transformation is important. The Department co-operates with United Nations (UN) agencies and with numerous donors to improve access to basic, further and higher education.

Development co-operation partners such as the Australian Agency for International Development, Flanders, France, Germany, Italy, Japan International Co-operation Agency, the Swiss Agency for Development and Co-operation, the Danish Agency for Development Assistance, the United States Agency for International Development, the Swedish International Development Agency, the Canadian International Development Agency, DFID, the Netherlands, the Irish Agency for International Development, the Finnish Government and the EU have been instrumental in the provision of technical and financial assistance to the national and provincial departments of Education.

The governments of the UK and Northern Ireland are making available R226 million to the Limpopo Department of Education. The assistance, which will be spread over six years (2003 – 2009), is known as the *Khanyisa* Education Support Programme.

The Programme aims to improve learning achievement, support, and service delivery across the whole education system.

The Ministry also played a leading role in the development of the Southern African Development Community Protocol on Education and Training, which aims to achieve equivalence, harmonisation and standardisation of education in the region.

International partnerships and South-South exchanges are fostered particularly within the African continent.

The Department has a strong collaborative relationship with the UN Educational, Scientific and Cultural Organisation. A key initiative of the collaboration is the development of national Education For All (EFA) action plans. As part of regional consultations on the implementation, the Department participates in assessing progress in the elaboration of the EFA plans of countries in sub-Saharan Africa, and exchanges information and best practice on the development of these plans. South Africa has re-

affirmed its commitment to the Ministers of Education of African member states to make the experience, expertise and existing infrastructure of South African HE available to the rest of Africa.

In March 2004, the Ministry of Education and the German Ambassador to South Africa, Ms Anna-Margareta Peters, held a meeting to explore ways to strengthen collaboration between the two countries.

This forms part of government's strategy to encourage the study of foreign languages in South African schools and institutions of higher learning.

The German Government supports 100 public and independent schools that offer German language instruction to over 13 000 learners.

It also offers scholarships and exchange programmes to teachers and students, and supports 57 formal co-operation agreements between local and German HE institutions.

This collaboration will also seek to establish a stronger relationship between the German *Abitur* examinations and the new FETC to be introduced in 2008.

The combination of German *Abitur* and National Curriculum Statement Grades 10 – 12 (General) subjects will only be offered at German schools and will be open to all South African learners.

The German Government offered the services of a subject adviser to be seconded to the Department of Education over a two-year period to finalise this task.

In April 2004, the EU granted South Africa about R500 million for the building of 150 new schools and the refurbishment of many others.

Library and information services (LIS) sector

On 12 March 2004, the National Council for LIS was launched, eight years after the idea was first mooted.

The Council aims to advise the Ministers of Arts and Culture and of Education on matters relating to the development and co-ordination of LIS.

It will also advise the Ministers on policies governing the allocation of public funds, and on how to promote literacy and a culture of reading.

South African libraries have developed over a period of more than 150 years. The world's first free public library service was established by Lord Charles Somerset in 1820, by levying a tax on the sale of wine. When he returned to England, tax reforms by the new governor spelt the end of the free library; but it formed the basis of what is today the National Library of South Africa in Cape Town.

By 1900, subscription libraries were operating in most towns and cities, financed by annual membership fees and in most cases, grants from local authorities. An investigation in the 1930s by the Carnegie Corporation of New York found most of these libraries inadequate and poorly funded. The necessity for government support to ensure free public libraries was recognised.

By the 1950s, all four provinces of the Union of South Africa had ordinances that set out the functions of local and provincial government, and public library development gathered momentum.

In 1985, librarians commissioned UNISA to investigate the role that libraries can and should play in developing South Africa. The result was that greater emphasis was placed on providing material that would support formal and informal education. Outreach programmes to schools and pre-schools received priority. Many libraries also started presenting literacy classes for adults.

South Africa's growing LIS sector includes a national library, public/community libraries, special libraries, government libraries and HE libraries. By mid-2003, South Africa had more than 11 373 libraries, with 77 HE libraries, 9 416 school libraries, 79 government departmental libraries, one national library with two branches, and 1 800 public libraries provided by provincial and local government (library services and metro libraries). Less than 10% of secondary schools had school libraries.

The nine provincial library authorities provide, in partnership with local governments, extensive public library services. Public libraries, among other services, increasingly render community and general information services, and provide study material and facilities for school and tertiary students.

The approximately 1 800 public libraries in the country have to provide services to a total popula-

tion of about 44,8 million. According to Census 2001 figures, this translates to one library service point for every 25 000 people.

The HE libraries hold the bulk of South Africa's scientific and scholarly information resources and fulfil more than half of all the interlibrary loan requests. Pressures on the HE libraries include redistribution of educational resources, rising prices, and declining student numbers. These libraries have responded by forming consortia, looking at access and exploring digital resources.

Special libraries refer to libraries that consist of subject-specialised collections, including private organisations' libraries and government departmental libraries.

Policy Framework for School Libraries

By July 2004, the Department of Education was working on the Policy Framework for School Libraries. This draft document locates itself within the context of the socio-political and educational transformation that is driven by the new legislative framework, and the educational paradigm shift to OBE.

The draft policy argues that teachers and learners will only be able to access an OBE curriculum if they have access to learning resources. This has implications for the way school libraries conceptualise, manage and provide resources.

The draft policy recommends different models of school libraries to provide access to resources for learners, and draws attention to the relationship between the school library, the curriculum and learning resources. It also supports the view that the school library is a facility ideally suited to providing learners with a wide range of curriculum-orientated resources in diverse media forms, as required by an OBE system.

Library Association of South Africa (LIASA)

Librarians recognise the value that association membership and participation offer them.

The LIS sector professionals have established the LIASA to unite all the institutions and persons engaged in the LIS sector in South Africa.

LIASA's mission advocates and supports the provision of an efficient, user-orientated and excellent LIS that aspires to enhance equitable access to information for all communities in South Africa. However, unlike lawyers, doctors and dentists who may be required to be members of a legally constituted association in order to practise, librarians are under no legal obligation to belong to State, national or professional groups.

LIASA's role in the profession is therefore to:

- provide a direct channel of communication between every member and the Association through a number of publications, both in print and electronic format
- provide opportunities for continuous training and development
- provide access to professional expertise
- act as a powerful advocate for the LIS sector

- provide authoritative policy advice to government and other agencies
- provide an active and consultative process of governance in which the membership is encouraged to be involved
- facilitate development and networking of members through the structures of the organisation in branches, interest groups, etc.
- organise and support international and regional events such as the Standing Conference of Eastern, Central and Southern African Library and Information Associations, and international Federation of Library Associations and Institutions.

LIASA organises the annual Library Week traditionally held in March.

LIASA, through its diverse membership, is driving the process to make Library Week a celebration of the country's intellectual and literary heritage at all types of libraries across the country.

Acknowledgements

BuaNews

Department of Arts and Culture

Department of Education

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Library and Information Association of South Africa

National Library of South Africa

Pretoria News

South African Qualifications Authority

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Environmental management

South Africa is known for its impressive coastline, breathtaking scenery, and diverse and interesting wildlife and plant species. It also boasts a geological wonderland (See chapter 16: *Minerals, energy and geology*.)

The Department of Environmental Affairs and Tourism is the central policy-formulating and co-ordinating body responsible for taking care of South Africa's precious environment.

The Department's mission is to lead the sustainable development of South Africa's environment, by:

- promoting the sustainable development and conservation of the country's natural resources
- protecting and improving the quality and safety of the environment

- promoting a global sustainable-development agenda.

At regional level, the provincial conservation agencies are major role-players, and independent statutory organisations such as South African National Parks (SANParks) and the South African National Biodiversity Institute (SANBI) (until recently the National Botanical Institute [NBI]) are valuable partners in the country's total conservation effort.

In accordance with the National Environment Management Act, 1998 (Act 107 of 1998), the Committee for Environmental Co-ordination was established to harmonise the work of government departments on environmental issues, and to co-ordinate environmental implementation and national



management plans at provincial level. The Act sets principles for effective management of the environment, which all organs of the State have to comply with in their decision-making. The Act also makes provision for the National Environmental Advisory Forum, where stakeholders and experts advise the Minister of Environmental Affairs and Tourism on environmental-management issues.

The National Environmental Management Act, 1998 requires national and provincial departments to compile Environmental Implementation Plans (EIPs) and Environmental Management Plans, providing a legal framework for environmental development.

One of the most far-reaching interventions around co-operative governance since 1994 has been the

introduction of Environmental Impact Assessments (EIAs). Some EIAs are considered at national level, but the vast majority of development applications are processed by the provinces.

The Department processes 100 applications in terms of the EIA regulations annually. During 2003/04, it authorised applications with an equitable value of about R20 billion. As part of its law-reform process, the Department of Environmental Affairs and Tourism has identified the need to revise the current approach to the regulation of EIAs.

The new draft EIA regulations aim to, among other things:

- facilitate a streamlined administrative process
- clearly specify listed activities to remove existing

uncertainties

- provide for stricter application in sensitive areas
- provide a mechanism to exclude certain activities in areas which are not sensitive
- provide a mechanism for municipalities to control environmental impact in certain instances through the planning process
- provide for more appropriate public participation and the assessment of issues raised by communities.

After taking into account public comment, the final draft regulations were expected to be promulgated in 2005.

The Department has developed a series of information documents on integrated environmental management, which are available in printed and electronic format.

State of the environment

The greatest challenge for South Africa and the rest of the world is to improve the quality of human life for both present and future generations, without depleting its natural resources. This can only be achieved through a healthy natural environment which supplies raw material; absorbs and treats waste products; and maintains water, soil and air quality.

Food security, water provision and climatic stability depend on having properly functioning ecosystems, stable levels of biodiversity, sustainable rates of resource extraction, and a minimal production of waste and pollution.



World Wetlands Day: 2 February
National Water Week: 19 to 25 March
Earth Day: 20 March
World Water Day: 22 March
World Meteorological Day: 23 March
World Environment Day: 5 June
World Desertification Day: 17 June
National Arbor Week: 1 to 7 September
International Day for the Protection of the
Ozone Layer: 16 September
World Tourism Day: 27 September
World Habitat Day: 4 October
National Marine Day: 20 October

To this end, the United Nations (UN) General Assembly Conference on Environment and Development adopted Agenda 21 in 1992 as the global strategy for sustainable development.

South Africa has taken several steps to implement Agenda 21 at national and local level, including reforming environmental policies, ratifying international agreements, and participating in many global and regional sustainable-development initiatives.

World Summit on Sustainable Development (WSSD)

Johannesburg hosted the WSSD, which took place from 26 August to 4 September 2002.

Representatives of nearly 200 countries with widely divergent positions attended. The agreements reached in Johannesburg are a guide to action that will take forward the UN Millennium Summit Declaration's goal of halving world poverty by 2015, and incorporate decisions taken by world bodies since the Rio Earth Summit in 1992.

Among the victories of the WSSD was the launch of over 300 partnerships, including 32 energy initiatives, 21 water programmes and 32 programmes for biodiversity and ecosystem management.

The biggest success was getting the world to turn the UN Millennium Declaration into a concrete set of programmes and mobilise funds for these programmes. The WSSD focused on the most marginalised sectors of society, including women, the youth, indigenous people and people with disabilities.

The Implementation Plan includes programmes to deliver water, energy, healthcare, agricultural development, a better environment for the world's poor, and targets for the reduction of poverty and protection of the environment.

Targets set at the Summit will have an enormous impact:

- the number of people without basic sanitation and access to safe drinking water will be halved by 2015
- biodiversity loss is to be reversed by 2010, and collapsed fish stocks restored by 2015
- chemicals with a detrimental health impact will be phased out by 2020

- energy services will be extended to 35% of African households over the next 10 years.

The former Minister of Environmental Affairs and Tourism, Mr Mohammed Valli Moosa, chaired the 11th Session of the UN Commission on Sustainable Development (CSD) in New York in April 2003.

A Multi-Year Programme of Work to be achieved by 2016/17 was drawn up according to different thematic clusters:

- 2004/05: Water, Sanitation and Human Settlements
- 2006/07: Energy for Sustainable and Industrial Development, and Air Pollution/Atmosphere Climate Change
- 2008/09: Agriculture, Rural Development, Land, Drought, Desertification and Africa
- 2010/11: Transport, Chemicals, Waste Management, Mining and a 10-year framework of programmes on Sustainable Consumption and Production Patterns
- 2012/13: Forests, Biodiversity, Biotechnology, Tourism and Mountains
- 2014/15: Oceans and Seas, Marine Resources, Small Island Developing States, Disaster Management and Vulnerability
- 2016/17: Overall Appraisal of the Implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21, and the Johannesburg Plan of Implementation.

Johannesburg +2 Sustainable Development Conference

The follow-up to the WSSD, the Johannesburg +2 Sustainable Development Conference, was held in Sandton, Johannesburg, in September 2004. The Conference was held as part of the second anniversary of the WSSD.

Discussions were largely informed by the work of the CSD.

The Conference aimed to:

- enhance South African dialogue on sustainable development implementation
- enhance public awareness of WSSD implementation
- strengthen relationships with civil society and business

- build a common commitment to sustainable development.

The themes for the Conference were:

- Water and Sanitation
- Human Settlements
- Energy/Climate Change, and Air Pollution/Industrial Development
- Agriculture and Food Security
- Means of Implementation (governance, finance, trade, corporate responsibility, etc.)
- Technology.

The key presentations focused on government's Vision 2014 for South Africa, sustainable development and poverty eradication in South and southern Africa, the Millennium Development Goals, sustainable development in Africa, the international climate, and the challenges of implementation.

Biological diversity

South Africa enjoys the third-highest level of biodiversity in the world. The country's rich natural heritage is vast and staggering in its proportions. For example, over 3 700 marine species occur in South African waters and nowhere else in the world. The remarkable richness of South Africa's biodiversity is largely the result of the mix of tropical Medit-



Cabinet declared February 2004

Environmental Health Month. The theme for the Month was *Let's Protect Our Human Environment, Our People, Our Nation, Our World*. This coincided with the 8th Environmental Health World Congress that was hosted by the South African Institute of Environmental Health in Durban.

The primary objective of the Congress was to provide an international forum to discuss issues, exchange ideas, promote awareness and facilitate networking opportunities.

The Congress focused on, among other issues, environmental health management; food management and safety; the effect of pollution on present and future generations; Agenda 21; water and sanitation as a right; and waste management and legislation as a key to environmental health implementation.

Emphasis was also placed on finding solutions for environmental problems encountered in Africa.

About 600 health experts from across the globe attended the Congress.

erranean and temperate climates and habitats occurring in the country. Some 18 000 vascular plant species occur within South Africa's boundaries, of which 80% occur nowhere else. More plant species occur within 22 000 hectares (ha) of the Table Mountain National Park (formerly the Cape Peninsula National Park), than the whole of the British Isles or New Zealand.

In addition to South Africa's extraordinarily varied plant life, a wealth of animal life exists in the region. The country hosts an estimated 5,8% of the world's total mammal species, 8% of bird species, 4,6% of the global diversity of reptile species, 16% of the total number of marine fish species, and 5,5% of the world's classified insect species. In terms of the number of mammal, bird, reptile and amphibian species which occur in this country only, South Africa is the 24th-richest country in the world and the fifth-richest in Africa.

South Africa is home to a diversity of spiders – 66 families comprising more than 6 000 species. The country also boasts 175 species of scorpion.

South Africa's marine life is similarly diverse, partly as a result of the extreme contrast between the water masses on the east and west coasts. Three water masses – the cold Benguela Current, the warm Agulhas Current, and oceanic water – make the region one of the most oceanographically heterogeneous in the world. According to the *White Paper on the Conservation and Sustainable Use of*

South Africa's Biological Diversity, over 10 000 plant and animal species – almost 15% of the coastal species known worldwide – are found in South African waters, with about 12% of these occurring nowhere else.

The easiest way to describe the country's natural heritage is on the basis of a systematic classification of regions, or biomes. A biome is a broad ecological unit representing a major life zone, which extends over a large area, and contains relatively uniform plant and animal life closely connected with environmental conditions, especially climate.

The White Paper states that South Africa is one of six countries in the world with an entire plant kingdom within its national confines. Known as the Cape Floral Kingdom, this area has the highest recorded species diversity for any similar-sized temperate or tropical region in the world.

Other biomes in the country are also of global conservation significance; for example, one-third of the world's succulent plant species is found in South Africa.

There are eight major terrestrial biomes, or habitat types, in South Africa. These biomes can, in turn, be divided into 70 veld types.

The degree to which each of these biomes is threatened varies, depending on the fertility of the soil, the economic value derived from use of the area, human population pressures, and the extent to which the biome is conserved in protected areas.

Biodiversity values in South Africa

	Biome	Veld type	Number of species				
			Plant	Mammal	Bird	Amphibian	Reptile
Eastern Cape	6	29	6 383	156	384	51	57
Free State	3	19	3 001	93	334	29	47
Gauteng	2	9	2 826	125	326	25	53
KwaZulu-Natal	3	19	5 515	177	462	68	86
Limpopo	2	14	4 239	239	479	44	89
Mpumalanga	2	20	4 593	160	464	48	82
Northern Cape	4	20	4 916	139	302	29	53
North West	2	10	2 483	138	384	27	59
Western Cape	6	19	9 489	153	305	39	52

Source: Department of Environmental Affairs and Tourism. Plant defined as angiosperm and gymnosperm. Data taken from the National Herbarium Pretoria Computerised Information System database, May 2003.

Biome counts taken from Rutherford (1997) with thicket from Louw & Rebelo (1998).

Veld types taken from Acocks (1988).

Savanna Biome

This Biome is an area of mixed grassland and trees, and is generally known as bushveld.

In the Northern Cape and Kalahari sections of this Biome, the most distinctive trees are the camel thorn (*Acacia erioloba*) and the camphor bush (*Tarchonanthus camphoratus*). In Limpopo, the portly baobab (*Adansonia digitata*) and the candelabra tree (*Euphorbia ingens*) dominate. The central bush-veld is home to species such as the knob thorn (*Acacia nigrescens*), bushwillow (*Combretum spp.*), monkey thorn (*Acacia galpinii*), mopani (*Colophospermum mopane*) and wild fig (*Ficus spp.*). In the valley bushveld of the south, euphorbias and *spekboom* trees (*Portulacaria afra*) dominate.

An abundance of wild fruit trees provide food for many birds and animals in the Savanna Biome.

Grey loeries, hornbills, shrikes, flycatchers and rollers are birds typical of the northern regions. The subtropical and coastal areas are home to Knysna loeries, purple-crested loeries and green pigeons. Raptors occur throughout the Biome.

The larger mammals include lion, leopard, cheetah, elephant, buffalo, zebra, rhinoceros, giraffe, kudu, oryx, waterbuck, hippopotamus and many others.

About 8,5% of the Biome is protected. The Kruger National Park, Kgalagadi Transfrontier Park, Hluhluwe-Umfolozi Park, Greater St Lucia Wetlands Park (GSLWP) and other reserves are located in the Savanna Biome.

Nama-Karoo Biome

This Biome includes the Namaland area of Namibia, and the Karoo area of South Africa.

Because of low rainfall, rivers are non-perennial. Cold and frost in winter and high temperatures in summer demand special adaptations from plants. The vegetation of this Biome is mainly low shrubland and grass, with trees limited to water courses. The bat-eared fox, black-backed jackal, ostrich, suricate and ground squirrel are typical of the area.

Only 1% of the Nama-Karoo Biome falls within officially protected areas, of which the Karoo and Augrabies national parks are the largest.

Overgrazing and easily eroded soil surfaces are causing this semi-desert to creep slowly in on the neighbouring Savanna and Grassland biomes.

Grassland Biome

This Biome is a summer-rainfall area with heavy thunderstorms and hail, and frost in winter. A number of perennial rivers such as the Orange, Vaal, Pongola, Kei and Umzimvubu originate in, and flow through, the area. Trees are scarce and are found mainly on hills and along river beds. Karee (*Rhus lancea*), wild currant (*Rhus pyroides*), white stinkwood (*Celtis africana*) and several acacia species are the most common.

The Grassland Biome has the third-largest number of indigenous plant species in the country.

Eight mammal species endemic to South Africa occur in a wild state in this Biome. Three of these, namely the black wildebeest, blesbok and eland, do not occur outside the Grassland Biome.

The area is internationally recognised as an area of high species endemism as far as birds are concerned. Birds commonly found in the area include the black korhaan, blue crane, guinea-fowl and other grassland birds.

Only 1,1% of the Grassland Biome is officially protected. The wilderness areas of the KwaZulu-Natal Drakensberg are the most significant.

Succulent Karoo Biome

One of the natural wonders of South Africa is the annual blossoming of the Namaqualand wild flowers (mainly of the family *Asteraceae*), which transforms



The National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004), was signed into law in June 2004.

The Act aims to ensure the management and conservation of South Africa's biological diversity, the sustainable use of biological resources, and the fair and equitable sharing of benefits arising from the use and application of genetic resources and material.

The Act also provides for the establishment of the South African National Biodiversity Institute, replacing the National Botanical Institute. The Biodiversity Institute will regulate and manage botanical gardens, and act as an advisory and consultative body to State organs and biodiversity stakeholders on related matters.

the semi-desert of the Northern Cape into a fairyland. After rain, the drab landscape is suddenly covered from horizon to horizon with a multicoloured carpet (from August to October, depending on the rainfall).

This is a winter-rainfall area with extremely dry and hot summers. Succulents with thick, fleshy leaves are plentiful. Most trees have white trunks to reflect the heat.

The quiver tree (*Aloe dichotoma*) and the human-like elephant's trunk (*Pachypodium namaquanum*) are prominent in the Richtersveld. Grass is scarce.

The animal life is similar to that of neighbouring biomes (*Fynbos* and Nama-Karoo).

The Richtersveld, Tankwa Karoo and Namaqua national parks have improved the conservation status of this Biome considerably.

Fynbos Biome

The *Fynbos* Biome is one of the six accepted floral kingdoms of the world. This region covers only 0,04% of the land surface of the globe.

Fynbos is found mainly in the Western Cape. It is a winter-rainfall area, and the *fynbos* vegetation is similar to that of mediterranean regions.

Fynbos is the name given to a group of evergreen plants with small, hard leaves (such as those in the *Erica* family). It is made up mainly of three groups of plants, namely the protea, heathers and restio, and incorporates a diversity of plant species (more than 8 500 kinds, over 6 000 of which are endemic).

The *Fynbos* Biome is home to the protea, for which South Africa is renowned. The Biome also contains flowering plants, now regarded as garden plants, such as freesia, tritonia, sparaxis and many others.

Protected areas cover 13,6% of the *Fynbos* Biome and include the Table Mountain and Agulhas national parks.

This Biome is not very rich in bird and mammal life, but does include the grysbok, the geometric tor-

toise, the Cape sugar-bird and the protea seed-eater, which are endemic to the area. The mountains are the habitat of the leopard, baboon, honey-badger, caracal, rhebuck and several types of eagle.

Forest Biome

South Africa has few forests. The only forests of significance are the Knysna and Tsitsikamma forests in the Western and Eastern Cape, respectively.

Other reasonably large forest patches that are officially protected are in the high-rainfall areas of the eastern escarpment, and on the eastern seaboard. Forest giants such as yellowwood (*Podocarpus spp.*), ironwood (*Olea capensis*) and lemonwood (*Xymalos monospora*) dominate.

The indigenous forests are a magical world of ferns, lichens, and colourful forest birds such as the Knysna loerie, the endangered Cape parrot and the rameron pigeon. Animals include the endangered samango monkey, bushpig, bushbuck and the delicate blue duiker.

Thicket Biome

Subtropical thicket ranges from closed shrubland to low forest, dominated by evergreen succulent trees, shrubs and vines.

It is often impenetrable and has little herbaceous cover. Roughly 20% of the species in the Thicket Biome are endemic to the Biome.

Desert Biome

True desert is found under very harsh environmental conditions which are even more extreme than those found in the Succulent Karoo and the Nama-Karoo biomes. The climate is characterised by summer rainfall, but also by high levels of summer aridity. Rainfall is highly variable from year to year. Desert is found mostly in Namibia, although it does occur in South Africa in the lower Orange River Valley.

The vegetation of the Desert Biome is characterised by the dominance of annual plants (often annual grasses). This means that after a rare season of abundant rain, the desert plains can be covered with a sea of short annual grass, whereas in drier years, the plains appear bare with the annual plants persisting in the form of seeds.

South Africa's entry for the 2004 Chelsea Flower Show in London, United Kingdom, in May 2004, entitled *Under an African Sun*, celebrated South Africa's 10 Years of Freedom and marked the country's 26th gold medal at the show.



Perennial plants are usually encountered in specialised habitats associated with local concentrations of water. Common examples of such habitats are broad drainage lines or washes. Nearer to the coast, the role of coastal fog also governs the distribution of certain species commonly associated with the desert.

The Desert Biome includes an abundant insect fauna which includes many tenebrionid beetles, some of which can utilise fog water. There are also various vertebrates including reptiles, springbok, ostrich, gemsbok, snakes and geckos.

Some areas in the Desert Biome are formally protected in the Richtersveld National Park.

Preserving biodiversity

Biodiversity plays a crucial role in sustainable development and poverty eradication. Fundamental changes to the legislative, policy and institutional framework for natural resource management have resulted in a shift in focus over the last 10 years, from an elitist conservation approach to a management approach based on South Africa's recognition of the contribution of biological resources to food security, science, economy, cultural integrity and well-being.

The country's conservation areas contribute to job creation and socio-economic upliftment, and continue to serve as a foundation of the tourism industry.

South Africa is a very popular tourist destination. The main attractions are nature-based tourism facilities such as national parks and private game reserves.

There are some 9 000 privately owned game ranches in South Africa, expanding at a rate of 300 000 ha per year. The contribution of these areas in maintaining South Africa's unique biodiversity is incalculable.

The Department of Environmental Affairs and Tourism hosted the first National Biodiversity Strategy and Action Plan Workshop in March 2004.

The main strategic objectives of the National Biodiversity Strategy and Action Plan are to:

- ensure that the protection of biodiversity is a

priority for all South Africans and forms an integral part of all economic sectors

- enhance institutional effectiveness and efficiency to ensure good governance in the biodiversity sector
- ensure that benefits derived from biodiversity and the costs of maintaining a sustained flow of environmental goods and services are equally shared
- ensure the direct and indirect consumptive use of biological resources in a sustainable manner
- engage with the international community to promote and develop cross-boundary and international co-operation and partnerships, to meet South Africa's international obligations and commitments as far as possible, within the context of national priorities and constraints.

Many successes have been achieved in South Africa by various role-players in terms of the conservation of endangered species, e.g. white rhinoceros, African elephant, the cheetah and the wild dog.

Conservation areas

South Africa is committed to meeting the World Conservation Union (IUCN) target of 10% of land area under protection.

There are a number of management categories of protected areas in South Africa, which conform to the accepted categories of the IUCN.

The National Environment Management: Protected Areas Act, 2003 (Act 57 of 2003), seeks to establish a representative system of protected areas as part of a national strategy to protect South Africa's biological diversity, and to ensure that biodiversity is able to bring about sustainable benefits for future generations.



With over 500 bird species, including black coucals, narina trogons, Pel's fishing owls, crowned eagles, black eagles and the African finfoot, the Kruger National Park is a birding paradise. The Park is tapping into its wealth of bird species to boost its income. The Park hosts an annual Big Birding Day, which is becoming a very popular event.

The Park is home to an impressive number of species: 1 990 plant, 53 fish, 35 amphibian, 118 reptile and 148 mammal species.

It also enables the Minister of Environmental Affairs and Tourism to acquire private land by purchasing land rights for the creation of protected areas.

The Protected Areas Amendment Bill, which was expected to be passed in 2004, will further address issues of co-operative governance with provincial and local authorities. It will empower the Department to conclude fair negotiations with communities and private landowners for the inclusion of some of their land in South Africa's protected areas.

Scientific reserves

Scientific reserves are sensitive and undisturbed areas managed for research, monitoring and maintenance of genetic sources. Access is limited to researchers and staff. Examples of such areas are Marion Island and the Prince Edward Islands near Antarctica.

Wilderness areas

These areas are extensive in size, uninhabited and underdeveloped, and access is strictly controlled since no vehicles are allowed. The highest management priority is the maintenance of the intrinsic wilderness character. Examples of wilderness areas are the Cedarberg Wilderness Area and Dassen Island in the Western Cape, and the Baviaanskloof Wilderness Area in the Eastern Cape.

Marine protected areas (MPAs)

In June 2004, the Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk, announced four new MPAs to complement and consolidate the country's existing marine and coastal conservation areas.

The new areas are Aliwal Shoal on the south coast of KwaZulu-Natal, the coastal and marine environment of Pondoland in the Eastern Cape, the Bird Island Group at Algoa Bay, and Table Mountain National Park in the Western Cape.

By mid-2004, the Department of Environmental Affairs and Tourism was still negotiating the protection of a large area of continental shelf off Namaqualand.

The proposed MPAs will not prohibit tourism activities such as sport-diving operations, but rather

aim to regulate them. Managerial authority for three of the proposed MPAs (Namaqualand, Bird Island and Table Mountain National Park) will be vested with SANParks.

Some of the protection measures to be implemented will be restrictions for people who want to fish, as well as restrictions for stowing fishing gear when fishing with a vessel. Spear fishers will not be allowed in these areas.

Scuba divers will be required to obtain permits when diving at the restricted zones in the Table Mountain National Park.

The Pondoland MPA will be one of South Africa's largest protected areas. Including 90 km of coastline and extending about 15 km out to sea (to the 1 000 m isobath), it will cover 1 300 km². The extremely narrow continental shelf off Pondoland marks the start of the annual sardine run, which *National Geographic* has rated as the most exciting diving opportunity in the world. The development of tourism in this impoverished region is a priority, and the establishment of the MPA is the first step in realising the potential of this scenic stretch of coastline.

The protection of the Bird Island Group (Bird, Seal and Stag islands) in Algoa Bay is the first step in the seaward extension of the Greater Addo Elephant National Park. Bird Island is home to several species of red-data listed seabirds (such as the Cape gannet, roseate tern and African penguin), while the reefs around the Island are important for abalone and linefish, many species of which are threatened. Bird Island has been the target of abalone poachers, and the immediate protection of the Island is regarded as a priority.

The Table Mountain National Park MPA includes all the coastal waters around the Cape Peninsula from Mouille Point in the west to Muizenberg in the east. It is the area that has the longest history of commercial fishing in South Africa.

The MPA will be an extension of the Table Mountain National Park. It will include six areas that are closed to fishing, but the majority of the MPA will remain open to fishing. The closed areas have been located for the protection of abalone, rock lobster, linefish and penguin, and scuba-diving sites.

Aliwal Shoal has long been in need of protection. The diving industry in particular will benefit from such protection, and KwaZulu-Natal will add another well-managed natural resource to its already-impressive list of tourist destinations.

National parks and equivalent reserves

SANParks manages various national parks, representative of the country's important ecosystems and unique natural features. Commercial and tourism-conservation development and the involvement of local communities are regarded as performance indicators. These areas include national parks proclaimed in terms of the National Parks Act, 1976 (Act 57 of 1976), provincial parks, nature reserves and indigenous State forests.

Some of these natural and scenic areas are extensive in size, and include large representative areas of at least one of the country's biomes. Since 1994, parks under SANParks have expanded by 166 071 ha.

The national parks are: Kruger National Park; Kalahari Gemsbok National Park (part of the Kgalagadi Transfrontier Park); Addo Elephant National Park; Bontebok National Park; Mountain Zebra National Park; Golden Gate Highlands National Park; Tsitsikamma National Park; Augrabies Falls National Park; Karoo National Park; Wilderness National Lakes Area; West Coast National Park; Tankwa Karoo National Park; Knysna National Lakes Area; Marakele National Park; Richtersveld National Park; Vaalbos National Park; Agulhas National Park; Namaqua National Park; Table Mountain National Park, which incorporates the Cape of Good Hope, Table Mountain and Silvermine nature reserves; and the Mapungubwe National Park, which was opened in September 2004.

During 2003/04, more land was brought under protection; resulting in the expansion of the Addo Elephant and Mountain Zebra national parks in the Eastern Cape, Marakele in Limpopo, the Namaqualand Park in the Northern Cape, as well as the Cape Agulhas and Table Mountain national parks in the Western Cape.

The Free State Government agreed in principle to link the Qwa-Qwa Game Reserve with the Golden Gate Highlands National Park and to bring the two areas under SANParks' management. The former Minister of Environmental Affairs and Tourism and the Free State Government signed a Memorandum of Understanding to this effect in March 2004.

The consolidated Park will span almost 34 000 ha of grassland, presenting an opportunity to expand the Park along the lines of the Transfrontier Conservation Area (TFCA) Programme.

Agreement was also reached with the Eastern Cape Government on the management of Woody Cape by SANParks, as an integral part of the greater Addo Elephant National Park.

During 2003/04, SANParks contributed to socio-economic development among historically disadvantaged neighbouring communities in a number of ways. More than 75% of about R35 million worth of commercial development projects was allocated to empowerment contracts.

In July 2004, the Minister of Environmental Affairs and Tourism proclaimed more than 66 480 ha of new land to be incorporated into the country's national park system.

The expansion includes the Vhembe-Dongola National Park in Limpopo which will acquire more than 1 725 ha of land, the Western Cape's Agulhas National Park which will acquire 3 636 ha; the Karoo National Park, 17 405 ha; the Namaqua National Park, 34 246 ha; Augrabies Falls National



The Mapungubwe National Park in Limpopo boasts numerous archaeological sites dating from the Early Stone Age to the present. Situated on the international borders between Botswana, Zimbabwe and South Africa, the Park was proclaimed a World Heritage Site on 5 July 2003.

The South African Government invested about R100 million in the consolidation and development of the 22 500 hectares core area.

By September 2004, the restoration of the archaeological sites; and the construction of roads, rest camps, fencing and other infrastructure had provided some 1 000 temporary jobs.

Mapungubwe showcases some of the most threatened large mammals on earth, such as the white rhinoceros and the wild dog.

Park, 2 121 ha; the West Coast National Park, 6 772 ha; and the Table Mountain National Park, 573 ha of additional land.

There are currently six TFCAs along borders with neighbouring countries, at various stages of development: the Great Limpopo Transfrontier Park (GLTP), Kgalagadi, Lubombo, Ais-Ais/Richtersveld, Maloti-Drakensberg and Limpopo-Shashe. These are conservation landmarks, significantly promoting regional integration, greater biodiversity, environmental tourism and economic growth.

The proposed GLTP covers South Africa's Kruger National Park, Mozambique's Limpopo National Park and the Gonarezhou National Park in Zimbabwe.

In 2004, South Africa dropped large portions of the border fence and completed the construction of the South African side of the Gariyondo Border Post. South Africa also invested R40 million in tourism-related infrastructure.

National and cultural monuments

These are natural or cultural features, or both, and may include botanical gardens, zoological gardens, natural heritage sites, and sites of conservation significance.

In May 1997, South Africa ratified the World Heritage Convention. The South Africa World Heritage Convention Committee is responsible for the identification of possible sites in South Africa and the co-ordination of the Convention.

The World Heritage Convention Act, 1999 (Act 49 of 1999), allows for cultural and natural sites in South Africa to be granted world heritage status. The Convention obliges the South African Government to guarantee its implementation, ensure legal

protection, and develop management plans and institutional structures for periodic monitoring.

The Act makes the principles of the Convention applicable to South Africa's world heritage sites, and further provides for the adequate protection and conservation of these sites to promote tourism in a culturally and environmentally responsible way.

South Africa has six world heritage sites proclaimed by the United Nations Educational, Scientific and Cultural Organisation, namely Robben Island; the GSWLP; the hominid sites at Swartkrans, Sterkfontein and Kromdraai (known as the Cradle of Humankind); the Ukhahlamba-Drakensberg Park (a mixed natural and cultural site); the Mapungubwe Heritage Site; and the Cape Floral Kingdom.

Covering a total of more than 553 000 ha, the Cape Floral Kingdom World Heritage Site comprises eight separate protected areas stretching from the Cape Peninsula to the Eastern Cape.

The Site is also unique because it is the first in the world to include a botanical garden, the Kirstenbosch National Botanical Garden.

By July 2004, the number of world heritage sites stood at 788. A total of 154 were natural sites, 611 cultural sites, while 23 were mixed sites.

Habitat- and wildlife-management areas

These areas are subject to human intervention, based on research into the requirements of specific species for survival. They include conservancies; provincial, regional or private reserves created for the conservation of species habitats or biotic communities; marshes; lakes; and nesting and feeding areas.

Protected land and seascapes

These areas are products of the harmonious interaction of people and nature, and include natural environments protected in terms of the Environment Conservation Act, 1989 (Act 73 of 1989), scenic landscapes, and historical urban landscapes.

Sustainable-use areas

These areas emphasise the utilisation of products on a sustainable basis in protected areas such as

In September 2004, the Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk, and the Mpumalanga Provincial Government signed a Memorandum of Understanding for the establishment of the Blyde River Canyon National Park.

The proposed National Park will be proclaimed in phases, starting in early 2005. It will feature a total consolidated area of 50 000 hectares located in the north-east escarpment and the central Lowveld bioregion in Mpumalanga.

the Kosi Bay Lake System in KwaZulu-Natal. Nature areas in private ownership are proclaimed and managed to curtail undesirable development in areas with high aesthetic or conservation potential.

Conservancies are formed to involve the ordinary landowner in conservation. One or more landowners can establish a conservancy where conservation principles are integrated with normal farming activities.

Wetlands

Wetlands include a wide range of inland and coastal habitats – from mountain bogs and fens to midland marshes, swamp forests and estuaries, linked by green corridors of streambank wetlands.

South Africa became a contracting party to the Ramsar Convention in 1975. The country's Ramsar sites include Nylsvlei Nature Reserve, Blesbokspruit, Barberspan, Seekoeivlei, Ukhahlamba-Drakensberg Park, Ndumo Game Reserve, the Kosi Bay System, Lake Sibaya, the turtle beaches and coral reefs of Tongaland, the St Lucia System, Wilderness Lakes, De Hoop Vlei, De Mond State Forest, Langebaan, Verlorenvlei and the Orange River Mouth Wetland.

The Directorate: Biodiversity Management of the Department of Environmental Affairs and Tourism is responsible for the South African Wetlands Conservation Programme. The Programme ensures that South Africa's obligations in terms of the Ramsar Convention are met.

The Programme is aimed at building on past efforts to protect wetlands in South Africa against degradation and destruction, while striving for the ideal of wise and sustainable use of resources, to ensure that the ecological and socio-economic functions of wetlands are sustained for the future.

South Africa is a member of Wetlands International, an international body dedicated to conserving the world's wetlands.

South Africa celebrated World Wetlands Day on 2 February 2004 at the Gatberg Wetlands in the Eastern Cape.

The theme for the Day was *From the Mountains to the Sea – Wetlands at Work for Us*.

World Wetlands Day marks the date of the signing of the Convention of Wetlands on 2 February 1971 in the Iranian city of Ramsar.

Botanical gardens

The South African National Biodiversity Institute (SANBI) was established on 1 September 2004 with the renaming of the NBI in terms of the Biodiversity Act, 2004 (Act 10 of 2004). SANBI, with its head office at Kirstenbosch National Botanical Garden in Cape Town, is an autonomous State-aided institute, which collects, displays and cultivates plants indigenous to South Africa; undertakes and promotes research into indigenous plants and related matters; studies and cultivates endangered plant species; promotes utilisation of the economic potential of indigenous plants; and runs environmental education programmes.

SANBI manages eight national botanical gardens in five of South Africa's nine provinces. The largest is Kirstenbosch, situated on the eastern slopes of Table Mountain in Cape Town. It houses 5 300 indigenous plant species, and was voted one of the top seven botanical gardens in the world at the World Botanical Gardens Congress in 2000.

Kirstenbosch receives more than 680 000 visitors annually. The Kirstenbosch National Botanical Garden features the Centre for Home Gardening, which includes an indigenous retail nursery.

The other gardens in the national network are the Karoo Desert in Worcester, Harold Porter in Betty's Bay, Free State in Bloemfontein, Natal in Pietermaritzburg, Lowveld in Nelspruit, Walter Sisulu (formerly Witwatersrand) in Roodepoort, and the Pretoria National Botanical Garden.

The Pretoria National Botanical Garden houses the National Herbarium of South Africa, the largest in the southern hemisphere. Research is conducted



South African National Parks hosted a Big Elephant *Indaba* at the Kruger National Park in October 2004.

The *Indaba* focused on:

- the possible impact of elephants on biodiversity
- the conservation status and future of elephants in protected areas in southern Africa
- ethics and values for the management of elephants
- the social impact of protected areas (potential risks and benefits to neighbours)
- options for managing elephants (translocation, contraception, etc.)

on 800 991 specimens of southern African plants, 150 000 tropical African specimens, 50 000 others from around the world, and 25 000 cultivated specimens.

There are also regional herbaria in Durban and at the Kirstenbosch Research Centre.

The Harold Porter Botanical Garden boasts *disa uniflora* in its national habitat (flowering from mid-December to the end of January), as well as South Africa's national flower, the king protea (*Protea cynaroides*).

Some municipalities have botanical gardens which are not controlled by SANBI. These include the Wilds and Melville Koppies in Johannesburg, the Johannesburg Botanic Garden, the Grahamstown Botanical Garden (now managed by Rhodes University) and the Municipal Durban Botanic Gardens.

Other botanical gardens in South Africa not controlled by SANBI include the Manie van der Schijff Botanical Garden (University of Pretoria), University of Stellenbosch Botanical Garden, North West University Botanical Garden (Potchefstroom Campus), University of KwaZulu-Natal Botanical Garden (Pietermaritzburg Campus), the Lost City Gardens (near Sun City, North West) and the Garden Route Botanical Garden.

The Walter Sisulu Botanical Garden owns one of the biggest collections of lithops in the world. These are found only in the southern regions of Africa.

It also accommodates more than 600 naturally occurring plant species, more than 230 bird species, as well as a number of reptiles and small mammals such as jackal and antelope, which occur in the natural areas of the Garden.

The Garden, which receives some 160 000 visitors annually, is the fastest-growing of the gardens managed by SANBI. It covers almost 300 ha and consists of landscaped and natural veld areas. All the plants in the Garden are indigenous to southern Africa.

During 2003, the former NBI completed new visitor facilities at Kirstenbosch, and was expected to complete new education, restaurant and visitor facilities at the Lowveld, Pretoria, Walter Sisulu and Free State botanical gardens during 2004. Many of these capital projects have been co-financed by the

Department of Environmental Affairs and Tourism's Poverty-Relief Unit.

SANBI is the management agency for the US\$12-million Cape Action Plan for People and the Environment Project, which aims to conserve biological diversity within the Cape Floral Kingdom. It is also the management agency for the US\$5-million Southern African Botanical Diversity Network Project that is aimed at upgrading facilities and strengthening the level of botanical expertise throughout the subcontinent. The participating countries are Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe.

The SANBI has also taken over the management of the R30-million Working for Wetlands Programme, with its offices now based at the Pretoria National Botanical Garden.

In addition to the herbarium and taxonomic research, the Kirstenbosch Research Centre in Cape Town is a centre of excellence for biodiversity research. The research programme focuses on the impact of climate change, invasive alien species and land-use on biodiversity, as well as the development of conservation plans for threatened ecosystems and species. The Centre has developed a new vegetation map for South Africa and maintains some of the most comprehensive plant databases available in South Africa.

The Leslie Hill Molecular Systematics Laboratory is one of the facilities at the Kirstenbosch Research Centre. A DNA Bank has been established at the Laboratory, in collaboration with the Royal Botanic Gardens, Kew, in the United Kingdom (UK). The Bank is funded by the UK-based Darwin Initiative and the objectives are to archive the DNA of at least one species of all 2 200 genera of South Africa's flowering plants, to train South African researchers and students in high-profile biotechnologies, and to produce a tree of life of South African plants.

The former NBI joined the Millennium Seed Bank Project in 2000. This Project is an international plant conservation programme running from 2001 to 2010, which was developed and is managed by the Seed Conservation Department at the Royal Botanic Gardens, Kew, in the UK.

Ultimately, the SANBI hopes to contribute the seed of about 2 500 of South Africa's indigenous species to this conservation effort, through the collection of verified and well-documented seed collections. This represents about 10% of South Africa's flowering plants.

Zoological gardens

The National Zoological Gardens of South Africa in Pretoria, or the Pretoria Zoo, celebrated its centenary in October 1999. It is the only zoo in South Africa with national status and is a member of the World Association of Zoos and Aquariums; the Pan-African Association of Zoological Gardens, Aquaria and Botanical Gardens; the International Union of Zooculturists; and the International Association of Zoo Educators.

The Pretoria Zoo, considered to be one of the 10 best in the world, extends over an area of about 80 ha. In 2003, the Zoo attracted 523 072 visitors.

On 1 January 2004, the Zoo's collection included 569 specimens of 97 mammal species, 1 091 specimens of 136 bird species, 14 184 specimens of 275 fish species, 56 specimens of 15 invertebrate species, 382 specimens of 90 reptile species, and 69 specimens of six amphibian species. The animal collections at the two game-breeding centres include 1 574 specimens of 52 mammal species and 97 specimens of 20 bird species.

The National Zoological Gardens of South Africa created a zoo and animal park at the Emerald Safari Resort and Casino in Vanderbijlpark. The resulting Animal World covers 314 ha consisting of a game park and zoo, which house, among others, rhino, buffalo, hippo, wild dog and a variety of bird and animal species.

The Emerald Safari Resort has 303 specimens of 44 mammal species, 212 specimens of 52 bird species, 63 species of 27 reptile species, and three specimens of three species of amphibians. All the animals were provided by the Pretoria Zoo and its two satellite breeding centres.

In March 2004, the National Zoological Gardens was declared a national research facility, subject to the provisions of the National Research Foundation

(NRF). All of the Pretoria Zoo's assets and liabilities were transferred to the NRF with effect from 1 April 2004. This presents a remarkable opportunity for the Zoo to reposition itself as one of the world leaders in breeding and researching endangered species. The NRF is a government agency responsible for supporting and promoting research and the provision of research facilities to facilitate the creation of knowledge, innovation and development in all fields of science and technology. (See chapter 18: *Science and technology*.)

The Johannesburg Zoological Gardens, or Johannesburg Zoo, covering some 81 ha and boasting more than 10 000 animals, celebrated its 100th birthday in 2004.

In January 2004, four southern screamers (a rare type of South American waterfowl), made their appearance at the Johannesburg Zoo – the first time such birds had ever hatched in South Africa.

The Zoo is also renowned for its other successful programmes for breeding several endangered South African bird species such as the wattled crane and ground hornbill.

The animals are kept in open-air enclosures, separated from the public by dry or water moats. The enclosures include the internationally acclaimed gorilla complex, the pachyderm section and the section for large carnivores.

Of particular interest are the African elephants, golden lion tamarins and sitatunga.

Breeding centres

There are a number of breeding centres in South Africa. The National Zoological Gardens of South Africa is responsible for the management of the Lichtenburg Game-Breeding Centre, which covers



The Johannesburg Zoo's most famous resident, Max the gorilla, died in May 2004.

The 250-kg primate became a household name in 1997 when a criminal on the run from the police entered the gorilla's enclosure in an effort to escape pursuit and was attacked by Max, who interpreted his presence as a threat to his mate, Lisa.

Max celebrated his 33rd birthday on 6 March 2004.

an area of some 4 500 ha, and the Game-Breeding Centre near Mokopane, covering an area of 1 334 ha. The two centres supplement the Zoo's breeding programme for various endangered animals, and the Zoo's own animal collection.

The Lichtenburg Game-Breeding Centre houses, among other animals, Père David's deer, pygmy hippopotamus, white rhino, the endangered addax, and scimitar-horned and Arabian oryx. Large herds of impala, springbok, zebra, blesbok and red hartebeest also roam the area.

About 32 ha of the wetland area at the Centre have been developed into a system of dams and pans, which serves as a natural haven for waterbirds such as spoonbills, kingfishers, ibises and herons.

The Mokopane Game-Breeding Centre is home to an abundance of exotic and indigenous fauna such as lemur, rare tsessebe, roan antelope and black rhino.

The renowned De Wildt Cheetah Breeding and Research Centre, situated near Pretoria, is best known for its highly successful captive-breeding programme. De Wildt also breeds a number of rare and endangered African species, the most spectacular of which is the magnificent king cheetah. It also plays a major role in the breeding of wild dogs.

The Hoedspruit Research and Breeding Centre for Endangered Species in Mpumalanga is another well-known breeding centre. The Centre caters for, among other things, five species of vulture: Cape griffins, whitebacked, hooded, whiteheaded and lappefaced vultures.

Aquaria

There are well-known aquaria in Pretoria, Port Elizabeth, Cape Town and Durban.

The Aquarium and Reptile Park of the Pretoria Zoo is the largest inland aquarium in Africa, with the largest collection of freshwater fish. It is also the only aquarium in South Africa that exhibits a large variety of marine fish in artificial sea water.

The Port Elizabeth Oceanarium is home to seal, dolphin and fish families indigenous to the Eastern Cape coastline. East London has a smaller aquarium, which is also well worth visiting.

At the Two Oceans Aquarium situated at the Victoria and Alfred Waterfront, Cape Town, more than 3 000 specimens represent some 300 species of fish, invertebrates, mammals, birds and plants supported by the waters in and around the Cape coast. This is the largest aquarium in South Africa.

uShaka Marine World in Durban incorporates fresh and sea water and is the fifth-largest aquarium in the world by water volume. It comprises Sea World, Dolphin World, Beach World and Wet and Wild World.

Sea World offers edutainment tours and special interactive activities such as snorkelling and scuba diving. It also features a rocky touch pool, where visitors can touch a starfish or sea cucumber with the help of a specially trained guide.

Snake parks

The Hartbeespoort Dam Snake and Animal Park on the northern shore of the Hartbeespoort Dam near Pretoria has a fine reptile collection.

The Transvaal Snake Park at Midrand, between Pretoria and Johannesburg, houses up to 150 species of snakes and other reptiles and amphibians from southern Africa and elsewhere. The emphasis is on the development of breeding programmes for animals in captivity.

In Durban, the Fitzsimons Snake Park houses more than 100 exotic and indigenous species of snake.

The Port Elizabeth Snake Park has a wide variety of South African and foreign reptiles, including boa constrictors, pythons, crocodiles, lizards and deadly venomous snakes such as cobras, mambas and rattlers.

The Aquarium and Reptile Park complex situated at the Pretoria Zoo houses 80 reptile species from all over the world.

Marine resources

The South African fishing industry, which was once concentrated in the hands of a few, largely White-owned companies, has undergone intensive transformation over the past 10 years.

It is estimated that at least 60% of commercial fishing rights have been allocated to historically disadvantaged individuals (HDIs) or majority HDI-owned companies. Transformation has taken place in a very short space of time, without compromising the principle of sustainable utilisation fundamental to the management of fisheries. South Africa's industrial fisheries are widely regarded as among the best-managed in the world.

The South African coastline covers more than 3 200 km, linking the east and west coasts of Africa. From the coral reefs of northern KwaZulu-Natal, to the cool-water kelp forests of the Northern Cape, South Africa's shores are particularly rich in biodiversity. Some 10 000 species of marine plants and animals have been recorded.

The productive waters of the west coast support a number of commercially exploited marine life, including hake, anchovy, pilchard, horse mackerel, tuna, snoek, rock lobster and abalone. On the east coast, squid, linefish and a wide range of intertidal resources provide an important source of food and livelihood for coastal communities. Marine life that is not harvested, such as whales, dolphins and seabirds, is increasingly recognised as a valuable resource for nature-based tourism.

The responsible utilisation and management of the country's marine and coastal resources is of vital importance to the well-being of South Africa's people and economy. About 29 000 South Africans, many of them from impoverished rural communities, are directly employed by the fishing industry. A further 60 000 people are estimated to be employed in related sectors.

In South Africa, the utilisation of marine resources is regulated by a rights-allocation system.

Through regular scientific research, the Department of Environmental Affairs and Tourism establishes what the optimal utilisation of each fish species should be. This is done annually and ensures that fish stocks are managed sustainably.

Researchers provide advice on a wide range of parameters such as the estimated size of a resource, the age distribution of its component fish, the quantity that may safely be harvested, the effect and desirability of declaring closed fishing seasons

and areas, the optimum mesh size of nets that may be used, and the effect that environmental factors have on resources.

The Department's functions include the management of commercial, subsistence and recreational fisheries, as well as a wide variety of other activities, including boat-based whale watching and shark-cage diving. Fishing vessels are licensed annually, according to their port of origin and the purpose for which they are used.

The Department is also responsible for monitoring the catches of commercial, subsistence and recreational fishers; and the regulation and thorough inspection of fishing boats, fish-processing plants and other places where fish is sold or stored.

Recent developments have led to a dramatic improvement in the field of fisheries compliance:

- An observer programme has been initiated in the offshore fisheries. These on-board observers gather a wide variety of biological data and verify that regulations are adhered to on fishing vessels.
- All commercial fishing vessels are now obliged to carry a vessel-monitoring system on board.
- New levels of partnership between the Department of Environmental Affairs and Tourism, the South African Police Service and the South African National Defence Force have increased investigations, leading to arrests and prosecutions which, in turn, have had a deterrent effect on would-be poachers.
- The first environmental court at Hermanus in the Western Cape has achieved a conviction rate of 70%. In the past, an estimated 10% of abalone-poaching and related offences were successfully prosecuted and many cases took years to conclude. A second environmental court was opened in Port Elizabeth on 24 February 2004.
- The amending of laws has ensured that loopholes have been closed and that the severity of sanctions has been increased. For example, the fine for abalone poaching was increased from R40 000 to R800 000 in 2003.
- In 2004/05, the Department will take delivery of three purpose-built environmental-protection vessels. The vessels are being built at a cost of

R515 million and will boost the Department's capacity to apprehend and inspect non-compliant fishing vessels. The first vessel was handed over to the Department in November 2004.

Transformation

With the publishing of the *White Paper on Marine Fisheries Policy* in 1997, and the passing of the Marine Living Resources Act, 1998 (Act 18 of 1998), the fundamental policy and regulatory framework for fisheries management in South Africa was put in place.

A serious challenge facing government after the first democratic election in 1994 was to re-allocate fishing rights (or quotas) in a way that would ensure that the underrepresentation of HDIs and HDI-owned companies in the fishing industry would be corrected.

By 2000, it was clear that a revised strategy was required to build a rational, legally defensible and transparent allocation system to promote government's objective of transforming the fishing industry. This strategy was introduced in 2000.

In mid-2001, the Department called for applications for medium-term fishing rights of between two and 15 years duration across all commercial fisheries.

The policy guidelines that were developed for the 2001 rights-allocation process identified investment and experience in the fishing industry, as well as Black Economic Empowerment and employment equity as key criteria for securing fishing rights.

Deep-sea hake fishery

In 1992, only 21 predominantly White-owned and controlled companies had rights to utilise the deep-sea hake resource. By 2002, this number had more than doubled, to 53 right-holders. There is also a more equitable distribution of quotas among the deep-sea fishing companies in South Africa, a trend that is reflected by the fact that more than 92% of the Total Allowable Catch (TAC) was held by the top five companies in 1992, compared with less than 74% in 2002.

By mid-2004, 74% of right-holders in the deep-sea hake fishery were HDI-owned and managed. In

comparison, it is estimated that in 1992, HDI shareholding in the deep-sea hake fishery amounted to less than 0,5%.

Pelagic fishery

Allocation records show that 73% of right-holders in the pelagic fishery are majority HDI-owned companies. These companies hold 75% of the pelagic TAC. Therefore, access to the pelagic fishery by HDIs increased tenfold, from less than 7% in 1992 to more than 70% in 2002.

South coast rock lobster fishery

The offshore nature of this fishery requires the use of large vessels (30 m to 60 m), which are expensive to purchase and operate. These vessels need to fish a relatively large quota to make their operational costs viable. This makes it difficult for smaller right-holders to participate in the fishery. In spite of these constraints, 65% of south coast rock lobster right-holders are small, medium and micro-enterprises (SMMEs). Remarkably, 77% of the south coast rock lobster resource is controlled by HDIs. This was achieved by allowing new entrants into the fishery, and through substantial changes in the ownership of the larger companies.

West coast rock lobster fishery

As many as 90% of right-holders in the west coast rock lobster fishery were classified as SMMEs in 2002. Sixty-six percent of these companies were majority HDI-owned, compared with 1992 when the majority of the lobster TAC was in the hands of White individuals and White-owned companies. Furthermore, 91,5% of fishing rights that were allocated on a limited scale were allocated to HDIs or HDI-owned SMMEs. This means that about 70% of the global west coast rock lobster TAC is HDI-controlled.

Conservation

Extending the conservation agenda is a key objective. The passing of the Coastal Management Bill is central to this objective. The promulgation and effective management of four, and eventually five, new MPAs will bring 19% of South Africa's coastline under protection.

Forthcoming years will also witness the extension of subsistence fishing rights along the coasts of the Eastern Cape and KwaZulu-Natal. This will involve large numbers of people legally harvesting fish. Plans to open up new commercial fisheries are also developing rapidly. The aim is to expand the economy through new fisheries, and to create new jobs and associated wealth. Beyond this, the Department is involved in extensive planning to ensure that when the current four-year fishing rights expire, new, long-term rights are allocated.

The groundwork for the 2005 long-term rights allocation is being laid and a comprehensive policy is being developed for each fishery.

The drive to build a marine science and management capacity of high standing that is able to play a constructive role on the African continent is well underway. This entails, among other things, formulating an ecosystem approach to fisheries management, exploring the potential of new and underutilised fisheries, developing the legal and scientific framework that is required to boost aquaculture production in South Africa, and assisting other African nations to build equally robust fishery-management regimes.

Sustaining marine resources

Since the 1977 declaration of a 200-nautical mile (370 km) exclusive fishing zone, South Africa has adopted a policy of stock rebuilding in several of its major commercial fisheries. This policy has paid off in the hake, pelagic and rock lobster fisheries, where catches have grown steadily in recent years.

However, while South Africa's offshore fisheries may be among the best-managed in the world, a somewhat different picture has emerged for some of South Africa's inshore stocks. Several species of linefish have collapsed in recent years and the small but valuable abalone fishery is severely threatened by poaching and changing environmental conditions.

Pelagic fishery

Pelagic fish form large shoals in the surface layers of the sea – the pelagic zone. Small pelagic fish include sardines, anchovy, horse mackerel and red-eye herring – fish that are targeted by South Africa's purse seine fleet.

The pelagic fishery is the largest in South Africa in terms of catch volumes, and the second-most important in terms of value. Sardines are canned for human consumption, while anchovy, red-eye herring and small numbers of juvenile horse mackerel are reduced to fish meal, an important ingredient in animal feeds.

Over the past decade, populations of anchovy, sardine and red-eye herring have shown a remarkable increase. The total combined population of these three species doubled from just over three million tons (Mt) in 1991 to peak at almost 7.5 Mt in 2001. In 2002, it remained at this high level, a large decrease in anchovy biomass being off-set by an increase in sardine abundance.

The South African fishing industry has made the most of the boom years. In 2001, 2002 and 2003, the purse seine fleet landed over half a million tons of pelagic fish. This feat had previously been recorded only five times in the past five decades.

Demersal fishery

Demersal fish live on the sea bed and include the Cape hakes (*Merluccius paradoxus* and *Merluccius capensis*), monk (*Lophius vomerinus*), kingklip (*Genypterus capensis*) and sole (*Austroglossus pecutoralis*).

In South Africa, the Cape hakes form the basis of the country's demersal fishery. About 160 000 t of hake are landed every year. Monk, kingklip and sole are important by-catch species. Hake is landed by large deep-sea trawlers, smaller inshore trawlers, longlines, and by fishers who use small boats to catch hake on handlines.

Deep-sea trawling is the most technologically sophisticated and the most capital- and labour-intensive of the four fishing methods. The deep-sea hake fishery catches the largest portion of the annual TAC for hake, with 6% of the TAC being allocated to inshore fishery, and about 10 000 t being landed by line fisheries.

Hake catches have remained steady since the late 1980s. However, scientists and the fishing industry have recorded a downturn in hake catches over the past three years. As a result, the TAC for hake has been decreased by 3 000 t over the past

two years and a further decrease of 3 000 t is expected in 2005.

Lobster fisheries

West coast rock lobsters were first exploited commercially in South Africa late in the 19th century from small row-boats using hand-hauled hoopnets. Catches increased steadily during the early part of the 20th century, peaking at about 10 000 t in the early 1950s. This high level of exploitation was maintained for a while, but by 1965 it had begun to decline, even though the fishing effort was increasing.

Catches stabilised in the 1980s at about 4 000 t a year. However, by 1990, environmental and fishing-related conditions caused the natural growth rate of the west coast rock lobsters to decrease, with fewer young lobsters entering the fishery. By 1996, the TAC was decreased to just below 1 500 t. However, a stock-rebuilding strategy that was instituted in 1996, aimed at achieving a 15% recovery in stocks by 2006, paid off sooner than expected. The global TAC for west coast rock lobster increased from 3 206 t in 2003/04 to 3 527 t for the 2004/05 fishing season.

In total, 745 west coast rock lobster fishing licences were allocated in 2002, compared with only 39 right-holders in 1992. An initial 511 disadvantaged fishers were allocated west coast rock lobster rights on a limited scale in 2002, and a further 274 fishers were allocated commercial fishing rights for rock lobster in the newly opened fishing grounds to the east of Cape Hangklip in 2004.

The allocation of rights on a limited scale was part of a strategy by government to encourage the development of SMMEs, and to meaningfully address the legitimate demands of disadvantaged fishers who depend on inshore resources such as rock lobster and abalone for their livelihoods. Each licence is valid for four years and provides the right-holder with a guarantee of a small income from fishing until 2005. Right-holders are only allowed to use hoop nets to catch their quota.

South coast rock lobsters are found in deep-water off the south coast and are caught by traps that are deployed on longlines.

An assessment of the south coast rock lobster resource in 1994 indicated that the population was in decline, and a programme of reducing the annual TAC was subsequently introduced. The south coast rock lobster stock has shown signs of recovery and the TAC was increased slightly in 2004.

Abalone fishery

Rampant illegal fishing between 1996 and 2003 decimated the abalone resource, leading to the closure of the recreational fishery and the setting of a global TAC of just 282 t in 2003.

In 2004, a new system of co-management, based on the Territorial User Rights Fishery (TURF) System was introduced. According to the TURF System, each right-holder is able to catch only his/her quota in a stipulated zone. The aim of the TURF System is to involve right-holders and members of fishing communities in the management of the abalone fishery. The System is premised on the notion that, by allocating a small fishing zone to a small number of divers who are known to enforcement officials and the community members who reside adjacent to that fishing zone, access to the abalone fishing grounds by unauthorised divers would be effectively closed.

Line-fishery

Commercial fishing rights for the hake handline fishery and the tuna pole fishery were allocated for the first time in 2003.

These fisheries are considered to be stable, with healthy stocks. However, in December 2000, the



South Africa hosted the first International Whale Watching Workshop in March 2004.

The main objective of the Workshop was to develop international scientific advisory frameworks for the proper management of whale watching.

The Workshop focused on the socio-economic benefits of whale watching for coastal communities.

The Workshop was supported by the International Whaling Commission. Representatives from 12 countries attended.

South Africa was chosen as host country because of its vast experience in shark-cage tourism and whale watching.

Minister of Environmental Affairs and Tourism declared the traditional line-fishery, which targets coastal species such as snoek (*Thysites atun*) and yellowtail (*Seriola lalandi*) in the Western Cape, and kob (*Argyrosomus spp.*) and reef fish in KwaZulu-Natal, to be in a state of environmental crisis. Many linefish stocks, including kabeljou, rock cod, red steenbras, white steenbras, Roman, daggeraad, poenskop and slinger, have collapsed.

A collapsed stock is one that has been fished to levels at which the number of sexually mature adults has dropped to below 20% of the unfished (pristine) stock. This means that the stock cannot produce sufficient young fish to replenish itself.

The Department of Environmental Affairs and Tourism has taken a two-pronged approach to rehabilitating these stocks.

The strategically located new MPAs allow for a higher level of stock protection by managing the marine area in terms of sanctuary or no-take zones, as well as by concentrating enforcement strategies and resources in a more confined area.

A new line-fish management plan has been devised, dividing the fishery into three subsectors (handline hake, tuna and traditional line-fish). These follow the guidelines set for each of the exploited species through the Linefish Management Protocol, which intends to set catch guidelines for each species.

In addition, the traditional line-fishery is managed in terms of a Total Applied Effort, restricting effort in this fishery to no more than 450 vessels and 3 450 crew.

New fisheries

The Department plans to develop 12 new fisheries over the next five years. Some of the fisheries that have been earmarked for development are Eastern Cape abalone, limpet, ornamental fish, east coast rock lobster, sand soldier and Indian Ocean squid in KwaZulu-Natal.

The proposed fisheries will initially be managed as experimental fisheries to collect data for scientific analysis and ensure that the fisheries do not expand more quickly than the acquisition of information necessary for their management.

Policies and guidelines for an experimental octopus fishery were developed in 2002, and applications for experimental permits were called for in 2003. It is anticipated that the bulk of the octopus catch will be exported to Mediterranean countries where there is a high demand for octopus products.

The last foreign fishing boats left South African waters in January 2003 following the termination of South Africa's 25-year-old fisheries agreements with Japan and Taiwan. This paved the way for the development of a South African fishery for large pelagic fish, such as tuna and swordfish.

A policy for the allocation of 10-year fishing rights for catching large pelagic fish by longline method was finalised in 2004, and it was anticipated that fishing rights would be allocated by mid-year.

Aquaculture

Aquaculture production in South Africa is in the region of 4 000 t a year, of which much is attributable to abalone and mussel production.

Since 2002, abalone farms on the south coast have collectively produced more abalone products for export than the wild abalone fishery.

These farms are creating a substantial demand for fresh kelp fronds which are fed to cultured abalone. Research into seaweed cultivation is being undertaken by the Department of Environmental Affairs and Tourism to establish whether the nutrient-rich wastewater from abalone farms can be effectively used to cultivate seaweeds for abalone feed. If this method of culture proves to be feasible, it would have the added benefit of purifying the wastewater that is pumped out of abalone farms into the sea.

The success of the abalone farming industry has prompted new interest in the culture of fin fish in South Africa. One of the most exciting local species for the aquaculture industry is the dusky kob (*Argyrosomus japonicus*). Research carried out in land-based tanks and cages at Rhodes University showed that this species takes to captivity very well, growing from fingerlings to over 1 kg in less than a year. Subsequently, a number of fishing companies and other interested parties have taken up the challenge of farming dusky kob and are

following their own paths to the commercialisation of the species.

The coast

The *White Paper for Sustainable Coastal Development in South Africa* recognises that the co-ordination between the lead department in each province, and other departments and role-players whose work forms part of the overall coastal management effort, is essential. The White Paper proposes that a coastal committee be established in each of the four coastal provinces. This has been achieved and progress has been made towards the establishment of a national coastal committee.

It is envisaged that the Coastal Management Bill, which was drafted in 2002, will be promulgated during 2005. The Bill provides for important interventions that will regulate, enhance, preserve or rehabilitate sensitive or overexploited coastal areas. It also ensures equitable access to South Africa's coastline, and aligns South African legislation with international laws and conventions.

During 2003/04, a number of initiatives were implemented under the Coastcare banner. These included the formulation of interpretive signage for the coast, the Adopt a Beach Programme, and a Coastcare induction programme. Adopt a Beach aims to increase awareness of coastal-management issues among participant groups, while the induction programme is aimed at building capacity among provincial and local authorities.

The *Blue Flag* Campaign was expanded to include seven beaches, five in KwaZulu-Natal and one each in the Western Cape and Eastern Cape. The international *Blue Flag* Campaign is an incentive scheme that encourages local authorities along the coast to manage their beaches in an environmentally friendly manner. Beaches that meet specific criteria on safety, cleanliness, services, water quality and amenities are awarded a blue flag which may be flown as part of the local authority's tourism marketing strategy.

The Blue Flag beaches for 2004/05 are:

- Umhlanga Rocks main beach
- South beach, Durban
- Hibberdene beach, south coast of KwaZulu-Natal

- Lucien beach, south coast of KwaZulu-Natal (new)
- Margate
- Ramsgate
- Marina/San Lameer beach, south coast of KwaZulu-Natal
- Well's Estate, north of Port Elizabeth (new)
- Humewood, Port Elizabeth
- Dolphin beach, Jeffrey's Bay (new)
- Grotto beach, Hermanus
- Kleinmond beach, near Hermanus (new)
- Mnandi beach, Strandfontein (new)
- Clifton 4th beach, Cape Town (new).

Other coastal projects being run by the Department include local demonstration projects and sustainable coastal livelihoods projects that are being funded by the British Department for International Development.

The proliferation of off-road vehicles in South Africa has created a variety of negative environmental impacts. Bird and turtle nesting areas are particularly susceptible to damage from off-road vehicles, as are certain coastal land forms such as dunes, salt marshes, estuarine sand and mud flats.

The off-road vehicle regulations that were promulgated by the Minister of Environmental Affairs and Tourism in 2001 were amended during 2004 to increase their effectiveness and ease of implementation.

The monitoring of stretches of coast has indicated that the banning of off-road vehicles has enabled several shore-breeding birds – especially the Damara tern and the African black oystercatcher – to breed successfully once more. The ban has enabled the Damara tern to complete breeding far earlier in the season than in other monitored years.

Bird counts have also shown a marked increase in the numbers of sanderlings, common terns, and crowned and blacksmith plovers. The number of birds counted at Bird Island in Lamberts Bay fell after the ban was imposed. Scientists propose that Bird Island acted as a refuge for these birds prior to the ban on off-road vehicles coming into force.

According to conservationists from Ezemvelo KwaZulu-Natal Wildlife, the number of loggerhead and leatherback turtles hatching successfully on the beaches of northern KwaZulu-Natal has increased

since the ban was enforced. In the past, leatherback and loggerhead turtle hatchlings that left their nests became trapped in the tyre ruts left by off-road vehicles. This left them susceptible to predation, mostly by seabirds.

Conservation challenges

South Africa faces many of the problems experienced by developing countries, in which rapid industrialisation, population growth and urbanisation pose a threat to the quality of the environment.

The Department is reforming environmental law to introduce reform in biodiversity conservation, pollution, waste management and environmental planning.

Climatic and atmospheric change

According to the *State of the Environment Report*, South Africa is sensitive to climatic changes, and contributed about 1,2% to global warming in 1990.

In order to address this challenge, government developed the National Climate Change Response Strategy which was launched on 7 October 2004. This Strategy provides a comprehensive framework for dealing with climate change issues in South Africa. The approach used in developing this Strategy was to ensure, as far as possible, that climate change response actions in South Africa would facilitate sustainable development.

Government approved accession to the Kyoto Protocol of the UN Framework Convention on Climate Change in March 2002, demonstrating South Africa's commitment to further enhance the effectiveness of environmental legislation.

The Kyoto Protocol is a legally binding instrument whereby developed countries undertake to reduce greenhouse gas emissions by at least 5% of their 1990 levels. One of the Protocol's features is the incorporation of market-based mechanisms designed to allow developed countries to achieve their required emission reductions at the lowest possible cost.

South Africa hosted the International Conference on Global Climate Monitoring in February 2004. The

Conference, organised by the intergovernmental organisation Group of Earth Observations, was attended by government officials and scientists from more than 40 countries.

It was held as part of preparations for the Second Earth Observation Summit which took place in Tokyo, in April 2004.

The Conference focused on plans to develop a globally integrated mechanism for observing climatic change and other environmental trends.

The Department is operating three climatic change projects. A sum of US \$5 million has been donated to South Africa by the United States of America (USA) in terms of the USA-South Africa Bilateral Agreement on Climate Change Support. The three climatic change projects are:

Cities for Climate Protection

This project involves the improvement of management capacity in local government. It will run for three years, with a budget of US\$1,2 million to help local governments identify and implement actions that meet their objectives, as well as address global climate change.

Demonstration projects linking climate change and sustainable development

Various institutions, including educational institutions, private, and non-profit organisations have implemented a number of projects on behalf of the Department countrywide. These projects include the promotion of ecovillages in urban and rural areas; rural energisation; renewable energy technology such as biomass gasification and ethanol production; community-based greening and waste recycling; low-tech energy solutions such as thermally efficient and renewable-energy solutions in housing, clean transport systems, and carbon sequestration and conservation; and industrial energy efficiency.

Climate change, public awareness and education

The objective of this project is to increase public awareness of global climate change in South Africa, and to assist government in its efforts to educate

students on the importance of such change within the country.

Erosion and desertification

The majority of South African soil is unstable. The country loses an estimated 500 mt of topsoil annually through erosion caused by water and wind.

About 81% of the total land area of South Africa is being farmed. However, only 70% of this area is suitable for grazing.

Overgrazing and erosion diminish the carrying capacity of the veld and lead to land degradation. This process has already claimed more than 250 000 ha of land in South Africa.

The Department of Agriculture administers the Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983), in terms of which various measures are being implemented to prevent or contain soil erosion.

In January 1995, South Africa signed the Convention to Combat Desertification, which was ratified on 30 September 1997. The main objectives of the Convention include co-operation between governments, organisations and communities to accomplish sustainable development, especially where water resources are scarce. The Convention aims to support member countries in Africa to prevent desertification and its consequences. These countries support one another at technical and scientific level, as they share similar climatic conditions.

South Africa also acts as co-ordinator for the Valdivia Group for Desertification. The Group consists of countries in the southern hemisphere, namely Australia, New Zealand, Argentina, Chile, Uruguay, South Africa and Brazil, whose aim it is, among others, to foster scientific and technological co-operation.

Waste management

Towards the end of 2002, government published the *White Paper on Integrated Pollution and Waste Management*, which outlines its new thinking in relation to pollution and waste management.

Government believes that pollution prevention is one of the most effective means of protecting South Africa's people and the environment. Pollution pre-

vention eliminates costly and unnecessary waste and promotes sustainable development. It aims to reduce risks to human health and the environment by trying to eliminate the causes of pollution, instead of treating the symptoms.

Effective pollution prevention not only focuses on the installation of pollution-abatement equipment in industry, but also on the shared responsibility of all sectors of society to protect South Africa's natural resources, which involves:

- innovation in product design and production
- encouraging cost savings through efficiencies and conservation
- insisting on sound management of persistent bio-accumulative and toxic substances, and eliminating their use where necessary.

Municipalities and provincial governments will play an important role in implementing national strategies addressing waste and pollution management.

Specific functions to be carried out by municipalities will include:

- compiling and implementing general waste-management plans
- fostering public awareness
- collecting data for the Waste Information System
- providing general waste-collection services and managing waste-disposal facilities
- implementing and enforcing appropriate waste minimisation and recycling initiatives
- where possible, regional planning, establishing and managing landfill sites, especially for regionally based general waste landfills.

Cabinet approved the draft Radioactive Waste Management Policy and Strategy in 2004. The Policy aims to establish a comprehensive radioactive waste governance framework and discusses the following:

- international and national principles for the safe management of radioactive waste
- the responsibilities of government, radioactive waste generators and regulators
- management structures to service the radioactive waste-management obligations of the Minister of Minerals and Energy, in consultation with the Ministers of Environmental Affairs and Tourism and of Water Affairs and Forestry, as

provided for in the Nuclear Energy Act, 1999 (Act 46 of 1999),

- the basic principles and evaluation/authorisation processes for radioactive waste-management plans
- a national radioactive waste-classification scheme
- a long-term radioactive waste management fund
- the best long-term option for spent-fuel management.

The Department of Minerals and Energy conducted several workshops in areas situated close to nuclear installations to gather public input during 2004. The Policy was expected to be finalised by the end of 2004.

The Department also recommended during 2003 that the International Convention on the Safe Management of Spent Nuclear Fuel and Radioactive Waste be signed by South Africa.

An agreement containing regulations governing plastic shopping bags was signed in September 2002 by the Minister of Environmental Affairs and Tourism, and representatives from various labour and business organisations.

The agreement, which came into effect on 9 May 2003, stipulates that the thickness of plastic bags be 30 microns, but that manufacturers will be allowed to continue using their existing machinery to make bags of 24-micron thickness for the next five years before having to comply with the 30-micron standard.

The agreement states that printing will only be allowed on 25% of the surface area if the ink is not environmentally friendly. In situations where the ink is acceptable, this area can be increased to 50%. A toll-free line was established by the Department to deal with queries relating to plastic bags.

The plastic bags agreement and supporting regulations have dramatically reduced the environmental impact of this highly visible waste stream, resulting in a 50% reduction in the consumption of plastic bags since the introduction of the regulations. Work is in progress to follow this success with targeted and customised agreements in respect of other problem waste streams, including tyres and glass.

The compliance and enforcement of the regulations have been assigned to the South African Bureau of Standards (SABS). The Department commissioned a study to determine the impact of the regulations, which was expected to be completed in December 2004.

The Minister of Finance, Mr Trevor Manuel, approved a revised levy on plastic bags in May 2004. The levy of three cents per bag, applicable to all sizes of plastic shopping bags, was implemented with effect from 1 June 2004. The three-cents-per-bag levy is used to address environmental objectives and accommodate concerns relating to employment and competitiveness of the affected industries. A portion of the revenue raised is used to promote the recycling of plastic waste and general environmental awareness among all sectors of society.

The Deputy Minister of Environmental Affairs and Tourism, Ms Rejoice Mabudafhasi, announced at a workshop hosted by the Association of Cementitious Material Producers in February 2004, that government was in the process of developing waste tyre regulations. These regulations will focus on environmental performance as well as a waste-tyre management system. To complement the regulations, the tyre industry has agreed to sign a Memorandum of Agreement in which they will agree to certain targets with respect to the collection and recycling of waste tyres.

The burning of waste tyres to retrieve metal wires causes serious environmental pollution.

The Department of Environmental Affairs and Tourism is implementing the National Waste Management Strategy projects. The main components of the Strategy are waste information, health-care waste recycling, and capacity-building. The projects aim to show visible results through the implementation of decentralised, or on-the-ground demonstration and pilot projects.

Water-quality management

The Directorate: Water-Quality Management of the Department of Water Affairs and Forestry is responsible for the quality management of national water resources in South Africa.

Water-quality management involves the maintenance of the fitness of water resources for use on a sustained basis, by achieving a balance between socio-economic development and environmental protection. From a regulatory point of view, water-quality management entails the ongoing process of planning, development, implementation and administration of water-quality management policy; the authorisation of water-uses that may have, or may potentially have, an impact on water quality; as well as the monitoring and auditing of the aforementioned.

The National Water Act, 1998 (Act 36 of 1998), further enables the Department of Water Affairs and Forestry to manage water quality through source-directed and resource-directed measures. Source-directed measures include the issuing of licences to water users with a potential impact on the resource.

The Act requires that all significant water resources be classified in accordance with the prescribed classification system. (See chapter 23: *Water affairs and forestry*.)

Air pollution

The Air-Quality Management Bill was approved by Parliament in 2004.



The Chief Directorate: Regulatory Services was established in September 2003 in the Department of Environmental Affairs and Tourism. Its main function is the effective implementation of the Department's pollution and waste-management compliance, enforcement and protection responsibilities.

The Chief Directorate is building close working relationships with other specialised government organisations such as the Scorpions, the Asset Forfeiture Unit, the Joint Anti-Corruption Task Team, the South African Police Service's Forensic Science Laboratory, and the South African Revenue Service.

By mid-2004, the Department of Environmental Affairs and Tourism was working on various initiatives aimed at attaining an increase in environmental enforcement.

This includes officials from all spheres of government training as dedicated environmental management inspectors.

The Bill, which will repeal the Atmospheric Pollution Prevention Act, 1965 (Act 45 of 1965), seeks to give effect to the integrated pollution and waste-management policy to ensure that all South Africans have access to clean air.

The National Environmental Management Act, 1998 introduced the 'polluter pays' principle. The Air-Quality Management Bill turns this into a reality and takes the principle to a new level. The Bill provides for cost-recovery, and for ambient and emission monitoring by industry itself.

It provides for stiff penalties for non-compliance, with fines up to the maximum allowed by the Criminal Procedure Act, 1977 (Act 51 of 1977), and jail sentences of up to 10 years.

Although the Bill contains a list of initial ambient air-quality standards, a protocol for the setting of new standards was drafted, and an initial round of standard-setting was expected to commence before the end of 2004. This included the identification of hot-spots for prioritised action, the listing of activities requiring atmospheric-emission licences, and the listing of controlled emitters.

The Department of Environmental Affairs and Tourism is in the process of establishing several initiatives aimed at ensuring better air quality.

Durban South, in KwaZulu-Natal, is the second-largest industrial area in South Africa, and home to several fuel refineries, a pulp-and paper-mill, sugar refineries and a number of smaller industries. Eleven air-pollution monitoring stations were launched in the basin in January 2004, in response to the high levels of industrial pollution in the area. The stations form part of the Multi-Point Plan approved by the Cabinet in November 2000.

The Vehicle Emission Strategy, which forms part of the Air-Quality Management Bill, is designed to ensure that emissions from vehicles do not lead to unacceptably poor air quality. The Strategy will enable the development of regulations, which will mandate the setting of tailpipe emission standards, and which will be phased in over a period of 10 years. The Department of Transport will enforce these standards as part of the vehicle roadworthy testing regime. The Draft Strategy was published for comment in November 2003.

The Ambient Air Standards give guidelines in terms of acceptable emissions into the atmosphere, as well as the monitoring and enforcement of transgressors. A standard-setting technical committee convened by the Department of Environmental Affairs and Tourism, and facilitated by the SABS, developed two technical documents which recommend limit values and levels of tolerance for various priority pollutants and provide scientific basis for the setting of those standards. A process for the peer review of these technical standards documents has been initiated. It was expected that the Standards would be promulgated by early 2005.

Marine pollution

More than 80% of marine pollution originates from land-based sources such as pipeline discharges, rivers and stormwater run-off.

There are many places where water or water containing waste is discharged into the sea. Forty sea outfalls have been formalised through exemptions issued by the Department of Water Affairs and Forestry in terms of the Water Act, 1956 (Act 54 of 1956).

The same principles used for the issuing of other water-use licences apply to licences for sea outfalls. Such effluents include raw and treated sewage, industrial effluents, or a mixture of the two. In the past, many of these discharges were made into the surf zone, or even onto the shore, but the current tendency is to extend the pipelines further offshore. Permit conditions generally include the monitoring of adverse effects of such discharges in the marine environment.

An increasing source of concern is non-point-source pollution, especially pollution originating from the burgeoning informal settlements that form part of many coastal cities. Such pollution is generally the result of inadequate sanitation and other infrastructure, and is very difficult to control or monitor.

Shipping also contributes significantly to marine pollution, particularly with regard to specific types of pollutants. Of the estimated 6,1 million mt of oil entering the oceans every year, some 45% originates from shipping activities.

The balance comes from industrial discharges, urban run-off, and oil exploration and production –

which contributes only 2%. Of the pollution emanating from shipping activities, the majority comes from vessel operations, with only 12% from tanker accidents.

Nevertheless, due to the notorious sea conditions along its coastline, South Africa has experienced a number of major oil spills, and, as a consequence, has a well-developed response capability. This includes contingency plans, salvage tugs, dispersant spraying vessels, a reconnaissance aircraft, and a stockpile of oil-spill-response equipment.

Other pollutants linked to the operational activities of ships include sewage and garbage, ballast water discharges, air pollution, and cargoes which enter the sea through accidents. Sewage, garbage and air pollution are regulated by annexes to MARPOL, an international convention controlling pollution from ships, to which South Africa is a party. New regulations to control ballast water discharges are being developed.

A major concern is the translocation of alien species, including pathogens, which may have serious ecological, social (public health) and economic consequences. South Africa is involved in an international project aimed at implementing international guidelines on ballast water management in developing countries.

Another potential source of marine pollution is the dumping of waste at sea. This activity is regulated under the Dumping at Sea Control Act, 1980 (Act 73 of 1980), and, since 1995, has excluded indus-



In September 2004, the Deputy Minister of Environmental Affairs and Tourism, Ms Rejoice Mabudafhasi, launched the 2004 National Atmospheric Week in Rustenburg in the North West.

The Week is celebrated to raise awareness about atmospheric pollution in the country.

Activities for the Week, 13 – 18 September 2004, included:

- a National Climate Change Committee Workshop
- International Ozone Day, which focused on the alternatives to methyl bromide as a fumigant in the agricultural sector
- Ozone Layer Preservation Day, which was celebrated in KwaZulu-Natal
- the National Global Climate Change school competition.

trial waste. The main categories of waste dumped in South Africa are dredged material from the ports; obsolete vessels; and, occasionally, spoiled cargoes.

Chemicals

Although relatively small by international standards, the chemical industry is a significant player in the South African economy, contributing about 5% to Gross Domestic Product and providing employment to about 200 000 people. The industry produces 1 301 t of primary and secondary process chemicals annually, making it the largest of its kind in Africa.

Several steps have been taken to align current legislation with the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), and with global chemicals management:

- A special unit has been set up in the Department of Environmental Affairs and Tourism to implement a system aimed at preventing major industrial accidents, as well as systems for emergency preparedness and response.
- The Minister has initiated an integrated safety, health and environment approach for the management of chemicals in South Africa. This government-level initiative, funded by the UN Institute for Training and Research, will involve a multi-stakeholder forum, including labour representatives, and aims to integrate legislation. At present, the laws governing chemicals are fragmented.

The Department has embarked on a process to develop the South African National Chemicals Profile. The Profile is intended to contribute to a better understanding of the problems relating to the management and impact of chemicals. It will also help to identify important gaps and weaknesses in the existing system, as a first step in defining whether further efforts may be required.

The development of the Profile was motivated by the recommendations of the International Programme on Chemical Safety, as a follow-up to the Rio Declaration on Environment and Development in 1992.

South Africa has signed the Stockholm Convention on Persistent Organic Pollutants, and the

Rotterdam Convention on Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade.

Recycling

Almost every type of paper produced in South Africa has a recycled content. Each ton of waste paper that is recycled saves about 17 pine trees, and a ton of recycled paper saves 3 m³ of landfill space. South Africa saves 10 million trees annually.

Collect-a-Can celebrated its 10th birthday in April 2003.

Thanks to its efforts, the recycling of cooldrink cans increased from 18% in 1993 to 66% in 2003. This is higher than the recycling rate in the USA and the European Union.

Over the past 10 years, more than 530 t of cooldrink cans and 400 000 t of scrap metal have been recycled.

According to a recent survey by Collect-a-Can, more than 37 000 people earn a living by picking up cans for recycling. In excess of R270 million has been paid to can collectors over the past 10 years.

Urban conservation

Rapid urbanisation and its concomitant environmental impact are posing serious challenges for South African planners and environmentalists.

Up to 16 000 ha of farmland is lost to urban development each year. Low-density urban sprawl and the rapid growth of informal settlements contribute to increasing competition between urban land-users for diminishing space and resources.

As a result, many informal settlements are located on marginal and environmentally sensitive land, posing serious threats to human well-being and ecosystems.

The environmentally friendly use and development of land can be promoted through official planning processes such as integrated development plans and land-development objectives.

New planning and environmental legislation provide for environmental concerns in urban planning and development.

Environmental injustices

The negative effect of asbestos on the environment and other environmental-injustice issues are a priority for the Department.

Efforts that are being undertaken by the South African Government to deal with the asbestos problem include:

- eradicating mine-dumps
- developing occupational health and safety regulations on asbestos
- developing safety standards and establishing a single compensation office
- formulating a code of best practice for the maintenance, demolition and disposal of asbestos-containing material
- abolishing the use of asbestos in road construction
- gradually phasing out asbestos-use in housing.

During 2004, the Department of Environmental Affairs and Tourism paid particular attention to the lethal impact of asbestos on human health. Although no asbestos is currently mined in South Africa, and 65 of the country's major mines have been rehabilitated, much still needs to be done.

In terms of the amendments to the Environment Conservation Act, 1989 (Act 73 of 1989), government can control products even before they become waste.

Government was expected, during 2004, to publish regulations prohibiting the use of asbestos.

International co-operation

The Department promotes South Africa's interests by participating in a number of international commissions, such as the International Commission for the Conservation of Atlantic Tunas, the Commission for the Conservation of Antarctic Marine Living Resources, and the International Whaling Commission.

South Africa, through the Department, has adopted the Benguela Fisheries Interaction and Training (BENEFIT) Programme and the Benguela Current Large Marine Ecosystem (BCLME) Programme as integral parts of the New Partnership for Africa's

Development (NEPAD) initiative.

BENEFIT is a joint initiative between South Africa, Namibia and Angola to conduct scientific investigations into commercially important living marine resources and their interactions with the environment in the Benguela region.

The BCLME Programme is another initiative by these three countries to facilitate the sustainable management and protection of the Marine Ecosystem. It is primarily aimed at improving the structures and capacities of these three countries to deal with problems and issues which occur across national boundaries, so that the ecosystem may be managed as a whole.

The following important instruments have been acceded to, or ratified:

- Agreement for the Implementation of the Provisions of the UN Convention on the Law of the Sea on 10 December 1982 Relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks (Straddling Stocks Agreement)
- Agreement on the Conservation of Albatrosses and Petrels (ACAP)
- Convention for the Protection, Management and Development of the Marine and Coastal Environment of the East African Region and Related Protocols (Nairobi Convention)
- Convention for Co-operation in the Protection and Development of the Marine and Coastal Environment of the West and Central African Region and Related Protocol (Abidjan Convention)
- Southern African Development Community (SADC) Protocol on Fisheries.

United Nations Framework Convention on Climate Change (UNFCCC)

South Africa ratified the UNFCCC in 1997. The Convention is a global commitment to take collective responsibility for climate change, and is a mandate for action to address the problem.

The Convention was signed at the Rio Earth Summit in 1992 by Heads of State and other senior representatives from 154 countries (and the European Community), and came into effect on

21 March 1994. Since mid-1998, some 175 states have ratified or acceded to the Convention.

The objective of the Convention is to stabilise greenhouse gas concentrations in the atmosphere at a level that will not have an adverse effect on the climate.

The Convention aims to control this level over a period of time, to:

- allow ecosystems to adapt naturally to climate change
- ensure that food production is not threatened
- enable economic development to proceed in a sustainable manner.

All countries that have ratified the Convention are required to:

- develop, update and publish national inventories of anthropogenic emissions by sources, and removals by sinks of greenhouse gases (the greenhouse gases exclude those listed in the Montreal Protocol)
- formulate, implement and update national and regional programmes containing measures to mitigate climate change
- promote and co-operate in the development and transfer of technology that controls, reduces or prevents anthropogenic emissions of greenhouse gases

- promote sustainable management, conservation and enhancement of sinks and reservoirs of greenhouse gases
- co-operate in preparing for the adaptation to the impact of climate change
- take climate-change considerations into account where feasible, in relevant social, economic and environmental policies and actions, to minimise the adverse effects on the economy, public health and the quality of the environment
- promote and co-operate in the timeous and transparent exchange of information, including scientific, technological, socio-economic and legal information and research
- promote and co-operate in education, training and public awareness
- report to the Conference of the Parties (COP).

South Africa acceded to the Kyoto Protocol in July 2002. As a signatory party, it is required to submit an initial national communication to the UNFCCC Secretariat reporting, among other things, on national circumstances, the national greenhouse gas inventory, vulnerability and adaptation, mitigation options, and preliminary needs assessments. To prepare this document, the Department of Environmental Affairs and Tourism commissioned detailed country studies to be undertaken to evaluate a broad range of likely climate change impacts in South Africa. The results of these studies were compiled into the initial national communication to the UNFCCC Secretariat, which was submitted during the ninth COP of the UNFCCC that was held in Milan, Italy, in December 2003.

The Kyoto Protocol provides for economic instruments to be used while trying to achieve the objectives of the Convention. Three mechanisms have been created and only one, the Clean Development Mechanism (CDM), involves the participation of developing countries like South Africa. The functions of operationalising the CDM have been delegated to the Department of Minerals and Energy. This Mechanism allows developed countries to conduct greenhouse gas-reducing projects in South Africa while assisting South Africa with sustainable development.



On 14 September 2004, the Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk, and his Norwegian counterpart, Mr Svein Ludvigsen, signed a R40-million Marine Fisheries Business Plan for the period 2005 to 2009 in Cape Town.

The Plan is expected, among other things, to provide the fishing industry with much-needed research capacity, skills training and the tools to develop coastal communities.

Norway and South Africa have co-operated in marine fisheries since 1996. In 2000, this co-operation was formalised in a programme that has focused on policy and legislation development, scholarships and training, scientific capacity-building, and the management of subsistence fisheries.

The value of the Norwegian marine fisheries assistance to South Africa over the past 10 years is estimated at over R45 million.

About half of all historically disadvantaged scientists employed by the Marine and Coastal Management Branch have been trained in Norway.

Convention on International Trade in Endangered Species (CITES)

CITES, also known as the Washington Convention, was negotiated in 1973 when it was realised that international trade in wildlife and wildlife products could lead to the over-exploitation of certain species, thereby threatening them with extinction.

CITES came into force in South Africa on 13 October 1975. South Africa, together with the other 149 member countries, acts by regulating and monitoring international trade in species which are or may be, affected by this trade.

South Africa attended the COP 13 of CITES, which took place in October 2004, in Bangkok, Thailand. The COPs role is to assess the implementation of the Convention and make recommendations to improve its effectiveness, as well as amend the appendices. The parties meet every two and a half years.

Leading up to the COP, parties submit proposals for interpretative resolutions and amendments to the appendices of the Convention. Species may be added to the appendices, transferred between appendices, or removed from the appendices. At the COP, procedures for control of the trade in species of fauna and flora listed in the appendices are examined and adapted where necessary.

In 2004, South Africa made proposals on the black rhino and leopard.

Montreal Protocol

South Africa, as a signatory to the Montreal Protocol, has a national obligation to safeguard the ozone layer from depletion.

South Africa has phased out chlorofluorocarbons (CFCs), halons, methyl chloroform and carbon tetrachloride – making it the only developing country in the world that has achieved so much in line with the phase-out schedule for developed countries. Although South Africa is classified as a developing country, its consumption of these substances is equal to that of some developed countries.

To demonstrate the country's commitment towards the phasing out of ozone-depleting substances (ODSs), the following control measures con-

stitute the overall position of South Africa on the Montreal Protocol:

- working groups were constituted to assist government to implement the Protocol
- regulated ODSs can only be imported or exported after applying for an import/export permit through the Department of Trade and Industry under the Import and Export Control Act, 1963 (Act 45 of 1963),
- ODSs can only be imported after an environmental levy of R5 per kg of CFC has been paid
- information is disseminated to interested and affected parties
- Africa Network Meetings, as arranged by the UN Environment Programme, are attended, where views, experiences and problems are shared to improve and co-operate within the region and as per NEPAD requirements.

Obligations include:

- ensuring that South Africa, as a party to the Protocol, protects human health and the environment against harm from human activities which modify or are likely to modify the ozone layer
- ensuring the protection of the ozone layer by taking precautionary measures to equitably control total global emissions of substances that deplete the ozone layer, with the ultimate objective of totally eliminating them
- reporting and sending to the Ozone Secretariat data on production, imports, exports and consumption of regulated ODSs as collected from dealers and relevant departments.

The Department of Environmental Affairs and Tourism has embarked on a national project to



The World Wildlife Fund (WWF) presented its prestigious Gift to the Earth Award to South Africa in July 2004.

The Award is made by the WWF to countries in recognition of globally significant conservation achievements that address biodiversity protection, and the global threats posed by the unsustainable use of resources.

South Africa received the Award in recognition of its four new marine protected areas.

It is the third time South Africa has received an award from the WWF.

establish methyl bromide consumption trends and a database of suitable, feasible and economically viable alternatives to methyl bromide. This document will form the basis for an intensive research/evaluation project to phase out, in the short term, 20% of methyl bromide usage, mainly in the agricultural sector.

As of 1 January 2005, all developing countries must reduce their respective methyl bromide consumption by 20% as per phase-out timetable.

International Agreement on the Conservation of Albatrosses and Petrels

The ACAP, which South Africa ratified in November 2003, came into force on 1 February 2004. South Africa became the fourth country to ratify the Agreement, following Australia, Ecuador and New Zealand.

The ACAP aims to reduce the threat of extinction of the 28 species of albatrosses and larger petrels covered by the Agreement. All these species are killed as by-catch in longline fishing operations. The birds attempt to snatch baited hooks as they are being deployed, and are then dragged beneath the sea surface and drowned. Simple effective by-catch mitigation measures, such as bird-scaring streamers and line-setting at night, need to be widely adopted if these birds are to be saved from extinction.

The Agreement, which includes an action plan, describes a number of conservation measures to be implemented by signatory states to improve the conservation status of the increasingly threatened albatrosses and larger petrels.

Apart from reducing seabird by-catch from longline fishing, these include research and monitoring, the eradication of introduced species such as rats and feral cats at breeding sites, the reduction of disturbance and habitat loss, and the reduction of marine pollution.

South Africa is particularly important in the conservation of albatrosses and petrels, since it is a range state to 15 of the 28 species covered under the ACAP. South Africa's sub-Antarctic Prince Edward Islands are important breeding sites for nine of these species, most of which have a formal threatened conservation status.

The Prince Edward islands are particularly important to the wandering albatross, hosting more than 40% of the world's population of this species. The wandering albatross is the largest of all albatrosses, with a wingspan of up to 3,5 m. It is expected that South Africa joining the ACAP will boost conservation-related research on the islands, allowing for the best management of these important populations of threatened species.

Private-sector involvement

Numerous private bodies are involved in conservation activities. There are more than 400 organisations in the country concentrating on conservation, wildlife and the general environment, and more than 30 botanical and horticultural organisations. Among these are:

- BirdLife South Africa
- Wildlife and Environment Society
- Worldwide Wildlife Fund South Africa
- Green Trust
- Earthlife Africa
- Endangered Wildlife Trust
- Wilderness Trust of Southern Africa
- Environmental Justice Networking Forum
- Dolphin Action Protection Group
- Keep South Africa Beautiful
- Trees and Food for Africa
- South African National Foundation for the Conservation of Coastal Birds
- Rhino and Elephant Foundation
- EcoLink.

Acknowledgements

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South African National Biodiversity Institute

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10

Finance

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), lays down a framework for the division of responsibilities between national, provincial and local government. It prescribes an equitable division of revenue between the spheres of government, taking into account their respective functions. It also creates an independent Auditor-General and an independent central bank, and sets out the principles governing financial accountability to Parliament and the annual budget process.

The aim of National Treasury is to promote economic development, good governance, social progress and rising living standards through accountable, economic, efficient, equitable and sustainable public finances.

By June 2004, several important milestones in financial management had been recorded:

- Regulations in terms of the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), were expected to be amended to align them with the Broad-Based Black Economic Empowerment (BEE) Act, 2003 (Act 53 of 2003).
- The Validation Board, which was established by National Treasury in 2001, had accredited 59 training courses in public finance.
- A new chart of accounts, modernising and streamlining the classification of government expenditure, was implemented in the 2004 national and provincial budgets and financial reporting systems.



- National Treasury's Asset and Liability Management Division successfully piloted an intergovernmental cash co-ordination arrangement in two provinces, through which surplus funds were deposited with the Corporation for Public Deposits, benefiting both the national fiscus and provincial treasuries.
- A comprehensive training programme for municipal officials was underway, giving further momentum to the implementation of the Municipal Finance Management Act (MFMA), 2003 (Act 56 of 2003).
- In consultation with the Department of Public Enterprises, National Treasury initiated a review of the treasury operations of approximately 15

State-Owned Enterprises.

- National Treasury, in co-operation with other departments, initiated a review of the mandates, products and risk management of development-finance institutions.

Fiscal policy framework

The Minister of Finance, Mr Trevor Manuel, presented the Budget for 2004/05 on 18 February 2004.

Tax proposals

- Personal income taxes were cut, benefiting taxpayers by a total of R4 billion. People under 65 years of age earning below R32 222 a year, or

over 65 and earning under R50 000, would not pay income tax in 2004/05.

- Interest on income exemption was raised to R11 000 for people under 65, and to R16 000 for senior citizens.
- The transfer duty threshold was raised to R150 000. Stamp duties on mortgage loans were eliminated.
- The general fuel levy on petrol went up by 10c a litre, and the Road Accident Fund levy increased by 5c a litre. The diesel rebate for primary producers was increased by 15c a litre.

- A packet of 20 cigarettes cost 64c more, a 340 ml can of beer 4c more, wine went up 21c, and spirits 176c per 750 ml.
- *Ad valorem* excise duties were eliminated on recorded music, some cosmetic products, print film, watches and clocks, printers and photocopying machines.

Main spending changes

- An additional R3,2 billion went to provinces and municipalities for the Expanded Public Works Programme and infrastructure development.

Consolidated national and provincial expenditure: functional classification¹⁾

	2003/04		2004/05		2005/06	
	Revised estimate	% of total	Budget estimate	% of total	Budget estimate	% of total
General government service and unallocable expenditure ²⁾	23 483,2	7,7	23 987,0	7,2	25 956,4	7,1
Protective services:	58 327,3	19,2	63 246,5	19,0	68 555,3	18,8
Defence and intelligence	22 366,0	7,4	23 089,0	6,9	24 966,3	6,8
Police	23 127,1	7,6	25 668,9	7,7	28 048,4	7,7
Prisons	7 898,7	2,6	8 833,8	2,7	9 484,8	2,6
Justice	4 935,6	1,6	5 654,8	1,7	6 055,7	1,7
Social services:	177 330,0	58,3	196 685,8	59,0	215 975,5	59,1
Education	69 824,2	23,0	75 862,2	22,8	81 086,4	22,2
Health	39 676,6	13,0	42 586,4	12,8	47 137,8	12,9
Social security and welfare	51 486,2	16,9	59 935,5	18,0	68 018,8	18,6
Housing	5 651,7	1,9	6 339,5	1,9	7 034,0	1,9
Community development ³⁾	10 691,0	3,5	11 962,1	3,6	12 698,4	3,5
Economic services:	44 999,6	14,8	49 411,5	14,8	54 913,5	15,0
Water schemes and related services	5 832,4	1,9	6 149,5	1,8	6 796,2	1,9
Fuel and energy	2 264,1	0,7	2 460,6	0,7	2 795,4	0,8
Agriculture, forestry and fishing	6 635,9	2,2	7 109,2	2,1	7 904,9	2,2
Mining, manufacturing and construction	1 506,2	0,5	2 052,6	0,6	2 370,4	0,6
Transport and communications	16 284,8	5,4	17 328,8	5,2	18 897,3	5,2
Other economic services ⁴⁾	12 476,2	4,1	14 310,7	4,3	16 149,3	4,4
Subtotal: Votes and statutory amounts	304 140,1	100,00	333 330,7	100,00	365 400,7	100,00
Plus contingency reserves	-	-	2 500,0	-	4 000,0	-
Total non-interest expenditure	304 140,1	-	335 830,7	-	369 400,7	-
Interest	47 326,0	-	50 432,0	-	53 986,0	-
Total consolidated expenditure	351 466,1	-	386 262,7	-	423 386,7	-

1) These figures were estimated by National Treasury and may differ from data published by Statistics South Africa. The numbers in these tables are not strictly comparable to those published in previous years, due to the allocation of some of the unallocable expenditure for previous years. Data for the history years has been adjusted accordingly.

2) Mainly general administration, cost of raising loans and allocable capital expenditure.

3) Including cultural, recreational and sport services.

4) Including tourism, labour and multi-purpose projects.

Source: National Treasury

- R2,1 billion more was allocated to the HIV and AIDS treatment programme.
- BEE initiatives received R6 billion.
- R2,2 billion more went to municipal water, sanitation, electricity and refuse services.
- Provinces received an additional R19,7 billion for social grants, schools, hospitals and clinic services.
- R910 million more went towards the restructuring of universities and universities of technology.
- R700 million more was allocated for land reform, and R750 million for a new farmer-support programme.
- R1,9 billion more went to police personnel, vehicles, and Information Technology (IT) infrastructure in the fight against crime.
- A further R475 million was allocated to improve the efficiency of the courts and to cater for vulnerable groups.
- An additional R1,1 billion was allocated to the Department of Defence for peacekeeping operations in Burundi and the Democratic Republic of Congo.
- R850 million more went to the Department of Home Affairs to improve service delivery, especially in rural areas.

Debt management

South Africa's debt, both domestic Rand-denominated bonds and foreign-debt issues, enjoys increasing recognition on international capital markets, and continues to attract a diverse range of investors.

This reflects the country's success in adopting sustainable fiscal and macro-economic policies, the evolution of a sound and transparent approach to debt management, the healthy Balance of Payments position, and the maturity of South Africa's financial markets. In recent years, both Standard and Poor's and Moody's Investors' Service upgraded their ratings of South African debt, affirming their confidence in the country's macro-economic and fiscal management. These assessments contribute to broadening South Africa's international investor

base, and reinforce the favourable outlook for interest rates and the cost of capital.

South African foreign debt continues to trade at tighter spreads than the Emerging Market Bond Index, indicating that investors share the confidence expressed by international rating agencies, and regard South Africa positively in comparison with its competitors.

The primary objective of domestic-debt management has shifted to the reduction of the cost of debt to within acceptable risk limits, with diversification of funding instruments, and ensuring flexible government access to markets as secondary goals. Recourse to foreign borrowing has been stepped up, allowing the fiscus to contribute to reducing the foreign currency exposure of the South African Reserve Bank in its forward market portfolio.

Domestic-debt-management reforms have addressed several policy and instrument gaps:

- Lower coupon bonds have been introduced, consistent with government's approach to reducing inflation in the years ahead.
- The Public-Sector Borrowers' Forum was established in 2001.
- Co-ordination between monetary policy and liability management has been strengthened through more effective liaison between National Treasury and the South African Reserve Bank.
- Regular meetings with the primary dealers, the Reserve Bank, and the futures and bond



Developments in government's debt management in 2004 included the launch of two bonds:

- The South African Retail Bond was launched on 14 May 2004. It provides ordinary people with a safe, convenient and rewarding savings instrument for a period of up to five years. By 11 June 2004, bonds worth R114 million had been sold to more than 2 400 investors.
- Another Dollar-denominated bond was launched on 25 May 2004. The issue attracted highly competitive interest and was priced at 195 basis points above the underlying 10-year United States Treasury rate, confirming South Africa's status as a high-grade credit in the market, and further diversifying the investor base in South African bonds.

exchanges provide a forum for ensuring a transparent and efficient bond market.

- Debt consolidation has reduced fragmentation on the yield curve and improved liquidity of the benchmark issues. Illiquid bonds were consolidated into five liquid benchmark bonds, thereby smoothing the maturity profile and reducing refinancing risks.
- The integrity and efficiency of the Government securities market has been strengthened through buying back illiquid bonds, including diverse 'ex-homeland' bonds of limited issue size.
- Inflation-linked bonds were introduced to diversify government's investor base and to signal confidence in government's macro-economic policy, while also providing an objective measure of inflationary expectations and benchmarks for other issuers.
- The Strips (Separate Trading of Registered Interest and Principal Securities) Programme was introduced to increase demand for the underlying instruments and encourage active portfolio management.

The liquidity in the domestic government-bond market, measured by the increase in nominal trades, has improved substantially during recent years, especially since the appointment of primary dealers in government bonds in April 1998.

In actively managing its debt portfolio, the National Treasury is responsible for identifying, controlling and managing the risks to which government is exposed. A comprehensive risk-management framework of National Treasury calls for quantitative analyses to model, monitor and manage risk exposure. The framework provides for a set of benchmarks or reference criteria against which the structure and evolution of the debt portfolio can be tested and understood.

Legislation

National Treasury tables a significant amount of legislation in Parliament annually. Legislation tabled in 2003/04 and draft legislation for 2004/05 include the following:

- The Security Services Bill seeks to facilitate an efficient, fair and secure means of securities trading in the South African capital market by regulating a multiplicity of activities and institutions. The Bill will also enhance the power of the Registrar of Securities Services to regulate the systemic interdependence between the various participants in South African markets. For the first time, the Financial Services Board (FSB) will have authority over the buying and selling of unlisted securities, which is a major improvement with regard to consumer protection. It was

Terms of trade and exchange rate of the Rand – percentage changes

Period	Terms of trade ¹⁾				Exchange rate ²⁾			
	Including gold (5037Q)	Excluding gold (5036Q)	Nominal effective exchange rate ³⁾	Real effective exchange rate ³⁾	US Dollar	British Pound (5314Q)	Euro	Japanese Yen
1997	-1,2	1,2	1,0	6,9	-6,8	-11,1	3,5	3,6
1998	-0,9	-0,8	-11,7	-8,9	-16,1	-17,0	-15,3	-9,3
1999	-3,1	-2,5	-8,5	-5,3	-10,3	-8,2	-5,8	-21,9
2000	-2,1	-2,2	-5,1	-3,0	-11,4	-5,6	2,0	-16,2
2001	0,3	0,5	-14,6	-13,5	-18,8	-14,4	-16,0	-8,5
2002	2,3	0,5	-20,9	-17,2	-18,8	-22,2	-23,1	-16,3
2003	4,5	5,5	n/a ⁴⁾	n/a ⁴⁾	39,2	27,9	16,2	28,8

1) Change compared with preceding period.

2) Weighted average exchange rate against most important currencies.

3) Percentage changes of average.

4) Not available.

Source: South African Reserve Bank – Quarterly Bulletin

expected to be passed in the second half of 2004.

- The Financial Services Ombudschemes Bill aims to improve the ability of consumers to enforce their rights and resolve any grievances they may have against the financial services industry. The Bill was expected to be tabled in the second half of 2004.
- The Financial Advisory and Intermediary Services Act, 2002 (Act 37 of 2002), came into effect on 30 September 2004. The Act will ensure that consumers are protected against unscrupulous peddlers of commission-based products that are either unaffordable in the longer term, or are unsuitable to the financial needs or profile of the consumer. It will also reduce the number of lapses and surrenders in the insurance industry that have resulted in unnecessary financial losses to consumers of long-term insurance products.
- In 2002, the Minister of Finance requested that a panel review the Draft Accounting Professions Bill. The panel completed its work in October 2003. It was expected that a draft bill on the regulation of auditors and draft amendments to the Companies Act, 1973 (Act 61 of 1973), was to be ready for public comment by August 2004.
- The Co-operative Banks Bill will seek to formalise the co-operative banking industry by affording it a legal standing in its operations. It will also aim to bring the industry into the regulatory framework, to afford its depositors the same safety and stability enjoyed by formal commercial banks' depositors.
- The Dedicated Banks Bill seeks to create a second tier of commercial banks, better able to serve the financial needs of a broader range of the population. It allows for a wider range of participants, such as retail companies, telecommunications companies and perhaps microlenders in the banking industry, by affording them banking licences with restricted banking operations. The entry requirements in terms of capital will be lower, but in return, the scope of their operations will be narrower, and permissible investments will largely be restricted to liquid assets.

Debt Collectors Act, 1998

The Debt Collectors Act, 1998 (Act 114 of 1998), as well as its regulations came into operation on 7 February 2003.

The Act provides for the establishment of the Council for Debt Collectors. The Council will exercise control over the occupation of debt collectors, and legalise the recovery of fees or remuneration by registered debt collectors. In the past, a debt collector was not legally entitled to recover any amount from a debtor and had to rely solely on the contract between him/her and the client for remuneration.

In terms of the Act, no person, excluding an attorney, an employee of an attorney, or a party to a factoring arrangement, will be allowed to act as a debt collector unless he/she is registered as a debt collector in terms of the Act.

An employee whose duties are purely administrative, clerical, or otherwise subservient to the actual occupation of debt collecting, is also exempted from registering as a debt collector. The Minister of Finance may also, in terms of Section 26 of the Act, on the conditions he/she deems fit, exempt any person or category from the provisions of the Act.

As of 11 August 2003, a person who acts as a debt collector and who has not been registered as a debt collector in terms of the Act, is committing an offence.

Once a debt collector has been registered, the Council has jurisdiction over such a debt collector and can charge him/her and find him/her guilty of improper conduct. The Council has adopted a Code of Conduct which is binding on all registered debt collectors.



Business confidence in the first quarter of 2004 surged to its highest level in 15 years as a result of surging domestic demand following 2003's interest rate and tax cuts.

The Rand Merchant Bank/Bureau for Economic Research Business Confidence Index showed an eight-point rise to 69 points in the first quarter of 2004, compared with a 61-point rise in the last quarter of 2003.

The South African Chamber of Business' Business Confidence Index rose to a record 130,9 in September 2004, from 127,8 in August 2004 and 112,3 in September 2003.

The Public Finance Management Act (PFMA), 1999

The PFMA, 1999 (Act 1 of 1999), came into effect on 1 April 2000 for all departments, constitutional institutions and public entities.

The PFMA, 1999 represents a fundamental change in government's approach to the handling of public finances, as it shifts the emphasis away from a highly centralised system of expenditure control by the treasuries. It holds the heads of departments accountable for the use of resources to deliver services to communities. It will also, in time, change the accounting base from cash to accrual.

The Act emphasises:

- regular financial reporting
- independent auditing and supervision of internal control systems
- improved accounting standards
- greater focus on output and performance
- increased accountability at all levels.

National Treasury has embarked on several initiatives to assist departments with capacity-building and ensure the successful implementation of the PFMA, 1999.

Transforming public-sector financial management is one of National Treasury's key objectives. To this end, National Treasury has been implementing the PFMA, 1999 since 2000. It began implementing the MFMA, 2003 in 2004, and providing and managing appropriate systems for monitoring and managing expenditure.

Over the next few years, National Treasury will be commissioning high-quality short courses for all government officials, to build the necessary capacity to effectively implement the Acts.

It is rolling out financial management systems, which will ensure not only the transparency of expenditure, but also the effective and efficient use of scarce resources to achieve social transformation.

These systems for enhancing the integrity and effectiveness of supply-chain and expenditure management are part of the PFMA, 1999 implementation, and have been among National Treasury's most important reforms.

The implementation of the PFMA, 1999 within National Treasury is ongoing and suggests a good

record. A risk-management exercise has been completed and a fraud-prevention plan developed. Internal controls and asset-management procedures have been implemented.

Accounting Standards Board

The Accounting Standards Board was appointed in 2002 and is mainly responsible for the implementation of Generally Recognised Accounting Practice (GRAP) in government.

During 2003/04, progress was made in developing a framework for the preparation and presentation of financial statements. The draft standards for the following were issued for public comment:

- presentation of financial statements
- cash-flow statements
- accounting policies
- changes in accounting estimates
- errors and impairment of assets.

Over the medium term, the Board aims to develop and issue a core set of GRAP that will be available for implementation by all spheres of government.

Financial Services Sector Charter

The Financial Services Sector Charter was signed in November 2003, signalling a key milestone in the transformation of the financial sector.

The Charter seeks to ensure the broad-based transformation of the sector, based on the following elements: human resource development (HRD), procurement and enterprise development, access to financial services, empowerment financing, ownership, control and corporate social investment.

State expenditure

National Treasury plays a pivotal role in the management of government expenditure.

National Treasury determines the financial-management norms and standards, and sets reporting policy that guides the Auditor-General in the performance of his/her duties. It also assists Parliament, through the Standing Committee on Public

Accounts, with its recommendations and formulation of corrective actions. National Treasury closely monitors the performance of State departments and is obliged to report any deviations to the Auditor-General.

National Treasury furthermore maintains transparent and fair bidding processes, as well as accounting, logistic and personnel systems. It sets and maintains standards and norms for treasury and logistics, acts as banker for national departments, and oversees logistical control of stocks and assets.

National Treasury

Treasury norms and standards

In terms of Section 216(1)(c) of the Constitution, National Treasury must prescribe measures to ensure both transparency and expenditure control in each sphere of government, by introducing uniform treasury norms and standards. These treasury norms and standards aim at deregulating financial controls, by granting accounting officers of spending agencies more autonomy in financial decision-making within the ambits of impending financial legislation.

Budget evaluation

National Treasury plays an important role in supporting the economic policy to which government has committed itself. It determines the macro limit on expenditure, which is then matched with requests from departments, in line with the affordability and sustainability of services.

Based on this limit, all national departments are annually requested to submit budget proposals for the following financial year to National Treasury.

Early Warning System

The Early Warning System was first established in 1997. Any likely under- or overexpenditure is brought to the attention of the Cabinet so that the relevant Minister can ensure that appropriate action is taken.

The introduction of the System has also assisted in the monthly monitoring of the expenditure trends

of provincial departments, by having provincial treasuries reporting to National Treasury in a prescribed format. The information derived from early warning reports is used for advising the Budget Council and the Cabinet. The Minister of Finance is also kept informed of the early warning report results on a regular basis.

Financial policies, systems and skills development

National Treasury is responsible for the financial-management systems and financial training of government officials.

The services delivered support the following areas:

- financial systems, which consist of the Personnel and Salary System, Logistical Information System, Financial Management System, Basic Accounting System and Management Information System
- banking services and financial reporting for government
- financial-management capacity-development in national and provincial governments.

Procurement

The Preferential Procurement Regulations, 2000 give substance to the content of the Preferential Procurement Policy Framework Act, 2000. This Act and its regulations are applicable to all three spheres of government.



The Minister of Finance issued the Code of Good Practice for Black Economic Empowerment (BEE) in Public Private Partnerships (PPPs) in August 2004.

The Code sets a clear BEE framework for both public and private parties engaging in PPPs, creating certainty and ensuring a consistent approach.

It also provides a balanced scorecard with indicative targets and weightings for each element of the private party's equity structure, management, subcontracting and local socio-economic impact.

The Code further guides institutions on how to make appropriate decisions about BEE targets during the feasibility and procurement phases.

By August 2004, PPP projects worth more than R18 billion were in operation in a wide range of sectors.

Bids are evaluated according to a preference point system. A bidder can score a maximum of 80 or 90 points for price, while 20 or 10 points can be scored for contracting or subcontracting historically disadvantaged individuals (HDIs) and promoting/achieving specified Reconstruction and Development Programme (RDP) goals. A contract is awarded to the tenderer who scores the highest total number of points. The way in which the tender is evaluated, including the RDP goals to be promoted or achieved and the allocated points in this regard, forms part of the tender documents.

The implementation of the regulations enhances the involvement of HDIs in the public bidding system, and contributes to achieving RDP goals, including the promotion of small and medium enterprises (SMEs).

In terms of Section 76(4)(c) of the PFMA, 1999, the Supply-Chain Management Framework was published for comment at the end of October 2002. During 2003, comment was received and the regulations were promulgated on 5 December 2003.

The purpose of the Framework is to replace outdated procurement and provisioning systems in government with an integrated supply-chain management system, as well as an international best-practice process for appointing consultants.

South Africa's anti money-laundering system

In April 2003, South Africa was assessed by the Financial Action Task Force (FATF), the international standard-setting body, to determine whether the country's anti money-laundering measures met international standards.

The FATF found that South Africa needed to meet the revised standard regarding the beneficial ownership of companies and legal entities, as well as implement measures to combat the financing of terrorism. These issues are being addressed, and the anti-terror financing measures are contained in the Protection of Constitutional Democracy Against Terrorist and Related Activities Bill.

South Africa has since become a member of the FATF.

Another measure aimed at combating money laundering is the implementation of the Financial Intelligence Centre (FIC) Act, 2001 (Act 38 of 2001).

The FIC became an autonomous and self-functioning government agency reporting to the Minister of Finance in 2003/04.

The mandate of the FIC is to track irregular financial practices, especially the proceeds of crime. The Centre receives reports from accountable institutions, which it stores and analyses. It then makes disclosures or information packages available to law-enforcement agencies for investigation. It may also make this information available to similar bodies in other countries.

During 2003/04, the FIC received about 7 480 suspicious transaction reports from a range of accountable institutions, mainly banks and money remitters.

Another institution was created by the Act, namely the Money-Laundering Advisory Council, which is intended to provide the Minister with legislative advice. The Act identifies a range of 19 different business sectors which it defines as being accountable institutions, and which are most vulnerable to abuse by criminals. These include banks, *bureaux de change*, life insurance companies, stockbrokers, money remitters, as well as casinos, lawyers, accountants, investment advisers, estate agents and motor dealers.

In 2002, South Africa became a member of the Eastern and Southern Africa Anti Money-Laundering Group. The Egmont Group of Financial Intelligence Units invited the FIC to become a member of the Group after it conducted an assessment of the Centre.

Financial and Fiscal Commission (FFC)

The Commission, which came into operation in April 1994, is a statutory institution and permanent expert commission dealing with intergovernmental fiscal relations.

The FFC is responsible for making recommendations to Parliament and the Cabinet on the equitable division of revenue between national, provincial and local governments on an annual basis, giving advice on fiscal policies and taxes which provinces intend to impose, borrowing by local and provincial governments, and criteria to be considered in determining fiscal allocations. Additional responsibilities can be designated by means of appropriate legislation.

Budget Council

The Budget Council consists of the Minister of Finance and the nine provincial executive committee members responsible for Finance. The mission of the Council is to ensure that the country uses the available resources productively, efficiently and equitably, to the best advantage of its people.

It recommends to the Cabinet the share each province should receive, after taking into account national priorities and FFC proposals.

Public Investment Commissioners (PIC)

The PIC manages the largest asset portfolio in South Africa and is an increasingly important role-player in the financial services sector.

As at March 2004, the total assets under management amounted to R309 billion, mainly belonging to the Government Employees' Pension Fund.

Draft legislation was expected to be introduced in 2004 for the conversion of the PIC into a corporation, subject to the provisions of the Financial Advisory and Intermediary Services Act, 2002. As a public entity, the PIC will remain subject to the PFMA, 1999.

The PIC's strategic plans for the years ahead include expanding the role of the Isibaya Fund in infrastructure development and job creation.

Over the next three years, about R4 billion will be invested in public infrastructure, and about R2 billion will be invested in SMEs, with a strong focus on supporting BEE ventures.

The PIC will also embark on a process of broadening the geographic spread of properties owned on behalf of its clients. This initiative will amount to about R9 billion, and will be underpinned by an agreed policy regarding the funding of Black ownership of property through appropriate institutional vehicles.

Macro-economic strategy

The positive performance of the South African economy in the wake of a global slowdown is indicative of a highly resilient economy. The long-term outlook points towards further growth acceleration over the next few years and reflects a strong improvement in economic fundamentals that include:

- Benefits associated with stricter fiscal discipline, which has resulted in lower budget deficits, and which will eliminate government dissaving and pave the way for higher fixed investment spending.
- Improved domestic competitiveness in foreign markets. This has led to significant improvements on trade and current account balances.

Government's micro-economic reform strategy identifies six key performance areas or objectives:

- economic growth
- employment
- small business development
- BEE
- competitiveness
- geographic spread of growth and development.

The strategy rests on three pillars:

- The first pillar consists of cross-cutting issues: HRD, infrastructure, access to finance, technology, and research and development (R&D).
- The second pillar comprises a set of actions to improve efficiency and lower costs in three input sectors: transport, telecommunications and energy. In addition, access to these sectors needs to be widened to include all South Africans.
- The third pillar consists of growth sectors that demonstrate a high potential for growth and employment, namely tourism, exports, agricul-

ture, Information and Communications Technology, and cultural industries.

Government has adopted an integrated way forward that comprises the following:

- fine-tuning the micro-economic strategy
- continued managed liberalisation and infrastructure investment in key input sectors
- increased attention to the cross-cutting issues that underpin the strategy, including:
 - clarifying the role of individual departments in sectoral HRD strategies
 - adopting a research strategy and allocating the necessary resources to implement it effectively.
- establishing an integrated financing institution focused on BEE and small business
- an integrated approach to the planning and implementation of infrastructure investment by government
- developing and implementing an employment-creation framework
- strengthening and co-ordinating government products and services to promote key growth sectors
- an integrated strategy for small business development, emphasising co-ordination and refinement of existing initiatives, addressing access to finance, and placing a greater focus on micro-enterprises

- implementing three components of the BEE strategy, namely an enhanced environment for BEE partnership programmes with the private sector, the establishment of a BEE Advisory Council, and a review of government procurement
- incorporating a specific geographical dimension into the micro-economic reform strategy, to tap the economic and human potential of all nine provinces by co-ordinating current strategies such as the Integrated Sustainable Rural Development Programme, Urban Renewal Programme, Spatial Development Initiatives, Industrial Development Zones and Integrated Development Plans, as well as regional economic integration and the New Partnership for Africa's Development. (See chapter 7: *Economy*.)

South African Revenue Service (SARS)

In accordance with the SARS Act, 1997 (Act 34 of 1997), the Service is an administratively autonomous (outside the Public Service, but within the public administration) organ of State.

It aims to provide an enhanced, transparent and client-orientated service to ensure optimum and equitable collection of revenue. Its main functions are to:

- collect and administer all national taxes, duties and levies
- collect revenue that may be imposed under any other legislation, as agreed upon between SARS and an organ of State or institution entitled to the revenue
- provide protection against the illegal importation and exportation of goods
- facilitate trade
- advise the Minister of Finance on all revenue-related matters.

Tax system

National Treasury is also responsible for advising the Minister of Finance on tax-policy issues that arise at local, provincial and national government level. In its

The South African Revenue Service's (SARS) *Customs Compliance* Campaign was launched on 28 November 2003.

On this day, the Commissioner of the SARS, Mr Pravin Gordhan, met airfreight associations, road-freight associations, trade representatives, business chambers and other industry stakeholders to discuss the worrying levels of non-compliance within the import and export sector.

Stakeholder groups were also invited to join SARS in a co-operative venture aimed at addressing these problems, levelling the playing fields and establishing a precedence of good corporate governance for the future.

During the meeting, 24 businesses committed themselves in a Memorandum of Understanding to eradicate criminality and non-compliance with the law in the customs environment.

policy-advice function to government, National Treasury must design tax instruments that can optimally fulfil their revenue-raising function, achieve economic and allocative functions, and strengthen redistributive and social-policy functions. This must be done in a manner that creates a basis for general political acceptability of the selected tax instruments. In designing tax policies, co-operation between National Treasury and the SARS is of the utmost importance.

As of 2001, South Africa's source-based income tax system was replaced with a residence-based system. With effect from the years of assessment commencing on or after 1 January 2001, residents are (subject to certain exclusions) taxed on their worldwide income, irrespective of where their income was earned. Foreign taxes are credited against South African tax payable on foreign income. Foreign income and taxes are translated into the South African monetary unit, the Rand.

Capital Gains Tax was introduced on 1 October 2001. It forms part of the income tax system and includes capital gains made upon the disposal of assets in taxable income.

Value-Added Tax (VAT) is levied at a standard rate of 14% on all goods and services, subject to certain exemptions, exceptions, deductions and adjustments provided for in the VAT Act, 1991 (Act 89 of 1991), as amended.

Transfer duty, estate duty, stamp duty, marketable securities tax, customs duty and excise duty are also levied by the national Government.

Regional Services Councils levy turnover and payroll taxes. However, these taxes are at fairly low rates. Local governments levy rates on the value of fixed property, to finance the cost of municipal services.

International tax agreements for the avoidance of double taxation

International tax agreements are important for encouraging investment and trade flows between nations. By reaching agreement on the allocation of taxing rights between residence and source countries of international investors, double taxation agreements provide a solid platform for growth in

international trade and investment, by providing a certain tax framework.

Agreements for mutual administrative assistance between customs administrations

These agreements cover all aspects of assistance, including the exchange of information, technical assistance, surveillance, investigations and visits by officials.

Sources of revenue

Income tax

Income tax is government's main source of income and is levied in terms of the Income Tax Act, 1962 (Act 58 of 1962).

In South Africa, income tax is levied on South African residents' worldwide income, with appropriate relief to avoid double taxation. Non-residents are taxed on their income from a South African source. Tax is levied on taxable income which, in essence, consists of gross income less allowable deductions as per the Act.

Companies are taxed at a rate of 30%. In addition to this, secondary tax is levied on companies at a rate of 12,5% on all income distributed by way of dividends. A formula tax applies to gold-mining companies. Small business corporations (annual turnover limit will be increased to R5 million) benefit from a graduated tax rate of 15% on the first R150 000 of taxable income, and can write off certain investment expenditure in the year in which it is incurred.

Small businesses also receive double deduction for expenses initially incurred, with respect to a new business capped at the first R20 000 of available deductions.

Income tax returns are issued annually to registered taxpayers after the end of each year of assessment. The year of assessment for individuals covers a period of 12 months which generally commences on 1 March of a specific year and ends on the last day of February the following year. Companies are permitted to have a tax year ending on a date that coincides with their financial year.

However, the Act also provides for certain classes of taxpayers to have the year of assessment ending on a day other than the last day of February.

Tax returns must be submitted to SARS within 60 days from the end of the year of assessment or the date of the returns' issue. A taxpayer may apply for extension for the rendition of a tax return.

People who owe SARS tax are charged interest at a rate as published in the *Government Gazette* in accordance with the PFMA, 1999. Persons who derive income from sources other than remuneration, e.g. trade, profession or investments and companies, are required to make two provisional tax payments during the course of the tax year and may opt for a third 'topping-up' payment six months after the end of the tax year.

Value-Added Tax

VAT is levied on the supply of all goods and services rendered by registered vendors throughout the business cycle. It is government's second-biggest source of income.

Effectively, VAT is levied on the value added by an enterprise. As vendors levy and pay over the tax included in their prices, VAT is borne by the final consumer. VAT is also levied on the importation of goods and services into South Africa by any person. It is levied at the standard rate of 14%, but certain supplies are subject to the zero-rate or are exempt from VAT.

The prices of goods and services must be quoted/displayed on an inclusive basis, which means that VAT has to be included in all prices on products, price lists, advertisements and quotations.

Customs duty

South Africa is a signatory to the Southern African Customs Union (SACU) Agreement, together with Botswana, Lesotho, Namibia and Swaziland (BLNS countries). The five member countries of SACU apply the same customs and excise legislation, the same rates of customs and excise duties on imported and locally manufactured goods, and the same import duties on imported goods. The uniform application of tariffs and the harmonisation of procedures simplify trade within the SACU common customs area.

Import duties, including anti-dumping and countervailing duties, are used as mechanisms to protect the local industry.

Customs and excise revenue collected in the SACU is shared according to a formula that has been in place since 1969. Following eight years of negotiations, a new SACU Agreement was signed in October 2002. The new revenue-sharing formula took effect in the 2003/04 financial year and will ensure long-term sustainability of these transfer payments. SACU revenue shares for 2003/04 amounted to R9,7 billion, with an anticipated rise to R11,6 billion and R12,4 billion in 2004/05 and 2005/06 respectively.

South Africa has entered into agreements on mutual assistance between customs administrations. These agreements cover all aspects of assistance, including the exchange of information, technical assistance, surveillance, investigations and visits by officials.

Efforts continue to improve the effectiveness of custom controls and trade facilitation.

Excise duty

Excise duty is levied on certain locally manufactured goods as well as their imported equivalents. This duty is levied as a specific duty on tobacco, liquor, and as an *ad valorem* duty on cosmetics, audio-visual equipment and motor cars.

Relief from excise duty is available where excisable products are exported. In addition, relief is also available in respect of specific farming, forestry, and certain manufacturing activities.

Excise duties are imposed both as a means to generate revenue for the fiscus, and to change consumer behaviour.

Transfer duty

Transfer duty is payable on the acquisition of property by individuals at progressive marginal rates between 0% and 8%.

Transfer duty on property acquired by a person other than an individual, e.g. a company or trust, is payable at a rate of 10%.

All transactions relating to a taxable supply of goods that are subject to VAT, are exempt from transfer duty.

Estate duty

For the purposes of estate duty, an estate consists of all property, including deemed property (e.g. life insurance policies, payments from pension funds, etc.) of the deceased, wherever situated. The estate of a deceased non-resident consists of only his/her South African assets.

The duty, at a rate of 20%, is calculated on the dutiable amount of the estate. Certain admissible deductions from the total value of the estate are allowed.

Stamp duty

Stamp duty is levied on certain financial transactions.

Marketable Securities Tax (MST)

MST is payable in respect of every purchase of marketable securities by a stockbroker, on behalf of any person, at a rate of 0,25% of the consideration for which such securities are purchased.

Uncertified Securities Tax (UST)

UST is payable in respect of the issue and change in beneficial ownership of any securities which are transferable without a written instrument and are not evidenced by a certificate. It is levied at a rate of 0,25% and will eventually replace MST.

Skills-development levy

A skills-development levy was introduced on 1 April 2000. This is a compulsory levy scheme for the funding of education and training. SARS administers the collection thereof. The rate was at 1,0% of payroll as from 1 April 2001, and is payable by employers who are registered with SARS for employees' tax purposes, or employers who have an annual payroll in excess of R250 000.

Air passenger departure tax

A tax of R110 per fee-paying passenger departing on international flights, and R55 per passenger departing to the BLNS countries is payable.

Organisational performance

SARS virtually met its revised revenue target of R303,3 billion for the fiscal year ending 31 March

2004. The preliminary revenue figure for the 2003/04 fiscal year was about R500 million short of the target.

Based on the revised target of R303,3 billion, the key taxes performed well, particularly corporate taxes which came more or less on target at R60,65 billion. As far as the two other principal sources of revenue are concerned, personal income tax (R98,2 billion) did surprisingly well and came in at the higher revised target. VAT came in slightly below the target of R81 billion. Customs duty was only slightly below the target despite a significant decline in the value of imports.

A significant feature of the collection effort in the 2003/04 financial year was the fact that SARS' enforcement initiatives contributed very significantly to the collection success. Significant sums of money were collected from initiatives on Pay-As-You-Earn system defaults, customs duty, corporate and structured finance disputes, and industry-based audits.

The continuous efforts of SARS to broaden the tax base, improve its service levels to taxpayers, and pursue vigilant enforcement initiatives contributed directly to the increased revenue yield, which will finance government's developmental agenda.

The 2003/04 financial year saw the launch of dispute-resolution mechanisms, improvements in



Interest rates charged in respect of outstanding taxes, duties and levies, as well as interest rates paid by the South African Revenue Service (SARS) decreased by one percentage point with effect from 1 November 2004.

The following interests rates apply:

- the rate at which interest is charged in respect of outstanding tax decreased from 11,5% to 10,5%
- the rate at which interest is paid to taxpayers in respect of refunds of provisional tax overpaid decreased from 7,5% to 6,5%
- the rate at which interest is paid to taxpayers on refunds of tax where an appeal is upheld in court or conceded by the Commissioner of SARS decreased from 11,5% to 10,5%
- the rate at which interest is charged in respect of outstanding Value-Added Tax (VAT) and at which interest is paid to vendors in respect of VAT refunds, decreased from 11,5% to 10,5%
- the rate at which interest is charged in respect of outstanding customs and excise duties decreased from 11,5% to 10,5%.

SARS' anti-evasion drive, the launch of the free e-Filing facility to businesses, and a comprehensive drive to improve the levels of taxpayer filing.

e-Filing

On 15 September 2003, SARS launched the e-Filing service that allows South African businesses to submit their tax returns online. The initial concept of electronic filing was introduced in 2001 as a pilot project.

e-Filing reduces the administrative costs of filing tax returns, improves operational efficiency, reduces backlogs and paperwork, and increases the accuracy of taxpayer data. It gives effect to government's aims to reduce the cost of doing business in South Africa or, in this case, of being tax compliant.

Other benefits to corporate filers include detailed electronic records of all interactions with SARS, quicker turnaround times on submissions of returns, increased flexibility regarding payment options to SARS, an additional three to five-day window period to submit VAT payments, a dedicated call centre, and a reminder service via e-mail or the short message system.

Between September 2003 and June 2004, the number of registered filers increased from 72 000 to 98 300, the number of returns submitted grew from 66 000 to 182 000, and the value of payments

made online to SARS increased from R2,5 billion to R5,5 billion.

The increased use of IT is part of SARS' longer-term objective to move towards a paperless environment where the electronic transmission of information will lead to better service delivery and accuracy.

Filing Season

During 2003, SARS launched an educational and publicity campaign called *Filing Season* to assist in expanding the tax base and improving the culture of tax compliance in South Africa.

Filing Season is an extensive marketing and publicity venture to remind taxpayers of their responsibilities to submit their tax returns on time with the correct details, to ensure that their returns are assessed and processed timeously.

During the campaign, which entered its second year in 2004, SARS set up kiosks at its offices and at shopping centres around the country, staffed by officials and consultants to help customers complete their tax returns.

Filing Season also seeks to reduce the number of requests from taxpayers for extensions, and help customers complete their tax returns correctly. Thirty percent of tax returns received by SARS in the past were either incorrectly completed, partially completed or lacked the necessary substantiating documentation. This caused unnecessary delays for both taxpayers and SARS.

Each year, SARS attempts to simplify complex tax returns for salaried individuals.

Since its launch to demystify taxation in South Africa, and promote open communication channels between SARS and the taxpayer, the public's response to *Filing Season* has been overwhelming.

The 2003 *Filing Season* was a big success, with SARS receiving more than half of the almost four million returns before the July deadline.

Gambling and lotteries

The National Gambling Board regulates the gambling industry in South Africa by ensuring that the viability, sustainability and integrity of the industry are attained and maintained.

On 13 September 2004, the South African Revenue Service (SARS) opened the Large Business Centre (LBC) at Megawatt Park near Johannesburg.

The LBC is designed to introduce a new era in the interaction between SARS and the country's largest corporate taxpayers, who are important contributors to economic growth and the fiscus.

Corporate income tax has increased steadily as a percentage of total revenue collections, from 11,9% in 1994/95 to 20% during the 2003/04 fiscal year.

Corporate taxpayers who will be serviced by the LBC include:

- companies listed on the JSE Securities Exchange
- parastatals
- unlisted companies with a turnover in excess of R250 million
- major financial institutions
- multinational corporations and their local branches.

The Board fulfils its mandate by:

- promoting uniform norms and standards that apply generally throughout South Africa, bringing about uniformity in legislation relating to gambling in the various provinces
- establishing and maintaining a national inspectorate
- monitoring the existence of any dominant or overconcentrated market share in the South African gambling industry
- advising the Minister of Finance and the provinces on gambling matters
- facilitating the resolution of disputes which may arise between the respective provinces regarding the regulation and control of gambling activities
- liaising with similar foreign international bodies.

The South African Advisory Council of Responsible Gambling was created to promote the culture of responsible gambling. It comprises regulators, civil society and the industry.

The National Gambling Act, 1996 (Act 33 of 1996), defines the regulatory framework of the industry. For instance, it limits the number of casinos that can be licensed to 40. There are provincial gambling boards in each of the nine provinces. These boards are responsible for issuing casino licences.

In September 1999, the Minister of Trade and Industry signed the National Lottery Licence Agreement with Uthingo Management (Pty) Ltd, the official lottery operator. The National Lottery celebrated its fourth anniversary in March 2004.

By 31 March 2004, more than R2,2 billion raised through the National Lottery had been allocated to over 5 000 beneficiaries.

- In 2003/04, some R1,26 billion was allocated to 1 802 beneficiary organisations.
- This amount was allocated according to the following categories:
 - Arts, culture and national heritage: 267 allocations amounting to R375,4 million.
 - Charities: 1 144 allocations amounting to R613,1 million.
 - Sport and recreation: 390 allocations amounting to R252,4 million. This included a R28,3-million cash injection for the 2004

National Olympic Team, and R10 million to the National Olympic Committee of South Africa by the Sport and Recreation Distribution Agency of the National Lottery Distribution Trust Fund (over and above the R5 million that had been granted for team preparation).

- Miscellaneous purposes: one allocation amounting to R17,4 million.

Auditor-General

The Office of the Auditor-General (OAG) exists as a State institution to support democracy. Two factors – independence and impartiality – are extremely important to the democratic process and are entrenched in the Constitution. This gives the OAG the strength to perform its functions and helps to ensure that the OAG's key stakeholders, Parliament, the provincial legislatures, government departments and public entities can rely on its work.

Nine provincial offices, in addition to the head office in Pretoria, enable the OAG to conduct audits at national and provincial departments, local governments, as well as a number of miscellaneous accounts all over the country.

The OAG has a budget of R589,7 million and 1 448 employees. These are divided into various centres of excellence that provide auditing services, corporate services, and specialised audit work, namely performance, forensic auditing, computer auditing and technical support. The OAG also boasts an impressive international auditing complement.

Public-sector auditing involves the investigation and evaluation of government and related institutions regarding financial-management practices, performance, and compliance with legal requirements. The objective is to form an opinion on whether the financial statements fairly present the results of the operations of an auditee at a given time, and whether the auditee has complied with laws and regulations, safeguarded public funds and assets, ensured that accounting systems are functioning properly, and spent public monies effectively.

The OAG contributed significantly to developments that would improve the regular reporting on national government accounts.

These include:

- Introducing a checklist to ensure that the level of service provided by the OAG is consistently of a high standard.
- Developing a financial-management capability model in terms of which financial management in the public sector can be assessed.
- Conducting research and developing a strategy for the auditing of performance information.
- Developing a manual on the auditing of compliance with relevant laws and regulations.
- Focusing on sustainable-development auditing to investigate the social and environmental aspects of business processes.
- Summarising the findings of all national entities into a general report on audit outcomes. This enables the user of the report to view the audit results along Ministerial portfolio lines.

The OAG maintains close relationships with stakeholders such as National Treasury, the Accounting Standards Board, the Institute for Public Finance and Auditing, and the Public Sector Committee of the South African Institute of Chartered Accountants.

In accordance with the PFMA, 1999, the Auditor-General has the power to investigate and audit the activities of public entities without the approval of the chief executive officer (CEO) or board of directors if he/she considers it to be in the public interest, or upon receipt of a complaint. All the companies listed in terms of the PFMA, 1999 have to report on their financial affairs and performance. Among these are the South African Post Office, Eskom and Transnet.

Financial sector

South African Reserve Bank

The Reserve Bank and the Ministry of Finance form the monetary authority in South Africa. The Reserve Bank has been given a significant degree of autonomy in terms of the Constitution and must perform its functions independently. However, the Reserve Bank must hold regular consultations with the Minister of Finance. Its management, powers and

functions are governed by the South African Reserve Bank Act, 1989 (Act 90 of 1989).

The Reserve Bank formulates and implements monetary policy and regulates the supply (availability) of money by influencing its cost. Monetary policy is guided by the objectives of the Reserve Bank, which are formulated to ensure financial stability. Consistent combating of inflation is the cornerstone of the Bank's policy. A formal inflation-targeting monetary-policy framework has been adopted since 2000.

Monetary policy is set by the Bank's Monetary Policy Committee (MPC). The Committee, consisting of the Reserve Bank's governors and other senior officials, usually meets once a quarter, after which it issues a statement indicating its assessment of the economy and policy changes, if any.

The Reserve Bank is responsible for:

- assisting government in formulating and implementing macro-economic policy
- formulating and implementing monetary policy to achieve its primary goal in the interest of the community it serves
- ensuring that the South African money and banking system as a whole is sound, meets the requirements of the community, and keeps abreast of international finance developments
- informing the South African community and all interested parties abroad about monetary policy, and the South African economic situation in general.

The Reserve Bank is managed by a board of 14 directors, seven of whom are elected by the shareholders of the Bank and represent commerce, finance, industry and agriculture. The President of South Africa appoints the Governor, three deputy governors and three directors.

The Reserve Bank acts as the central bank of South Africa and as banker to other banking institutions. It provides accommodation to banks and is the custodian of the statutory cash reserves that all registered banks are required to maintain. It also provides facilities for the clearing and settlement of interbank obligations.

The main instrument in managing liquidity in the money market is the repurchase transactions (repo) rate, the price at which the central bank lends cash

to the banking system. The repo rate has become the most important indicator for short-term interest rates.

The repurchase agreements entered into between the Reserve Bank and other banks are conducted on the basis of an outright buy-and-sell transaction, with a full transfer of ownership of the underlying assets. The system also provides for a marginal lending facility, which replaces the previous discount window. This facility is available to banks at their initiative to bridge overnight liquidity needs.

The marginal lending facility forms an integrated part of the South African Multiple Option Settlement (SAMOS) System, which came into operation in March 1998.

This enables banks to electronically make payments to and receive payments from the Reserve Bank, through their settlement accounts held in the books of the Reserve Bank. Daily settlements of interbank exposures are effected through the SAMOS System.

Payments through the System can only be made if a bank has sufficient funds in its settlement account. Such funds can be obtained through interbank transfers, repurchase transactions, other types of liquidity-creating instruments of the Reserve Bank, or the marginal lending facility. The SAMOS System, however, allows banks to receive funds obtained in the interbank market directly in their settlement accounts in the Reserve Bank's books.

Estimates of revenue before tax proposals, 2004/05

R million	2003/04 Revised estimate	2004/05 Before tax proposals	% change
Taxes on income and profits	171 990	193 260	12,4
Personal income tax	98 200	110 000	12,0
Company tax	60 650	68 800	13,4
Secondary tax on companies	6 000	6 760	12,7
Tax on retirement funds	5 600	6 000	7,1
Other	1 540	1 700	10,4
Taxes on payroll and workforce	4 000	4 300	7,5
Taxes on property	6 520	6 970	6,9
Domestic taxes on goods and services	110 558	119 417	8,0
Value-Added Tax	81 000	89 500	10,5
Excise duties	12 715	12 799	0,7
Levies on fuel	16 350	16 500	0,9
Other	493	619	25,5
Taxes on international trade and transactions	8 800	10 476	19,0
Stamp duties and fees	1 450	1 570	8,3
Total tax revenue	303 318	335 994	10,8
Department revenue	6 068	5 944	-2,0
Transactions in assets and liabilities	570	646	13,4
Foreign grants (RDP* Fund)	67	-	0,0
Less: SACU** payments	-9 723	-13 328	37,1
Main budget revenue	300 300	329 256	9,6

Source: *Budget Review 2004*

* RDP – Reconstruction and Development Programme

** SACU – Southern African Customs Union

The Reserve Bank uses various instruments to achieve its objectives. These include changes in the repo-rate marginal-lending facility; open-market transactions, including selling its own debentures; changes in requirements with regard to cash reserves of banking institutions; and controlling the liquidity in the money market through repurchase transactions.

The Bank undertakes national and international transactions on behalf of the State, and acts for government in transactions with the International Monetary Fund (IMF).

The Reserve Bank is the custodian of the greater part of South Africa's gold and other foreign-exchange reserves.

The Reserve Bank issues banknotes (printed by the South African Bank Note Company, a wholly owned subsidiary of the Reserve Bank) and controls the South African Mint Company.

Monetary policy

The framework for monetary policy was tightened and made more transparent by adopting formal inflation targeting in February 2000.

Inflation targeting is aimed at maintaining low inflation and has been successfully adopted by an increasing number of countries in recent years. National Treasury and the Reserve Bank initially agreed on an inflation target band of 3% to 6% on average for 2002, for the Consumer Price Index excluding mortgage costs (CPIX). In mid-2004, a 3% to 6% target range also applied.

Following a review of the inflation-targeting framework, the Minister of Finance and the Governor of the Reserve Bank agreed on some technical refinements of the framework. These were announced on 12 November 2003. Prior to the announcement, the target range for CPIX inflation was set at an annual average of 3% to 6% over a calendar year, and was supposed to extend up to 2005.

Although the target range of 3% to 6% was maintained in 2004, the measurement option was changed to a continuous 12-month basis. Thus, CPIX inflation must remain in the target range at all times and this will apply at least until 2006.

The Reserve Bank's repo rate was maintained at 13,50% from September 2002 to mid-2003, to brake and then reverse the acceleration in inflation which followed the depreciation of the exchange rate of the Rand in 2001.

Besides the downward revision of the CPIX inflation data by almost 200 basis points in May 2003, the sustained conservative monetary and fiscal policies, and the significant recovery in the exchange rate were important factors in bringing down the inflation rate. Over the 13 months to April 2004, the production prices of imported goods in Rand terms declined significantly and the overall production price index also receded somewhat.

Developments in production prices were also reflected in consumer prices, as the 12-month CPIX inflation rate receded to levels within the target range, and registered 4% in December 2003 before accelerating marginally to 4,2% in January 2004, and further to 4,4% in April 2004.

Growth in the broad monetary aggregate M3 and banks' total loans and advances recorded 12-month rates of around 12% for most of 2003. Over the month-end of February 2004, growth in M3 accelerated significantly owing to cash received by non-bank domestic parties from coupon interest payments on government bonds, and the redemption of the first tranche of the R150 bond.

This trend was reversed somewhat in the ensuing months to April, mainly reflecting the reallocation of funds to other financial instruments. Banks' total loans and advances also decelerated during the early months of 2004 due to disintermediation when non-bank corporate parties issued bonds. Nevertheless, the growth in monetary aggregates and banks' total loans and advances were supported by brisk growth in domestic expenditure and lower nominal interest rates.

Against the background of these developments, the Reserve Bank's repo rate was reduced by a cumulative 5,50 percentage points during the period from 13 June 2003 to 11 December 2003. With the outlook for CPIX inflation remaining reconcilable with the target band, the MPC agreed to leave the repo rate unchanged at 8%, at its meetings held in February, April and June 2004.

In August 2004, the repo rate was dropped to 7,5%.

Financial Services Board

The FSB is an independent statutory body financed by the financial services industry itself.

The FSB supervises the exercise of control over such institutions and services, in terms of several parliamentary Acts that entrust regulatory functions to registrars of long-term insurance, short-term insurance, friendly societies, pension funds, collective investment schemes, financial services providers, exchanges and financial markets. These functions converge in the office of the executive officer, acting with the other members of the executive and heads of the various departments of the FSB's administrative infrastructure.

The FSB promotes programmes and initiatives by financial institutions and bodies representing the financial-services industry, to inform and educate users of financial products and services. It also acts in an advisory capacity to the Minister of Finance.

Included in such functions is regulatory control over central securities depositories and depository institutions responsible for the safe custody of securities.

The FSB is also responsible for the financial supervision of the Road Accident Fund.

Excluded from the FSB's responsibilities are some areas involving listing requirements or public issues, take-overs and mergers.

The Insider Trading Act, 1998 (Act 135 of 1998), provides for the establishment of the Insider Trading Directorate at the FSB. The Act makes it easier to impose criminal sanctions and, in addition, the FSB can take civil action against offenders.

The executive officer is provided with an armoury of regulatory sanctions, including the cancellation of authorisation to supply financial services.

The executive officer has formal powers of investigation to which criminal sanctions attach in the event of obstruction. The executive officer can, in certain circumstances, also petition for the winding up of, or placing under judicial management or curatorship, certain financial institutions such as insurers and pension funds.

These powers of intervention do not, however, take the risk out of an investment made at a financial institution. All investments carry some degree of risk, whether relating to business or general economic conditions.

The Inspection of Financial Institutions Act, 1998 (Act 80 of 1998), allows the FSB to obtain warrants for searching and questioning third parties who might have information about unregistered financial institutions, such as those providing insurance or investment services.

The FSB is assisted by an advisory board on financial markets, and advisory committees on financial services providers, long- and short-term insurance, pension funds and collective investment schemes. The Financial Services Consumer Advisory Panel was established to advise the FSB and Registrar of Banks on consumer-protection issues falling within the regulators' jurisdiction.

The FSB maintains a close relationship with all existing industry associations. It liaises with overseas regulatory organisations, and is a member of the International Organisation of Security Commissions, the International Association of Insurance Supervisors, the African Association of Insurance Supervisors and the International Network of Pension Regulators and Supervisors.

On the domestic scene, it liaises with bodies such as the Public Accountants and Auditors, Consumers Affairs Committee and various government departments, as well as with prosecuting authorities such as the South African Police Service, the Directorate of Special Operations, and the National Director of Public Prosecutions.

The banking industry

At the end of December 2003, 39 banks, including 15 branches of foreign banks and two mutual banks, were registered with the Office of the Registrar of Banks. Furthermore, 44 foreign banks had authorised representative offices in South Africa. By the end of December 2003, banking institutions collectively employed 113 051 workers at 8 187 branches and agencies.

Four major banks dominate the South African

banking sector, namely Amalgamated Banks of South Africa (Absa) Bank Limited, The Standard Bank of South Africa Limited, FirstRand Bank Limited and Nedbank Limited. These banks maintain extensive branch networks across all nine provinces and by the end of December 2003, constituted 80,9% of the total assets (R1 377,6 billion) of the banking sector.

The major banks offer a wide range of services to both individual and corporate customers. One-stop relationship banking, instead of isolated services, has gained importance. Nevertheless, several banks specialise in providing services in merchant banking, securities underwriting or other niche areas.

Online banking reached the one million mark in South Africa for the first time at the end of 2003. According to the World Wide Worx research report, *Online Banking in South Africa 2004*, the number of online bank accounts in South Africa grew by 28% in 2003. The number of online bank accounts reached 1,04 million and was expected to increase by more than 30% during 2004.

Industry-wide net income after tax increased to 0,7% of total assets in 2003. As a percentage of equity, industry-wide net income after tax increased from 5,6% in 2002 to 10,9% in 2003. By the end of 2003, industry-wide net income before taxation had begun to increase to R15,8 billion, compared with R8,9 billion in 2002.

The change in focus of the regulatory authorities, from direct control to deregulation, has been accompanied by an emphasis on proper capitalisation, sound risk-management procedures and greater disclosure. South Africa adheres to the capital-adequacy guidelines for banks, issued by the Basel Committee on Banking Supervision under the auspices of the Bank of International Settlements. In South Africa, the requirement to maintain capital equal to the full ratio of 10% of risk-weighted assets became effective in October 2001. By the end of 2003, the banking sector as a whole had a ratio of capital-to-risk weighted assets of 12,2%.

Many demands are now being made on South African banking institutions to extend their activities to accommodate the banking needs of the underprivileged, and to provide more funds for

housing, export financing, agriculture and small-business development. Several initiatives are underway to develop appropriate structures to provide access to finance to all sectors of South Africa's population.

The regulations relating to banks, which form part of South Africa's banking legislation, were revised during 2002, thus ensuring South Africa's continued adherence to best practice. The Bank Supervision Department envisages amending the regulatory framework to allow for the establishment of different classes of banking institutions, such as second-tier and third-tier banks.

A project to consider the establishment of narrow and core banks was initiated during 2002/03. The objective is to increase competition in the banking sector, while also creating greater access to basic banking services, such as savings accounts and housing and educational loans, to the under- and unbanked.

The Bank Supervision Department proposes that such banks be subject to lower-entry criteria, but that their business scope be limited. To safeguard the stability of the banking system, it is envisaged that narrow and core banks would be subject to strict conditions, such as being permitted to take retail deposits, but not for example, to trade or invest in derivatives.

The microlending industry

A process of regulating and enhancing the credibility of the microlending industry was initiated by the Minister of Trade and Industry a few years ago.

In 2002, the Micro Finance Regulatory Council (MFRC) instituted a Code of Conduct for microlenders aimed at encouraging responsible lending. The guidelines of the Code compel microlenders to assess applicants' levels of financial commitments against the National Loans Register (NLR) before advancing a loan. The NLR was launched in November 2000 by the MFRC to enable assessment of the ability of prospective borrowers to afford repayments on loans.

Microlenders are also required to maintain a register of their appointed agents, who are expected to carry identification cards bearing the lenders' names and the MFRC logo. Creditors who violate the Code of Conduct are penalised and subjected to disciplinary measures in accordance with the MFRC's disciplinary processes.

By August 2004, the Apex Fund was in the process of being incubated at Khula and an interim CEO had been appointed. The Apex Fund will provide small loans to micro-enterprises, with a focus on women in rural areas.

The Department of Trade and Industry called for public submissions on the Draft Consumer Credit Bill in August 2004.

This followed after the Department found serious weaknesses in South Africa's R362-billion per year consumer-credit industry.

The Credit Bill aims to address consumer complaints, such as not being aware of the fees that are included in credit.

The Credit Bill will establish norms and standards for pre-contract disclosure and statements of account. The Bill also provides that credit insurance may not be capitalised upfront. It will also guarantee the consumer's right to be informed of reasons for the refusal of credit.

Insurance companies

Short-term (non-life) insurance is concerned primarily with risk assessment. The contracts usually run from year to year and can be cancelled by either party. These contracts apply to engineering, guarantee, liability, motor business, accident and health, property, transportation, and miscellaneous insurance. As at 31 March 2004, 97 short-term insurers were registered. The total gross premiums written for 2003 (unaudited figures) amounted to R35,3 billion, while total assets amounted to R39,3 billion (excluding the South African Special Risks Insurance Association Limited).

In essence, long-term insurance consists of life, assistance, sinking fund, health, and disability insurance. Long-term insurance and pension and provident funds are concerned with maximising invest-

ment results. Life insurance is dominant. As at 31 March 2004, 78 long-term insurers were registered. The total net premiums received and outstanding for 2003 (unaudited figures) amounted to R156,8 billion, while total assets amounted to R822,1 billion.

The Financial Advisory and Intermediary Services Act, 2002 contains many of the provisions incorporated in the Policyholder Protection Rules. In 2004, the FSB was redrafting these Rules to ensure that there is no duplication of provisions.

Other financial institutions

Development Bank of Southern Africa (DBSA)

The DBSA's primary role in terms of the DBSA Act, 1997 (Act 13 of 1997), is to promote economic development and growth, HRD and institutional capacity-building.

This is achieved by mobilising financial and other resources from the national and international private and public sectors, for sustainable development projects and programmes.

The DBSA operates in South Africa, in the other Southern African Development Community (SADC) countries, and increasingly in the wider region of Africa south of the Sahara. Its mandate is focused on infrastructure, both via loans of its own funds and by acting as a catalyst for investments in partnership with the private sector.

As part of its funding strategy, the DBSA has established lines of credit with reputable and highly rated international institutions such as the African Development Bank and the European Investment Bank. It also raises funds from bilateral sources such as the German *Kreditanstalt für Wiederaufbau*, the Japanese Overseas Economic Co-operation Fund, and the *Agence Française de Développement*.

Based on funds approved, and on DBSA disbursements, an estimated additional 24 732 and 12 417 employment opportunities will be created respectively. The impact on Gross Domestic Product is estimated at R4,3 billion and R2,4 billion respectively.

The high unskilled content of the employment impact (40%) is of importance in terms of addressing unemployment. Capital is one of the basic production factors, along with labour, resources and the entrepreneurship necessary for a functioning economy. To support the economic activity promoted by the DBSA's loan funding, an amount of about R11,13 billion of capital would have to be employed directly and indirectly. Indirectly refers to the capital that is used to produce material and other input supplied to those projects funded by the DBSA. This constituted around 6% of the total gross fixed capital formation of South Africa in 2003/04.

The DBSA is strengthening its role as a 'knowledge bank' and provides considerable support to clients in this respect, with a wide range of additional services, including development information, project appraisals, project-management support, various impact analyses, and policy development.

Successful sustainable development is dependent on building institutional capacity among recipient organisations, and the DBSA plays an active role in this respect with grants from the Development Fund for training and technical assistance at local government level.

By mid-2004, the DBSA *Vulindlela* (Pathway) Academy was being set up to provide direct training facilities for municipalities, supported by a local government resource centre and a wide-area computer network to link them to these facilities. Furthermore, the DBSA's development capacity and infrastructure allows it to act as a channel for development funds. The Bank's agency function is well established and 22 projects are managed on behalf of international and national development organisations.

Land and Agricultural Development Bank (Land Bank)

The Land Bank operates as a development finance institution within the agricultural and agribusiness sectors, and is regulated by the Land and Agricultural Development Bank Act, 2002 (Act 15 of 2002). The Land Bank provides a range of financing products to a broad spectrum of clients within the agricultural industry. Financing products include

wholesale and retail financing to commercial and developing farmers, co-operatives and other agriculture-related businesses.

The Land Bank's objectives are defined within its mandate, which requires that the Bank should achieve:

- growth in the commercial market
- growth in the development market
- business efficiency
 - service delivery
 - resource management
- sustainability.

(See chapter 4: *Agriculture*.)

Collective investment schemes

The Unit Trusts Control Act, 1981 (Act 54 of 1981), and the Participation Bond Act, 1981 (Act 55 of 1981), which regulated unit trust schemes and participation bond schemes, were replaced on 3 March 2003 by the Collective Investment Schemes Control Act, 2003 (Act 45 of 2003), which regulates all these schemes under the title of collective investment schemes. The structures of these schemes remained basically the same as before, although there is scope for other types of structures.

Collective investment schemes in securities

These open-ended schemes provide for a number of different types of portfolios in the equity, interest-bearing and money markets, for those investors who may not have the time, money or expertise to invest successfully in these markets on their own.

The prices of participatory interests (previously known as units) are calculated at net asset value and published daily. Managers create participatory interests for sale to the public as and when the demand arises. Managers may also cancel participatory interests when investors sell their holdings of participatory interests to the manager. The manager is obliged by law to buy back any participatory interests offered to it, at a price determined within 24 hours of receiving a valid notice of a buy-back from an investor.

Various collective investment schemes in South Africa offer similar ranges of investment plans, vary-

ing mainly as to the minimum amounts accepted for investment and certain charges. There are two types of investment plans, namely the open-account or lump-sum plan, and the regular savings plan, which caters for regular monthly investments.

By December 2003, 27 managers administered the assets of 488 separate portfolios. Most of them formed part of South Africa's leading financial institutions. However, a number of independent managers have been registered. The market value of the underlying assets of open-ended schemes amounted to R227,7 billion (excluding intra-industry holdings of assets) at the end of 2003.

Collective investment schemes in property

This type of scheme was previously known as property unit trusts. These schemes invest mainly in the shares of property-owning companies, direct property and certain other and foreign assets. Their issued participatory interests are listed on the JSE Securities Exchange (JSE). As at December 2003, there were seven schemes with an equal number of portfolios, with 2 443 billion participatory interests in issue, of which the market value amounted to R6,756 billion.

Collective investment schemes in participation bonds

Formerly called participation bond schemes, several of these schemes are in the process of being wound down. According to the Reserve Bank, the amount invested with these schemes was R3 820 million as at 31 December 2003. However, by June 2003, only seven of these schemes had invested funds from the general public.

Foreign collective investment schemes

Since 1998, foreign collective investment schemes have been allowed to market their products in South Africa, provided they obtain approval from the FSB.

Individual investors utilising their foreign exposure are the primary investors. At the end of 2003, 78 foreign schemes administering 433 different portfolios had obtained approval to market their

products in South Africa. The amount accepted from South African investors amounted to R45,8 billion at the end of 2003.

Stokvels

Stokvels are co-operative rotating saving schemes that mobilise funds among mostly Black communities for a variety of purposes. Rotating saving schemes similar to *stokvels* are also found in countries such as South Korea, Jamaica, Egypt and Japan. An estimated one million *stokvels* operate in South Africa.

Financial intermediaries and advisers

In accordance with the Financial Advisory and Intermediary Services Act, 2002, the Advisory Committee on Financial Services Providers, established by the Act, has focused its attention on finalising numerous pieces of necessary subordinate legislation (including the codes of conduct for different categories of financial services advisers).

As of 30 September 2004, financial advisory and intermediary entities are no longer able to conduct their business activities without being in possession of a licence issued by the FSB. The FSB was assisted by 12 representative-recognised bodies for the purpose of processing licence applications.

The Office of the Ombudsman for Financial Services Providers was empowered to adjudicate complaints by consumers relating to financial advice and intermediary services from 1 October 2004, when the Act came into full operation.

Retirement funds and friendly societies

As at 31 December 2003, the FSB supervised 13 752 registered retirement funds and 180 registered friendly societies. These funds exclude the official State funds, Transnet, Telkom and some bargaining-council funds, none of which are registered in terms of the Pension Funds Act, 1956 (Act 24 of 1956).

The total membership of all pension funds at the end of 2002 was 9 779 884, of which 8 567 479 were active members, and 1 212 405 were pensioners, deferred pensioners and depen-

dants. These figures do not reflect the total number of individuals who were members of funds, as some were members of more than one fund.

The total contributions received decreased by 0,9% from R61 097 million in 2001 to R60 552 million in 2002. Total contributions to the State, Transnet, Telkom and Post Office funds decreased by 1,4%, while total contributions to self-administered, underwritten and industrial funds in the private sector decreased by 0,7%.

Benefits paid decreased from R111 206 million in 2001 to R72 492 million in 2002. Amounts paid in respect of pensions, lump sums on retirement or death, and resignations, were included.

Total assets of the retirement-fund industry in South Africa increased by 3,7%, from R836 billion in 2001 to R867 billion in 2002.

The net assets of self-administered funds decreased by 4,9% from R370 billion in 2001 to R352 billion in 2002.

Financial markets

Primary capital-market activity

Government bonds

National Treasury issued government bonds totalling R51,4 billion in the primary capital market during the 2003/04 fiscal year. Government bonds to the amount of R26,6 billion matured during 2003/04, which brought the net financing requirement in the domestic bond market to R24,8 billion.

The Reserve Bank, on behalf of National Treasury, auctions new issuances of normal funding government bonds on a weekly basis. During 2003/04, 47 government bond auctions were conducted. The amounts auctioned varied between R350 and R650 million per week, averaging about R600 million per week for the fiscal year. Auctions of floating rate notes and inflation-linked bonds were also conducted on an *ad hoc* basis, depending on market conditions.

Conditions in global bond markets and the demand for emerging market bond debt during 2003 favoured the South African Government's 10-year Euro Global bond, which was issued on 9

May 2003 at a competitive spread of 142 basis points above the comparable German *Bund*. An amount of R1,25 billion (R10,6 billion) was raised through this issuance. This Euro Global bond carries a coupon of 5,25% and matures in 2013. The Government took further advantage of the low global interest-rate environment, and concluded its foreign financing for the 2004/05 fiscal year by issuing a 10-year Yankee bond to the amount of US\$1 billion on 25 May 2004. This bond was issued at a spread of 195 basis points above the comparable United States (US) Treasuries, the lowest spread ever on a US-Dollar-denominated bond issued by the South African Government in the US-Dollar market. This bond carries a coupon of 6,5%, the lowest coupon of all South Africa's US-Dollar-denominated bonds.

Non-government bonds

The growth in the non-government bond market, which has gained momentum since 2000, grew at a fast pace during 2003 owing to the relative low cost of funding in the domestic bond market.

The outstanding nominal value of non-government debt, in particular bonds, increased substantially in 2003/04. For example, the amount of non-government bonds outstanding as at 30 April 2003 increased by R22,8 billion to R63,9 billion on 30 April 2004.

A particularly interesting development since April 2003 has been the substantial increase in securitised loans issued by domestic corporate institutions. These loans were mainly issued by financial institutions securitising components of their loan books, while a large retail group also securitised its credit-card business. The listing of short-term commercial paper also increased from R569 million in April 2003 to R11,2 billion in April 2004.

Eurorand bonds

The appreciation in the exchange rate of the Rand during 2003 resulted in a decline of Eurorand bond issuances in 2003/04. Whereas R4,2 billion worth of Eurorand bonds were issued during the 2002 calendar year, the total issuances declined by R2,3 billion to R1,9 billion in 2003. However, activity in this

market increased during the first half of 2004. Eurorand bonds to the amount of R4,1 billion were issued and R2,0 billion matured, bringing the net issuance during the first half of 2004 to R2,1 billion. The increase in the supply of Eurorand bonds during 2004 could, among other reasons, be attributed to a slow-down in the pace of appreciation in the exchange rate of the Rand from 2003, as well as renewed funding demand in this market after the negative issuances in 2003.

Equity market

The total value of equity capital raised by companies listed on the JSE in the primary domestic and international share markets increased to a record level of R101,1 billion in 2002, mainly owing to the significant acquisition of assets during that period. It subsequently declined to R22,7 billion in 2003. In the 2004 calendar year to the end of May, R30,8 billion was raised.

Secondary capital-market activity

Domestic bonds

During 2003, yields on South African government bonds were mainly influenced by expectations of lower interest rates, owing to the significant appreciation in the exchange rate of the Rand. The yield on the short-term benchmark bond, the R150 bond, declined to below 9% in mid-June 2003 from as high as 10,70% in January 2003, in expectation of lower rates.

The actual reductions in the repo rate, totalling 550 basis points during the second half of 2003, gave further impetus to the declines in yields to record low levels during October 2003. On 29 October 2003, the yield on the R150 bond reached a low of 8,73%. The larger declines in short-term bond yields compared with longer-term bond yields caused the yield curve to normalise during the second half of the year.

From the beginning of 2004, further declines in bond yields were limited by perceptions that inflation would bottom in the near future, as well as by the increase in supply of government and corporate

bonds. However, a factor that, to some extent, supported the longer end of the curve over this period was that investors started to lengthen the duration of their bond portfolios ahead of the short-term R150 bond's redemption in February 2004. On 28 February 2004, the R150 bond and its first leg (the R006 bond) matured, while the remaining outstanding amount was equally split into R151 bonds and R152 bonds.

Government bond yields started to increase in December 2003 after the smaller-than-expected increase in the repo rate at the December 2003 meeting of the Reserve Bank's MPC, as market participants became convinced that the easing cycle in monetary policy had bottomed.

As a result, yields on domestic bonds started to reflect the possibility of higher interest rates, causing yields to increase by 140 basis points until the middle of May 2004. However, positive inflation data supported yields during May and June 2004, while the significant appreciation in the exchange rate of the Rand ignited expectations that the Bank would probably postpone the expected interest-rate increases until 2005. The yield on the short-term R150 bond declined by 37 basis points, from 10,24% on 13 May 2004 to 9,87% on 30 June 2004.

The Bond Exchange of South Africa (BESA) recorded a total nominal turnover of almost R12 trillion in 2001 and 2002. However, turnover on BESA declined to R10,7 trillion in the 2003 calendar year. Government bonds comprised 93% of the market's turnover. In contrast with the lower turnover, the nominal value of bonds outstanding on BESA increased from R400 billion in December 2002 to R507 billion in December 2003. Market capitalisation increased from R473 billion to R577 billion over the same period. The number of listed bonds on BESA increased from 272 in December 2002 to 329 in December 2003, while the number of issuers increased from 40 to 44 over the same period.

Foreign investors' transactions in the secondary bond market declined marginally from 11,4% in 2002 to 10,7% in 2003. These investors sold South African bonds to the net amount of R8,1 billion during 2003, compared with a small net increase in

their holdings of domestic bonds to the amount of R250 million during 2002. During the first half of 2004, foreign investors sold South African bonds to the net amount of R4,5 billion.

Domestic equities

Domestic share prices, as measured by the all-share index (ALSI), declined by 19% during the first quarter of 2003, mainly as a result of the appreciation in the exchange rate of the Rand and the declining gold price. These two factors affected the resources sector most severely.

However, the ALSI recovered during the remainder of the year. After it reached an intra-year low level of 7 361 on 25 April 2003, it increased by 41,1% to 10 387 on 31 December 2003. During this period, the increase in the gold price to above the US\$400-level outweighed the negative impact of the appreciation in the exchange rate of the Rand.

During the first half of 2004, domestic share prices remained relatively stable and the ALSI declined marginally by 2,7%. Turnover on the JSE, as measured in terms of the value of shares traded, reached a record level of R808 billion in 2002, and declined to R751 billion in 2003. Liquidity, as measured by the turnover as a percentage of market capitalisation, declined to 35,4% from 39,1% in 2002. Foreigners sold a net amount of R358 million worth of equities during 2003, but increased their holdings of domestic equities to the net amount of R10,3 billion during the first half of 2004.

Money-market activity

The South African money market is an over-the-counter market in which a fairly large number of banks and other institutions participate actively. The Reserve Bank implements its monetary policy in terms of a system based on creating a shortage in the money market. The Reserve Bank refinances this shortage through weekly repurchase transactions with seven-day maturities at its policy rate, the repo rate, thereby influencing market rates. The daily liquidity requirement was maintained at a level around R10,4 billion during 2003 until roughly September, whereafter it increased to R13 billion in

October 2003. This increase occurred when a further 25% of banks' vault cash ceased to qualify as statutory cash reserves. The level of the banks' liquidity requirement was maintained around R13 billion until June 2004.

The Reserve Bank uses mainly three types of open-market operations to drain surplus liquidity from the money market, namely issuing Reserve Bank debentures, conducting longer-term reverse repo transactions and foreign-exchange swaps.

The Reserve Bank reduced its repo rate by 550 basis points to 8,00% from June 2003 until December 2003. These reductions were facilitated by a favourable short-term and long-term inflation outlook, emanating (mainly) from the appreciation in the exchange rate of the Rand during 2003 and 2004. Following these reductions in the repo rate, money-market rates also decreased substantially during this period.

Exchange control

Exchange control is administered by the Reserve Bank on behalf of the Minister of Finance. The Reserve Bank is assisted in this task by a number of banking institutions, which have been appointed by the Minister of Finance as authorised dealers in foreign exchange. These institutions undertake foreign-exchange transactions for their own account with their clients, within limits, and subject to conditions laid down by the Reserve Bank.

The Government is committed to an open capital market and the gradual relaxation of exchange controls. The private individual investment allowance was increased from R400 000 to R500 000 and then to R750 000 in February 2000.

The following dispensations with regard to exchange control are allowed:

Institutional investors

Part of the process of gradual exchange-control liberalisation and financial-sector strengthening is the shift to a system of prudential regulation governing the foreign portfolio investment of institutional investors, such as long-term insurers and pension funds.

Prudential regulations are applied internationally to protect policyholders and pensioners from excessive risk, and typically include restrictions on foreign asset holdings, set at a certain percentage of an institution's total assets or liabilities. As an interim step towards a prudential framework, institutional investors will be:

- Allowed to invest, on approval, up to existing foreign asset limits. These foreign asset limits are 15% of total retail assets for retirement funds, long-term insurers and investment managers registered as institutional investors for exchange-control purposes, and 20% for collective investment scheme management companies.
- Required to submit additional information when making an application for a foreign-investment allowance. The shift to prudential regulation requires improved data reporting on individual institutions' foreign investments and the foreign-diversification levels of the industry as a whole. The new dispensation became operational on 1 May 2003, after National Treasury and the Exchange Control Department of the Reserve Bank, in consultation with the FSB, reached agreement with the respective industries on the appropriate revised reporting standards.

South African corporates

The global expansion of South African firms hold significant benefits for the economy – expanded markets access, increased exports, and improved competitiveness.

Corporates are allowed, on application, to transfer up to R2 billion from South Africa for each new and approved investment in Africa, including the SADC, provided a longer-term benefit to South Africa can be demonstrated. In respect of investments elsewhere in the world, corporates are limited to the transfer from South Africa of up to R1 billion per new approved investment, subject to the same criteria. Consideration is also given to requests from corporates to utilise their local cash holdings to finance up to 20% of the excess costs of the new investment, where the overall cost of the investment exceeds the respective amounts of R2 billion and R1 billion.

The balance of the funds required is to be financed abroad by means of foreign borrowings, with consideration being given to such foreign borrowing being raised with recourse to, or a guarantee from South Africa implying that the local corporate's balance sheet may be used in the negotiation of such facility. To consider requests of this nature, the authorised dealer concerned must provide details regarding the foreign borrowing, e.g. denomination, amount, interest rate, term, etc.

Corporates will, on application to the Exchange Control Department, be permitted to utilise their South African resources to repay offshore loans raised after 18 February 2004 to finance or partly finance new approved investments.

Such transfers will, however, be limited to the greater of R1 billion (R2 billion in the case of Africa) or 20% of the total outstanding loan capital per investment, in any given year, provided that during the first two years of the loan's tenure, total funds transferred from South Africa do not exceed R1 billion per new investment (R2 billion in the case of Africa).

Interest payments on loans raised abroad to finance or partly finance new approved foreign investments must be repaid from offshore resources.

As a further alternate mechanism of financing offshore investments, applications by corporates to engage in corporate asset/share swap transactions will be considered.

Emigrants' funds

A system of exchange-control allowances for the export of funds when persons emigrate has been in place in South Africa for a number of decades. Emigrants' funds in excess of the emigration allowance were placed in emigrants' blocked accounts to preserve foreign reserves. Reflecting the improved strength and resilience of the South African economy, these blocked assets are now being unwound. The imminent elimination of the net open forward position, and an increasingly diversified and growing export sector, create an environment conducive to dealing with the foreign reserve problems of the past. As such, the following applies:

- The distinction between the settling-in allowance for emigrants and the private individual foreign-investment allowance for residents has fallen away, and there is now a common foreign allowance for both residents and emigrants of R750 000 per individual (or R1,5 million in respect of family units).
- Emigrant-blocked assets are being unwound. Amounts of up to R750 000 (inclusive of amounts already exited) are eligible for exiting without charge. Holders of blocked assets wishing to exit more than R750 000 (inclusive of amounts already exited) must apply to the Exchange Control Department of the Reserve Bank to do so. Approval is subject to an exiting schedule and an exit charge of 10% of the amount.
- New emigrants wishing to exit more than R750 000 (inclusive of amounts already exited) can similarly apply to the Exchange Control Department to do so, with approval subject to an exiting schedule and an exit charge of 10% of the amount.

Local financial assistance to affected persons and non-residents

To improve access to domestic credit in financing foreign direct investment in South Africa or for domestic working capital requirements, foreign companies or foreign-owned South African companies are permitted to make greater use of local finance. With effect from 18 February 2004, foreign companies or foreign wholly-owned subsidiaries could borrow locally up to 300% of the total shareholders' investment.

This ratio does not apply to emigrants, the acquisition of residential properties by non-residents or affected persons, and other financial transactions, such as portfolio investments by non-residents, securities lending, hedging, repurchase agreements, etc. In these cases, the 100% ratio still applies.

JSE Securities Exchange

The JSE was first established to provide a marketplace for the shares of the many mining and financial

companies formed shortly after the Witwatersrand goldfields were discovered in 1886. The Exchange itself was founded on 8 November 1887.

On 6 August 2001, the JSE acquired the business and assets of the South African Futures Exchange (SAFEX). SAFEX is now incorporated into the JSE in two divisions, namely the Financial Derivatives Division, which covers the equity and interest-rate futures and options markets; and the Agricultural Products Division, which covers commodities futures and options on maize, sunflowers, soya beans and wheat.

Structure

The JSE is the sole licensed securities exchange in South Africa. It is a voluntary association owned by member firms and is directed by a 12-member board.

Non-executive board members are elected by the rights holders of the JSE. The ordinary majority of the board members elect a chairperson and deputy chairperson from the non-executive members of the Board. The term of the non-executive members of the Board is three years and at least one-third of the committee must retire annually. The executive members of the Board hold office for as long as the CEO and chairperson may, in their discretion, determine. The management and control of the JSE vest in the Board, which has the powers conferred upon it by the Acts, the rules and the Constitution.

Regulation

It is regulated by the FSB under the Stock Exchanges Control Act, 1985 (Act 1 of 1985), and the Financial Markets Control Act, 1989 (Act 55 of 1989). The JSE, in turn, regulates its listed companies and brokers by extensive rules and directives. The JSE is the largest securities exchange in Africa and has a market capitalisation of several times that of all the other African markets combined.

In November 1995, the JSE permitted ownership by foreign and corporate members for the first time. The move, part of a broader deregulation package designed to entice local and international investors, parallels the London stock market's 'Big Bang' of 1986, although changes were phased in over time. These included closing the open-outcry market floor

in favour of automated electronic trading, the introduction of fully negotiable commission, and dual-trading capacity.

International involvement

The JSE is committed to promoting South Africa both regionally and internationally. In this regard, it has led the process of harmonising the listing requirements of the members of the SADC Committee of Stock Exchanges (COSSE). The COSSE envisages an integrated real-time national network of securities markets in the region by 2006. The JSE has offered its trading platform to these members, and the Namibian Stock Exchange has been trading on the JSE's trading platform for the past six years.

Foreign investors

There are no restrictions imposed on foreign investors on the movement of capital nor on the level of holding in companies listed on the JSE.

Foreign investors may be listed on the South African share subregister, in which case the securities could be held physically by either the investor or by the South African Central Securities Depository Participants (CSDP).

JSE member firms and CSDP offer custodian services to foreign investors.

Prospective developments

New listings requirements were announced in the first quarter of 2003 and became effective in September of the same year. The new listings requirements include that when listed entities wish to de-list they must make an offer to minorities and obtain a fair and reasonable statement. Listed companies are required to comply with International Financial Reporting Standards for all financial years, starting in 2005.

Alternative Exchange, better known as ALTX, was launched in October 2003 as a parallel market or alternative exchange for small-to-medium and growing companies. It is the sum of a partnership between the JSE and the Department of Trade and Industry. The ALTX is hailed as Africa's first alternative market, a growth exchange for young, innovative companies and investors.

The JSE launched the Socially Responsible Investment Index (SRI Index) in May 2004 as a means of focusing on corporate social responsibility and sustainable business practices, and to enable socially responsible investment in South Africa. The SRI Index is founded on environmental, economic and social sustainability and will measure the triple bottom line performance of companies listed in the FTSE/JSE All Share Index.

The SRI Index criteria are customised to the South African and African context, and could be an aspirational benchmark for all organisations, regarding best practice in the triple bottom line. The background and criteria document are available from the JSE website (www.jse.co.za).

Bond Exchange of South Africa

BESA is an independent financial exchange operating under an annual licence granted by the country's securities market regulator, the FSB. BESA is responsible for regulating the debt securities market in South Africa.

Primary debt markets

Although primarily a government-bond market, BESA also lists Rand-denominated debt securities issued by local government, public enterprises and major corporates. By 31 March 2004, BESA had granted a listing to some 340 bonds issued by 50 borrowers, with a total nominal value of R509 billion. About 60% of this debt had been issued by central government. By comparison, there are listed corporate issues from diverse sectors including banking, gold mining, chemical, food, household goods and textiles, telecommunications and transport. Securitisation issues include vehicle, credit card, loan receivables, equipment receivables and mortgage products. Of the listed bonds, some 84% by value have been immobilised in the Central Depository Limited.

The evolution of sophisticated bond products in South Africa has been hampered by somewhat restrictive regulations, the relatively small size of the local market, and weak demand from both borrow-

ers and investors. Vanilla bonds constitute the majority of BESA's listed instruments, but there are variations including:

- fixed interest-bearing bonds with single and multiple redemption dates
- zero-coupon bonds
- CPI Index-linked bonds
- credit-linked notes
- variable interest-rate bonds/floating rate notes
- strip bonds
- commercial paper.

BESA has appointed the Listings Advisory Technical Committee to provide ongoing advice on its Listings Disclosure Requirements and Rules. The aim is to ensure that these contribute to the strengthening of investor protection and market confidence.

Market performance

The South African bond market is one of the most liquid emerging bond markets in the world. Turnover in listed debt declined in 2003, with volumes decreasing from R11,7 trillion nominal in 2002 to R10,7 trillion nominal, a drop of nearly 10%. The decrease in nominal turnover was also reflected in the lower number of total trades for the year, which decreased from 395 000 trades in 2002 to 356 000 in 2003. Turnover in the spot market decreased from 34,7% of total turnover in 2002 to 32,7% in 2003.

Although the turnover figures for 2003 dropped significantly, the turnover velocity of listed debt instruments remained healthy at 21 times the market capitalisation for 2003 (compared with 25 times for both 2001 and 2002).

Despite the majority of market turnover occurring in South African stock (95% of total turnover in 2003), the market has nevertheless seen an ever-increasing amount of listings and turnover in corporate issuances and securitisations (2,77% of total turnover).

Offshore turnover in listed debt that was settled locally amounted to R2,3 trillion, nearly 22% of total turnover, indicating that South Africa's local debt has significant attraction for international investors.

Main indices

BESA, in collaboration with the Actuarial Society of South Africa, has introduced a trio of bond indices

that provide a simple yet accurate measure of total returns of representative bond portfolios and benchmarks for historical performance. These indices (introduced in August 2000) replaced the previous bond indices used in South Africa.

These indices are published daily by the Exchange on its website (www.besa.za.com) and are widely disseminated to all members, the asset-management community and the media. These indices are used by the asset-management industry as the benchmarks for the evaluation of the performance of the funds under management.

Regulation

BESA is a licensed exchange and, together with its member firms, must adhere to the Financial Markets Control Act, 1989, and a set of approved rules. As a self-regulatory organisation, BESA undertakes ongoing surveillance over all aspects of bond-market activity in South Africa.

Guarantee Fund

BESA maintains the Guarantee Fund to ensure, as far as possible, the performance of transactions entered on the Exchange. The Fund provides members and clients with price-risk cover against a member default, to a maximum aggregate of R150 million. Since inception, no settlement defaults or claims on the Fund have been recorded.

STRATE Limited

The FSB registered STRATE Limited, the central securities depository for equities, in terms of the Custody and Administration of Securities Act, 1992 (Act 85 of 1992), on 20 September 1999. The depository is responsible for equities and fixed-income securities.

According to a report by GSCS Benchmarks Limited, which is represented by 10 global participating custodians, STRATE is rated sixth in the world in terms of settlement risk, and third in terms of custody risk. These benchmarks measure settlement, safekeeping and operational risk among central securities depositories in a range of major and emerging markets.

Acknowledgements

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Foreign relations

The Department of Foreign Affairs is responsible for the formulation, co-ordination, implementation and management of South Africa's foreign policy and international relations programmes throughout the world.

The Department's priorities for 2004/05 included facilitating the vision of the African Renaissance by promoting regional and continental integration, good governance, sustainable socio-economic development and poverty eradication; participating in international efforts to seek lasting peace and stability in conflict areas, especially in Africa and the Middle East; and promoting the agenda of the South by strengthening solidarity with the developing world and building partnerships with the developed world

to foster sustainable development, with special emphasis on the needs of Africa.

South Africa's diplomatic and consular Missions help to enhance the country's international profile, and serve as strategic mechanisms for the achievement of South Africa's international interests.

South Africa and Africa

African Union (AU)

The Treaty Establishing the African Economic Community (AEC), commonly referred to as the Abuja Treaty, was signed in Abuja, Nigeria, on 3 June 1991, and came into force after the requisite ratification in May 1994.



The Abuja Treaty provided for the AEC to be set up gradually by co-ordination, harmonisation and progressive integration of the activities of existing and future regional economic communities (RECs) in Africa. The implementation of the Abuja Treaty introduced a process to be completed in six stages over 34 years, i.e. by 2028, as follows:

- strengthening existing RECs and creating new ones where needed (five years)
- stabilising tariff and other barriers to regional trade and strengthening sectoral integration, particularly in the fields of trade, agriculture, finance, transport, communications, industry and energy, as well as co-ordinating and harmonising the activities of RECs (eight years)
- establishing a free trade area (FTA) and a customs union at the level of each REC (10 years)
- co-ordinating and harmonising tariff and non-tariff systems among RECs, with a view to establishing a continental customs union (two years)
- establishing an African common market and adopting common policies (four years)
- integrating all sectors, establishing the African Central Bank and a single African currency, setting up the African Economic and Monetary Union, and creating and electing the first Pan-African Parliament (PAP) (five years).

An Extraordinary Summit of the Organisation of African Unity (OAU), held in Sirte, Libya, in September 1999, concluded with the Sirte Declaration aimed at:

- effectively addressing the new social, political and economic realities in Africa and the world
- fulfilling the people's aspirations for greater unity in conforming with the objectives of the OAU Charter and the Abuja Treaty
- revitalising the continental organisation to play a more active role in addressing the needs of the people
- eliminating the scourge of conflict
- meeting global challenges
- harnessing the human and natural resources of the continent to improve living conditions.

To achieve these aims, the Summit decided to:

- establish the AU in conformity with the ultimate objectives of the Charter and the provisions of the Treaty establishing the AEC
- accelerate the process of implementing the Abuja Treaty in particular
- shorten the implementation periods of the Abuja Treaty
- ensure the speedy establishment of all institutions provided for in the Abuja Treaty, such as the African Central Bank, the African Monetary Union, the African Court of Justice, and, in particular, the PAP
- strengthen and consolidate RECs as the pillars for achieving the objectives of the AEC, and realise the AU
- convene an African Ministerial Conference on Security, Stability, Development and Co-operation.

The establishment of the AU was declared on 2 March 2001 at the second Extraordinary Summit in Sirte. The 53-member AU was officially launched in Durban on 9 July 2002, following its Inaugural

Summit. It replaced the OAU, which was established on 25 May 1963 in Addis Ababa, Ethiopia.

The objectives of the AU include, to:

- achieve greater unity and solidarity between African countries and the peoples of Africa
- defend the sovereignty, territorial integrity and independence of its member states
- accelerate the political and socio-economic integration of the continent
- encourage international co-operation, taking due account of the Charter of the United Nations (UN) and the Universal Declaration of Human Rights
- promote peace, security and stability on the continent
- promote democratic principles and institutions, popular participation and good governance
- promote and protect people's rights
- establish the necessary conditions to enable the continent to play its rightful role in the global economy and in international negotiations
- promote sustainable development at economic, social and cultural level, as well as the integration of African economies
- promote co-operation in all fields of human activity to raise the living standards of African peoples
- advance the development of the continent by promoting research in all fields
- work with relevant international partners in eradicating preventable diseases and promoting good health on the continent.

The main challenge in the first year of the AU's existence was setting up its priority structures and laying down the groundwork for the rest of its proposed

South African representation abroad	Total	Foreign representation in South Africa	Total
Embassies/High Commissions	83	Embassies/High Commissions	112
Consulates/Consulates General	16	Consulates/Consulates General	54
Honorary Consulates	46	Honorary Consulates	73
Other (e.g. liaison offices)	4	Other (e.g. liaison offices)	1
Non-resident accreditations	106	Non-resident accreditations	12
International organisations	7	International organisations	20

Source: Department of Foreign Affairs (www.dfa.gov.za), August 2004

structures, as foreseen in the Constitutive Act of the AU.

The principal organs, namely the Assembly of the Heads of State and Government, the Executive Council of Ministers and the Permanent Representatives Committee, are fully functional.

The AU Commission commenced work in September 2003. South Africa has contributed to the drafting of the vision of the AU and mission of the Commission, including the strategic framework, which will serve as a basis for the implementation of a four-year programme.

Considerable progress was made on the 'people's organs' of the AU, namely the PAP, the Peace and Security Council (PSC) and the Economic, Social and Cultural Council (ECOSOCC)

One of the challenges for the AU is the need to involve civil society in continental processes. In this regard, the Constitutive Act makes provision for the establishment of the ECOSOCC.

The South African Chapter was launched with nine civil-society organisations elected as Secretariat from the following sectors: women, youth, religious groups, organised labour, non-governmental organisations, lawyers, cultural groups and people with disabilities.

The draft statutes of the ECOSOCC were discussed and proposed amendments were to be submitted to the AU Summit. Once ratified, each AU member country would need to elect three representatives to the continental body.

The inaugural session of the PAP was held in Addis Ababa from 15 to 20 March 2004. The launch of the continental Parliament on 18 March 2004 was witnessed by delegates from 41 member states of the AU.

On 16 September 2004, the PAP was inaugurated at Gallagher Estate, near Midrand, in South Africa.

The newly elected President of the PAP is Ambassador Gertrude Ibengwe Mongella from Tanzania.

South Africa has been appointed the permanent seat of the PAP. Gallagher Estate is the temporary venue for the initial five-year period until a permanent facility is constructed. In order for the PAP building to properly reflect its African character, the Department of Foreign Affairs was by September

2004 planning to hold a continent-wide competition for architects and designers to contribute to the permanent building.

South Africa has ratified the Protocol on the African Court of Human and People's Rights.

By September 2004, South Africa was engaged in the process of nominating judges to serve on the Court. Both the Protocol to the African Charter on Human and People's Rights on the Rights of Women in Africa and the Protocol on the Establishment of the African Court on Human and People's Rights were signed by South Africa on 16 March 2004.

The financial institutions – the African Central Bank, the African Monetary Fund and the African Investment Bank – are expected to take longer to operationalise.

Promotion of peace, security and stability on the continent

The AU is responsible for the peaceful resolution of conflict among member states, through such appropriate means as may be decided upon by the Assembly, which may give directives to the Executive Council on the management of conflict, war, acts of terrorism, emergency situations and the restoration of peace.

The PSC Protocol entered into force in December 2003 and comprises 15 member states, five of whom will serve a three-year period and 10 who will serve for a two-year period each.

The PSC was unveiled in Addis Ababa in May 2004. Current members are South Africa, Nigeria, Algeria, Ethiopia, and Gabon, who will serve three-year terms; while Lesotho, Mozambique, Cameroon, Congo, Kenya, Sudan, Libya, Ghana, Senegal and Togo will serve two-year terms.

As a collective security and early warning arrangement, the PSC will allow for a timely and effective response to conflict and crisis situations in Africa.

In terms of PSC statutes, all African countries should establish their own early warning centres and there should be a Continental Early Warning Centre by 2008.

The AU PSC Protocol makes provision for the creation of the African Standby Force, to be operationalised over a period of 10 years.

The Second Extraordinary Session of the AU Assembly held in Libya in February 2004, adopted the Common African Defence and Security Policy.

Socio-economic development and integration of the continent

The AU is the principal institution responsible for promoting sustainable development at economic, social and cultural level, as well as the integration of African economies. RECs are recognised as the building-blocks of the AU, necessitating the need for their close involvement in the formulation and implementation of all AU programmes.

To this end, the AU must co-ordinate and take decisions on policies in areas of common interest to member states, as well as co-ordinate and harmonise policies between existing and future RECs, for the gradual attainment of the objectives of the AU.

Seven specialised technical committees are responsible for the actual implementation of the continental socio-economic integration process, together with the Permanent Representatives Committee.

New Partnership for Africa's Development (NEPAD)

The adoption of NEPAD is considered to be one of the most important developments of recent times for its conception of a development programme, placing Africa at the apex of the global agenda, by:

- creating an instrument for advancing people-centered and sustainable development in Africa based on democratic values
- being premised on the recognition that Africa has an abundance of natural resources and people who have the capacity to be agents for change, and so holds the key to its own development
- providing the common African platform from which to engage the rest of the international community in a dynamic partnership that holds real prospects for creating a better life for all.

The expected outcomes are:

- economic growth and development and increased employment
- a reduction in poverty and inequality
- diversification of productive activities

- enhanced international competitiveness and increased exports
- increased African integration.

NEPAD is a mandated initiative of the AU. A major effort is ongoing to continuously factor NEPAD imperatives into the outcomes of international conferences, such as the Conference on Financing for Development, the World Summit on Sustainable Development (WSSD) and the World Trade Organisation (WTO), to ensure the integration of NEPAD into the multilateral system. In a wider context, countries of the South subscribe to the priorities outlined in NEPAD and have pledged their solidarity and moral support, as well as an appreciation for South Africa's positive role in NEPAD. However, NEPAD does not have a mechanism for South-South co-operation. To this end, improved co-ordination with partners in the South should be pursued.

Structures

Heads of State and Government Implementation Committee (HSIC)

The NEPAD HSIC is required to report annually to the Summit of the AU. The chairperson of the AU, as well as the chairperson of the Commission of the AU, are *ex-officio* members of the Implementation Committee. The Commission of the AU is expected to participate in Steering Committee meetings.

Chaired by Nigerian President, Mr Olusegun Obasanjo, with Presidents Abdoulaye Wade of Senegal and Abdelaziz Bouteflika of Algeria as vice-chairpersons, the Implementation Committee comprises 15 states (three per AU geographic region), including the five initiating states: South Africa, Nigeria, Algeria, Senegal and Egypt.

The main function of the Implementation Committee is to set policies, priorities and the Programme of Action of NEPAD.

Steering Committee

The Steering Committee is composed of the personal representatives of the five initiating Presidents, and is tasked with the development of the Terms of Reference for identified programmes and projects, as well as over-seeing the Secretariat.

Secretariat

The NEPAD Secretariat co-ordinates implementation of projects and programmes approved by the HSIC. The full-time core staff of the Secretariat, located at the Development Bank of Southern Africa in Midrand, provides liaison, co-ordination, administrative and logistical functions for NEPAD.

The AU's mechanisms for peer review and conflict resolution reflect commitment to human rights; democratisation; good governance; and peace and security as being in the interest of Africans, irrespective of relations with industrialised countries.

The African Peer Review Mechanism (APRM) is a process voluntarily acceded to by the member states of the AU as an African self-monitoring mechanism.

The APRM requires that each country develops a programme of action within the framework of specific time-bound objectives.

It enables participating member states to adopt policies and practices that conform to the agreed political, economic and corporate governance values, codes and standards. It also serves as a critical instrument for advancing reforms in governance and socio-economic development, and in building capacity to implement these reforms.

One of the key objectives of the APRM is to identify the deficiencies in implementation, with a view to improving its compliance with the Constitutive Act of the AU by member states.

The inaugural meeting of the APRM Forum of participating states was held in Kigali, Rwanda, in February 2004.

By May 2004, 17 countries had signed up to the APRM. South Africa was expected to be peer reviewed in the first quarter of 2005.

**Conference on Security, Stability,
Development and Co-operation
in Africa (CSSDCA)**

The first Standing Conference of Heads of State and Government on the CSSDCA took place during the 38th OAU Summit in Durban, in July 2002.

The Summit approved the CSSDCA Memorandum of Understanding (MoU) on Security, Stability,

Development and Co-operation, affirming the centrality of the CSSDCA process as a policy-development forum, a framework for the advancement of common values, and a monitoring and evaluation mechanism for the AU. The MoU provides the following framework:

- core values concerning security, stability, development and co-operation
- commitments to give effect to these core values
- key performance indicators to evaluate compliance with the MoU commitments
- a framework of implementation as a means of carrying out the commitments contained in the MoU
- an agreed mechanism for measuring performance.

While the strategic focus of the CSSDCA process is to ensure good governance in the political and economic realm, as well as to provide the framework for development and co-operation in Africa, NEPAD serves as the socio-economic development blueprint for the AU to implement its objectives. In addition, it serves as the mechanism for accelerating the implementation of the Abuja Treaty. At the same time, its management structures are particularly designed to ensure follow-up and implementation in the transition phase from the OAU to the AU.

Southern Africa

South Africa's foreign policy with regard to the southern African region reflects a commitment to close diplomatic, economic and security co-operation and integration; adherence to human rights; the promotion of democracy; and the preservation of regional solidarity, peace and stability.

Angola

The signing of a ceasefire agreement in Angola on 4 April 2002 with UNITA ended one of Africa's longest and most devastating wars.

Subsequently, the Government of Angola established the Parliamentary Commission on Peace and Reconciliation with the aim of consulting with community representatives, church groups and civil society on the revival of the peace process.

The first meeting of the Joint Commission of Co-operation (JCC) between South Africa and Angola took place in Pretoria on 28 February 2003.

By May 2004, the peace-implementation process in Angola was on track. Following sessions of the South Africa-Angola JCC, various agreements were finalised and initialled. These included agreements on the promotion of tourism, energy and electricity, petroleum, customs, civil aviation and merchant shipping.

Lesotho

The then Minister of Environmental Affairs and Tourism, Mr Mohammed Valli Moosa, launched the Maloti-Drakensberg Transfrontier Conservation Project in Lesotho in August 2003.

The Project was initiated in June 2001 when the two countries concluded an agreement on the conservation of biological diversity and the promotion of the sustainable development of the area.

President Thabo Mbeki visited Lesotho on 16 March 2004 to inaugurate Phase 1B of the Lesotho Highlands Water Project (LHWP) at Mohale Dam. This is a binational project between the two countries.

For South Africa, the LHWP brings improved security of water supply for both economic and domestic use.

In April 2004, the Freedom Park Trust held a Cleansing and Healing Ceremony in Lesotho to commemorate the South African freedom fighters who died in Maseru in 1982.

The Minister of Defence, Mr Mosiuoa Lekota, attended the Ceremony.

Botswana

The Agreement on the Establishment of a Joint Permanent Commission for Co-operation (JPCC), signed in March 2003, covers, among others, areas such as agriculture and livestock, water affairs, mining and tourism, environmental co-operation, monetary and financial arrangements, transportation, roads and infrastructure development.

The then Minister of Transport, Mr Dullah Omar, and his Namibian and Botswana counterparts signed an MoU on the development and manage-

ment of the Trans-Kalahari Corridor (TKC) in September 2003.

The TKC was formally established in 1998 following the completion of the Trans-Kgalagadi Highway in Botswana, which links the three countries by road.

One of the main benefits of the TKC is that it links the three countries with the port of Walvis Bay. The port is the western seaboard in southern Africa and is in closest proximity to shipping routes and markets in the Americas and Europe.

In November 2004, President Mbeki congratulated President Festus Mogae on his re-election.

Malawi

Malawi is one of South Africa's main trading partners in the southern African region. Like other African trading partners, the trade imbalance with Malawi is in favour of South Africa.

South African-based companies, following the trend in most African countries, are becoming increasingly interested in linking up with and establishing a presence in Malawi. Interested parties range from the finance, telecommunications and retail sectors to those involved in the construction industry.

By June 2004, negotiations were underway to establish a Joint Permanent Commission (JPC) between the two countries, through which a number of issues of mutual interest could be addressed.

Mauritius

Relations between South Africa and Mauritius were formalised in 1992 with the establishment of representative offices in both countries. Full diplomatic relations were established in 1994. Upon South Africa's return to the Commonwealth, relations have been conducted at the level of High Commission.

Mozambique

The South African Government supports the democratically elected Government of Mozambique and continues with initiatives aimed at strengthening bilateral relations and the democratic reconstruction and development processes underway in that country.

Continuous bilateral interaction with the Mozambican Government culminated in the signing of the MoU on the Northern Mozambique Power Development Initiative on 27 August 2003 to facilitate the construction of the Mpanda Hydroelectric Dam.

Both the South African and the Mozambican governments view the expansion of the infrastructural links between the two countries as one of the priority bilateral co-operation areas. The rail and road connections between the two countries serve as the main arteries linking the respective economies.

The upgrading of the road, sea and rail links that form part of the corridors between Gauteng, Limpopo, Mpumalanga and Mozambique is central to the promotion of the economies of both countries.

The Maputo Development Corridor Project has already attracted substantial new investments in Mpumalanga, and is expected to boost the Mozambican economy to an equal degree.

The Maputo Corridor Logistics Initiative (MCLI) was launched on 18 February 2004. The MCLI is a new private-sector group aiming to promote the Maputo Corridor as a first-choice transportation route linking South Africa and Mozambique. It envisages increased exports through the Maputo Port.

Greater utilisation of the Corridor will create better economies of scale and a more effective transportation route.

The Airports Company of South Africa (ACSA) has been chosen as the preferred bidder for the management and running of the Maputo International Airport. ACSA estimates an investment of about US\$34 million and hopes to start operations at the beginning of 2005.

Negotiations regarding the second cellular network in Mozambique were finalised and Vodacom held the official launch in December 2003. Vodacom is investing US\$567 million in Mozambique over the next 10 years.

South Africa and Mozambique have made substantial progress in the implementation of so-called borderlands and transfrontier conservation initiatives. These are the Lubombo Spatial Development Initiative (SDI), the Great Limpopo Transfrontier Park,

as well as the Beira and Nacala corridors, which are in various stages of development.

The development of these corridors and borderlands are aimed at exploiting the opportunities and advantages to be derived from countries seeking increased convergence and integration across borders – the sharing of infrastructure, facilities, natural and human resources, as well as enhanced capacity to market the region and lobby internationally for foreign investment in these projects.

The third JPC took place in Maputo in November 2003 and much progress in respect of bilateral co-operation and development initiatives has been achieved.

On 1 June 2004, President Mbeki attended the inauguration of the Natural Gas Project in Vilankulos, Mozambique.

The project is in line with international energy trends and is expected to bring significant socio-economic and environmental long-term benefits to the region. This is the second of several macro-projects between South Africa and Mozambique, the first being the Mozal I and II Aluminium Smelter.

Sasol has invested US\$1,2 billion to bring natural gas from Mozambique to South Africa. The first batch of gas was delivered to Secunda, Mpumalanga, in February 2004.

Namibia

The relationship between South Africa and Namibia remains close and is marked by co-operation in various areas.

South Africa is the source of between 80% and 90% of Namibia's imports by value, including virtually all commodities. Bilateral trade between the two countries accounts for two-thirds of Namibia's total foreign trade.

The 7 000-km² Ai-Ais/Richtersveld Transfrontier Park between South Africa and Namibia features the world's second-largest canyon in the Fish River, a hot-spring game park on the Namibian side, and spectacular arid and desert mountainous scenery on the South African side.

On 12 February 2004, delegations from South Africa and Namibia, led by their respective

Ministers of Foreign Affairs, met in Cape Town to discuss boundary issues.

Both countries had obligations in terms of the United Nations Convention on the Law of the Sea to settle their outstanding maritime boundaries, as this would be a requirement for the delimitation of the territorial sea, contiguous zone, Exclusive Economic Zone and continental shelf between South Africa and Namibia.

A three-day meeting of the South Africa-Namibia Joint Commission on Defence and Security took place at Walvis Bay in Namibia in August 2004.

The meeting discussed, among other things, cross-border drug trafficking, illegal firearms, poaching, ivory smuggling, trafficking in endangered wildlife and general crime along common borders.

Swaziland

By mid-2004, South Africa and the Kingdom of Swaziland were finalising arrangements to establish a Joint Bilateral Commission (JBC) for Co-operation to structure formal bilateral interaction. Swaziland has made considerable progress towards the creation of a new constitution.

On 26 June 2004, the Minister of Foreign Affairs, Dr Nkosazana Dlamini-Zuma, attended the Cleansing, Healing and Symbolic Reparations Ceremony in Manzini, Swaziland. The objective of the Ceremony, organised by the Freedom Park Trust, was to recognise and acknowledge freedom fighters who sacrificed their lives during the fight against Apartheid in South Africa.

Tanzania

Tanzania and South Africa share similar constitutional developments, challenges, historical ties and views on multilateral issues.

Trade and investment between South Africa and Tanzania continues to grow at a steady pace. More than 150 South African companies are economically active in Tanzania, which is rated as a premier South African investment destination in Africa.

The positive progress recorded by the Tanzanian Government in promoting public-private partnerships to address the development challenges facing Tanzania, provides myriad opportunities for South

African investors to strategically position themselves in the region, by forging mutually beneficial joint venture partnerships with Tanzanian stakeholders.

The proposed Presidential Economic Commission is expected to provide the necessary co-operative framework to manage the development and implementation of bilateral projects as well as the SDI Programme, in particular the Mtwara and Central development corridors, which are regional NEPAD priority programmes.

Zambia

The longstanding Zambian support for the liberation struggle in South Africa has led to the establishment of a deep mutual bond between the peoples of South Africa and Zambia.

Since formally establishing diplomatic ties on 10 May 1994, South Africa enjoys warm relations with Zambia, which continue to grow from strength to strength. This has been evident by an increase in trade and investment flow between the two countries.

In October 2004, President Mbeki attended Zambia's 40th independence celebrations.

South Africa has for many years been competing with Britain as the leading source of foreign investment in Zambia. South Africa's investors continue to play an active role in the Zambian economy, a situation that has led to the formation of the South African Business Association in Zambia.

The visit by a technical team from South Africa in March 2004 was the first important step towards establishing a JCC between the two countries.

Uganda

Official diplomatic relations between South Africa and Uganda were established on 24 June 1994.

On 25 March 2004, Deputy President Jacob Zuma held a meeting with President Yoweri Museveni, chairperson of the Regional Peace Initiative in Burundi. They met again in October 2004 to assess progress made.

Kenya

There is a high level of engagement between South Africa and Kenyan institutions aimed at strengthening democratic and constitutional systems.

Kenya is South Africa's largest trading partner on the continent beyond the Southern African Development Community (SADC) region.

In 2002/03, South African exports to Kenya totalled R2,3 billion.

In October 2004, Deputy President Zuma visited Kenya for the swearing-in of the President-elect of the Somali Republic, His Excellency Abudullahi Ahmed.

Zimbabwe

South Africa and Zimbabwe, besides their geographic proximity, have a common and long history of regional affiliation and cultural ties. The people of Zimbabwe played an important role in support of the liberation struggle against the system of Apartheid in South Africa.

South Africa continues to engage all the stakeholders in Zimbabwe to find ways and means to assist Zimbabweans in their endeavours to find a homegrown solution to their political challenges. South Africa is doing this within the context of the AU and SADC initiatives to the Zimbabwean solution.

Development co-operation

Although South Africa is not a donor country, development co-operation with countries in Africa is an integral part of South Africa's foreign policy. Assistance is wide-ranging and includes educational visits by agriculturists, the establishment of viable training centres, conservation of the environment, the rendering of medical assistance, and technology-exchange programmes. Technical and financial assistance, with a view to capacity-building, especially to SADC countries, is a major instrument for promoting economic development, peace and stability, democracy, and the African Renaissance, on a regional basis.

South Africa and the Southern African Development Community

The Government's vision for the southern African region involves the highest possible degree of economic co-operation, mutual assistance, and joint

planning consistent with socio-economic, environmental and political realities. Within the region, the SADC is the primary vehicle for South African policy and action to achieve regional economic development.

Originally known as the Southern African Development Co-ordination Conference, the SADC was formed in Lusaka, Zambia, on 1 April 1980, following the adoption of the Lusaka Declaration. The Declaration and Treaty establishing the SADC was signed at the Summit of Heads of State and Government on 17 August 1992 in Windhoek, Namibia.

The aim of the SADC is to provide for regional peace and security, sectoral co-operation and an integrated regional economy. The SADC member states are Angola, Botswana, the Democratic Republic of Congo (DRC), Lesotho, Malawi, Mauritius, Mozambique, Namibia, the Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe.

The Deputy Minister of Foreign Affairs, Mr Aziz Pahad, and the Minister of Provincial and Local Government, Mr Sydney Mufamadi, represented South Africa at the SADC Council of Ministers Meeting in Arusha, Tanzania in March 2004.

During the Meeting, representatives discussed various regional economic and social issues, including:

- progress on regional socio-economic activities and the implementation of the SADC Regional Indicative Strategic Development Plan
- regional food security
- the AU and the implementation of NEPAD
- arrangements regarding the SADC Consultative Conference.

On 15 May 2004, Deputy President Zuma and the Minister of Agriculture, Ms Thoko Didiza, attended the SADC Special Summit of Heads of State and Government on Agriculture and Food Security in Dar-es-Salaam, Tanzania.

On 16 and 17 August 2004, President Mbeki, accompanied by a government delegation including Minister Dlamini-Zuma, attended the SADC Heads of State and Government Meeting in Mauritius.

Implementation of the Southern African Development Community Trade Protocol

The SADC Protocol on Trade entered into force on 25 January 2000. The objectives of the Trade Protocol are to further liberalise intra-regional trade in goods and services, on the basis of fair, mutually equitable and beneficial trade arrangements; ensure efficient production within the SADC, reflecting the current and dynamic comparative advantages of its members; contribute towards the improvement of a climate for domestic, cross-border and foreign investment; enhance the economic development, diversification and industrialisation of the region; and establish an FTA in the SADC region. At the core of this agreement is the reduction and ultimate elimination of tariff and non-tariff barriers and the setting up of rules of origin. This will happen over a period of eight years, after the ratification of the Protocol by member states.

By September 2004, South Africa had signed 21 protocols and was in the process of acceding to the Protocol on Immunities and Privileges. South Africa had also ratified the protocols on Shared Water-Course Systems, Combating Illicit Drug Trafficking, Energy, Mining, Transport, Communications and Meteorology, Health, and Education and Training. The Revised Protocol on Shared Water-Course Systems was also ratified.

South Africa is signatory to the:

- Declaration Towards a Southern Africa Free of Anti-Personnel Landmines
- Declaration on Gender and Development
- Declaration on Productivity
- Declaration Concerning Firearms, Ammunition and Other Related Material.

Relations with central Africa

South Africa's diplomatic relations with central Africa have been dominated by attempts to bring peace to the DRC and Burundi, thereby ensuring greater stability in the whole of the central African region. As part of the continued expansion of South African diplomatic presence and activity in the central African region, South Africa was expected to open its

first diplomatic Mission in Malabo, Equatorial Guinea, in 2004.

Gabon

Minister Dlamini-Zuma visited the Republic of Gabon in November 2003, where she signed a Co-operation Agreement and a Tourism Agreement with that country. The Co-operation Agreement will create structured bilateral mechanisms with the Republic of Gabon.

Equatorial Guinea

Dr Dlamini-Zuma hosted her Equatorial Guinea counterpart, Pastor Micha Ondo Bile, for bilateral discussions in Pretoria in February 2004.

The meeting explored issues such as infrastructural development, agriculture, trade and investment and telecommunications between the two countries.

During the visit, the Bilateral Promotion and Protection of Investments Agreement was signed between the two countries.

President Mbeki hosted his counterpart from Equatorial Guinea, President Teodoro Obiang Nguema Mbasogo, for bilateral political and economic discussions in Pretoria on 14 July 2004.

A General Co-operation Agreement between the two countries was signed in December 2003. In terms of the Agreement, a Joint Binational Commission (BNC) is envisaged between the two countries.

Chad

An interdepartmental team of senior officials visited the Republic of Chad in June 2003 to assess the potential for the strengthening of relations between the two countries.

At the end of March 2003, President Idriss Deby signed a proclamation that was expected to lead to the opening of a Chadian Embassy in South Africa during the course of 2004.

Rwanda

Relations between South Africa and Rwanda are good. Co-operation between the two countries focuses on the post-conflict reconstruction of Rwanda and has extended to the co-ordination of NEPAD on the continent.

On 7 April 2004, President Mbeki and Minister Dlamini-Zuma attended the 10th anniversary of the 1994 Rwanda Genocide in Kigali, Rwanda.

An estimated 800 000 people were killed in 100 days of genocide when the ethnic Hutu majority attacked the minority Tutsis.

On 5 July 2004, Minister Lekota and his Rwandan counterpart, General Machel, signed an Agreement on Defence. The Agreement makes provision for training, capacity-building and transformation.

Dr Dlamini-Zuma hosted her Rwandan counterpart, Dr Charles Murigande, for the Third Session of the South Africa-Rwanda JCC in Pretoria on 27 July 2004. The JCC provides both countries with a mechanism through which they can identify joint projects aimed at strengthening mutual economic co-operation.

More than 200 Rwandan students have been studying at South African tertiary institutions under a bilateral education agreement.

A trilateral agreement between the governments of South Africa, Cuba and Rwanda on health co-operation, funded by South Africa's African Renaissance Fund, has facilitated the implementation of a programme whereby Cuban medical practitioners will train medical personnel in Rwanda.

A number of South African companies, including cellphone operator MTN, have set up ventures in Rwanda.

Burundi

South Africa's good relations with Burundi are demonstrated by the leading role the South African Government played in the peace-negotiation process that culminated in the signing of the peace agreement between the Burundi Government and the Forces for the Defence of Democracy on 9 October 2003, which ended years of conflict.

Deputy President Zuma was the chief mediator in the Burundi conflict, which claimed over 300 000 lives and displaced millions of citizens.

On 18 August 2004, President Mbeki and Deputy President Zuma attended the 22nd Great Lakes Heads of State Summit on Burundi in Dar es Salaam, Tanzania. The Summit reviewed progress

made since the last Summit held on 5 June 2004, which:

- called for the speedy organisation of Burundi elections as per the Arusha Agreement time frames
- mandated Deputy President Zuma to assist the Burundi parties to reach a post-election power-sharing agreement
- announced action against the Palipehutu-FNL, the armed group which remained outside of the peace process.

Democratic Republic of Congo

During December 2003 and early January 2004, senior officials from South Africa visited the DRC to identify possible areas of co-operation to assist the DRC with its post-conflict reconstruction and development. President Mbeki paid a State Visit to the DRC in January 2004 during which a General Co-operation Agreement was signed to establish a Joint Bilateral Commission (JBC).

This Commission will lay the foundation for future co-operation between the two countries and was expected to be inaugurated during 2004.

On 18 March 2004, Minister Mufamadi hosted a delegation from the DRC, led by the Minister of Planning, Mr Thambwe Mwamba, for the South Africa-DRC Joint Ministerial Meeting in Pretoria. The Meeting took place within the context of the General Co-operation Agreement.

On 19 April 2004, President Joseph Kabila released the Road Map consisting of a calendar of different steps of the transitional process, including the finalisation of a draft constitution which would culminate in the organisation of free and fair elections in September 2005.

On 8 May 2004, it was announced that all the components of the DRC's transitional government had reached agreement on the provincial governors and deputy-governors. The South Africa-DRC JBC, which serves as a mechanism to regulate political and economic relations between the two countries, was officially launched in Kinshasa in August 2004.

São Tomé and Príncipe

South Africa, as part of the AU delegation, assisted in

the negotiations that restored President Fradique de Menezes to power in July 2003, following the bloodless *coup d'état* in that country. South Africa subsequently donated non-lethal equipment to the armed forces of São Tomé and Príncipe, and remains committed to the International Committee of Guarantee and Follow-up. This Committee will ensure that the conditions which led to the coup will be addressed to the satisfaction of all parties in the country.

Relations with North and West Africa and the Horn of Africa

The countries of North and West Africa and the Horn of Africa are becoming increasingly important trading partners for South Africa, as well as important partners within the context of the AU/AEC.

Algeria

The South African Embassy was established in Algiers in November 1997. The political relations between the South African liberation movement and Algeria dates back to the 1950s.

On 10 April 2004, President Mbeki congratulated Mr Abdelaziz Bouteflika on his re-election as the President of Algeria.

In October 2004, President Bouteflika attended the fourth session of the South Africa-Algeria BNC in Pretoria.

The BNC discussed, among other things, bilateral co-operation in fields such as science and technology; health; arts and culture; agriculture; telecommunications; and housing.

By January 2004, exports from South Africa to Algeria amounted to R6,182 million, while imports to South Africa from Algeria amounted to R693 million per year. The trade balance stood at R5,489 million.

Côte d'Ivoire

South Africa established full diplomatic relations with Côte d'Ivoire in May 1992. Given South Africa's firm commitment to the African Renaissance and its attendant features of stability and democratisation on the continent, the events in Côte d'Ivoire since the rebellion of 2002 are of

major significance. The signing of the Marcoussis Agreement on 25 January 2003 by all the belligerents presents an opportunity to restore peace and stability in the country.

The peace process remains fragile given the withdrawal of the opposition parties and the New Forces from the Government of National Reconciliation in early 2004 and the delay in the disarmament, demobilisation and reintegration process.

In July 2004, President Mbeki and Minister Dlamini-Zuma attended a high-level meeting in Accra, Ghana, to discuss the situation in Côte d'Ivoire.

The meeting formed part of a series of meetings organised under the aegis of Economic Community of West African States (ECOWAS), aimed at restoring peace and stability in that country.

South Africa has pledged to assist Côte d'Ivoire in its process of national reconciliation and will continue to support ECOWAS in its efforts to further promote peace in the country. Côte d'Ivoire is South Africa's largest trading partner in Francophone West Africa.

Egypt

Bilateral political and economic relations between Egypt and South Africa have improved greatly in recent years. These improvements were underlined in April 1996 with the convening of the First Annual JBC Meeting in Cairo.

Several agreements were signed between South Africa and Egypt during the Sixth Session of the South Africa-Egypt JBC in Pretoria in July 2003. Egypt is South Africa's third-largest trading partner in North Africa.

Deputy Minister Pahad paid an official visit to Egypt in September 2004.

Sudan

South Africa chairs the AU Post-Conflict Reconstruction Committee for Sudan. A team of African experts was dispatched to assess the requirements for post-conflict reconstruction.

South Africa continues to support the Inter-governmental Authority on Development's initiatives to bring peace and stability to Sudan.

Morocco

Diplomatic relations between South Africa and the Kingdom of Morocco were established in 1991 when the South African Interest Office opened in Rabat. A Moroccan Interest Office was opened in Pretoria in April 1992 and both offices were subsequently upgraded to full Embassies.

The first JBC Meeting with Morocco took place in Pretoria in 1988.

Mauritania

Full diplomatic relations between South Africa and Mauritania were established in January 1995.

Liberia

South Africa played a meaningful role in the transition process and preparations for the new leadership in Liberia. South Africa forms part of the UN Observer Mission in Liberia and has pledged to continue to be part of international efforts in alleviating the deteriorating humanitarian conditions.

Nigeria

South Africa's bilateral and multilateral relationship with Nigeria remains of strategic importance, particularly in light of the development and promotion of NEPAD. Nigeria serves as the chairperson of the NEPAD HSIC and is one of the 25 members of the AU PSC.

Nigeria is South Africa's largest source of imports on the African continent. South African companies continue to establish themselves in a number of economic sectors in the Nigerian market.

The South Africa-Nigeria BNC, established in October 1999, held its fifth annual session in Lagos in December 2003, during which the progress made in the various sectors of co-operation over the four years since its establishment was reviewed.

Ghana

South Africa's relations with Ghana centre mainly around bilateral trade, with the country having become South Africa's second-largest export market in West Africa (after Nigeria). In this regard, South African mining houses Gencor and Gold Fields are involved in Ghana.

Burkina Faso

South Africa and Burkina Faso established non-resident diplomatic relations in May 1995. The Burkina Faso non-resident Ambassador for South Africa is based in Addis Ababa, Ethiopia, while the South African Ambassador to Abidjan, Cote d'Ivoire, is accredited to Burkina Faso on a non-residential basis.

On 13 July 2004, President Mbeki and his counterpart from Burkina Faso, Mr Blaise Compaore, signed a co-operation framework and an MoU. In terms of the agreement, South Africa will be assisting Burkina Faso to find and access mineral deposits.

The two leaders also discussed the need to create stability in areas of conflict around West Africa. Though Burkina Faso has limited exploitable resources, opportunities exist for South African mining companies for mining deposits of gold, zinc and manganese.

Since agriculture is the dominant industry, opportunities exist for the trade of various agricultural produce. Spoornet is one of the few large companies involved in Burkina Faso.

Trade between South Africa and Burkina Faso is limited. In terms of total trade with South Africa, Burkina Faso is South Africa's 11th-largest partner in the West African region.

South Africa's total trade with Burkina Faso in 2003 amounted to R35 million.

Cape Verde

Diplomatic relations between South Africa and Cape Verde were established on 4 April 1994. South Africa's Ambassador to Senegal is also accredited as South Africa's non-resident Ambassador to Cape Verde, while the Cape Verdean Ambassador to Angola is accredited to South Africa as non-resident Ambassador.

In August 2004, Deputy President Zuma paid a two-day visit to the Cape Verde. Mr Zuma's visit was aimed at identifying further areas of political and economic co-operation between the two countries.

The Gambia

In September 2004, the President of The Gambia,

Dr Alhaji Yahya AJJ Jammeh, paid a working visit to South Africa and held bilateral discussions with President Mbeki.

South African exports to The Gambia in 2003, which included motor vehicles, prepared foodstuffs and beverages, amounted to R31,3 million.

Guinea

Diplomatic relations between South Africa and Guinea were established on 16 February 1995. The first Guinean Ambassador to South Africa took up his post in Pretoria in July 1996. The South African Ambassador to Senegal is accredited to Guinea on a non-residential basis.

South Africa's trade with and investment in Guinea have increased substantially over the past few years, with the country's rich mineral sector being the main area of focus. South Africa was planning to open a Diplomatic Mission during 2004.

Guinea-Bissau

Diplomatic relations between South Africa and Guinea-Bissau were established in October 1994. The South African Ambassador to Senegal is accredited as South Africa's non-resident Ambassador to Guinea-Bissau.

In an effort to support post-conflict reconstruction in the country, and in response to the call by the ECOSOC *Ad Hoc* Advisory Committee on Guinea-Bissau for the international donor community to give emergency assistance to the people of Guinea-Bissau, the South African Government in February 2004 made a contribution to the UN Development Programme Trust Fund for that country.

Mali

Full diplomatic relations between South Africa and Mali were established in May 1994 and the latter established an Embassy in Pretoria in December 1995. A South African Embassy was established in Bamako in November 2002, and the first South African Ambassador to Mali appointed in November 2003.

Mali is a strong supporter of the African Renaissance initiative and NEPAD.

In August 2002, the Agreement of the Preservation of the Ancient Manuscripts in the Ahmed Baba Institute of Higher Learning and Islamic Research in Timbuktu was concluded between the two countries, following a pledge made by President Mbeki during his State Visit to Mali in November 2001 that South Africa would support a project aimed at improving the preservation of these ancient Manuscripts.

The two countries share a commitment to the promotion of democracy and good governance, and substantial South African involvement in the Malian gold-mining sector. AngloGold and Randgold run operations in Mali.

Eskom Enterprises was successful in winning the international bid in July 2001 for the hydroelectrical generation project in Manantali, a joint initiative between the governments of Mali (which will receive 51% of the output), Senegal (34%) and Mauritania (15%).

The First Session of the South Africa-Mali JCC took place in Pretoria in August 2004.

The two sides reviewed the progress made in the sectors of co-operation identified during the November 2001 State Visit to Mali by President Mbeki.

These included co-operation in the fields of agriculture, arts and culture, education, health, foreign affairs, mines and energy, sport and transport.

Following the signing of the Bilateral Air Services Agreement in July 2002 between the two countries, South African Airways was expected to introduce flights between Johannesburg and Bamako.

Senegal

Full diplomatic relations between South Africa and Senegal were established in May 1994 and the two countries' Representative Offices upgraded to Embassy level. After closing its Embassy in Pretoria in December 1995, the Senegalese authorities re-established it in 2001. The South African Ambassador to Senegal is also accredited to Cape Verde, The Gambia, Guinea, Guinea-Bissau and Mauritania on a non-residential basis.

Bilateral relations between South Africa and Senegal are based mainly on the Senegalese

Government's strong support for the African Renaissance initiative and NEPAD as well as strong commitment to the promotion of democracy and good governance.

Senegal is one of the 15 members of the NEPAD HSIC and the AU PSC.

In November 2004, Minister Dlamini-Zuma paid an official visit to Mali and Senegal.

Tunisia

On 9 July 2004, the Minister of Foreign Affairs of the Republic of Tunisia, Mr Habib Ben Yahia, attended the Fourth South Africa-Tunisia JBC Session in South Africa.

The JBC concluded the following:

- Agreement on the Abolition of Visa Requirements for the Holders of Diplomatic and Official or Special Passports
- MoU between the JSE Securities Exchange SA and *Bourse des Valeurs Mobilières de Tunis*
- MoU on Technical Co-operation between the National Institute of Normalisation and Industrial Property for Tunisia and the South African Bureau of Standards.

The Fifth Session of the South Africa-Tunisia JBC is expected to take place in Tunisia in 2005.

Libya

The long-standing unofficial relations between South Africa and the Great People's Socialist Libyan Arab Jamahiriya dates back to the days of the struggle against Apartheid.

The First Session of the South Africa-Libya JBC was held in Tripoli in June 2002. The Session presented an opportunity to further strengthen bilateral relations between the two countries, and jointly promote unity, peace, security and development on the African continent.

Relations with Asia and the Middle East

Asia

South Africa values its relations with Asian countries. Since 1994, South Africa's interaction with

Asia has seen a manifold increase. South Africa has 16 residential Missions in the Asian and Australasian region.

In 2004, 16 countries from this region maintained 31 diplomatic, consular and other Missions in South Africa, compared with the three that existed prior to 1994.

South Africa continues to strengthen its relations with the region through increases in two-way trade and the finalisation of new instruments of co-operation in the scientific and technological fields, through technology transfer, investments and Overseas Development Assistance (ODA) in capacity-building.

More than 27% of South African foreign trade, some R70 billion per year, is conducted with countries in Asia.

During 2003/04, a number of significant events took place, testifying to the close ties that have developed between South Africa and the countries of south-east Asia.

Singapore serves as an important economic and trading hub in the south-east Asian region. South Africa's bilateral trade with Singapore is substantial. In addition to providing South Africa with valuable opportunities for human resource development (HRD) through its Technical Co-operation Programme, Singapore also enjoys ongoing defence co-operation with South Africa.

Singapore hosted an all-day investment and trade conference in Sandton, Gauteng, in November 2003.

Thailand chairs the United Nations Conference on Trade and Development (UNCTAD), having taken over the chairpersonship from South Africa in April 2001. South Africa continues to interact closely with Thailand on the UNCTAD. Thailand also took over the chairpersonship of the Asia-Pacific Economic Co-operation in December 2002.

A trade delegation from Thailand led by South Africa's Honorary Consul in Changmei visited South Africa during September 2003. South Africa and Thailand simultaneously issued sets of stamps bearing the images of the Africa and Asian elephants in commemoration of 10 years of diplomatic relations.

In February 2004, the South African Embassy in Bangkok hosted a NEPAD seminar; and the resident Association of South-East Asian Nations (ASEAN) Ambassadors accredited to South Africa held a NEPAD seminar in Stellenbosch in February 2004, in consultation with the NEPAD Secretariat.

Vietnam plays an increasingly important role in south-east Asia and has vast economic potential and opportunities for mining, infrastructure development, and agricultural and manufacturing companies.

The Vietnamese News Bureau was officially opened in Pretoria in November 2003.

In November 2004, Vietnamese Prime Minister, Phan Van Khai, paid a State Visit to South Africa. He was accompanied by the largest delegation to ever visit South Africa. South Africa's trade with Vietnam increased eight-fold in the past 10 years.

Economic relations with Malaysia and **Indonesia** remain important, due to Malaysian investment in South Africa and the size of the Indonesian market.

On 23 March 2004, Minister Dlamini-Zuma and her Indonesian counterpart, Dr Noer Hassan Wirajuda, co-chaired the Asian-African Sub-Regional Organisations Conference in Durban.

The two Ministers signed an MoU for the establishment of a Joint Commission on Bilateral Co-operation between the two countries.

The MoU paved the way for increasing investment by South African companies in the vast mineral reserves of Indonesia.

Many agreements exist between the two countries.

South Africa and **Malaysia** enjoy close co-operation within the multilateral field in fora such as the Commonwealth and Non-Aligned Movement (NAM).

Malaysia continues to be very supportive of South Africa's efforts to enhance South-South co-operation and ensure that the needs of the South are addressed in international fora.

Malaysia has also indicated its support for NEPAD and has sought to promote the Malaysian-initiated Langkawi International Dialogue aimed at expanding co-operation among countries of the South, including those in southern Africa.

South Africa participated by means of a National Pavilion at the Defence Services Exhibition in Kuala Lumpur, Malaysia, from 12 – 15 April 2004.

A State Visit to Malaysia during 2003 resulted in the establishment of a Joint Ministerial Commission (JMC) between the two countries. The first JMC meeting was expected to take place in the second half of 2004.

Before 1994, there were no South African Missions located in the south and central Asian regions. In fact, South Africa had no diplomatic relations with states in this region. Today, there are resident High Commissions in New Delhi and Islamabad, and a Consulate-General in Mumbai. South Africa has diplomatic relations with Afghanistan, Bangladesh, India, Kazakhstan, Kyrgyzstan, Maldives, Nepal, Pakistan, Sri Lanka, Tajikistan, Turkmenistan and Uzbekistan. In addition, India, Pakistan, Sri Lanka and Bangladesh have resident Missions in South Africa. By mid-2004, arrangements were underway for the establishment of South Africa's first Embassy in Manila in the Philippines.

South Africa enhanced co-operation with central Asia in the field of water and environmental affairs by participating in conferences held in Turkmenistan and Kyrgyzstan in 2003. Economic opportunities for co-operation in the region exist, especially with regard to the energy and mining sectors.

December 2003 saw South Africa establishing its first residential diplomatic Mission in central Asia with the opening of the South African Embassy in Almaty, Kazakhstan. The Mission was expected to be accredited to other states in central Asia.

South Africa and **Afghanistan** established diplomatic relations in September 1994. South Africa never recognised the former Taliban regime and has normalised relations with the current Government of the Transitional Islamic State of Afghanistan.

The South African Liaison Office for Afghanistan was established in 2003, headed by the current South African High Commissioner to Pakistan.

During 2003/04, South Africa continued to monitor the situation in Afghanistan and to support the process of democratisation in that country. In March 2004, the South African High Commission in

Pakistan donated US\$6 000 towards the voter-registration process being undertaken in that country. The finalisation of formalities pertaining to the appointment of an Honorary Consul in Cape Town to represent Afghanistan's interests in South Africa was expected to be completed in the second half of 2004.

South Africa and **Sri Lanka** formally established diplomatic relations in September 1994. In December 2003, Sri Lankan Foreign Minister, Mr Tyrone Fernando, visited South Africa. Minister Dlamini-Zuma and Minister Fernando signed a Partnership Forum Agreement aimed to enhance and promote bilateral trade and economic co-operation. The first round of the Forum was scheduled to be held in 2004 during the Fifth Council of Ministers of the Indian Ocean Rim Association for Regional Co-operation (IOR-ARC) in Colombo, Sri Lanka.

For South Africa, as part of the IOR, which encompasses the eastern African coastal countries, the Arabian Peninsula, south-east Asia, Australia and the Indian subcontinent, the IOR-ARC is considered an important regional economic entity. The IOR-ARC Initiative, currently backed by 19 countries including South Africa, creates an opportunity for countries of the South to serve their economic interests.

The Sixth Council of Ministers Meeting will be held in Tehran, Iran, in 2005.

India is South Africa's sixth-largest trading partner in Asia. In addition, South Africa's total investment into India exceeds R209 million whereas India's investment into South Africa totals more than R125 million.

In September 2004, the President of the Republic of India, Dr Abdul Kalam, paid a State Visit to South Africa. This was the first State Visit by a serving Indian Head of State since the transformation of South Africa into a democracy.

Dr Dlamini-Zuma and her Indian and Brazilian counterparts, Mr Yashwant Sinha and Mr Celso Amorim, met in New Delhi, India in March 2004 for the first meeting of the Trilateral Commission of the India-Brazil-South Africa Dialogue Forum. The Meeting adopted the New Delhi Agenda for Co-operation and the Plan of Action.

It reviewed developments in the trilateral initiative that began with their meeting in Brasilia, Brazil, in June 2003 and the meeting of the three Heads of State and Government in New York in the United States of America (USA) in September 2003.

The Agenda for Co-operation identified areas such as UN reform, terrorism, globalisation, trade negotiations and the attainment of the Millennium Development Goals.

The Plan of Action identified trilateral co-operation in the spheres of poverty alleviation; science and technology; Information and Communications Technology; health; sanitation; civil aviation and shipping; tourism; trade and investment; defence; energy; and education.

The next meeting is scheduled to take place in South Africa in the first quarter of 2005. South Africa welcomed the rapprochement between India and Pakistan in 2003 and their mutual willingness to commit to a programme of action aimed at the peaceful resolution of various outstanding bilateral issues including Jammu-Kashmir.

South Africa maintains active and mutually beneficial relations with Australia and New Zealand, and non-residential accreditation in Papua New Guinea, Fiji, Samoa and the Cook Islands.

South Africa and **Australia** established diplomatic relations in 1947 and enjoyed very close political and economic ties. As campaigns for international isolation of South Africa intensified in the 1970s and 1980s, successive Australian governments placed Australia firmly in the anti-Apartheid camp, supporting UN resolutions against Apartheid and implementing the oil, trade and arms embargo as well as sport boycott against South Africa.

New Zealand maintains a High Commission in Pretoria, while the High Commission in Canberra represents South Africa in New Zealand. The establishment of a resident High Commission in Wellington is imminent.

Since 1994, political, economic and social links between the two countries have improved significantly. In 1996, the Cape Town Communiqué was signed, which seeks to strengthen co-operation between South Africa and New Zealand. The political relationship has been further strengthened by

numerous high-level delegations that have visited New Zealand to gain expertise in their different fields and exchange knowledge to enhance capacity-building in central, provincial and local government structures.

South Africa and New Zealand enjoy wide-ranging multilateral relations. Both are members of the Valdivia Group, which aims to promote southern hemisphere views in international environmental meetings and the enhancement of scientific co-operation.

They enjoy a close working relationship within the context of the Antarctic Treaty and Indian Ocean Fisheries, and also interact within the context of the WTO and the Cairns Group. South Africa and New Zealand also work closely on Commonwealth issues, particularly those affecting Africa.

Bilateral relations with the **People's Republic of China (PRC)** have expanded substantially since the establishment of diplomatic relations in 1998. In July 2004, the PRC's Deputy Prime Minister, Mr Chen Zhili, visited South Africa to promote Chinese culture.

A broad range of agreements to formalise relations have been concluded between South Africa and the PRC, such as the Pretoria Declaration between President Jiang Zemin and President Mbeki in April 2000, which established a high-level BNC between the two countries. The inaugural meeting was held in Beijing in December 2001.

Other agreements include the Agreement on Extradition and the Mutual Legal Assistance in Criminal Matters Agreement. Total bilateral trade between the PRC and South Africa reached R23,3 billion in 2003 with the balance in favour of the PRC.

A Consulate-General was established in Shanghai in November 2002 to promote trade activities. In an effort to promote tourism to South Africa from China, the authorities in Beijing have granted Approved Destination Status (ADS) to South Africa. The ADS Agreement was signed in October 2002.

In September 2003, at the invitation of the State Council Press Office of the PRC, a Government Communications (GCIS) delegation visited the PRC to learn and share communication experiences.

Between 26 and 29 June 2004, the Vice President of the PRC, Mr Zeng Qinghong, paid an official visit to South Africa to attend the the PRC-South Africa BNC.

In July 2004, the Minister in The Presidency, Dr Essop Pahad and Vice Minister Wang Guoqing, responsible for the State Council Information Office of the PRC, signed a Letter of Intent on Friendly Co-operation and Exchanges between the two countries.

Notwithstanding the absence of diplomatic relations, South Africa and **Taiwan** continue with trade, scientific, cultural and other relations. Taiwanese investors in South Africa continue to enjoy full protection under South African law, as well as all the other benefits extended to foreign investors.

The year 2004 marked the Seventh **Japan-South African Partnership Forum**, which took place in Tokyo. This high-level forum of senior government officials witnessed the successful conclusion of the Science and Technology Agreement between the governments of Japan and South Africa in August 2003.

President Mbeki, accompanied by the Minister of Foreign Affairs, led a South African delegation to the International Conference on Africa Development (TICAD III) in Tokyo, Japan, in October 2003.

TICAD is an initiative for African development, launched in 1993 through the joint efforts of the Japanese Government, the UN and the Global Coalition for Africa.

The primary goals of TICAD are to:

- promote high-level policy dialogue between African leaders and their trade partners
- mobilise support for Africa's own development efforts
- strengthen co-ordination among all development partners
- promote regional co-operation and integration through support for regional and subregional groupings and organisations
- promote South-South co-operation in general, and Asia-Africa co-operation in particular, through the exchange of experience and knowledge.

The TICAD process reaffirmed the concept of African ownership of the development process by

Africa, embodied in the pursuit of priorities set by Africa itself. TICAD also importantly enshrined a vision of African development that integrates the principle of global partnership based on an equal footing with all development partners.

NEPAD is set to continue featuring strongly as a central issue in Africa's relationship with Japan.

South Korea remains an important trade partner of South Africa in Asia.

The Middle East

In the Middle East, the Department of Foreign Affairs distinguishes between two clearly identifiable sub-regions. On one hand, there is the Levant, which comprises Israel, Iraq, Jordan, Lebanon, Palestine and Syria, and on the other hand, the Arabian/Persian Gulf Region, consisting of the member states of the Gulf Co-operation Council, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, the United Arab Emirates (UAE), Iran and Yemen.

The Middle East is an important economic region as it occupies a unique geopolitical position in the tri-continental hub of Europe, Asia and Africa. It is the source of 67% of the world's petroleum reserves and commands two of the most strategically important waterways in the world, namely the Arabian/Persian Gulf and the Red Sea, giving access to the Asian hinterland via the Gulf of Aqaba. South Africa places strong emphasis on the expansion of diplomatic representation and activities in this region, where it was formerly underrepresented, particularly in the area of trade, which has grown significantly since 1994.

The South African Consulate-General in Jeddah, in addition to performing important functions relating to the promotion of trade, also serves members of the South African Muslim community on their annual pilgrimage to Mecca.

South Africa supports a just, equitable and comprehensive peace process in the Middle East and an end to the illegal occupation of land that has led to conflict and violence between the peoples of the region. Peace and security for the Israelis and the Palestinians cannot be achieved without the fulfilment of the inalienable right of the Palestinian people to self-determination within their own sovereign State.

South Africa has consistently called on all parties to the conflict in Israel and Palestine to demonstrate responsibility in avoiding actions that could add to an already volatile situation.

The country has been consistent in calling for the immediate implementation of the Road Map, without preconditions, to achieve comprehensive and lasting peace between Israel and Palestine.

During 2003/04, South Africa continued to engage Israelis and Palestinians in the search for peace in the Middle East, consistent with President Mbeki's Spier Initiative of 2002 that aimed to share South Africa's experience in peace-making.

In June 2004, South Africa hosted the annual UN African Meeting in Support of the Inalienable Rights of the Palestinian People, in an attempt to give impetus to initiatives to bring peace to the region.

It was followed in July 2004 by the UN Reform of Civil Society in Support of Middle East Peace. Both events focused on promoting support for international efforts aimed at stopping the situation in the Occupied Palestinian Territory, including East Jerusalem; salvaging the political process; and realising the vision of peace between Israelis and Palestinians.

South Africa's leading trade partners in the region are Saudi Arabia, Iran, Kuwait, Qatar, Israel and the UAE.

The importance of the Middle East to South Africa can also be seen in the growing number of bilateral agreements that are being concluded between South Africa and countries of the region. These cover the fields of civil aviation, avoidance of double taxation, protection of investments, scientific co-operation and defence.

South Africa and **Saudi Arabia** signed an MoU and also launched the South Africa-Saudi Arabia Business Forum in Sandton, Johannesburg, on 1 June 2004.

Deputy President Zuma and Deputy Minister Pahad paid an official visit to **Turkey** in October 2003.

During the visit, several agreements were signed between the two countries, including agreements on trade and economic co-operation; co-operation

in the fields of education, arts and culture, science and technology, sport, recreation and youth affairs; and police co-operation.

On 14 September 2003, the State of **Qatar** and South Africa signed an agreement for the development of a large-scale fuel grade methanol project, targeting an output of 12 000 to 15 000 tons (t) per day.

Sasol and Qatar have formed a joint venture worth R6,5 billion that will utilise Sasol's unique and proven gas-to-liquids technology.

In May 2003, the Minister of Minerals and Energy, Ms Phumzile Mlambo-Ngcuka, and the Second Deputy Prime Minister of Qatar, Mr Abdulla Bin Hamad Al-Attiyah, signed an agreement of co-operation between PetroSA and Transworld of Qatar.

The Second Deputy Minister, who is also the Minister responsible for Energy and Industry, paid an official visit to South Africa in March 2004.

Relations with the Americas

United States of America

The promotion of economic relations with the USA, particularly in trade and investment, remained a central element of the bilateral relationship in 2004/05. The trade relationship continued to expand, with total trade for 2001 in excess of US\$7,25 billion, making the USA South Africa's largest single trading partner.

South Africa expanded its exports to the USA in 2001 under the General System of Preferences (GSP) Programme through the African Growth and Opportunity Act (AGOA), the value of which was in excess of US\$400 million.

The importance of the AGOA in enhancing trade between the two countries was highlighted. Exports from South Africa to the USA under AGOA increased by 45% during 2002.

The USA pledged support for South Africa's fight against HIV and AIDS, committing US\$15 billion over a period of five years to the global fight against the pandemic.

Both countries are committed to the international promotion of human rights and trade, the prevention of the proliferation of weapons of mass destruction, and the elimination of illicit trafficking in narcotics.

South Africa and the USA also share a confluence of values in important areas such as democracy, the rule of law, good governance, and the peaceful resolution of conflict in Africa.

Canada

South Africa and Canada enjoy cordial relations. Considerable co-operation also occurs between the two countries on a multilateral level and within international fora.

A number of South African Cabinet Ministers and officials have visited Canada in recent years and have held discussions with their Canadian counterparts on bilateral and multilateral issues. Canada has played a leading role in co-ordinating and formulating the G-8 response to NEPAD.

Canada became the first country to create a fund to support NEPAD.

It has indicated its support for NEPAD in a concrete fashion, through the scrapping of tariffs for least-developed countries and the creation of a C\$500-million Fund for Africa.

Furthermore, Canada made available C\$6 billion in ODA over a five-year period. Canadian civil society has also indicated strong support for, and interest in, NEPAD.

Trade and investment between the two countries have grown steadily since 1994, with mining remaining the mainstay of the economic relationship.

Canada is active in the field of development co-operation in South Africa. Its technical-assistance programme is aimed at fostering social upliftment, policy development and HRD. The Canadians have made a significant contribution towards good governance and education in South Africa, through a twinning programme that links six Canadian provinces to six South African provinces.

President Mbeki paid a State Visit to Canada in 2003.

The Caribbean

South Africa's relations with the independent member states of the Caribbean Community have been strengthened and expanded through the fully operational South African High Commission in Kingston, Jamaica. In addition to Jamaica, the High Commission also maintains responsibility for Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

The Mission in Havana, Cuba, is responsible for the Dominican Republic.

In January 2004, President Mbeki attended the 200th independence celebrations in Haiti, the first Black republic in the world to declare its independence in January 1804 from French colonial rule.

President Mbeki paid a successful visit to Jamaica during June/July 2003. He utilised the opportunity to address the Caribbean Community (CARICOM) Summit. A General Co-operation Agreement was signed with the Commonwealth of The Bahamas during the inauguration of President Mbeki in April 2004.

President Mbeki's visit to the island was preceded by a fact-finding visit by Minister Dlamini-Zuma in December 2003.

On 30 April 2004, Minister Dlamini-Zuma, together with her counterpart from The Bahamas, Mr Fred Mitchell, signed a General Co-operation Agreement in Pretoria.

According to the Agreement, the Colleges' School of Hospitality and Tourism in The Bahamas will reserve a number of places for South African students.

Other areas of co-operation include the exchange of ideas on trade and industry, culture, economics, science and education.

Latin America

South Africa's relations with the countries of the South American region are entering an important and dynamic period of development. South Africa maintains formal diplomatic relations with all the countries of Latin America.

Latin America's population of about 300 million, as well as its various economic blocs, such as

MERCOSUR (Southern Common Market) and the Andean Community, will ensure the region's increasing importance to South Africa.

There is great potential for co-operation with the MERCOSUR trading bloc, which consists of Argentina, Brazil, Paraguay and Uruguay, with Peru, Bolivia and Chile having associate status. Co-operation in the South Atlantic is further enhanced through the Zone of Peace and Co-operation in the South Atlantic (ZPCSA). The aims and objectives of the ZPCSA include the protection of the marine environment and resources, the promotion of the South Atlantic as a nuclear-free zone, and joint business ventures.

In December 2000, a Framework Agreement for the Creation of an FTA between South Africa and MERCOSUR was signed by the then South African Minister of Trade and Industry, Mr Alec Erwin. The aim of the Agreement is to strengthen existing relations, promote the expansion of trade, and establish the conditions for the creation of a future FTA between the Southern African Customs Union (SACU) and MERCOSUR.

Several rounds of discussions towards the establishment of an FTA have taken place since the first talks in Montevideo, Uruguay, in October 2001.

The third South Africa-Cuba JBC took place in December 2003 in Pretoria. It reviewed existing bilateral co-operation projects and the extension of co-operation to new areas.

Relations with Brazil were given further impetus with the inaugural meeting of the South Africa-Brazil JBC in Brasilia in August 2002. This encompassed political discussions between the respective Foreign Affairs Ministers, as well as discussions on co-operation between line-function departments in a variety of technical fields. The second meeting, held in Pretoria in May 2003, served to further broaden relations in various fields. They also encompassed political discussions.

An official visit by Brazil's President Luiz Inacio Lula da Silva in November 2003, accompanied by several Ministers, gave further impetus to bilateral relations.

Relations with Europe

South Africa's bilateral relations with Europe have improved and expanded significantly since 1994. Exchanges have continuously increased in terms of high-level political consultation, economic relations and development assistance. South Africa currently maintains diplomatic relations with virtually all countries in Europe. South Africa has 25 Missions in Europe, while these countries are, in turn, represented by more than 50 Embassies and Consulates-General or Trade Missions in South Africa.

Collectively, western Europe is South Africa's largest trading partner and main source of foreign direct investment (FDI) and development assistance. Regular consultations with the European Union (EU) and its member countries take place with regard to the continued and possible expansion of their constructive involvement in South Africa.

To enhance co-operation with European countries, various political and economic mechanisms such as binational and economic commissions have been established with the United Kingdom (UK), France, Germany, Sweden, Spain, Italy and Portugal.

Mechanisms to step up bilateral political consultations have also been created with a number of Nordic countries.

Multilateral interaction with Europe continues on issues such as globalisation, market access, debt relief, the role and reform of the UN Security Council, disarmament and human rights. The establishment of a constructive North-South dialogue is of particular importance to South Africa.

Relations with **Germany** have expanded considerably since the introduction of the South Africa-Germany BNC in 1996, as the committees of the Commission now work continuously to enhance political, economic, scientific, cultural and environmental co-operation.

Africa is the main focus of German development co-operation initiatives. Germany has pledged its firm support for NEPAD, with priority areas being conflict prevention and good governance.

The Fourth Session of the South Africa-Germany BNC took place on 30 October 2003 in Pretoria.

German Chancellor Gerhard Schröder paid his

first official visit to South Africa in January 2004.

He met with President Mbeki for bilateral talks, which included discussions on increasing co-operation on labour and health issues, and business, cultural and sporting relations.

The two leaders also discussed the AU, NEPAD, Zimbabwe, the Middle East peace process, the peace process in Burundi and the DRC, and the volatile situation in Iran, Iraq and Afghanistan.

Germany is South Africa's largest import partner and fourth-largest export partner. More than 450 German companies have investments in South Africa and employ over 70 000 people here.

South Africa and the **UK** continue to build a special partnership. The UK has shown strong support for NEPAD, the AU and conflict resolution in Africa, and has maintained its position as one of South Africa's most significant trade partners, the largest single foreign investor in South Africa, and a major source of tourism.

Bilateral relations between South Africa and **France** are directed by institutionalised mechanisms, such as the MoU for Political Dialogue, as well as joint commissions on trade and industry, arts and culture, and science and technology.

People-to-people relations have expanded dramatically and there have been regular exchanges of cultural, art and sports groups. France is a staunch supporter of the AU and NEPAD, especially in the context of the G-8.

The historic links between South Africa and the Nordic countries (**Norway, Sweden, Denmark, Finland** and **Iceland**) have deepened in recent years. Flowing from the strong grassroots support in these countries for democratisation in South Africa, relations have been established in virtually every field at both public and official levels.

The scope of Nordic development co-operation relations is broad and has benefited civil society and the three tiers of government. Relations in the international arena have seen close co-operation on multilateral issues such as the banning of anti-personnel mines.

Norway sees South Africa as an important partner in bridging the North-South divide, particularly in the area of human rights.

On 26 March 2004, Minister Dlamini-Zuma hosted her Norwegian counterpart, Mr Jan Petersen, for bilateral and economic discussions.

Fundamental to trade relations between both countries is the GSP for the import of goods from developing countries that was extended by Norway to South Africa on 6 May 1994.

Through this mechanism, goods imported by Norway from South Africa are not submitted to the normal custom duties. These tariff preferences provide an incentive to traders to import products from developing countries like South Africa and help them to compete on international markets.

A number of Norwegian companies are expected to expand their operations in South Africa through increased investment and technology.

Norway's development co-operation contribution to South Africa for the period 2005 – 2009 is expected to be over R25 million.

South Africa maintains excellent bilateral relations with the Benelux countries (**Belgium**, the **Netherlands** and **Luxembourg**). This is, *inter alia*, reflected in the increase in high-level visits, co-operation in multilateral fora and the number of development-assistance programmes being implemented in South Africa.

The commitment of the Benelux countries to the objectives and ideals of the AU and NEPAD is underscored by the close interaction with South Africa in the promotion of peace and security on the African continent. Both the Netherlands and Belgium are providing political and financial support for South Africa's role in conflict-resolution and peace-keeping operations in the Great Lakes region.

Spain is one of South Africa's major trading partners. Between 1999 and 2002, South African exports to Spain increased from R4,2 billion to R9,5 billion, making it the 13th-largest investor for the period. In a move to further cement trade relations between South Africa and Spain, a Spanish retail chain *El Cortes Ingles* will purchase South African products worth R90 million to sell in the European country.

The Deputy Minister of Foreign Affairs of the Kingdom of Spain, Mr Ramon Gil-Casares, paid an official visit to South Africa in February 2004.

The visit formed part of efforts to build and consolidate sound and mutually beneficial relations between the two countries.

During the visit, the two countries signed an Agreement on Co-operation in the Fields of Arts and Culture, following the signing of the Agreement on Co-operation in the Fields of Science and Technology in 2003.

The President of the Republic of **Italy**, Mr Carlo Azeglio Ciampi, paid a State Visit to South Africa in March 2002. This was a successful visit during which Italian support for NEPAD, the WSSD, the fight against HIV and AIDS, increased levels of the ODA, and the transfer of technology was pledged.

President Constantinos Stephanopoulos of the **Hellenic Republic**, accompanied by a trade delegation, paid a State Visit to South Africa in October 2002. He expressed support for socio-economic upliftment through NEPAD, increased levels of trade and investment, and targeted ODA projects.

On 26 May 2003, South Africa and **Austria** signed a co-operation agreement on safety and security issues.

Minister Dlamini-Zuma hosted her Swiss counterpart, Ms Micheline Calmy-Rey, for bilateral political and economic discussions in Pretoria in February 2004.

Switzerland remains a very important foreign direct investor in terms of new investment in South Africa, with FDI in South Africa since 1994 amounting to R2,7 billion by the end of 2001.

In terms of total investment, Switzerland ranked as the sixth-largest foreign direct investor in South Africa in 2002. South Africa ranked as the 12th-largest foreign investor in Switzerland in 1999, the third-largest after Japan outside the EU and USA.

On 1 March 2004, Deputy Minister Pahad hosted his counterpart from **Serbia** and **Montenegro**, Dr Dusan Crnogorcervic, in Pretoria for bilateral political and economic consultations.

Serbia and Montenegro regard South Africa as an important and reliable ally in their foreign relations, as well as a gateway to the rest of southern Africa. Full diplomatic relations between South Africa and Serbia and Montenegro were established in April

1992, when the country was still called the Federal Republic of Yugoslavia.

The historical links between South Africa and the **Russian Federation** are strong. The former Union of Soviet Socialist Republics (USSR) was one of the key supporters of the struggle for liberation in South Africa.

With the dissolution of the USSR, South Africa became the first African State to recognise the independence of the Russian Federation. Full diplomatic relations were established between the two countries in February 1992.

In April 1999, the Intergovernmental Committee on Trade and Economic Co-operation between the Russian Federation and South Africa was established, the Third Session of which was held in November 2003 in Moscow. There is rapid development of bilateral co-operation in political, economic, scientific and cultural spheres between the two countries.

In March 2004, the Russian mining company Norilsk Nickel purchased a US\$1,16-billion stake in the Gold Fields mining company.

The first South African-Russian Inter-Ministerial political consultations on combating international terrorism were held in Pretoria on 29 January 2004. Deputy Minister Pahad and his Russian counterpart, Mr Anatoly Safonov, discussed ways of implementing the Resolution on Measures to Prevent Terrorists from Acquiring Weapons of Mass Destruction, which was adopted by the 58th Session of the UN General Assembly.

Multilateral diplomacy

South Africa is a full participant in the debates on global issues in international fora and organisations such as the UN, the Commonwealth and NAM. Among the multitude of issues that are dealt with are terrorism; UN reform; South Africa's role in peacekeeping operations and disarmament issues; the global development debate; negotiations with the EU; the future of NAM; and the implementation of Agenda 21 and the treaties that flow from it, such as those on biodiversity and climate change, international drug control, international measures to

combat crime, good governance, human rights and humanitarian assistance.

The country's active and full involvement in initiatives such as the renegotiation of the SACU, the South African-Britain Bilateral Forum and new structures in the WTO, also places South Africa in a good position to ensure that not only trade, but also development is addressed in its international relations.

International organisations

United Nations

Since its readmission to the UN in 1994, South Africa has fully participated in and contributed to international organisations, treaties and conventions concerned with global policies. It has played an active role in several General Assembly working groups tasked with the appraisal of UN reforms as well as the restructuring of the Security Council.

South Africa's name has consistently appeared on the Secretary-General's 'Roll of Honour' of countries that pay their dues timeously.

In September 2004, President Mbeki addressed the 59th Session of the UN General Assembly (UNGA 59) in New York, USA.

South Africa's participation in the UNGA 59 focused on, among other things, promoting the AU and NEPAD within the UN context; supporting the global campaign against terrorism and weapons of mass destruction; and supporting the Middle East Peace Process. South Africa indicated its readiness to serve as a permanent member of the Security Council.

European Union

South Africa relates to the 25-member EU at various levels and in many fora. One of the key aspects of South Africa's relations with the EU, within the framework of the African Caribbean and Pacific (ACP)-EU partnership, is its active participation in the ACP-EU Joint Parliamentary Activities (JPA). South Africa hosted the Fourth Session of the ACP-EU JPA in March 2002 in Cape Town.

At this Session, the JPA accepted a resolution on NEPAD, noting that there was considerable scope

for the ACP-EU partnership to be effectively aligned with NEPAD. It urged the European Commission (EC) to identify ways in which, both directly and through the ACP-EU partnership, EU programmes could support NEPAD.

Since South Africa's transition to democracy, the dialogue between the European and South African parliaments has become institutionalised with frequent reciprocal visits of parliamentarians, also in the context of the EU-ACP Joint Assembly and EU-SADC exchanges.

The European Programme for Reconstruction and Development, which channels about R900 million per year into development efforts in South Africa, makes the EU one of South Africa's most important donors. The Co-operation Council, a forum comprising officials from the South African Government and from the EC, was established to monitor the implementation of the Trade Development and Co-operation Agreement (TDCA).

The EU proposed a two-pronged approach of qualified accession to the Lome Convention (since replaced by the Cotonou Partnership Agreement, signed in Cotonou, Benin, in June 2000).

Negotiations on the Fisheries Agreement have been suspended pending finalisation of a framework that would address South Africa's concerns regarding access to its resources.

In 1998, South Africa and the EU reached a broad agreement on the contents of the TDCA. In addition to the tariff liberalisation schedule, agreement was reached on the numerous articles dealing with trade-related issues such as intellectual property rights, competition policy and rules of origin.

The parties also agreed to co-operate in a number of non-trade fields, such as the fight against drugs, money laundering and the protection of data. The central component of the agreement revolves around a tariff phase-down schedule for agricultural and industrial products.

In terms of this agreed schedule, South Africa will eliminate tariffs on 86% of EU exports to South Africa, over a period of 12 years. The EU in return will eliminate tariffs on 95% of South African exports to the EU, over 10 years.

The TDCA has to be ratified by all 15 member states. By mid-2004, it had been ratified by 10 EU member states. Luxembourg, France, Austria, Italy and Greece still had to finalise the process of ratification.

South Africa's bilateral relationship with the EU was elevated to a higher level following the commencement of full implementation of the South Africa-EU TDCA, with effect from 1 May 2004.

The Commonwealth

The Commonwealth is a voluntary association of 54 sovereign states with a common political heritage. After the UN, with 185 members, the Commonwealth is one of the world's largest multilateral organisations. It includes members of every major regional institution, economic zone and multilateral organisation.

Its total population exceeds 1 500 million. The link in this union is the common use of the English language as well as elements of the common culture, including sport, inherited from the colonial past.

South Africa rejoined the Commonwealth in 1994 after an absence of 33 years. The Department of Foreign Affairs co-ordinates the policy and objectives of the Government in the Commonwealth.

The Non-Aligned Movement

The NAM is the second-largest grouping of countries within the UN, comprising 115 member states. It was founded in 1961 as a global voice for developing countries that felt excluded from international politics dominated by the superpowers of the time.

South Africa joined the Movement as a full member in 1994, and assumed chairpersonship in September 1998, during the XII Summit Conference of Heads of State and Government of NAM, held in Durban. The fundamental principles of the Movement include respect for the sovereignty and territorial integrity of all countries, the right to self-determination of all colonised peoples, and economic and cultural equality.

The NAM also continues its long-standing support for the rights of the Palestinian people, in international fora such as the UN and the Organisation of the Islamic Conference.

On 13 May 2004, Deputy Minister Pahad attended the NAM Troika Meeting and Meeting of the NAM Committee on Palestine in Kuala Lumpur, Malaysia.

The NAM Committee Meeting on Palestine sought to put the proposed Middle East Road Map on track.

The Middle East Road Map, drafted by a quartet comprising the USA, Russia, the UN and the EU in 2002, proposes the creation of two separate independent Palestinian and Israeli states living side-by-side, in peace.

United Nations Development Programme (UNDP)

On 12 October 1994, the Government signed the Standard Basic Assistance Agreement with the UNDP. The UNDP has an office in Pretoria, headed by its resident representative, who is also the UN Resident Co-ordinator for all UN operational activities for development in South Africa.

Acknowledgements

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Department of Foreign Affairs

www.dfa.gov.za

www.gov.za

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Government system

The Constitution

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), was approved by the Constitutional Court (CC) on 4 December 1996. It took effect on 4 February 1997.

The Constitution is the supreme law of the land. No other law or government action can supersede the provisions of the Constitution. South Africa's Constitution is one of the most progressive in the world and enjoys high acclaim internationally.

The Preamble

The Preamble to the Constitution states that the aims of the Constitution are to:

- heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights
- improve the quality of life of all citizens and free the potential of each person
- lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law
- build a united and democratic South Africa able to take its rightful place as a sovereign State in the family of nations.

Fundamental rights

Fundamental rights are contained in Chapter Two



of the Constitution and seek to protect the rights and freedom of individuals. The CC guards these rights and determines whether actions by the State are in accordance with constitutional provisions.

Government

Government consists of national, provincial and local spheres, which are distinctive, interdependent and interrelated. The powers of the law-makers (legislative authorities), governments (executive authorities) and courts (judicial authorities) are separate from one another.

Parliament

Parliament is the legislative authority of South Africa and has the power to make laws for the country in accordance with the Constitution. It consists of the National Assembly and the National Council of Provinces (NCOP). Parliamentary sittings are open to the public.

Since the establishment of Parliament in 1994, a number of steps have been taken to make it more accessible. This has been done to make the institution more accountable, as well as to motivate and facilitate public participation in the legislative process. One of these steps has been the creation of a website (www.parliament.gov.za), which encourages comment and feedback from the public.

More than 100 women from all over the country converged on Parliament on 20 August 2004 to participate in the Women's Parliament. The theme of the event was *What Has 10 Years of a Democratic Parliament Meant For Women?*

National Assembly

The National Assembly consists of no fewer than 350 and no more than 400 members elected through a system of proportional representation. The National Assembly, which is elected for a term of five years, is presided over by the Speaker, assisted by the Deputy Speaker.

The National Assembly is elected to represent the people and to ensure democratic governance as required by the Constitution. It does this by electing the President, providing a national forum for public consideration of issues, passing legislation, and scrutinising and overseeing executive action.

National Council of Provinces

The NCOP consists of 54 permanent members and 36 special delegates and aims to represent provincial interests in the national sphere of government. Delegations consist of 10 representatives from each province.

The NCOP must have a mandate from the provinces before it can make certain decisions. It

cannot, however, initiate a Bill concerning money, which is the prerogative of the Minister of Finance.

The NCOP also has a website, *NCOP Online!* (www.parliament.gov.za/ncop), which links Parliament to the provincial legislatures and local government associations.

NCOP Online! provides information on draft legislation and allows the public to make electronic submissions.

Law-making

Any Bill may be introduced in the National Assembly. A Bill passed by the National Assembly must be referred to the NCOP for consideration. A Bill affecting the provinces may be introduced in the NCOP. After it has been passed by the Council, it must be referred to the Assembly.

A Bill concerning money must be introduced in the Assembly and must be referred to the NCOP for consideration and approval after being passed. If the Council rejects a Bill or passes it subject to amendments, the Assembly must reconsider the Bill and pass it again with or without amendments. There are special conditions for the approval of laws dealing with provinces.

The President

The President is the Head of State and leads the Cabinet. He or she is elected by the National Assembly from among its members, and leads the country in the interest of national unity, in accordance with the Constitution and the law.

The Deputy President

The President appoints the Deputy President from among the members of the National Assembly. The Deputy President must assist the President in executing government functions.

Cabinet

The Cabinet consists of the President, as head of the Cabinet, the Deputy President and Ministers. The President appoints the Deputy President and Ministers, assigns their powers and functions and may dismiss them.



President Thabo Mbeki visited KwaZulu-Natal as part of the *Imbizo* programme of interactive governance from 29 to 31 January 2004. This was the seventh visit, following similar visits to Limpopo, Eastern Cape, Free State, Gauteng, North West and Western Cape.

The President visited Mpumalanga from 30 September to 2 October 2004. The theme of the *Imbizo* Focus Week was *Imbizo: Building a People's Contract to Build a Better South Africa and a Better World*.

The *Imbizo* Programme is a government programme approved by Cabinet in October 2000. Its purpose is to bring all three levels of government closer to the people through direct interaction with citizens. Through *izimbizo*, challenges and blockages to delivery are identified and solutions found. It aims to improve service delivery and the lives of all South Africans.

The President may select any number of Ministers from among the members of the National Assembly, and may select no more than two Ministers from outside the Assembly.

The President appoints a member of the Cabinet to be the leader of government business in the National Assembly.

Deputy Ministers

The President appoints Deputy Ministers from among the members of the National Assembly.

Traditional leadership

Chapter 12 of the Constitution states that the institution, status and roles of traditional leadership, according to customary law, are recognised, subject to the Constitution.

The Chief Directorate: Traditional Leadership and Institutions in the Department of Provincial and Local Government provides support to traditional leaders and institutions, and is responsible for the development of policy in this regard. It renders an anthropological service, and provides advice and support to traditional leaders and institutions with regard to governance and development matters. It advises and supports the National House of Traditional Leaders and maintains a database of traditional leaders and institutions. It is also responsible for developing and implementing a regulatory framework for the protection of the rights of cultural, religious and linguistic communities.

The *White Paper on Traditional Leadership and Governance*, released in October 2002, dealt with the following issues:

- the identification of a role for traditional leadership, as an institution at local level, on matters affecting local communities
- the reform of the entire institution to restore the legitimacy it once enjoyed prior to the distortions introduced by the colonial and Apartheid regimes
- the transformation of the institution generally, particularly the restoration of its character as an institution founded on custom, culture and tradition of the people
- reform of the institution so that it embraces some of the basic tenets underpinning the Constitution, such as equality and democracy.

The White Paper was approved by Cabinet in June 2003, after which the Department embarked on the drafting of the National Framework Legislation on Traditional Leadership and Governance to put the challenges contained in the White Paper into perspective, and to guide and direct the drafting of provincial legislation.

The Traditional Leadership and Governance Framework Act, 2003 (Act 41 of 2003), seeks to:

- set out a national framework, norms and standards to define the place and role of traditional leadership within the system of democratic governance



President Thabo Mbeki was

born on 18 June 1942 in Idutywa, Queenstown, in the Eastern Cape. He joined the African National Congress (ANC) Youth League at the age of 14 and in 1961 was elected Secretary of the African Students' Association. He was involved in underground activities after the banning of the ANC in 1960, until he left South Africa in 1962. He continued his studies in the United Kingdom (UK) and obtained his Masters of Arts (Economics) at the University of Sussex. While in the UK, he mobilised the international student community against Apartheid and worked at the London office of the ANC for several years. He also underwent military training in what was then the Soviet Union.

From 1973, he worked in Botswana, Swaziland, Nigeria and Lusaka and became a member of the ANC's National Executive Committee in 1975. Between 1984 and 1989, he was Director of the ANC's Department of Information. He led the organisation's delegations, which met groups from inside South Africa in Dakar, Senegal and elsewhere. In 1989, he headed the delegation that held talks with the Apartheid Government, which led to agreements on the unbanning of political organisations and the release of political prisoners. He also participated in negotiations preceding the adoption of South Africa's Interim Constitution in 1993.

Following the first democratic election in 1994, Mr Mbeki was appointed Executive Deputy President. In 1997, he was elected President of the ANC and in June 1999, after the country's second democratic election, he succeeded Mr Nelson Mandela as President of South Africa.

Mr Mbeki's inauguration as the country's third democratically elected President on 27 April 2004 coincided with the celebration of 10 Years of Freedom.

- transform the institution in line with constitutional imperatives
- restore the integrity and legitimacy of the institution of traditional leadership in line with customary laws and practices
- provide guidelines on the setting up of provincial

Cabinet, as on 15 October 2004	
Mr Thabo Mbeki	President
Mr Jacob Zuma	Deputy President
Ms Nosiviwe Mapisa-Nqakula	Home Affairs
Ms Naledi Pandor	Education
Dr Nkosazana Dlamini-Zuma	Foreign Affairs
Mr Mosiuoa Lekota	Defence
Mr Trevor Manuel	Finance
Mr Sydney Mufamadi	Provincial and Local Government
Mr Jeff Radebe	Transport
Mr Alec Erwin	Public Enterprises
Ms Stella Sigcau	Public Works
Dr Zola Skweyiya	Social Development
Mr Charles Nqakula	Safety and Security
Dr Lindiwe Sisulu	Housing
Mr Mandisi Mpahlwa	Trade and Industry
Ms Brigitte Mabandla	Justice and Constitutional Development
Mr Marthinus van Schalkwyk	Environmental Affairs and Tourism
Ms Geraldine Fraser-Moleketi	Public Service and Administration
Dr Ivy Matsepe-Casaburri	Communications
Mr Membathisi Mdladlana	Labour
Mr Ngconde Balfour	Correctional Services
Ms Thoko Didiza	Agriculture and Land Affairs
Ms Buyelwa Sonjica	Water Affairs and Forestry
Mr Ronnie Kasrils	Intelligence
Ms Phumzile Mlambo-Ngcuka	Minerals and Energy
Dr Pallo Jordan	Arts and Culture
Mr Mosibudi Mangena	Science and Technology
Dr Manto Tshabalala-Msimang	Health
Dr Essop Pahad	Minister in The Presidency
Rev Makhenkesi Stofile	Sport and Recreation

legislation on traditional leadership and governance.

Provinces have embarked on provincial legislation, which was expected to be finalised in March 2005.

Houses of Traditional Leaders

The Constitution mandates the establishment of Houses of Traditional Leaders by means of either provincial or national legislation. The National House of Traditional Leadership was established in April 1997. Provincial houses of Traditional Leaders were established in all six provinces which have traditional leaders, namely the Eastern Cape, KwaZulu-Natal, Free State, Mpumalanga, Limpopo and North West.

In terms of the Traditional Leadership and Governance Framework Act, 2003, local Houses of Traditional Leaders will be established in accordance with provincial legislation in district municipalities where traditional leadership exists.

Each provincial House of Traditional Leaders nominates three members to be represented in the National House, which then elects its own office-bearers.

The National House advises national government on the role of traditional leaders and customary law. It may also conduct its own investigations and advise the President at his request.

In 2003/04, the National House of Traditional Leaders contributed to the development of government policy and legislation on traditional leadership and governance, communal land rights, property rates, the National Water Resource Strategy and customary marriages. Contributions were also made at the Southern African Development Community (SADC) Annual Conference on Traditional Leaders and the Conference of African Traditional Leaders, both held in 2003.

Provincial government

In accordance with the Constitution, each of the nine provinces has its own legislature, consisting of between 30 and 80 members. The number of members is determined in terms of a formula set out in national legislation. The members are elected in terms of proportional representation.

The Executive Council of a province consists of a Premier and a number of members. The Premiers are appointed by the President of the country.

Decisions are taken by consensus, as in the national Cabinet. Besides being able to make provincial laws, a provincial legislature may adopt a constitution for its province if two-thirds of its members agree. However, a provincial constitution must correspond with the national Constitution as confirmed by the CC.

According to the Constitution, provinces may have legislative and executive powers concurrently with the national sphere, over:

- agriculture
- casinos, racing, gambling and wagering
- cultural affairs
- education at all levels, excluding university and university of technology education
- environment
- health services
- housing
- language policy
- nature conservation
- police services
- provincial public media
- public transport
- regional planning and development
- road-traffic regulation
- tourism
- trade and industrial promotion
- traditional authorities
- urban and rural development
- vehicle licensing
- welfare services.

These powers can be exercised to the extent that provinces have the administrative capacity to assume effective responsibilities.

Provinces also have exclusive competency over a number of areas, which include:

- abattoirs
- ambulance services
- liquor licences
- museums other than national museums
- provincial planning
- provincial cultural matters
- provincial recreation and activities

- provincial roads and traffic.

The President's Co-ordinating Council (PCC) is a consultative forum where the President discusses issues of national, provincial and local importance with the Premiers. The forum meets quarterly and addresses issues such as:

- enhancing the role of provincial executives with regard to national policy decisions
- strengthening the capacity of provincial governments to implement government policies and programmes
- integrating the Provincial Growth and Development Strategies (PGDS) within national development plans
- improving co-operation between national and provincial spheres of government to strengthen local government
- improving co-operation on fiscal issues

Deputy Ministers, as on 15 October 2004

Ms Cheryl Gillwald	Correctional Services
Ms Susan Shabangu	Safety and Security
Mr Aziz Pahad	Foreign Affairs
Ms Sue van der Merwe	Foreign Affairs
Ms Ntombazana Botha	Arts and Culture
Mr Derek Hanekom	Science and Technology
Ms Lulama Xingwana	Minerals and Energy
Mr Enver Surty	Education
Mr Malusi Gigaba	Home Affairs
Mr Ntopile Kganyago	Public Works
Mr Jabu Moleketi	Finance
Adv Dirk du Toit	Agriculture and Land Affairs
Ms Rejoice Mabudafhasi	Environmental Affairs and Tourism
Ms Lindiwe Hendricks	Trade and Industry
Mr Mluleki George	Defence
Mr Johnny de Lange	Justice and Constitutional Development
Ms Nomatyala Hangana	Provincial and Local Government
Ms Nozizwe Madlala-Routledge	Health
Mr Radhakrishna 'Roy' Padayachie	Communications
Dr Jean Benjamin	Social Development
Mr Gert Oosthuizen	Sport and Recreation

Provincial governments, as on 1 September 2004

Eastern Cape

Ms Nosimo Balindlela	Premier
Mr Max Mamase	Agriculture
Mr Mkganeli Matomela	Education
Mr Andre de Wet	Economic Affairs, Environment and Tourism
Mr Billy Nel	Finance
Dr Bevan Gogwana	Health
Mr Gugile Nkwinti	Local Government and Housing
Mr Thobile Mhlahle	Provincial Safety, Liaison and Transport
Mr Sam Kwelita	Roads and Public Works
Ms Nomsa Jajula	Sport, Recreation, Arts and Culture
Ms Neo Moerane- Mamase	Social Development

KwaZulu-Natal¹⁾

Mr Sibusiso Ndebele	Premier
Prof. Lindumusa Nda- bandaba	Agriculture and Environmental Affairs
Ms Inna Cronjé	Education
Mr Narend Singh	Arts, Culture and Tourism
Dr Zweli Mkhize	Finance and Economic Development
Ms Neliswa Nkoyeni	Health
Mr Mike Mabuyakhulu	Housing, Local Government and Traditional Affairs
Inkosi Nyanga Ngubane	Social Services and Population Development
Mr Muzikwenkosi Gwala	Public Works
Mr Bheki Cele	Transport, Safety and Security
Mr Amichand Rajbansi	Sport and Recreation

1) 3 December 2003

Free State

Ms Beatrice Marshoff	Premier
Mr Segobelo Magashule	Agriculture
Ms Mantsheng Tsopo	Education
Dr Benjamin Malakoane	Tourism, Environmental and Economic Affairs
Mr France Morule	Finance
Mr Sakhifo Belot	Health Services
Mr Itumeleng Kotsoane	Local Government and Housing
Mr Seiso Mohai	Transport, Roads and Public Works
Mr Pule Makgoe	Public Safety, Security and Liaison
Ms Zanele Dlungwana	Social Development
Mr Joel Mafereka	Sport, Arts, Culture, Science and Technology

Limpopo

Mr Sello Moloto	Premier
Dr Aaron Motsoaledi	Agriculture and Environmental Affairs
Dr Joyce Mashamba	Education
Mr Thaba Mufamadi	Finance and Economic Development
Mr Charley Sekoati	Health and Welfare
Ms Machwene Semenya	Local Government and Housing
Mr Collins Chabane	Public Works
Ms Dikeledi Magadzi	Provincial Safety, Security and Liaison
Mr Joseph Maswanganyi	Sport, Recreation, Arts and Culture
Mr Stanley Motimele	Transport

Gauteng

Mr Mbhazima Shilowa	Premier
Mr Khabisi Mosunkutu	Agriculture, Conservation and Environment
Ms Dorothy Mahlangu	Local Government
Ms Angelina Motshekga	Education
Mr Paul Mashatile	Finance and Economic Affairs
Dr Gwen Ramokgopa	Health
Ms Nomvula Mokonyane	Housing
Mr Firoz Cachalia	Community Safety
Ms Barbara Creecy	Sports, Recreation, Arts and Culture
Mr Bob Mabaso	Social Development
Mr Ignatius Jacobs	Public Transport, Roads and Works

Mpumalanga

Mr Thabang Makwetla	Premier
Ms Nomsa Mtsweni	Agriculture, Conservation, Environment and Land Administration
Mr Jacob Mabena	Economic Development and Planning
Mr Siphosezwe Masango	Education
Mr William Lubisi	Health and Social Services
Mr Jabulani Mahlangu	Local Government and Housing
Ms Candith Mashego- Dlamini	Public Works
Ms Mmathulare Coleman	Finance
Mr Madala Masuku	Cultural Affairs, Sports and Recreation
Mr Fish Mahlalela	Roads and Transport
Mr Pogisho Pasha	Safety and Security

Northern Cape

Ms Dipuo Peters	Premier
Ms Tina Joemat-Pettersson	Agriculture and Land Reform
Mr Archie Lucas	Education
Mr Pakes Dikgetsi	Finance and Economic Affairs
Mr David Molusi	Health
Ms Eunice Selao	Local Government and Housing
Mr Boeboe van Wyk	Safety and Liaison
Mr Goolam Akhtarwar	Social Development
Ms Thembi Madikane	Sport, Arts and Culture
Mr Pieter Saaiman	Tourism, Environment and Conservation
Mr Fred Wyngaardt	Transport, Roads and Public Works

North West

Ms Ednah Molewa	Premier
Mr Ndleleni Duma	Agriculture, Conservation, Environment and Tourism
Mr Darkey Africa	Finance and Economic Development
Mr Phenyé Vilakazi	Local Government and Housing
Rev Johannes Tselapedi	Education
Mr Elliot Mayisela	Health
Ms Maureen Modiselle	Safety and Liaison
Ms Rachel Rasmeni	Social Development
Mr Jerry Thibedi	Roads and Transport
Mr Howard Yawa	Public Works
Ms Nikiwe Num	Sport, Arts and Culture

Western Cape

Mr Ebrahim Rasool	Premier
Mr Kobus Dowy	Agriculture
Mr Leonard Ramatlakane	Community Safety
Mr Cameron Dugmore	Education
Ms Tasneem Essop	Environmental Affairs and Development Planning
Ms Lynne Brown	Finance, Economic Development and Tourism
Mr Pierre Uys	Health
Mr Marius Fransman	Local Government and Housing
Mr Mcebisi Skwatsha	Public Works and Transport
Ms Kholeka Mqulwana	Social Services and Poverty Alleviation
Mr Chris Stali	Sport and Cultural Affairs

- ensuring that there are co-ordinated programmes of implementation and the necessary structures in place to address issues such as rural development, urban renewal, and safety and security.

In 2004/05, provincial governments were expected to develop PGDS. The PGDS must be informed by, and aligned with, the Integrated Development Plans (IDPs) of municipalities, as well as the National Spatial Development Perspective. This will lead to more prudent resource allocation by all spheres of government in addressing the challenge of economic growth and development.

Local government

Local government has come a long way from the period when there were over 1 200 racially segregated municipalities. From more than 800 municipalities after 1996, there are currently 284 municipalities that are focused on growing local economies and extending the provision of services to areas that were previously neglected.

In accordance with the Constitution and the Organised Local Government Act, 1997 (Act 52 of 1997), (which formally recognises organised local government and the nine provincial local-government associations), organised local government may designate up to 10 part-time representatives to represent municipalities and participate in proceedings of the NCOP.

In February 2004, the Minister of Finance, Mr Trevor Manuel, announced an allocation of R47,3 billion to local government for the next three years.

The 2004/05 Budget anticipated that transfers to local government would rise to R14,2 billion in 2004/05; R15,9 billion in 2005/06; and R17,1 billion in 2006/07, representing 4,6% of national spending by 2006/07, up from 3,6% in 2002/03.

Allocations for local government infrastructure transfers rose from R4,1 billion in 2003/04 to R6 billion in 2006/07. This represents an overall increase of 46,3% over the next three years.

Municipal debt has increased in the last five years. The Department is consolidating an intervention strategy that will help municipalities recoup the

money owed to them, estimated to be around R26 billion. The issue of municipal debt is receiving ongoing attention from the Department and has resulted in the establishment of the Municipal Revenue Enhancement Programme, which was initiated in May 2002 and endorsed by the Cabinet in July 2003.

The Minister of Provincial and Local Government, Mr Sydney Mufamadi, commissioned an investigation into the issue of municipal services debt and the role that could be played by national government. The recommendations of the investigation were implemented and are bearing fruit – by March 2004, more than R1,4 billion had been collected from government departments who owed municipalities for services.

By March 2004, the majority of the country's 284 municipalities were providing free basic water and electricity, 90% in the case of water and just more than 50% in the case of electricity.

The Department of Provincial and Local Government worked closely with the Department of Water Affairs and Forestry to ensure the finalisation of the framework for the roll-out of free basic sanitation by December 2004.

South African Local Government Association (SALGA)

SALGA represents the interests of local government in the country's intergovernmental relations system with a united voice.



The Department of Provincial and Local Government assisted with the establishment of the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities in 2003.

The Commission aims to promote and develop peace, friendship, humanity, tolerance and national unity among cultural, religious and linguistic communities.

The Commission will concentrate on:

- public education and information
- investigations and assisting with dispute resolution
- policy research
- facilitating the establishment of community councils.

SALGA aims to:

- continuously improve its ability to deliver high-quality services to its members
- increase the impact and influence of organised local government
- increase the skills base within the local government sector and thus the country at large
- increase knowledge-sharing and improve the communication capacity as well as vertical and horizontal connectivity of municipalities
- leverage the collective buying power of municipalities to benefit the local government sector
- ensure that South Africa's local government plays a critical role in furthering Africa's development at regional and international level.

SALGA is funded through a combination of sources. These include a percentage share of the national revenue allocated to local government, membership fees from municipalities, and donations and grants from a variety of sources that fund specific projects.

SALGA is expected to spend R15,6 billion in infrastructure development over a period of three years.

Municipalities

The Constitution provides for three categories of municipalities.

As directed by the Constitution, the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998), contains criteria for determining when an area must have a Category A municipality (metropolitan municipalities) and when municipalities fall into categories B (local municipalities) or C (district areas or municipalities). The Act also determines that Category A municipalities can only be established in metropolitan areas.

The Municipal Demarcation Board determined that Johannesburg, Durban, Cape Town, Pretoria, the East Rand and Port Elizabeth be declared metropolitan areas.

Metropolitan councils have a single metropolitan budget, common property rating and service-tariff systems, and a single employer body. South Africa has six metropolitan municipalities, namely Tshwane, Johannesburg, Ekurhuleni, Ethekwini, Cape Town and Nelson Mandela; 231 local municipalities; and 47 district municipalities.

Metropolitan councils may decentralise powers and functions. However, all original municipal, legislative and executive powers are vested in the metro council.

In metropolitan areas there is a choice of two types of executive systems: the mayoral executive system where executive authority is vested in the mayor, and the collective executive committee where these powers are vested in the executive committee.

Non-metropolitan areas consist of district councils and local councils. District councils are primarily responsible for capacity-building and district-wide planning.

Legislation

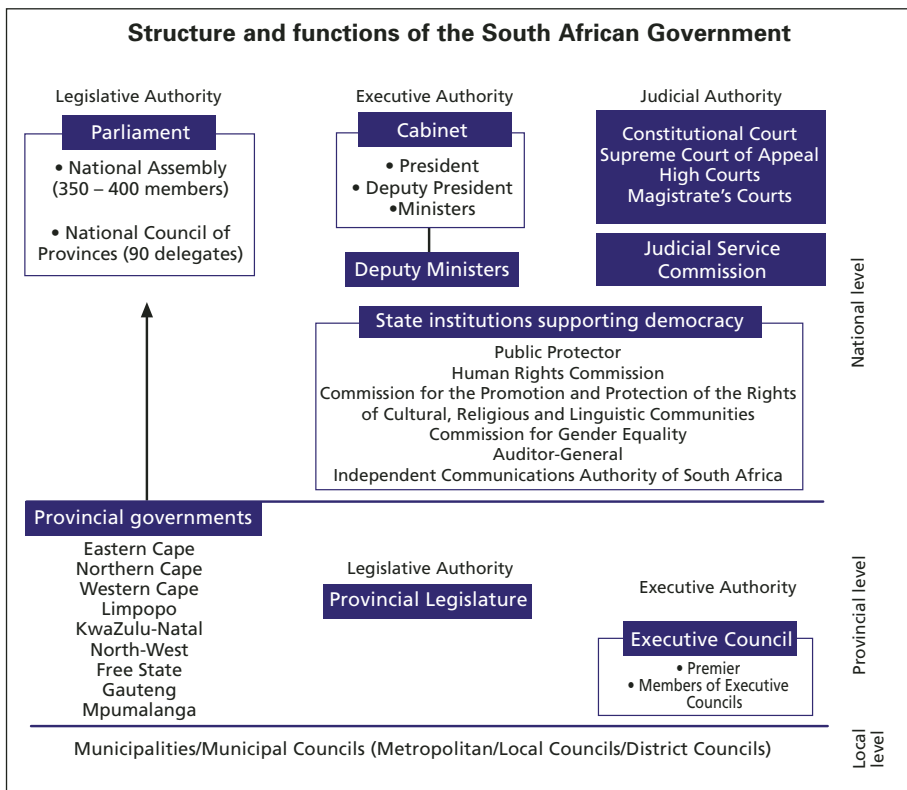
The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), established a framework for

planning, performance-management systems, effective use of resources and organisational change in a business context.

The Act also established a system for municipalities to report on their performance, and gives an opportunity to residents to compare this performance with others.

Public-private partnerships are also regulated by the Act. It allows municipalities significant powers to corporatise their services, establish utilities for service delivery, or enter into partnerships with other service-providers. The Act provides for the adoption of a credit-control policy by municipalities that will provide for the termination of services in the event of non-payment. Municipalities will have the power to pass bylaws to implement the policy.

Currently, the rationalisation of old-order legislation is being investigated. To complete the legal



Source: www.gov.za

framework necessary for the new system of local government, two key pieces of legislation were introduced.

The Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003), is aimed at modernising municipal budgeting and financial management. It facilitates the development of a long-term municipal lending/bond market. It also introduces a governance framework for separate entities created by municipalities.

The Act is a critical element in the overall transformation of local government in South Africa. The Act fosters transparency at the local government sphere through budget and reporting requirements.



In February 2001, President Thabo Mbeki, in his address to Parliament, announced details of the Integrated Sustainable Rural Development Programme (ISRDP) and the Urban Renewal Programme (URP). The URP also includes a multidisciplinary approach to dealing with crime.

A number of key stakeholders such as the National Coalition for Municipal Service Delivery, the Umsobomvu Youth Fund and the World Bank, are partnering with government to support these programmes.

By June 2004, through the ISRDP, government was concentrating its efforts on 177 anchor projects in rural nodes. These projects span all critical sectors from social development to infrastructure investment and local economic development. The actual investment by national departments in the rural nodes was R5,9 billion. By mid-2004, more than half of all the anchor projects in the rural nodes had been completed.

Through the URP, the eight urban nodes focused on 98 anchor projects. The bulk of these projects span the infrastructure, economic development and social development sectors. Just over a third of these projects were completed by June 2004. The investment by national government departments in urban nodes amounted to R4,2 billion.

The programmes are the centre of government's efforts to tackle poverty and address the challenges of the Second Economy.

In this regard, the identification and registration of the indigent in the 21 nodes were a priority in 2004. It will assist with better targeting in the roll-out of free basic services in the nodes and will also facilitate the implementation of the Expanded Public Works Programme (EPWP). Skills development will also receive particular attention in the nodes. This will be implemented through the EPWP, the Municipal Infrastructure Grant and complementary initiatives of the Department of Labour.

The Local Government Municipal Property Rates Act, 2004 (Act 6 of 2004), among other things, regulates the power of a municipality to impose rates on property; excludes certain properties from rating in the national interest; makes provision for fair and equitable valuation methods of properties; and provides for municipalities to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies.

Municipal Infrastructure Grant (MIG)

The R15,6-billion MIG was launched in August 2004. It places municipalities at the centre of local economic development (LED) and the delivery of municipal infrastructure, and will drastically fast-track the improvement of service delivery at local government level.

The provision of services such as water, sanitation, roads, and electricity will be undertaken within the guidelines of the Extended Public Works Programme (EPWP).

The MIG seeks to establish a single consolidated funding mechanism to support municipal infrastructure, and replaces all existing municipal capital grants such as the Consolidated Municipal Infrastructure Programme, the LED Fund, Water Services Project, Municipal Sports and Recreation Programme, National Electrification Programme to local government, and the Urban Transport Fund.

A total of R4,4 billion was allocated to municipalities in 2004/05 for basic services and infrastructure investment, increasing to R5,2 billion in 2005/06 and 2006/07.

An amount of R21,8 million has been allocated to the Municipal Infrastructure Investment Unit, which was set up in 1998. The Unit assists municipalities in finding innovative solutions to infrastructure investment and management.

Integrated Development Plans

In terms of the Municipal Systems Act, 2000, all municipalities are required to prepare IDPs, with the aim of promoting integration by balancing the social, economic and ecological pillars of sustainability without compromising the institutional capacity required in the implementation thereof, and by co-

ordinating actions across sectors and spheres of government.

It is a process by which municipalities prepare a five-year strategic plan that is reviewed annually in consultation with communities and stakeholders. The Department of Provincial and Local Government is developing a supporting intergovernmental planning framework which will provide greater clarity as to the type and role of appropriate planning at each government level. The framework will entail policy work as well as practical initiatives such as the IDP Nerve Centre, which will provide an information co-ordination service to strengthen intergovernmental planning.

By September 2004, 234 municipalities had completed the 2004/05 IDP Review Process.

The Department supported the establishment of 44 Planning and Implementation Management Support (PIMS) centres at district municipality level. By mid-2004, these were fully operational, and three more were in the final stages. The Department will continue to support the PIMS centres so that assistance can be given to municipalities with the development of strategies for integrated development planning and implementation. The PIMS centres are providing the ideal conduit for sharing best practice with all municipalities within a district, and are supplementing the efforts of the Knowledge Sharing Facility Project to provide knowledge-sharing facilities in the local government sector.

It was envisaged that by the end of 2004, the Department of Provincial and Local Government would have established a national early warning system for disaster management, and with the support of the provinces would have ensured that all municipalities have disaster-management plans as an integral part of their IDPs.

Training

A priority for 2004/05 was the establishment of a coherent and systematic institutionalised capacity-building and training programme for local government's leadership. It was envisaged that the Department would launch the Local Government Leadership Academy in partnership with a number of academic institutions early in 2005.

The Academy will serve as a base from which the Department will systematically sponsor local government's capacity for innovation as required by South Africa's governance system. The Department hopes to have trained at least 5 000 local government practitioners by March 2006.

Government and communication

The vision of Government Communications (GCIS) is to help meet the communication and information needs of government and the people to ensure a better life for all.

It consists of the following chief directorates:

- The Communication Service Agency is responsible for the production and distribution of government information products (including the *South Africa Yearbook* and *Pocket Guide to South Africa*) and the bulk-buying of advertising space.
- Government and Media Liaison is responsible for strengthening working relations between the media and government, as well as the international promotion of South Africa. It is also responsible for *BuaNews*, a government news service.
- Policy and Research contributes to the development of policy in the fields of media, communication and the monitoring of government policy in general, from a communication perspective.
- Provincial and Local Liaison provides development communication and information to South Africans to ensure that they have public information that can assist them in becoming active citizens.
- Corporate Services provides financial management, administrative services, and human resource (HR) administration and development.

The chief executive officer of the GCIS is the official spokesperson for government.

The GCIS is central in developing communication strategies and programmes for each of government's transversal campaigns. It also assists departments with specific campaigns and events,

as well as developing departmental communication structures.

The GCIS is responsible for maintaining the Government's website (www.gov.za).

The GCIS is leading an intersectoral process to set up Multi-Purpose Community Centres (MPCCs) in every municipality in the country, each one providing information on accessing government services, as well as offering some government services at the Centres themselves.

On 29 October 2004, the Atteridgeville MPCC became the 60th operational MPCC out of 60 planned for the first phase of this programme to bring government closer to where people live. The plan is to have at least one MPCC in every one of the 284 municipalities within 10 years.

The GCIS is also involved in the Media Development and Diversity Agency. It played a major role in the development of the new Coat of Arms that was launched on 27 April 2000 and the redesign of the National Orders. (See chapters 5 and 6: *Arts and culture* and *Communications*.)

International Marketing Council (IMC)

The IMC of South Africa is a public-private sector partnership charged with changing the perceptions of the country and developing meaningful co-operation between organisations involved in the marketing of South Africa. Members of the Council's Board act as advocates for South Africa, advise the Cabinet Committee on International Relations, and provide the Council's operational team with strategic guidance.

The IMC's mission involves the:

- Establishment of a brand for South Africa that positions the country in terms of its investment and creditworthiness, exports, tourism and international relations objectives. This task has been completed and the slogan and essence of all communication is *South Africa – Alive With Possibility*.
- Establishment of an integrated approach in government and the private sector in terms of the international marketing of South Africa.
- Building of national support for the brand within South Africa itself.

The following projects facilitate the work of the Council:

- the Communication Resource Centre enhances South Africa's response to national and international media coverage about the country
- the Information Resource Centre collects, collates and makes accessible a vast spectrum of positive information about South Africa
- www.southafrica.info is the official national gateway to the country for national and international Internet users, reaching nearly a million users per month, and containing over 25 000 pages of information which is updated daily
- building national pride is a key focus as the IMC encourages South Africans at home and abroad to fly the flag in thought, word and deed
- in 2004, the IMC launched its international roll-out with advertising in the United Kingdom in influential magazines and on London taxis
- the IMC has created a booklet with facts and figures about South Africa, *The South African Story*, which is available at IMC offices
- a Brand Ambassador programme is taken into corporations and encourages individual participation in marketing the country
- two country managers in Washington and London lobby the media, maintain supportive relationships with South African and local corporations, and co-ordinate all activities that provide marketing opportunities for South Africa.

The IMC emphasises ongoing relationship-building and campaign integration among the international relations, investment, trade, and 'national pride' organisations in South Africa.

In March 2004, the International Marketing Council launched a television advertising campaign, as part of the country's 10 Years of Freedom celebrations. It encouraged South Africans to become 'part of the rhythm of our nation' – literally, by drumming to the same beat. The star of the advertisement was 10-year-old Tlotlego Tsagae, born on 27 April 1994.



Co-operative governance

The importance of co-operative governance and intergovernmental relations in South Africa is reflected in Chapter Three of the Constitution, which determines a number of principles.

Section 41(2) of the Constitution specifically determines that an Act of Parliament must establish or provide for structures and institutions to promote and facilitate intergovernmental relations. It should also provide for appropriate mechanisms and procedures to facilitate the settlement of intergovernmental disputes.

A number of intergovernmental structures promote and facilitate co-operative governance and intergovernmental relations between the respective spheres of government.

These include the following:

- The PCC, comprising the President, the Minister of Provincial and Local Government, and the nine Premiers.
- Ministerial clusters, Directors-General clusters, and the Forum of South African Directors-General (FOSAD), which promote programme integration at national and provincial level.
- Ministerial fora (or MinMecs) between responsible line-function Ministers at national level and their respective counterparts at provincial government level, which normally meet on a quarterly basis. These fora are supported by technical committees.
- A number of intergovernmental fora that facilitate co-operative government and intergovernmental relations.

The Intergovernmental Relations Framework Bill aims to provide focus, clarity and certainty regarding core aspects of intergovernmental relations at the executive level of government.

The Bill was expected to be introduced into Parliament in 2004/05.

Elections

The Constitution of South Africa places all elections and referendums in the country in all three spheres

of government under the control of the Independent Electoral Commission (IEC), established in terms of the IEC Act, 1996 (Act 51 of 1996).

On 1 March 2004, political parties contesting the 2004 election signed the Electoral Code of Conduct in preparation for the national and provincial election held on 14 April 2004.

A total of 35 political parties submitted candidates' lists:

- 11 parties contested the election nationally and provincially
- three parties contested the election nationally
- seven parties contested the election nationally and in one or more provinces
- 14 parties contested the election in one or more provinces only.

There were a total of 16 966 voting stations and 337 mobile voting stations.

After the CC ruling on 3 March 2004, instructing the IEC to register all qualifying prisoners as voters for the 2004 election, the Commission registered 27 170 prisoners. IEC staff in co-operation with the Department of Correctional Services visited 235 prisons countrywide from 10 to 12 March to register persons in prisons.

The African National Congress (ANC) clinched victory in all nine provinces, gaining 279 of the 400 seats in the National Assembly.

The Democratic Alliance followed with 50 parliamentary seats, the Inkatha Freedom Party was third with 28 seats, the United Democratic Movement won nine seats, while the New National Party and the Independent Democrats got seven seats each. The African Christian Democratic Party got six seats, the Freedom Front Plus four, and the Pan Africanist



When South Africans rushed to the polls on 14 April 2004, there were some 216 000 electoral staff members to assist them at some 16 966 polls countrywide.

During the election, the Independent Electoral Commission used 94 500 ballot boxes, 430 tons of paper for the ballots, and 40 300 ballot paper templates for blind voters.

A total of 90 local observers were deployed at the various voting stations, while 200 international observers also visited the voting stations.

Congress and the United Christian Democratic Party three each. The Minority Front and Azanian People's Organisation won two seats each.

The ANC also managed to gain the highest number of votes in the provincial results and won 69,68% of the national votes.

Disaster management

The Disaster Management Act, 2002 (Act 57 of 2002), provides for the establishment of the Intergovernmental Committee on Disaster Management and Disaster Management Advisory Forum.

Since April 2003, the Disaster Management Centre under the departments of Provincial and Local Government and of Agriculture have issued a number of early warning systems to notify all those affected about expected weather patterns.

The Government's Early Warning System allows the National Disaster Management Centre to forecast weather patterns.

The Centre is developing an electronic database containing extensive information about disasters that occur or may occur in southern Africa, including information on early warning systems.

The Disaster Management Act, 2002 also provides for the establishment of national, provincial and municipal disaster management centres.

The Public Service

In line with the constitutional and legal mandate of the Department of Public Service and Administration, the vision and mission statement is consistent with the overall aim of leading the modernisation of the Public Service by assisting government departments in implementing their own management policies, systems and structural solutions, within a generally applicable framework of norms and standards to improve service delivery.

The Human Resource Development (HRD) Strategy for the Public Service, 2002 – 2006 was launched in May 2002. The HRD Strategy seeks to improve the competency levels of public servants so that they are better able to serve the public. The focus is on:

- rolling out the HRD Strategy through internships, learnerships and skills programmes to address skills shortages
- building skills to support public-service delivery and transformation in the Public Service.

Cabinet has approved proposals to institutionalise and strengthen internships and learnerships in the Public Service as vehicles to fight unemployment and develop skills targeting the youth. The National Skills Fund made R106 million available to the Public Service Sector Education and Training Authority.

Size of the Public Service

On 31 December 2003, the Public Service had 1 037 655 people in its employ, of whom 62,2% were attached to the social services sector (health, social development and education), followed by 18% in the Criminal Justice Cluster, and 7,2% in the Defence and Intelligence clusters.

Restructuring of the Public Service

Resolution 7 of 2002 came to an end on 12 September 2003. The aim of this Resolution was to restructure the Public Service in terms of human resources to enable the most effective and efficient delivery of services. Phase One of the programme has been completed. Phase Two deals with excess employees not accommodated during the redeployment. Restructuring in the Public Service, however, is an ongoing process and a framework will be established to guide its ongoing transformation.

Macro-organisational issues

Government has a range of institutions that render services to citizens. These institutions are generally referred to as the public sector and range from national and provincial government departments, to constitutional institutions, and national and provincial public entities.

The Cabinet has approved a process for the creation of public entities as part of an overarching framework for service delivery.

The Department of Public Service and Administration and National Treasury have developed a business plan to review all public entities reporting

to national government departments, excluding constitutional bodies and commissions.

As at 28 February 2003, the recorded number of public entities totalled 336 and in the 2003/04 financial year, national government allocated about R15 billion towards these entities.

By August 2004, the review of public entities had progressed well. The review seeks to provide the tools for departments to assess the performance and relevance of the public entities that report to them, and to develop a legislative framework for public entities to ensure uniformly high standards of corporate governance. Final reports on the classification of public entities, corporate forms, HR and performance-management frameworks, and corporate governance have been prepared.

Community Development Workers (CDWs)

As part of government's efforts to bring information and services closer to the people, the CDW Programme was launched. CDWs are public-service employees specifically tasked with assisting and enabling social development.

The first enrolments took place in February and March 2004. Some 495 CDW learners were enrolled in five provinces (Eastern Cape, North West, Northern Cape, Gauteng and Limpopo) and deployed to 138 municipalities.

By August 2004, R52 million had been obtained to fund 2 087 learnerships. A total of 200 municipalities had been identified for the deployment of learner CDWs.

The *CDW Handbook* was developed and distributed to ensure a common understanding of the Programme.

Strengthening institutional performance

Integrated Provincial Support Programme (IPSP)

The IPSP is a partnership between the Department of Public Service and Administration and the provincial governments of the Eastern Cape, KwaZulu-Natal, Limpopo, Free State and Mpumalanga.

Financial support for IPSP projects is provided by a variety of international donors and the South African Government. It is a key capacity-building programme based on an inter- and intra-government funds approach. In Limpopo, the IPSP has contributed to a better functioning Department of Public Works, which has won a number of awards for service excellence. The IPSP has also helped to put in place a model for taking services provided by the South African Police Service (SAPS) to remote rural areas, through an effective mobile unit in the former Venda area.

The SAPS Limpopo Mobile Service Vehicle Project won a United Nations (UN) Public Service Award in June 2004.

A special intervention to support the Eastern Cape Provincial Government with service delivery and governance challenges commenced in November 2002. Turnaround strategies are being implemented in the departments of Education, Health, Welfare, and Roads and Public Works.

There is also an increasing focus on promoting learning and knowledge management. To this end, a number of platforms have been established, including national and provincial learning networks; an annual learning academy bringing together public-service front-line managers; the annual Public Management Conversation involving local senior managers, academics and selected international contributors; and the *Service-Delivery Review Journal* in which experiences about service-delivery improvement efforts are shared.

Service-delivery improvement

A strategy has been formulated to revitalise *Batho Pele* (People First) in government, identifying new



Since July 2004, the Government's Programme of Action arising from the May 2004 Cabinet *Lekgotla* and the President's State of the Nation Address on 21 May 2004 has been available on the Government's website (www.gov.za). The information is updated regularly so that the public can keep abreast of the process of implementation.

goals and targets in transforming the culture and ethos of the Public Service, thereby improving service delivery.

The *Batho Pele* Campaign encourages a positive attitude in the Public Service. It is based on the findings of a review of the implementation of the *Batho Pele* principles in government.

The Campaign focuses on taking services to the people. This involves the development of a comprehensive, integrated 2014 access strategy for the Public Service.

The following will be implemented as part of the Campaign:

- public servants who deal directly with the public will be identified by name tags
- the *Know your Services* Campaign will inform the public on how to seek redress for poor service
- management systems will be set up to monitor the rate of service delivery by public servants and to identify the frequency and types of complaints and queries received
- the Department of Public Service and Administration will review its HR management systems in light of *Batho Pele*
- Ministers and Public Service Commissioners will pay unannounced visits to service-delivery centres
- senior managers will be required to spend time in these centres, to assist with service delivery and to learn first-hand of both the challenges and the successes at the grass-roots level of service delivery
- *Batho Pele* will be infused into the training programme for public servants.

Labour relations and conditions of service

The results of the *Personnel Expenditure Review* in 1999 highlighted a need to review a number of public-service practices and systems. The purpose of this Review was to highlight problem areas and help identify opportunities where innovation could result in the release of available resources to fund other development programmes in line with the national reconstruction and development framework.

Certain focus areas were identified in the medium term:

- The review of service conditions for Senior Management Service (SMS) members. Agreement was reached to determine the service conditions of SMS members outside the normal bargaining structures. A revised and inclusive remuneration structure has been introduced for members of the SMS.
- The review of macrobenefits in the Public Service, with a special focus on medical aid, housing, leave and pension arrangements, to ensure efficiency, adequacy, equity and administrative justice. Task teams comprising parties to the Public Service Co-ordinating Bargaining Council (PSCBC) were established to facilitate the review process. In December 2002, an agreement was concluded on pension restructuring. The Resolution resolves to amend the Rules of the Government Employee Pension Fund to make provision for, among other things, an improved benefit structure, a new employer-contribution arrangement, new arrangements to expedite the appointment of the Board of Trustees, and the recognition of pensionable years of service for former members of the non-statutory forces and employees disadvantaged by past discriminatory employment practices.
- Work has commenced on medical aid restructuring.
- Agreement has been reached to discontinue with rank- and leg-promotion (with effect from 1 July 2001) in favour of a performance-based pay progression system. The Incentive Policy Framework, incorporating pay and grade progression and performance incentives was introduced, effective from 1 April 2003.
- The review of collective bargaining structures in the Public Service to clearly define roles, responsibilities and issues to be negotiated at national, sectoral or departmental level.
- The development of a national strategy to facilitate the mitigation of the impact of HIV and AIDS on service delivery.

Fighting corruption

The Public Service Anti-Corruption Strategy is the blueprint for anti-corruption work in the public sector.

The second National Anti-Corruption Summit took place in November 2004. A multisectoral task team led by the Public Service Commission (PSC) organised the Summit.

The Summit aimed to strengthen intersectoral co-operation and assess its progress in terms of addressing corruption measured against global standards.

In February 2004, the Prevention and Combating of Corrupt Activities Bill was passed.

The Bill, which will replace the Corruption Act of 1992 (Act 94 of 1992), is informed by government's strategy to combat corruption at all levels of South African society.

The Bill makes provision for witness protection and compels people in positions of authority – particularly senior managers in government, parastatals and the private sector – to report corrupt activities.

Failure to blow the whistle on corruption will carry a maximum penalty of 10 years' imprisonment.

Human resource management

The Public Service HR management systems propagate the inculcation of a culture of performance, hence the emphasis on strategic and HR planning and the development of human-capital capacity.

The Competency Framework for Senior Managers has been introduced to improve the quality of managers and professionals employed in the Public Service. This Framework links directly with performance management, training and development as well as recruitment and selection. Initiatives are underway to develop a similar competency framework for middle managers and lower ranks. It will also involve submitting proposals on how to accelerate the development of middle managers and prepare them for senior management positions.

The State as employer has a responsibility to comply with the laws of the country on representivity. To this end, the Public Service

Regulations require that heads of departments conduct strategic planning sessions to inform their annual plans (e.g. service delivery, HR, recruitment, training and development, and change-management strategies) in accordance with their delivery programmes.

HIV and AIDS

Following an assessment of the likely impact of HIV and AIDS on the Public Service, a programme of action was developed, focusing on the following key areas:

- The development of workplace-policy frameworks and the definition of minimum standards. A framework to ensure the establishment of work environments conducive to preventing and mitigating the impact of HIV and AIDS in the workplace was agreed upon at the PSCBC. To provide relevant terms of reference for the users of the framework, minimum standards were defined and promulgated as part of the working-environment provisions in the Public Service Regulations.
- The review of service conditions to ensure that there is consideration of the potential impact on medical-aid provisions, pension arrangements, management of incapacity leave and ill-health retirements, and to ensure that public servants enjoy an acceptable level of care and support.
- The identification and provision of support, capacity development and training as part of the broader processes to manage the impact of HIV and AIDS on the Public Service.
- The review of current legislation and policy documents to eliminate any forms of discrimination and ensure relevance.

A comprehensive implementation strategy was developed, which focuses on the implementation of the workplace-policy framework and minimum standards, facilitating the development and implementation of departmental workplace policies and continuously monitoring and evaluating the progress achieved by departments.

Minimum standards for the management of HIV and AIDS in the workplace have been promulgated. Focused programmes will be launched to promote

the health and well-being of not only public servants, but also their families. The main thrust in this regard will be aimed at the prevention of HIV and AIDS.

Significant focus will also be placed on other health and wellness-related issues. The implementation of a communication strategy, which is aimed at creating a high level of responsiveness to the prevention and management of HIV and AIDS in the Public Service, will be a major focus for the next three years. The strategy will, among other things, provide for the recognition of innovation and good practice in addressing HIV and AIDS in the Public Service.

Assistance by the Department will be strengthened through:

- guidelines/advice on succession planning and other aspects related to HR planning
- access to related information sources
- advice rendered by experts.

The policy and strategy of *Batho Pele* continue to underpin the support provided to other departments by the Department of Public Service and Administration.

Public-service information

The National Minimum Information Requirements identify the information required at a strategic level, which departments must ensure is kept accurate and up to date. National Treasury, in conjunction with the Department, developed a diagnostic toolkit to assess departments' compliance. This toolkit has been applied with success in various departments.

The Department, in partnership with the National Treasury, is engaged in a process to investigate the modernisation and upgrading of HR management-information systems.

Since 2002, departments have to publish, as part of their annual reports, a statistical report with regard to their HR-management practices.

Government Information Technology Officers' (GITO) Council

The GITO Council was created to serve as an Information Technology (IT) co-ordination and consolidation vehicle to assist in informing the Govern-

ment, on a continuous basis, when and how to intervene in the interest of enhanced service delivery to citizens. It is premised on the requirement that each government IT officer is part of the executive team in the respective organ of State, and responsible for the departmental or provincial IT strategy and plan.

The GITO Council has been involved in the investigation, formulation and development of an IT security-policy framework, e-government policy and strategy, and IT procurement guidelines. It also monitors government IT projects to eliminate duplication.

The GITO Council has formed a working group to investigate and make recommendations on the use of open-source software in government. Another working group looked at knowledge management in government.

All e-government projects will be brought in line with the objectives of the *Gateway* project.

e-Government policy

The Draft e-Government Policy has been subject to bilateral consultations with specific departments to ensure that the concerned departments can implement policy statements.

The Draft Policy outlines the mission and vision of the South African Government with regard to electronic service delivery, challenges with and mechanisms of effecting service delivery based on citizens' life expectations/events, and the necessary institutional framework to realise e-government.

e-Government regulations, which will form a new chapter of the Public Service Regulations, were developed and improved by the GITO Council in November 2001. These regulations seek to enforce interoperability and information security across all government departments at all levels.

A set of standards to guide government-wide interoperability were agreed upon by the GITO Council in January 2002. A process is underway to develop an e-Government Act to facilitate the implementation of the *Gateway* project. A study done by the *Gateway* legal advisers identified the need for legislative intervention to facilitate this process.

The e-Government Act was expected to be completed in 2004.

The *Batho Pele Gateway* was launched at nine MPCCs countrywide on 3 August 2004.

These were the Mbazwana, Sterkspruit, Mapela, Lerethlabetse, Atlantis, Mpuluzi, Tombo, Namahadi and Galeshewe MPCCs.

The MPCCs form part of the access strategy for the *Gateway*, and have *Gateway* connectivity.

Several post offices are also connected. In this way, information on a range of government services may be found in one location.

The *Gateway* is a portal which contains information on government services. It can be accessed at www.gov.za.

A *Gateway* call centre (dial 1020), is also operational in six of the 11 official languages.

The next phase of the *Gateway* project involves making service transactions available online.

Centre for Public Service Innovation (CPSI)

The CPSI is a Section 21 company established by the Minister of Public Service and Administration to identify, support and nurture innovation in public services.

In March 2004, the Department of Public Service and Administration, the CPSI and the State Information Technology Agency (SITA) launched a report entitled *From Red Tape to Smart Tape: Easing the Administrative Burden of Public Service Delivery*.

The purpose of the report is to provide an empirical basis for discussion on the matter and therefore aims at seeking solutions.

It reviews trends in red-tape reform globally and provides a framework for considering these trends within the South African service-delivery context. It also documents a number of international, but more pertinently, local case studies, which demonstrate that efficiency challenges in service delivery are already being addressed.

State Information Technology Agency

SITA came into operation on 4 April 1999 as a result of the SITA Act, 1998 (Act 88 of 1998).

It was established to consolidate and co-ordinate the State's IT and information management inter-

ests. SITA is managed as a private company, with government as the sole shareholder.

The primary reasons for the creation of SITA were the difficulties government experienced with regard to:

- recruiting, developing and retaining skilled IT personnel
- managing IT procurement and ensuring that government gets value for money
- using IT to support transformation and service delivery
- effectively utilising expensive IT resources
- integrating IT initiatives.

International and African affairs

The Minister of Public Service and Administration, Ms Geraldine Fraser-Moleketi, is the chairperson of the Pan-African Conference of Ministers of Public Service.

The Ministry is also active in global organisations involved in public-administration issues and challenges. The Minister actively participates in the Commonwealth Association of Public Administration and Management, the International Institute for Administrative Sciences, and in the activities of the UN pertaining to public administration. In addition, the Ministry has established and continues to establish various information-sharing and capacity-development bilateral co-operative agreements with similar Ministries and departments across the globe.

South Africa plays an influential role in the international and African governance and public administration community. At the request of the New Partnership for Africa's Development (NEPAD) Secretariat, the South African Public Service and Administration Ministry has spearheaded the development and adoption of a continental programme on governance and public administration.

The programme focuses on institutional capacity, research and data availability, innovation, and training in public services across all African countries. It has been adopted as a programme of the African Union. Some of the practical work that has already taken place under the auspices of the programme includes:

- a seminar on public-sector performance management
- initiation of a programme on leadership capacity development
- a programme of action on e-government
- collation of data on the size and shape of the African public sector
- establishment of a supportive Network of African Management Development Institutes (MDIs).

In addition to this comprehensive programme, South Africa has also been called upon to provide direct assistance to other countries. As part of the bilateral agreement with the Democratic Republic of Congo (DRC), the South African Government has been requested to provide technical assistance in the arena of governance and public administration.

Governance and Administration (G&A) Cluster

A national cluster system comprising six Cabinet committees and five corresponding administrative structures of the FOSAD was introduced in 1999.

The Cluster system has fostered greater stability, certainty and predictability in the determination and implementation of key priorities in the country.

The comprehensive G&A Cluster programme of improving performance of the State focuses on four broad outcomes:

- streamlining systems and processes of the machinery of State to enable better alignment of resources and capability with national priorities
- integrating service-delivery mechanisms and capacity to provide citizen-centred, responsive service-delivery machinery
- directly combating poor performance, corruption and institutional inefficiency
- contributing to governance improvements and capacity-building beyond South Africa, within the context of NEPAD.

Public Service Commission

The PSC is the independent monitor and arbiter of the activities, ethos and conduct of the Public Service. The powers and functions of the PSC are set out in Section 196 of the Constitution, 1996. The Commission is required to:

- promote the values and principles of public administration as set out in the Constitution
- monitor, evaluate and investigate HR practices, service delivery and related organisational matters to assess the extent to which they comply with constitutional values and principles
- support the efforts of the Public Service to promote a high standard of professional ethics
- investigate grievances of officers and recommend appropriate remedies or actions
- report to Parliament and provincial legislatures on its activities.

The PSC is one of a number of institutions whose role it is to support the legislature in enhancing accountability.

The PSC is supported by the Office of the Public Service Commission (OPSC), which implements the policy and programmes of the PSC. The Commission comprises 14 commissioners and has regional offices in all nine provinces.

The work of the OPSC is structured around the following key performance areas:

Professional ethics and risk management

The approach of the PSC is to address corruption proactively and in an integrated manner, focusing on the creation of an ethics-management infrastructure. Previous surveys in 2001 reiterated the need to strengthen the ethics-management skills of public servants and the ethics-management infrastructure, as the latter was found to be too basic and therefore potentially ineffective.

Many of the elements of an effective ethics infrastructure (code of conduct, fraud-prevention plan, risk-management plans and consistent financial disclosures) are present in departments, but are often generic, inappropriate and poorly supported. The effectiveness of the different elements is often compromised by their failure to operate in an integrated and co-ordinated manner.

The implementation of the Anti-Corruption Strategy is co-ordinated by the Anti-Corruption Co-ordinating Committee, which is chaired by the Department of Public Service and Administration. Departments are individually tasked with the imple-

mentation of the projects identified in the Strategy. The OPSC undertook several activities to implement the Strategy and build the capacity of the Public Service to prevent and fight corruption. These included:

- Auditing anti-corruption capabilities in national and provincial departments in conjunction with the Department of Public Service and Administration.
- Anti-corruption training.
- Providing secretariat services to the National Anti-Corruption Forum (NACF). The NACF consists of representatives from business, civil society and the Public Service. It is convened by the Minister of Public Service and Administration and acts as a co-ordinating structure to lead and monitor the Anti-Corruption Strategy.
- Developing a generic professional ethics statement for the Public Service. The aim of the ethics statement/ethics pledge is to inculcate and maintain a culture of integrity and ethos within the Public Service.
- Ethics awareness and education. An explanatory manual on the Public Service Code of Conduct was developed and published. One million copies were produced and distributed to departments through an intensive workshop programme.

To improve the efficiency of reporting on corruption and the protection of whistle-blowers, an Integrated Corruption Management Information System was developed in 2004.

Special Investigations

This unit manages the execution of special investigations with relation to the core functions of the PSC. It researches problematic public-administration areas, investigates and audits departmental anti-corruption units, and contributes to the national fight against corruption by participating in cross-sectoral investigations and strategic workshops.

The special-investigations component contributes to the combating of corruption in the Public Service through:

- Investigating cases of corruption in national and provincial government departments. These are

either referred to the PSC for investigation or are investigated on the Commission's own initiative.

- Investigating systemic issues of defective administration in government departments.
- Investigating adherence to applicable procedures in the Public Service.
- Making recommendations to remedy, rectify and/or correct issues investigated. Depending on the type of investigation, the recommendation may consist of advice to a department to either discipline official(s) involved in corrupt activities, or refer the matter for criminal prosecution. Recommendations may advise departments on the recovery of financial losses suffered or State assets lost. The component may also refer matters for further investigation by another appropriate agency, or engage in cross-sectoral investigations with other agencies.

Management and Service-Delivery Improvement

The fundamental objective of this unit is to monitor and evaluate management practices and service delivery in the Public Service. It also gives advice on the improvement of service processes of departments. In addition, it researches and develops innovative methods to enhance management practices and improve service delivery. Based on research and analysis, the Commission produces the *Annual State of the Public Service Report* that provides a comprehensive overview of public-service performance.

To assist in the research process, the Commission has put in place a long-term monitoring and evaluation system for assessing and analysing the performance of the Public Service. The intention of the process is to identify areas where improvements could successfully be effected, thereby contributing to overall management and service-delivery improvement. This system is based on constitutional values and principles, with corresponding indicators for each value. Early indications are that departments are not performing uniformly and certain key challenges remain.

Another research practice is that of evaluating specific departmental programmes, especially those involving development and oriented towards the

promotion of good practice. In this regard, an evaluation of the success of community-based policing initiatives is underway, together with good-practice guides on various sectors of public administration, namely, the management of police stations, school districts and hospitals.

Other projects undertaken to enhance citizen engagement and service delivery include the following:

- A Citizens' Fora report on the pilot undertaken in primary healthcare in Mpumalanga, and in poverty-alleviation programmes in the Eastern Cape. The report includes a toolkit that serves as a guide on the full-scale roll-out of fora across the nine provinces.
- A Citizen Satisfaction Survey undertaken across departments in the Criminal Justice Cluster (Correctional Services, Justice and Constitutional Development, and the SAPS).

Another activity of this unit in the promotion of effectiveness and efficiency is to audit compliance, on the part of departments, with the guidelines on the transformation of service delivery.

Labour Relations

This unit investigates, monitors and evaluates the application of merit and equity principles and sound HR practices and policies. This entails providing advice on grievances in the Public Service and the monitoring of labour relations.

It also investigates grievances lodged with the PSC, and monitors and evaluates the application of sound labour-relations principles in national and provincial departments. To this end, the Commission has developed grievance rules for the Public Service that will be set out in the PSCBC Resolution, as well as guidelines on the management of suspensions, and those to follow when considering the merits of an appeal in a case of misconduct.

The PSC has also approved a policy for lodging complaints made by members of the public.

Human Resource Management and Development

This unit investigates, monitors and evaluates HR policies and practices in the Public Service.

In terms of its constitutional mandate, the PSC conducts investigations into the application and management of various HR practices. These investigations include the management of leave, overtime, sick leave, and dismissal as a result of misconduct.

Senior Management Service

The overall goal of the SMS initiative is to improve government's ability to recruit, retain and develop quality managers and professionals. To this end, the following have been put in place:

- a modernised employment framework consisting of improved terms and conditions of service
- mechanisms to improve the interdepartmental mobility of senior managers and professionals
- uniform performance management and development systems supported by a competency framework.

The SMS Development Programme is at an advanced stage. The Competency Framework has been converted into the proficiency levels 'competent' and 'advanced'.

An SMS member has to be at either of these levels. If not, development programmes are available to assist with the development of these competencies. The implementation of the Framework will allow the Public Service to plan, recruit, assess and develop its SMS cadre.

Affirmative action

The Government's affirmative action policy for the Public Service emphasises the management of diversity, based on public-service culture, composition, HR management and service-provision practices.

The overall profile of the Public Service is very close to achieving perfect representivity status, edging its way to matching the population profile in terms of both race and gender.

On 31 March 2003, 72,5% of the Public Service was African; 3,6% Asian; 8,9% Coloured; and 14,7% White. With regard to gender, 52,5% was female and 47,5% male. However, at senior management level 56% was African; 8,2% Asian; 10,1% Coloured; and 25,6% White. The gender

breakdown for senior management was 22,1% female and 77,9% male.

The composition of the boards of State-Owned Enterprises with regard to race was as follows: 63% African; 2,5% Asian; 9,9% Coloured; and 24,7% White. In terms of gender, 76,5% was male and 23,5% female. The breakdown at senior management levels was as follows: 56,5% was White and 43,5% Black, with a gender breakdown of 75% male and 25% female.

Training

The South African Management Development Institute (SAMDI) has, over the past three years, delivered training to more than 50 000 public-sector officials. This is translated into 250 000 person training days (PTDs). The training was provided in the areas of Management and Leadership Development, Change Management and Service-Delivery Improvement, HR Management, and Provisioning Administration (now Supply-Chain Management).

Of the 44 477 PTDs during 2003/04, 9 661 were delivered as a result of the Flemish Government's funding for the Integrated Management Development Programme (IMDP) in KwaZulu-Natal and Limpopo. The IMDP includes the Emerging Management Development Programme, the Advanced Management Development Programme and the flagship Presidential Strategic Leadership Development Programme. In total, SAMDI delivered 79,6% of overall training in provincial administrations.

Given the centrality of training and development in building a developmental State, as well as the compelling need to support the NEPAD processes in the region and the whole continent, SAMDI, together with other participating African MDIs began the process of establishing a network of African MDIs, which culminated in a conference in December 2003. The main launch of the African Management Development Institute Network was scheduled for December 2004.

SAMDI continuously engages its international counterparts in its capacity-building programmes to offer world-class interventions that encompass the

latest and best practices. Such engagements included a Joint Collaboration Agreement with the Malaysian Institute for Public Administration and an arrangement with the Canadian Centre for Management Development.

Internally, SAMDI has developed and adopted a new model of training and development. It has enhanced its curriculum development and quality-assurance mechanisms, which are intended to ensure high quality and relevant training for client departments.

Home Affairs

The Department of Home Affairs provides individual status-determination services.

The Department has a network of offices in all the provinces. Where the establishment of fixed offices is not warranted, mobile offices or units service such areas on a regular pre-arranged basis.

The Department is divided into five functional support divisions and two line-function divisions.

Statutory bodies falling under the Department are the:

- Immigration Advisory Board
- Standing Committee for Refugee Affairs
- Refugee Appeal Board.

The Government Printing Works provides printing, stationery and related services to all government departments, provincial governments and municipalities.

It also publishes, markets and distributes government publications. Based in Pretoria, the Printing Works provides a variety of related services to departments, the printing industry and other African countries, including the manufacture and supply of fingerprint ink to the SAPS, and the printing of postage stamps for the DRC and the Kingdom of Lesotho.

Negotiations on the rationalisation of the services of the Government Printing Works with provincial printing facilities are in progress.

Civic services

The responsibilities of the Chief Directorate: Civic Services comprise mainly population registration

and civic services. Population registration entails the recording of personal particulars in the Population Register with a view to the issuing of Identity Documents (IDs); identification by means of fingerprints and photographs; and matters pertaining to the status of persons, such as births, marriages and deaths.

Civic services entail the issuing of passports, registration of foreign births, determining citizenship, and issuing certificates of naturalisation or resumption of South African citizenship.

Between April 2003 and March 2004, more than 3,4 million IDs were dispatched.

Citizenship matters

South African citizenship is regulated by the South African Citizenship Act, 1995 (Act 88 of 1995), and regulations issued in terms thereof. South African citizenship may be granted by way of:

- birth or descent
- an application for naturalisation as a South African citizen
- an application for resumption of South African citizenship
- the registration of the birth of children born outside South Africa to South African fathers or mothers
- an application for exemption in terms of Section 26(4) of the Act.

Population Register

The current Population Register as hosted by the Department of Home Affairs stores and provides citizenry identification information, including unique identification numbers, addresses, birth dates and marriage status. Information resident on this system can be used for various requirements, including identity validation as needed by various institutes. In essence, this system forms the core of citizenry information systems within the Department of Home Affairs.

With the evolving technology, modern government structures and the need for more secure systems, the Department has embarked on a programme to re-engineer the Population Register in a bid to align its function with the current Government

dispensation and future needs of both the government and third-party institutes. This redesign project is closely aligned with the implementation of the Home Affairs National Identification System approved by government in January 1996.

The focus and scope of this project is on providing a more scalable, adaptable, efficient, secured and interoperable database with features that will allow integration with the automated biometric fingerprint system, information sourcing from the electronic document management system, an electronic web-based query system, and interrogation from the different devices provided by the Integrated Client Services Console units. As the core component of Home Affairs' electronic systems, it is imperative that the redesigned database also provides for online services, thereby removing current limitations on access to information and thus public services.

Immigration

The Chief Directorate: Immigration is responsible for control over the admission of foreigners for residence in and departure from South Africa. This entails:

- processing applications for visas, temporary residence permits and immigration permits
- maintaining a travellers' and foreigners' control system
- tracing and removing foreigners who are considered undesirable or who are in the Republic illegally.

About 150 000 illegal foreigners are removed every year.

Mozambique and Zimbabwe are by far the largest sources of illegal foreigners. South Africa is believed to harbour between 2,5 and 4,1 million illegal foreigners.

The Refugees Act, 1998 (Act 130 of 1998), gives effect within South Africa to the relevant international legal instruments, principles and standards relating to refugees; provides for the reception into South Africa of asylum seekers; regulates applications for and recognition of refugee status; and provides for the rights and obligations flowing from such status, and related matters. The Act came into effect on 1 April 2000.

In 2003, the Department received 24 413 asylum applications.

In recent years, the Department has sought to control illegal immigration through a variety of measures:

- The Immigration Act, 2002 (Act 13 of 2002), provides for a stricter immigration policy. The implementation of administrative fines and other measures came into effect in 2003.
- The Department is working closely with the South African Revenue Service and the SAPS to ensure effective border control.
- A computerised visa system has been instituted to curb the forgery of South African visas and is being expanded to all South African Missions abroad.

Visas

Foreigners who wish to enter South Africa must be in possession of valid and acceptable travel documents. They must also be in possession of valid visas, except in the case of certain countries whose citizens are exempt from visa control. Such exemptions are normally limited to permits, which are issued for 90 days or less at the ports of entry.

The visa system is aimed at facilitating the admission of acceptable foreigners at ports of entry. The visa becomes a permit upon entry, therefore no additional permit will be issued.

Control of travellers

The travel documents of persons entering or departing from South Africa are examined by immigration officers at recognised ports of entry to determine whether such persons comply with the necessary requirements.

Control of sojourn

Foreigners who are in the country illegally and who are therefore guilty of an offence can be classified into three categories, namely those who:

- entered the country clandestinely
- failed to renew the temporary residence permits issued to them at ports of entry
- breached the conditions of their temporary residence permits without permission, e.g. holiday

visitors who took up employment or started their own businesses.

Depending on the circumstances, persons who are in South Africa illegally are either prosecuted, removed, or their sojourn is legalised. Officers at the various regional and district offices of the Department are in charge of tracing, prosecuting and removing illegal foreigners from the country. Employers of illegal foreigners can also be prosecuted.

Permanent residence

It is government's policy to allow immigration on a selective basis. The Department of Home Affairs is responsible for:

- Processing applications for immigration permits for consideration.
- Admitting persons suitable for immigration, such as skilled workers in occupations in which there is a shortage in South Africa. The Department particularly encourages applications by industrialists and other entrepreneurs who wish to relocate their existing concerns or establish new concerns in South Africa.

The Department is not directly involved in an active immigration drive.

In categories where shortages exist, the normal procedure is for employers to recruit abroad independently, and in most cases, initially apply for temporary work permits.

The Department considers the applications for immigration permits of prospective immigrants who wish to settle in the relevant provinces. In terms of the new regulations, regions will carry the responsibility of issuing permits as the regional committees used to do in respect of permanent residence, but they will do so also in respect of temporary residence.

Enquiries in this regard can be made to the nearest office of the Department of Home Affairs in South Africa, Missions abroad, or the Director-General of Home Affairs (for attention Subdirector: Permanent Residence) in Pretoria.

Temporary residence

In terms of the Immigration Act, 2002, temporary

residence permits are divided into the following categories:

- visitor's permits
- diplomatic permits
- study permits
- treaty permits
- business permits
- crew permits
- medical permits
- relative's permits
- work permits with the following categories:
 - quota work permits
 - general work permits
 - intra-company transfer work permits
 - exceptional skills work permits
 - corporate work permits
 - retired person permits
 - exchange permits
- asylum permits.

In terms of Section 11, a visitor's permit may be issued to a person who intends to enter South Africa for less than 90 days for the purpose of tourism, business, education or medical treatment. Foreigners who are exempted from visa requirements or who are citizens of countries that are exempt from visa requirements for 90 days, may therefore proceed to a port of entry where a visitor's permit for the mentioned period will be issued, provided such person can produce evidence to prove his/her *bona fides*.

Foreigners who are citizens of countries that are exempted from visa requirements for less than 90 days may likewise obtain a visitor's permit at a port of entry. For the period, such foreigner enjoys an exemption only. Any foreigner who requires a visa prior to proceeding to South Africa or who intends to enter South Africa for any period longer than the period that he/she is exempt from the visa requirement, must apply for and obtain a visa prior to proceeding to the Republic.

Foreigners who intend to accept an offer of employment, start a business, take up studies or

enter the Republic for any purpose for which a temporary residence permit has been provided for in the Act, must apply for an appropriate temporary residence permit via the South African diplomatic representative in his/her country of origin/residence. Where there is no representative in the mentioned countries, the application must be submitted at the foreign representative in the nearest country.

The outcome must be awaited outside the country and an applicant may only proceed to South Africa once the permit as applied for, has been issued to the applicant.

The overriding consideration when dealing with applications for work permits is whether the employment or task to be undertaken cannot be performed by a South African citizen or an approved permanent immigrant already residing in South Africa.

Applications for the extensions of temporary residence permits must be submitted to the nearest regional/district office of the Department of Home Affairs where the applicant is employed at least 30 days prior to the expiry date of the permit. Any enquiries related to temporary residence permits can be directed to the nearest district/regional office of the Department of Home Affairs in South Africa, South African diplomatic representatives abroad, or the Director-General of Home Affairs, for the attention of the Subdirector: Temporary Residence.

Removal of undesirable persons

In terms of legislation, the Minister of Home Affairs may order the deportation of any person (other than a South African citizen) convicted of any of the offences specified, or if such person is deemed by the Minister to be an undesirable inhabitant of or visitor to South Africa.

The Minister may also order the deportation of any person (other than a South African citizen) if it is deemed to be in public interest.

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 South African Local Government Association
 South African Management and Development Institute
www.cpsi.co.za
www.dplg.gov.za
www.gcis.gov.za
www.gov.za
www.imc.org.za
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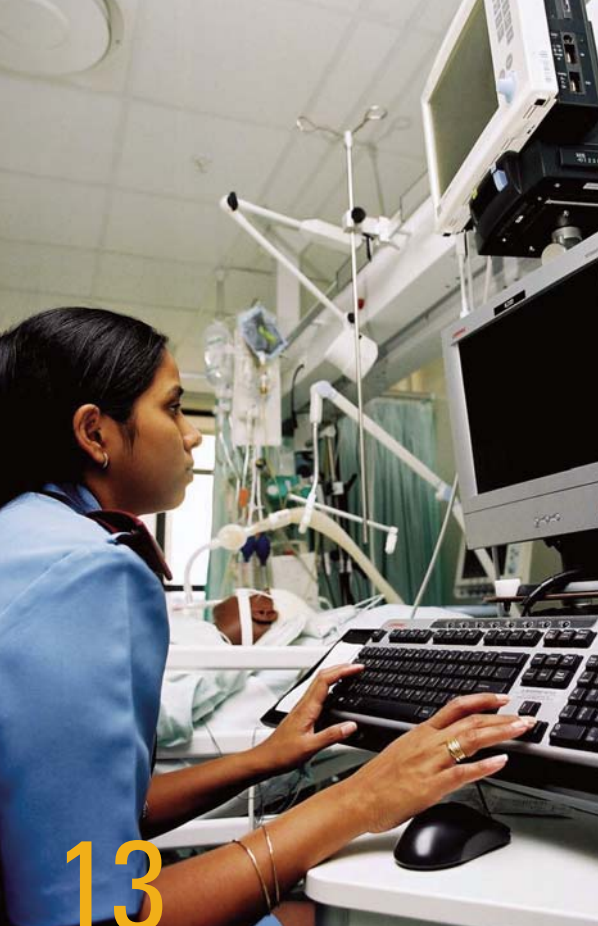
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13

Health

The Department of Health aims to promote the health of all people in South Africa through a caring and effective national health system (NHS) based on the primary healthcare (PHC) approach.

There has been significant expansion and improvement of health services since 1994 and there are numerous initiatives underway to achieve improved health status for all South Africans. These include new laws, investments in infrastructure, improved access to services, enhanced prevention efforts, advances in nutrition and increased availability of medicine.

Statutory bodies

Statutory bodies for the health-service professions

include the Health Professions Council of South Africa (HPCSA), the South African Dental Technicians' Council, the South African Nursing Council (SANC), the South African Pharmacy Council and the Allied Health Professions Council of South Africa.

Regulations in the private health sector are effected through the Council for Medical Schemes.

The Medicines Control Council (MCC) is charged with ensuring the safety, quality and effectiveness of medicines.

Health authorities

National

The Department of Health is responsible for:



- formulating health policy, legislation, norms and standards for healthcare
- ensuring appropriate utilisation of health resources
- co-ordinating information systems and monitoring national health goals
- regulating the public and private healthcare sectors
- ensuring access to cost-effective and appropriate health commodities at all levels
- liaising with health departments in other countries and international agencies.

Provincial

The provincial Health departments are responsible for:

- providing and/or rendering health services
- formulating and implementing provincial health policy, standards and legislation
- planning and managing a provincial health-information system
- researching health services to ensure efficiency and quality
- controlling quality of health services and facilities
- screening applications for licensing and inspecting private health facilities
- co-ordinating the funding and financial management of district health authorities
- effective consulting on health matters at community level
- ensuring that delegated functions are performed.

Primary healthcare

Between 1994 and 2004, a total of over 1 200 new clinics were built. A further 252 clinics underwent major upgrading such as the building of new maternity units, and 2 298 clinics received new equipment and/or underwent minor upgrading.

Fifty-three health districts were established in line with the new metropolitan and district municipal boundaries. As a result of the expansion of facilities, the wider range of services on offer, and the free PHC policy, the number of PHC visits per person increased from an estimated 1,8 per year in 1992 to an estimated 2,3 per year in 2001, and in some provinces to 3,5 visits in 2003.

The services provided by PHC workers include immunisation, communicable and endemic disease prevention, maternity care, screening of children, Integrated Management of Childhood Illnesses (IMCI) and child healthcare, health promotion, youth health services, counselling services, taking care of chronic diseases and diseases of older persons, rehabilitation, accident and emergency services, family planning, and oral health services.

Patients visiting PHC clinics are treated mainly by PHC-trained nurses, or at some clinics, by doctors. Patients with complications that cannot be treated at PHC level are referred to hospitals for higher levels of care.

Beneficiaries of a medical aid scheme are excluded from free services.

The National Drug Policy is, to a large extent, based on the essential drugs concept, and is aimed at ensuring the availability of essential drugs of good quality, safety and efficacy to all South Africans.

Community health

Government formalised the country's community health worker sector by launching the Community Health Worker Programme in February 2004.

It is estimated that there are 40 000 such workers in the country.

They will interact with community members, determine what health or other services are needed, and co-ordinate efforts to make these services available.

Health policy

The NHS aims to improve public health through the prevention of diseases and the promotion of a healthy lifestyle. It also strives to consistently improve the healthcare delivery system by focusing on access, equity, efficiency, quality and sustainability.

The strategic priorities for the NHS for 2004 to 2009 are:

- improving the governance and management of the NHS
- promoting a healthy lifestyle
- contributing towards human dignity by improving the quality of care
- improving the management of communicable and non-communicable diseases
- strengthening PHC, emergency medical services and hospital service-delivery systems
- strengthening support services
- human resource planning, development and management
- planning, budgeting, monitoring and evaluation
- drafting and implementing health legislation
- strengthening international relations.

In recent years, substantial developments took place:

- The unified National Health Laboratory Service (NHLS) was established to provide laboratory services to the public health sector.
- The National Planning Framework, provincial health plans and costing of services have progressed substantially, enabling a longer-term focused rehabilitation and revitalisation programme in the Department.
- Significant progress in human resource development (HRD) has been achieved.

By January 2004, nearly 11 000 young professional healthcare workers had done community service since the NHS's inception in 1999, contributing to services in the public sector.

Other achievements of the healthcare system in South Africa include the work of the Medical Research Council (MRC), which responds to a broad spectrum of challenges. Clinics and hospitals have been deracialised, new facilities have been built,

and many of the existing institutions have been rehabilitated.

A total of 966 hospital rehabilitation projects were undertaken and some 18 new hospitals built.

The National Institute for Communicable Diseases (NICD), backed by increasingly skilled outbreak teams in the provinces, ensures that government is able to respond to any outbreak of disease.

The Patients' Rights Charter was introduced, with the provinces gradually initiating complaint systems, help desks and incentives for good service.

Telemedicine

The South African Government has identified telemedicine as a strategic tool for facilitating the delivery of equitable healthcare and educational services, irrespective of distance and the availability of specialised expertise, particularly in rural areas. In 1998, the Department of Health adopted the National Telemedicine Project Strategy.

By mid-2004, the PHC telemedicine testbed in the Nkomazi district in Mpumalanga had been operational for two years. According to research by the Telemedicine Research Centre, there were 85 video-conference sessions during the first year, of which 75 were teleconsultations.

The Telemedicine Research Centre is proposing to offer Doppler wave form analysis (DWA) services to a rural community in Mpumalanga, using cellular telephone technology. DWA is very useful to diagnose intrauterine growth retardation.

Research has shown that the survival rate of foetuses has increased from 48 to 80% after active intervention following growth detection by DWA.

A useful form of DWA technology, called Umbiflow, was developed by scientists of the MRC's Business Technology Development Directorate, the MRC's Perinatal Mortality Research Unit and the Council for Scientific and Industrial Research (CSIR).

A site will be established at the antenatal clinic at Shongwe Hospital in Mpumalanga. Potentially hazardous pregnancies will have their information sent via this technology to experts at the Tygerberg Hospital in Cape Town for assessment.

The Research Centre also collaborated with the

Department of Defence to investigate the application of telemedicine in the South African Military Health Service (SAMHS).

The Telemedicine Research Centre received R6 million from the Innovation Fund to develop a computer electronic interface for the PHC telemedicine workstation, suitable for South Africa and other developing countries.

Legislation

The National Health Act, 2003 (Act 61 of 2003), gives effect to government's constitutional duty to ensure progressive access to essential health services for all.

The Act is a wide-ranging framework that deals with patients' rights, the structure of the public health system, human resource issues, the setting of standards, and the certification of all health establishments.

The Certificate of Need, which will in future be a requirement for all health establishments, is intended to promote efficiency, prevent unnecessary duplication of services, and ensure that resources are put to best use.

The Traditional Healers Practitioners Bill was approved by the Cabinet in 2003. It provides for the registration of traditional healers and the establishment of a statutory body for the regulation of this area of practice. It was expected that the Bill would be processed by Parliament in 2004.

The recommendations of a task team comprising the Department of Health and officials from the HPCSA and the SANC are expected to lead to amendments to the Health Professions Act, 1974 (Act 56 of 1974), and to a new Nursing Act.

National School Health Policy

The National School Health Policy and Guidelines aim to ensure that all children, irrespective of race, colour and location, have equal access to school-health services.

The Policy is in line with the United Nations (UN) Convention on the Rights of the Child which affirms that the State is obliged to ensure that all segments of society, in particular parents and children, are informed and have access to knowledge of child

health and nutrition, hygiene, environmental sanitation, and the prevention of accidents.

Department of Health officials will visit all the provinces, especially those with a School Health Programme, to embark on a major training campaign of PHC nurses.

The nurses will be trained to:

- give health education to children
- impart life skills
- screen children, especially those in Grade R and Grade 1, for specific health problems, and at puberty stage as children undergo physiological changes
- detect disabilities at an early age
- identify missed opportunities for immunisation and other interventions.

The Programme, under the theme *Healthy Children Are Successful Learners*, will be implemented in phases. Some 30% of districts in every province were expected to be covered by the end of 2004, at an estimated cost of about R10 million.

The Programme will be extended to cover 60% of districts by 2005, and the whole country by the end of 2007.

Social Health Insurance (SHI)

SHI is expected to facilitate access to contributory health cover for families of all employed people. SHI will embrace three major principles:

- risk-related cross subsidies
- income-related cross subsidies
- mandatory cover.

Total of supplementary healthcare practitioners at the end of December 2003

Basic ambulance assistants	21 548
Ambulance emergency assistants	4 576
Environmental health officers	2 544
Medical technologists	4 738
Occupational therapists	2 665
Optometrists	4 604
Physiotherapists	2 354
Psychologists	5 607
Radiographers	5 033

Source: Health Professions Council of South Africa

Important groundwork for SHI was done in 2003 and 2004.

Medicines administration

Progress is being made to improve the supply and availability of affordable medicines. The Medicines Pricing Committee investigated international practices and made recommendations to the Minister early in 2004 on Pricing Regulations.

The Regulations were finalised after a period of public comment and came into effect in May 2004.

Among other things, the Regulations require the manufacturer – not government – to set the exit price for each medicine. However, they do establish a ceiling for the original exit price and provide that the price may be increased only once a year – while it may be reduced any number of times, in the spirit of competition. The Regulations also stipulate the maximum fee a pharmacist can charge for dispensing.

Section 18A of the Medicines and Related Substances Control Amendment Act, 1997 (Act 90 of 1997), came into effect on 2 May 2004. It prohibits the supply of medicines through incentive schemes. The single exit price and regulated fee system were expected to become effective at the same time, thus aiming to ensure that all consumers pay less for medicines.

In June 2004, several organisations challenged the regulation of the dispensing fee through action in the Cape High Court.

On 27 August 2004, the application was turned down.

The Medicines and Related Substances Control Amendment Act, 1997 also requires that all health professionals (other than pharmacists) who dispense medicines must be licensed. The provision was due to come into effect in May 2004 but was delayed by two months due to a court challenge by dispensing doctors. The Pretoria High Court upheld the licensing requirement which is intended to ensure high standards of dispensing practice.

The Department has established the Pharmacoeconomic Directorate to improve intelligence on medicine pricing. Components dealing with the licensing of pharmacies are being strengthened.

Important progress has been made, in association with the pharmaceutical industry, in making antiretroviral (ARV) medicines more affordable and accessible.

A survey found that the Essential Drug Programme was widely implemented, with 86% of essential drugs found in facilities, 90% of medicines prescribed being from the Essential Drug List (EDL), and 97% of facilities having copies of the *Standard Treatment Guideline* booklets, compared with 59% in previous surveys.

The third edition of the PHC *Standard Treatment Guidelines* and EDL was launched in September 2004.

Funding

The National Department received R8,7 billion for the 2004/05 financial year, representing an increase of 4,8% compared with 2003/04.

Some R7,7 billion – or 88% – was in the form of conditional grants, which were allocated mainly to the nine provinces for the following activities:

- the Integrated Nutrition Programme (INP)
- the management of HIV, AIDS and tuberculosis (TB)
- national tertiary services
- training of health professionals and research
- hospital revitalisation and improving hospital-management capacity and quality of care.

There is also an allocation for the development of medico-legal services in the provinces. This includes the transfer of responsibility for forensic mortuary services from the South African Police Service to provincial Health departments.

Health team

Health personnel are a crucial component in realising the Department of Health's vision. Major challenges still exist in attracting health personnel to the rural areas.

The Minister of Health announced in January 2004 that government had allocated R500 million to recruit and retain scarce health professionals and attract new recruits to rural areas.

The Medium Term Expenditure Framework provides for some expansion (R750 million in 2004/05 and R1 billion in 2005/06) for the recruitment and retention of health workers.

In January 2004, the Department reached agreement with key trade unions on allowances for health professionals who serve people in the rural areas, and also for specific professional categories that are in short supply across the public sector.

The allowances address the dual inequity in the distribution of health professionals between private and public sectors and between rural and urban areas. They also apply much more widely than previous allowances, cover more rural areas, and for the first time acknowledge the critical role of professional nurses in such areas.

The rural allowance applies to 33 000 full-time health professionals, including professional nurses working in designated areas. These are areas previously covered by a more limited form of rural allowance, the nodes presently designated in terms of the Integrated Sustainable Rural Development Programme and areas requested for inclusion by provincial departments. The allowances range from 8% to 22% of annual salary, depending on area and occupational category.

The scarce skills allowance applies to 62 000 full-time health professionals in specified categories regardless of the geographic area in which they work. The categories include medical officers, dentists, medical and dental specialists, pharmacists, radiographers, various types of therapists, and nurses specialising in the areas of operating-theatre technique, critical or intensive care, and oncology. The allowances range from 10% to 15% of the health worker's annual salary, depending on occupational category.

Certain health professionals will qualify for both allowances. For example, a doctor, dentist or pharmacist working in the deepest rural area will be eligible for both allowances and would receive 37% of his/her annual salary in allowances.

Physicians

Some 30 578 doctors were registered with the HPCSA at the end of 2003. These included

doctors working for the State, doctors in private practice, and specialists. The majority of doctors practise in the private sector. In selected communities, medical students render health services at clinics under the supervision of medical practitioners.

In terms of the Continuing Professional Development (CPD) system, all doctors, irrespective of earlier qualifications, must obtain a specified number of points to retain their registration. The system requires that doctors attend workshops, conferences, refresher courses, seminars, departmental meetings and journal clubs. Non-compliance with the requirements of the system could result in the doctor being deregistered.

Applications of foreign health professionals are subject to assessment by the Examinations Committee of the Medical and Dental Professions Board. Those admitted have to write an examination, after which they can be registered in the particular category for which they applied and were assessed.

Newly qualified interns are required to do remunerated compulsory community service at State hospitals. Only after completion of this service are they allowed to register with the HPCSA, and only then are they entitled to practise privately.

In 2004, about 3 900 young professionals did community service.

Medical assistants

A plan to introduce medical assistants was launched by the Minister of Health in March 2004. The medical/physician assistant will be part of a team in different units in a district hospital, that is, the Emergency Unit, Maternity and Outpatient departments, or Medical and Surgical units.

Registered medical interns, practitioners, pharmacists, nurses and dentists, 2002 – 2003

	2002	2003
Dentists	4 560	4 500
Medical interns	2 306	2 157
Medical practitioners	30 271	30 578

Source: Health Professions Council of South Africa

In operating theatres, the medical/physician assistant will assist the doctor in basic procedures like incisions and drainage.

The regulation of medical assistants will rest with the HPCSA.

The education and training of medical assistants will take place close to the location where the medical assistant will work. Most learning will take place at district hospitals. A clear link will be maintained with universities through internal training, telemedicine and block learning. The training period will be three years, followed by an internship at the district hospital.

There will be one training site per province with 12 students per site per year at the initial stage. More training sites will be developed within the next five years.

Developments will depend on how the universities and provincial departments of Health collaborate and what works best for each province and each university.

Oral health professionals

At the end of 2001, 11 dental and oral specialists, 849 oral hygienists and 347 dental therapists were registered with the HPCSA. There were 4 560 dentists at the end of 2003.

Dentists are subject to the CPD and community-service systems.

Oral health workers render services in the private as well as public sectors.

Pharmacists

Since 20 November 2000, all pharmacists are obliged to perform one year of remunerated pharmaceutical community service in a public-health facility. Those who have not completed this year of service are not allowed to practise independently as pharmacists. Some 405 pharmacists commenced community service in 2004, compared with 49 in 2000.

A section of the Pharmacy Amendment Act, 2000 (Act 1 of 2000), which allows non-pharmacists to own pharmacies, came into effect during May 2003. It aims to improve access to medicines, make them more affordable, improve marketing

and dispensing practices, and promote consumer interests.

In 2004, 10 997 pharmacists were registered with the South African Pharmacy Council, of whom about 12% were employed in provincial and State hospitals.

Nurses

The SANC sets minimum standards for the education and training of nurses in South Africa. It accredits schools that meet the required standards and only grants professional registration to nurses who undergo nursing education and training at an accredited nursing school.

The key role of the Nursing Council is to protect and promote public interest, ensuring delivery of quality healthcare. It does so by prescribing minimum requirements for the education and training of nurses and midwives, approves training schools, and registers or enrolls those who qualify in one or more of the basic or postbasic categories.

At the end of 2003, there were 177 721 registered and enrolled nurses and enrolled nursing auxiliaries on the registers and rolls of the Council. The nursing profession represents more than 50% of the total professional human resources of health services.

Similarly, 23 661 persons were registered as student and pupil nurses or pupil nursing auxiliaries on the registers and rolls of the Council.

Allied health professions

In July 2003, the following practitioners were registered with the Allied Health Professions Council of South Africa:

• Ayurveda	114
• Chinese medicine and acupuncture	638
• chiropractors	424
• homoeopaths	652
• naturopaths	142
• osteopaths	60
• phytotherapists	23
• therapeutic aromatherapists	1 003
• therapeutic massage therapists	279
• therapeutic reflexologists	1 726

National Health Laboratory Service

The NHLS is a single national public entity that consists of the former South African Institute for Medical Research (SAIMR), National Institute for Virology (NIV), National Centre for Occupational Health (NCOH), university pathology departments and public-sector laboratories. It comprises about 250 laboratories.

The NIV and a section of the SAIMR have been combined to form the NICD, which is also part of the NHLS. The research expertise and sophisticated laboratories at the NICD have made it a testing centre and resource for the African continent, in relation to several of the rarer communicable diseases.

The NCOH has been renamed the National Institute for Occupational Health. It investigates occupational diseases and has laboratories for occupational environment analyses.



On 10 May 2004, the Minister of Health, Dr Manto Tshabalala-Msimang, inaugurated the new Health Professions Council of South Africa (HPCSA) in Pretoria.

The HPCSA, which has a five-year term of office, comprises elected representatives of health professionals and individuals appointed by the Department of Health.

Its main objective is to protect the interest of the public by setting and maintaining standards for health professionals.

With effect from 2005, student doctors have to undergo a minimum five-year medical training programme followed by two years of internship.

Previous internships covered three or four domains – internal medicine, surgery, obstetrics and gynaecology. These have been increased to cover anaesthetics, psychiatry and other fields, thereby requiring an increase in the period of internship from one to two years.

In 2003, the one-year community service was also extended to cover clinical psychologists, radiographers, physiotherapists, dieticians, occupational and speech therapists, as well as environmental health officers.

They joined doctors, dentists and pharmacists who had been doing community service over the past few years.

In 2005, professional nurses – who constitute the largest group of health professionals – were expected to begin their community service.

Biovac Institute

The Biovac Institute, a public-private partnership for expanding local vaccine productions, was formally launched in 2004. The partnership will ensure the capital injection and expertise needed to revive production and will play a vital support role in local vaccine research.

Provincial Health departments

The function of provincial Health departments is to provide and manage comprehensive health services at all levels of care. The basis for these services is a district-based PHC model. The major emphasis in the development of health services in South Africa at provincial level has been the shift from curative hospital-based healthcare to that provided in an integrated community-based manner.

Clinics

A network of clinics run by government forms the backbone of primary and preventive healthcare in South Africa. Clinics are being built or expanded throughout the country.

Hospitals

According to the Department of Health, there were 386 provincial public hospitals in 2003.

Ongoing programmes are in place to improve the quality of hospital services. The Charter of Patients' Rights has been developed, as well as procedures to follow when dealing with complaints and suggestions. A service package with norms and standards has been developed for district hospitals and is being extended to regional hospitals.

The National Tertiary Services Grant provides funding for tertiary health services, which deal with the various subspecialties such as cardiology or

renal dialysis. This conditional grant to provinces, which significantly restructured national financing for tertiary services, was introduced in 2002/03. It funds services in 27 hospitals in all provinces, ensuring more equitable funding of higher-level services. By mid-2004, a long-term plan for funding and delivering tertiary care, the Modernisation of Tertiary Services Project, was being developed.

Steps are being taken to improve the quality of hospital services, with an increasing number of hospitals entering accreditation programmes. New quality-inspection authorities are to be established in terms of the National Health Act, 2003.

All maternal deaths are closely investigated as part of the maternal death surveillance and enquiry process.

Renewal of hospital stock focused initially on renovation and maintenance, but has progressed to major rebuilding under the Hospital Revitalisation Programme in the last two years. Capital budgets are currently at their highest since 1994. The Hospital Revitalisation Programme used R911 million in 2004 as part of a total budget of about R2 billion for improving health-service infrastructure. By September 2004, 30 hospitals were part of the Programme.

In 2004, the Nelson Mandela Hospital in Umtata in the Eastern Cape, one of three state-of-the-art tertiary-care hospitals, was commissioned. The others are Inkosi Albert Luthuli, which is already functioning in Durban, and the soon-to-be-completed Pretoria Academic Hospital.

The Hospital Association of South Africa represents all private hospital groups as well as independent hospitals. The Association has 183 member hospitals with about 25 000 beds, which represents more than 97% of hospitals in the private sector.

Emergency medical services

Emergency medical services, which include ambulance services, are the responsibility of the provincial departments of Health. Emergency-care practitioners receive nationally standardised training through provincial colleges of emergency care. Some universities of technology also offer diploma

Registered and enrolled nurses, 2003

Registered nurses	96 715
Enrolled nurses	33 575
Nursing auxiliaries	47 431
Students in training	23 661

Source: South African Nursing Council

and degree programmes in emergency care. Personnel can receive training to the level of advanced life-support.

These services also include aeromedical and medical-rescue services.

Personnel working in this field are required to register with the HPCSA, which has a Professional Board for Emergency Care.

The national Department of Health plays a co-ordinating role in the operation, formulation of policy and guidelines, and development of government emergency medical services.

Private ambulance services also provide services to the community, mainly on a private basis. Some of these also provide aeromedical services to the private sector.

The SAMHS of the South African National Defence Force plays a vital supporting role in emergencies and disasters.

The role of local government

Local government is responsible for rendering the following:

- preventive and promotive healthcare, with some municipalities rendering curative care
- environmental health services, including the supply of safe and adequate drinking water, sewage disposal and refuse removal
- regulation of air pollution, municipal airports, fire-fighting services, licensing and abattoirs.

Many local authorities provide additional PHC services. In some instances, these are funded by provincial health authorities, but in major metropolitan areas the councils carry some of the costs.

The National Health Act, 2003 provides that formal service agreements between provinces and councils will be the basis for future development of PHC.

Non-profit health sector

Non-governmental organisations (NGOs) at various levels play an increasingly important role in health, many of them co-operating with government to implement priority programmes. They make an essential contribution in relation to HIV, AIDS and TB, and also participate significantly in the fields of

mental health, cancer, disability and the development of PHC systems.

Two particularly high-profile and innovative non-profit organisations are Soul City and loveLife. Both focus on health promotion and the use of the mass media to raise awareness on the prevention of illness, and to enable people to manage their health more effectively. Soul City pioneered one of the most successful multimedia edutainment initiatives on any continent and is known for its sound research-based approach.

loveLife focuses more on teenage sexuality and relationships and the prevention of HIV-infection and related conditions. Apart from mass-media advertising campaigns backed by a helpline, loveLife focuses on providing services for young people. It has a programme to transform existing reproductive-health and communicable-infection services to make them more 'youth-friendly'. It has also developed drop-in centres where young people can get information and support.

Both Soul City and loveLife have been sponsored by the Global Fund to Fight HIV, AIDS and Malaria. They also have a relationship with government and are funded or contracted to provide expertise in developing AIDS awareness programmes (in the case of Soul City) and 'youth-friendly' public facilities (in the case of loveLife).

The Health Systems Trust conducts research and helps build appropriate delivery systems for PHC. It is funded partly by the Department of Health and has done important work in supporting the development of the district health system, monitoring the quality of care at public-sector clinics and facilitating the introduction of services to reduce mother-to-child transmission of HIV.

The South African Cancer Association and the Council Against Smoking share government's approach to the prevention of many chronic non-communicable diseases. They partnered government in the development of tobacco-control measures and its implementation.

Established national health NGOs – such as the St John Ambulance and the South African Red Cross – continue to play an important role. They still focus on emergency care and First-Aid capacity but

have adapted their services to take account of changing needs, particularly the impact of HIV and AIDS.

Several important organisations in relation to HIV and AIDS are run by people living with HIV or AIDS. The biggest of these is the National Association of People Living with AIDS, which has branches in many areas. There are also many unaffiliated support groups that serve local communities.

Human-rights and health-rights issues in relation to HIV and AIDS have given rise to groups such as the AIDS Law Project and the Treatment Action Campaign, which have pursued a high-profile campaign in support of expanded treatment.

Faith-based organisations (FBOs) are one of the mainstays of hospice and home-based care for those infected and affected by HIV and AIDS. The Salvation Army was perhaps the first to become meaningfully involved, but in recent years organisations of other faiths and denominations have become increasingly significant sources of care. Many FBOs are also involved in HIV-prevention programmes.

Traditional 'service' organisations like the Lions and Rotary have health projects that boost the public health sector. Fields in which they have made a particular mark are mass immunisation – particular-

ly through the Polio-Free Initiative – and reducing the national backlog for cataract surgery.

The involvement of NGOs extends from the national level, through provincial structures, to small local organisations rooted in individual communities. All are vitally important and bring different qualities to the healthcare network.

Costs and medical schemes

About seven million South Africans are members or beneficiaries of medical aid schemes.

The Council for Medical Schemes regulates the private medical aid scheme industry in terms of the Medical Schemes Act, 1998 (Act 131 of 1998), and is funded mainly through levies on the industry in terms of the Council for Medical Schemes Levies Act, 2000 (Act 58 of 2000). In addition, it receives a small transfer from the Department of Health, increasing from R1,4 million in 2002/03 to R3,0 million in 2005/06.

Tariffs for admission to private and provincial hospitals differ. Cost differences also exist between various provincial hospitals, depending on the facilities offered. Provincial-hospital patients pay for examinations and treatment on a sliding scale in accordance with their income and number of dependants. If a family is unable to bear the cost in terms of the standard means test, the patient is classified as a hospital patient. His/her treatment is then partly or entirely financed by the particular provincial government or the health authorities of the administration concerned. Provincial hospitals offer treatment to patients with medical aid cover, charging a tariff designed to recover the full cost of treatment. This 'private' rate is generally lower than the rate charged by private hospitals.

By April 1999, 168 private medical schemes were registered in terms of the provisions of the Medical Schemes Act, 1967 (Act 72 of 1967).

The Medical Schemes Amendment Act, 2001 (Act 55 of 2001), improves the regulatory capacity of the Registrar for Medical Schemes and regulates reinsurance. The Act:



Transnet Foundation's healthcare train, the *Phelophepa*, provides rural people in South Africa with essential healthcare services.

Phelophepa represents about a R15-million Transnet capital investment and is sponsored by local, national and international donors and funders.

The train utilises and supports existing primary healthcare services through referral to the nearest local clinic, social worker, hospital or doctor.

Since its inception in 1994, a total of 481 876 patients have been treated in the various clinics on board the train. Health education is also offered.

A further 676 719 individuals have been reached through the train's school screening, health education, counselling workshops and outreach programmes.

The Royal Society for the Promotion of Health in the United Kingdom awarded the founder of *Phelophepa*, Dr Lynette Coetzee, the inaugural Queen Elizabeth Medal for her contribution to public health within the Commonwealth.

- Provides improved protection for members. The Act addresses the problem area of medical insurance, by revisiting the provision on waiting periods, and specifically protecting patients against discrimination on grounds of age.
- Promotes efficient administration and good governance of medical schemes by insisting on the independence of individuals in certain key positions.
- Has introduced mechanisms to address problematic practices in the marketing of medical schemes and brokerage of services.

Minimum benefits are also prescribed. In 2004, a range of chronic conditions was added to the package of prescribed minimum benefits.

Community health

The most common communicable diseases in South Africa are HIV, AIDS, TB, malaria, measles and sexually transmitted infections (STIs).

The appropriate and timely immunisation of children against infectious diseases is one of the most cost-effective and beneficial preventive measures known.

The mission of the South African Expanded Programme on Immunisation is to reduce death and disability from vaccine-preventable diseases by making immunisation accessible to all children. Immunisations against TB, whooping cough, tetanus, diphtheria, polio myelitis, hepatitis B, haemophilus influenza type-B and measles are available free of charge to all children up to the age of five years. A tetanus vaccine is administered to women at risk during pregnancy to protect their newborn infants against neonatal tetanus. Other services include the control of rabies and certain endemic diseases, such as malaria.

South Africa's routine immunisation coverage target for fully immunised children under one year is 90%. According to 2003 statistics, the routine immunisation coverage was 82% while measles immunisation coverage was 78%.

Polio and measles

There have been no confirmed measles deaths

since 2000, a direct result of the Measles Elimination Strategy. The last confirmed polio case in South Africa occurred in 1989, but it remains vital to maintain high levels of protection.

On 30 May 2003, the Minister of Health launched the countdown to a polio-free South Africa as part of a global initiative to heighten awareness about efforts to eradicate polio by 31 December 2005.

The South African Government has implemented the necessary strategies, as recommended by the World Health Organisation (WHO), to become polio-free certified.

National immunisation campaigns were conducted in 1995, 1996, 1997 and 2000.

On 1 July 2004, Dr Tshabalala-Msimang launched the Department of Health's Expanded Programme on Immunisation in Lenyenye, Limpopo.

The Programme had two rounds of mass immunisation taking place at all public clinics or immunisation posts. All children under five years of age received an oral polio vaccine during the first round and a repeat dose of polio vaccine during the second. Children from nine months to under five years of age received a measles vaccine during the first round.

This Programme is part of the continued global implementation of the WHO strategy to eradicate polio and eliminate measles in the world by 2005.

Three committees have been formed, as required by the WHO, to monitor the polio-eradication process. These are the National Certification Committee, the Laboratory Containment Committee and the Polio Expert Committee.

South Africa, Lesotho and Swaziland established an Inter-country Certification Committee to ensure that polio-free certification in the region occurs before December 2005.

Integrated Management of Childhood Illnesses

IMCI promotes child health and improves child survival as part of the National Plan of Action for Children. It is being instituted as part of the Department of Health's policy on the NHS for Universal Primary Care.

The core intervention is integrated case management of the five most important causes of childhood deaths and of common associated conditions.

Implementation of the IMCI strategy in South Africa involves improvement in:

- the case-management skills of health staff through the provision of locally adapted guidelines on IMCI, and activities to promote their use
- the health system required for effective management of childhood illnesses
- family and community practices.

Existing IMCI material has been adapted for South Africa, and implementation and training are ongoing.

South Africa was the first country to include prevention and management of HIV and AIDS in its IMCI guidelines.

Malaria

Malaria is endemic in the low altitude areas of Limpopo, Mpumalanga and north-eastern KwaZulu-Natal. About 10% of the population lives in a malaria risk area.

During 2000, a serious malaria epidemic was experienced in South Africa and in neighbouring countries. To effectively address the issue, the Department of Health, in collaboration with research organisations and academia, implemented policies to change the insecticide and drugs used in malaria-control programmes.

This resulted in a dramatic decrease in the number of cases from 51 535 in 1999 to 13 295 in 2003. Although policies are determined by the Department, the provincial malaria control programmes are responsible for implementing the content of policies which includes changing the insecticide and drugs used as well as increasing awareness of the disease.

It has been recognised that malaria cannot be viewed as a country-specific problem but rather as a regional problem.

Through the innovative multinational Lubombo Spatial Development Initiative involving Mozambique, South Africa and Swaziland, malaria prevalence in Mozambique has been reduced by 82% and in KwaZulu-Natal by 96% compared with

2002. A Trans-Limpopo initiative is also being explored between South Africa and Zimbabwe.

In keeping with international trends, the Department of Health is implementing the Rollback Malaria strategic plan. The goal is to reinforce existing malaria-control initiatives and to place greater emphasis on controlling malaria in pregnant women and young children.

South Africa is a signatory to the Abuja Declaration, which undertakes to reduce malaria morbidity and mortality by 50% by 2010.

There is active co-operation with Zimbabwe on cross-border malaria control. Malaria-control experts are being sent to other Southern African Development Community countries to provide technical assistance and strengthen control programmes in the subregion.

South Africa participated in a major regional malaria awareness campaign, *Racing Against Malaria*, which involved rally teams travelling in the southern African region and converging in Dar es Salaam, Tanzania, for African malaria-prevention celebrations in 2003.

To monitor the disease effectively, the MRC together with the national and provincial departments of Health, developed a malaria-information system to obtain data with regard to the disease and operational aspects pertaining to control programmes. Through these public-private partnerships, malaria is effectively being controlled in South Africa. However, to ensure that the incidence of malaria remains on a downward trend, increased intercountry collaborations are essential.

Malaria-control teams of the provincial departments of Health are responsible for measures such as education, patient treatment, residual spraying of all internal surfaces of dwellings situated in high-risk areas, and detection and treatment of all parasite carriers. It was decided to continue with a programme of controlled and restricted use of Dichloro-Diphenyl-Dichloromethans because of the growing resistance to pyrethroid insecticides.

The MRC's South African Traditional Medicines Research Group is investigating plants used by traditional healers for the treatment of malaria. Two plants that are effective against malaria parasites *in*

vitro have been identified, and the active compounds in one of the plants have been identified and isolated. Anti-TB chemical entities in traditional medicines have been isolated.

Insecticide-treated nets are another intervention that has had an impact in reducing the number of malaria deaths, particularly among children under the age of five years.

Tuberculosis

Improvements in TB care are confronted by increasing numbers of cases, as HIV and AIDS become progressively more visible (from 109 328 TB cases reported in 1996 to 255 422 TB cases reported in 2003).

Despite various improvements in the TB control programme – such as an electronic register, decreased waiting time for test results, and high coverage with Directly Observed Treatment Short Course (DOTS) – both cure and completion rates are suboptimal, at 53,9% (cured) and 67,8% (successful treatment completion rate). This may reflect pressures on services owing to HIV-infection, which increases susceptibility to TB. A national surveillance study showed resistant strains in 1,7% of new cases and 6,6% of previous cases returning for treatment.

On World TB Day on 24 March 2003, South Africa's first national TB advocacy and social-mobilisation campaign was launched – it was also the first such campaign globally. It was announced that more than R8 million would be made available over a period of two years to address the problem of HIV/TB-infection.

The Department of Health has implemented DOTS, advocated by the International Union against TB and the WHO. The focus is on curing infectious patients at the first attempt, by ensuring that:

- they are identified by examining their sputum under a microscope for TB bacilli
- they are supported and monitored to ensure that they take their tablets
- the treatment, laboratory results and outcome are documented
- the right drugs are given for the correct period

- TB control receives special emphasis in terms of political priority, finances and good district health management.

Treatment is free of charge at all public clinics and hospitals in South Africa.

A TB team has been set up at national level, while all provinces have TB co-ordinators. A reporting system, which tracks the outcome of all infectious patients, has been implemented across the country.

Demonstration and training areas have been set up countrywide. Training manuals, posters and charts have been developed, and courses presented. Communication between clinics and laboratories has improved and treatment guidelines for drug-resistant TB have been developed.

Government's National Medium-Term Development Plan for the National TB Control Programme aims to achieve the following specific targets by 2005:

- a cure rate of between 80% and 85% among smear-positive TB cases
- decreasing the treatment interruption rate to less than 5%
- detecting 70% of estimated new smear-positive TB cases.

HIV and AIDS

The Government's policy on HIV and AIDS is set out in the five-year Strategic Plan adopted in 2000 and the Cabinet statements of 17 April 2002, 9 October 2002 and 8 August 2003.

The national action system is defined as the Partnership Against AIDS. The Partnership is represented by the South African National AIDS Council (SANAC), which has contributed substantially to co-ordinating various sectors at the highest level.

South Africa celebrated the sixth anniversary of the Partnership Against AIDS in Randfontein, Gauteng on 9 October 2004.

Government's commitment to intensifying implementation of the Plan is backed by large budgets for the HIV and AIDS programme.

Dedicated funding for HIV and AIDS (excluding allocations from the provincial equitable shares) is set to increase more than tenfold from R342 million in 2001/02 to R3,6 billion in 2005/06.

On 19 November 2003, Cabinet, in principle, approved the Operational Plan for Comprehensive HIV and AIDS Care, Management and Treatment for South Africa.

While retaining a strong focus on HIV-prevention and expanding support for positive living in the early stages of HIV-infection, the Plan also provides for ARV treatment in the public health sector as part of government's comprehensive strategy to combat HIV and AIDS.

The Plan envisaged that there would be at least one service point in every health district across the country and, within five years, one service point in every local municipality.

These service points will give citizens access to a continuum of care and treatment, integrated with the prevention and awareness campaign which remains the cornerstone of the strategy to defeat HIV and AIDS.

This will mean:

- stepping up the prevention campaign so that the estimated 40 million South Africans not infected stay that way
- a sustained education and community mobilisation programme to strengthen partnerships in the fight against the epidemic
- expanding programmes aimed at boosting the

immune system and slowing down the effects of HIV-infection, including the option of traditional health treatments for those who use these services

- improved efforts in treating opportunistic infections for those who are infected but have not reached the stage at which they require ARVs
- intensified support for families affected by HIV and AIDS
- introduction of ARV treatment for those who need it, as certified by doctors.

Accreditation of public health facilities where ARV treatment will be provided commenced in January 2004. All nine provinces have begun implementation and by the end of September 2004, 50 of the 53 health districts had at least one service point, ahead of the original target of March 2005. A total of 102 of the 113 facilities identified by provinces to provide comprehensive HIV and AIDS services had been accredited.

By the end of September 2004, 11 253 people were receiving ARVs. Communication to promote awareness through the *Khomanani* Campaign has been intensified. A 24-hour telephone helpline, which provides information relating to HIV and AIDS to patients, community members and healthcare-providers, receives 5 000 calls daily. The number of home and community-based care programmes as well as hospices is expanding.

Awareness and life skills campaigns

Government campaigns are continuously increasing awareness about HIV, AIDS, STIs and TB.

Nationwide, the STI partner notification rate increased steadily from 39% in 2000 to 71% in 2002. This trend continued in the first three months of 2003 (77%).

During 2002/03, awareness advanced mainly through the *Khomanani* Campaign and the life skills and HIV and AIDS education programme in schools.

The *Khomanani* Campaign, for which government provided R98 million, aims to move the nation to act, so that individuals see themselves as part of a caring community, proactively addressing HIV, AIDS and TB.

Significant progress has been achieved in the prevention and treatment of sexually transmitted infections:

- High-quality South African Bureau of Standards-approved condoms are available from clinics and other non-clinic outlets. Public-sector male condom distribution increased dramatically from 150 million in 1997 to 270 million in 2003. This represents an 80% improvement.
- Distribution of male condoms through non-traditional outlets has been strengthened and monitored. Condoms have been distributed to at least 3 000 diverse outlets such as spazas, taverns and hair salons, with an average of over one million public-sector condoms distributed each month.
- The Department of Health increased the number of designated clinical sites where women can access female condoms from the initial 28 pilot sites in 2000 to over 200 in 2003. This represents a six-fold increase in sites in just four years. In 2003 alone, 1,4 million female condoms were distributed.

Improved access to voluntary HIV counselling and testing (VCT)

Ensuring access to confidential and voluntary HIV counselling and testing is one of the essential elements of the Operational Plan, as it provides an important entry into other health interventions, e.g. TB and STI treatment. This goal focuses on expanding access to VCT in both the private and public sectors.

By September 2004, there were 3 072 VCT service points.

Preventing mother-to-child transmission (PMTCT) of HIV

The PMTCT programme is expanding. The original research sites continue to provide a full package of care, and help to answer critical operational questions such as the impact of infant-feeding options and the significance of drug resistance.

Most provinces are extending this comprehensive package to more facilities.

By June 2004, there were more than 2 000 facilities offering PMTCT services.

Rape survivors

The decision taken by the Cabinet in April 2002 to offer ARVs to victims of sexual assault as part of a comprehensive package of support, is being implemented. The post-exposure prophylaxis programme includes counselling on the effectiveness and risks of using ARVs.

All provinces are working according to national protocols. In some provinces, the focus is on multi-disciplinary crisis or victim-empowerment centres, while in others, the service is offered through the emergency rooms of general hospitals.

HIV and AIDS vaccine research and development

The South African AIDS Vaccine Initiative (SAAVI) was established in 1999 to develop and test an affordable, effective, and locally relevant HIV and AIDS vaccine for southern Africa. Since its establishment, SAAVI has made good progress, particularly for a biotechnology project of this nature.

Clinical trials of two test vaccines commenced at two trial sites (Soweto and Durban) in November

2003. These are Phase One trials involving only a small group of volunteers and largely looking at the safety of products in humans. The two test vaccines represent substantial international collaborative ventures and have or are also being tested in other countries. One of the two (the Venezuelan equine encephalitis-based product) is the first test vaccine specifically developed for the C strain of HIV – the strain responsible for most infections in sub-Saharan Africa. The commencement of these two trials pushed South Africa to the forefront of vaccine research and development in the world, making it the first African country to run multiple trials. An additional product is pending approval by the MCC.

A number of wholly South African-developed products have been sent for manufacture for trials and have entered registration procedures with the appropriate regulatory bodies. These trials could start in 2005.

SAAVI has also established a multidisciplinary research agenda involving about 200 people.

SAAVI works closely with many international organisations including the African AIDS Vaccine Programme and the International AIDS Vaccine Initiative, and receives funding from some of these organisations – including the HIV Vaccine Trials Network of the United States National Institute of Health, and the European Union.

Training

The Integrated Training Grant for 2003/04 helped ensure collaboration between provincial and academic institutions to standardise both undergraduate and in-service training.

Through a partnership with the Foundation for Professional Development, health workers will be trained in issues relating to HIV, AIDS, STIs and TB. This includes a component on managing patients on ARVs. This training will target 100 health workers per province annually for three years.

Government began setting up Centres of Excellence in 2003. Their main function will be to develop curricula on HIV, AIDS and TB care, and to align the skills of healthcare workers with the requirements of national treatment guidelines.

Home/community-based care

By March 2003, there were 466 home/community-based care programmes in the country, reaching some 370 170 people. There were 9 553 volunteers attached to these programmes. By mid-2004, the number had increased to an estimated 892 groups in all provinces, consisting of more than 24 000 care givers.

Additional funds were made available in 2003/04 through the conditional grants for strengthening the home/community-based care programmes. Apart from the health grant, a conditional grant of R66 million was allocated to the Department of Social Development to focus on home/community-based care, specifically addressing the issues of orphans and vulnerable children; and social relief including food parcels, counselling and child care.

Reproductive health

According to the Maternal Mortality Report, released by the Minister of Health in February 2003, HIV, AIDS, malnutrition, substandard healthcare and other non-pregnancy-related infections are the chief contributing factors to the country's death rate among pregnant women.

The Report shows that women in their first pregnancy and those who have had five or more pregnancies are at as much risk of maternal death as women 35 years and older.

High-blood-pressure complications are responsible for 20% of maternal deaths during pregnancy; uncontrolled bleeding (obstetric haemorrhage) for 13,9%; pregnancy-related sepsis for 12,4%; while pre-existing medical conditions account for 7% of maternal deaths.

Other factors include lack of emergency transport, especially in predominantly rural areas; sub-standard healthcare; and lack of adequate health personnel, resources and information.

The Report recommends, as part of the remedial treatment to reduce maternal deaths, that staffing and equipment norms be improved, emergency-transport facilities and termination-of-pregnancy services be made available to pregnant women, and blood be made available at all health centres where caesarean services are performed.

The Department of Health has developed a card for women's reproductive health to improve continued care and to promote healthy lifestyles. The card is retained by the patient and facilitates communication between health services. A Pregnancy Education Week is held annually in February, during which talks and workshops are conducted in rural and urban areas to educate women on their reproductive rights and related issues.

The Contraception and the Youth and Adolescent Health Policy Guidelines promote access to health services for vulnerable groups, by improving the capacity of health and other workers to care for women and children.

The Guidelines are aimed at the provision of quality care, preventing and responding to the needs of young people, and promoting a healthy lifestyle among the youth. The promotion of a healthy lifestyle includes programmes or activities on issues such as:

- life skills
- prevention of substance and alcohol abuse
- provision of a smoke-free environment.

The focus is on the positive potential of young people as opposed to the problems they manifest.

Eight critical areas within the Youth and Adolescent Health Policy Guidelines have been identified, namely:

- sexual and reproductive health

The Department of Health and the University of South Africa collaborated to develop the *Braille HIV and AIDS Directory*, which was launched on 10 August 2004.

The Directory provides information about the support and care services available to people living with HIV and AIDs, where these services can be accessed, and who to contact to find out more.

The Department of Health has done much to educate people with disabilities about HIV and AIDS. Among other things, it has:

- developed audio cassettes for the blind with key HIV and AIDS messages
- printed the Five-Year Sexually Transmitted Diseases, HIV and AIDS Strategic Plan in Braille
- afforded people with disabilities the opportunity to be represented on the South African National AIDS Council.

- mental health
- substance abuse
- violence
- unintentional injuries
- birth defects and inherited disorders
- nutrition
- oral health.

The Guidelines for Maternity Care deal with the prevention of opportunistic infections in HIV-positive women, and the provision of micronutrient supplements to help ensure the well-being of mothers.

The Guidelines for the Cervical Cancer-Screening Programme aim to reduce the incidence of cervical cancer by detecting and treating the pre-invasive stages of the disease. According to the Cancer Registry, cervical cancer is the second most common cancer in women, comprising 16,6% of all cancers. It is the most common cancer in Black (31,2%) and Coloured women (22,9%), second most common cancer in Asian women (8,9%), and fourth most common cancer in White women (2,7%).

The Cancer-Screening Programme aims to screen at least 70% of women in their early 30s within 10 years of initiating the Programme. The Programme allows for three free pap-smear tests with a 10-year interval between each test. Pilot sites for the screening of cervical cancer have been set up in Limpopo, Gauteng and the Western Cape. The project will be rolled out to all provinces.

The Department is also involved in a programme to promote the participation of men in reproductive health and in the prevention of domestic violence and HIV and AIDS.

The Choice on Termination of Pregnancy Act, 1996 (Act 93 of 1996), allows abortion on request for all women in the first 12 weeks of pregnancy, and in the first 20 weeks in certain cases. The Act came into effect on 1 February 1997. Access to termination services remains inadequate. To improve access and alleviate the pressure on existing services, the Act is to be amended. The system of designating services will be changed to ensure that more public health facilities offer termination procedures.

A total of 45 449 abortions were performed in State hospitals during 2001. There was a significant

decrease in the maternal mortality rate from unsafe abortions – from over 64% in 1994 to 9,5% in March 2002. However, deaths from septic abortions still occur and this is cause for concern.

The Department of Health continues to support training in abortion care and contraception provision.

The Subdirector: Women's Health has developed Contraception Service-Delivery Guidelines. The Subdirector is reviewing the National Guidelines on the Management of Survivors of Sexual Offences, and developing a policy on the management of survivors of sexual offences.

Environmental health

Government has taken measures to reduce environmental health risks.

In terms of the Health Act, 2003, environmental health services are vested with local government. This shifted the responsibility for rendering environmental health services to metropolitan and district councils from 1 July 2004.

Traditional medicine

In August 2003, South Africa launched the National Reference Centre for African Traditional Medicines to research African herbs, and evaluate their medicinal value as part of government's campaign to fight HIV, AIDS, TB and other debilitating and chronic diseases and conditions.

The launch of the Centre was the result of a research programme initiated by the Department of Health and the MRC to test the effectiveness, safety and quality of traditional medicines, as well as to protect people from unscrupulous conduct and unproven medical claims within the traditional healing sector.

To protect the intellectual property rights of traditional peoples, the MRC will conduct biomedical research on medicinal plants and traditional claims will be channelled through this Centre.

The WHO estimates that up to 80% of Africa's people use traditional medicine. In sub-Saharan Africa, the ratio of traditional health practitioners to the population is about 1:500, while the ratio of medical doctors is 1:40 000.

Traditional health practitioners have an important role to play in the lives of African people and have the potential to serve as a critical component of a comprehensive healthcare strategy.

In South Africa alone, there are an estimated 200 000 traditional health practitioners. They are the first healthcare-providers to be consulted in up to 80% of cases, especially in rural areas, and are deeply interwoven into the fabric of cultural and spiritual life.

Research also indicates that in many developing countries, a large proportion of the population relies heavily on traditional practitioners and medicinal plants to meet PHC needs. Although modern medicine may be available in these countries, traditional medicines remain popular for historical and cultural reasons.

The MRC will conduct tests to evaluate such medicines, develop substances that could be used for chronic conditions – including immune boosters – and provide information on these medicines to the general public.

In February 2004, the Minister of Health launched the Reference Centre for African Traditional Medicines in the Western Cape and in KwaZulu-Natal.

Tobacco control

It is estimated that about 25 000 South Africans die each year from tobacco-related diseases.

Regulations of the Tobacco Products Control Amendment Act, 1999 (Act 12 of 1999), include:

- a ban on all advertising for tobacco products from 23 April 2001
- all public places must be smoke-free, but employers and restaurateurs can set aside 25% of their space for smokers, which must be separated by a solid partition
- a fine of R10 000 for those who are caught selling or giving cigarettes to children.

In October 2003, the Minister of Health released details of new provisions designed to protect public health by strengthening South Africa's tobacco control laws. A Bill to amend the Tobacco Products Control Act, 1993 (Act 83 of 1993), was published for comment.

The Bill brings the existing Act in line with the provisions of the WHO's International Framework Convention on Tobacco Control (FCTC) and makes it more effective by closing loopholes and increasing fines.

South Africa is a co-signatory with 74 other countries of the FCTC that commits governments worldwide to take measures to reduce tobacco use.

The main provisions of the proposed Amendment Bill are to:

- require larger health messages on cigarette packs, including picture messages
- increase fines for those who break the law, particularly with regard to allowing smoking in public places
- ban false descriptions of tobacco products, like 'low-tar', 'light' and 'mild'
- prohibit the presence of any person under 18 years in a designated smoking area in a public place
- increase the minimum age for the sale of tobacco products to 18 years
- ban the duty-free sale of cigarettes.

By the year 2006, the levels of nicotine and tar contents of cigarettes will be reduced even further.

Restrictions on the tar level will be reduced from the current 15 milligrams (mg) to 12 mg, while nicotine will decrease from 1,5 mg to 1,2 mg in all cigarettes sold in South Africa.

The Department of Health has set up a tobacco hotline ([012] 312 0180) for the general public to lodge smoking-related complaints.

People who want to quit smoking can contact the National Council Against Smoking's Quit Line on (011) 720 3145.

The results of these interventions are encouraging. In 1998, South Africa recorded a significant drop in adult tobacco consumption. According to the South African Demographic Health Survey Report, adult smoking dropped from 34% in 1996 to 24% in 1998.

Alcohol and substance abuse

Foetal Alcohol Syndrome (FAS) is one of South Africa's most common birth defects. It is caused by

a mother's consumption of alcohol during pregnancy. Rates in South Africa are the highest recorded anywhere in the world. In the Northern Cape, one in 10 children starting school shows signs of FAS, and in the Western Cape, one in 20.

According to a report by the MRC's Alcohol and Drug Abuse Research Group, released in October 2003, alcohol remains the dominant substance abused in South Africa. Across the five sites in the South African Community Epidemiology Network on Drug Use, between 44% (Cape Town) and 69% (Mpumalanga) of patients in specialist substance-abuse treatment centres list alcohol as their primary substance of abuse.

The use of cannabis (dagga) and mandrax (methaqualone) alone or in combination (white pipes) continues to be high. The increase in treatment-demand for cocaine addiction which was reported in Cape Town, Durban and Gauteng, has not continued and there has been a levelling off in treatment demand.

Over time, there has been a dramatic increase in treatment demand for heroin as the primary drug of abuse in Cape Town and Gauteng, but this has also levelled off. Demand for long-term treatment appears to be increasing. The abuse of over-the-counter and prescription medicines such as slimming tablets, analgesics and benzodiazepines (e.g. diazepam and flunitrazipam) continues to be an issue, but treatment-demand indicators are stable.

Inhalant/solvent use among young persons continues to be an issue of concern. Poly-substance abuse remains high, with 34% of patients in specialist treatment centres in Gauteng and 47% in Cape Town reported to be abusing more than one substance. All sites for which age data are available have shown an increase over the past few years in treatment-demand by persons younger than 20 years of age.

The Central Drug Authority was established in 2000 and is in the process of operationalising the Drug Master Plan. Key government departments are represented on this body, which reports to Parliament annually. (See chapter 19: *Social development*.)

Violence against women and children

The Department of Health has implemented a series of concrete measures to eliminate violence against women and children.

The *16 Days of Activism on No Violence Against Women and Children* Campaign is held at the end of every year.

The Domestic Violence Act, 1998 (Act 116 of 1998), was enacted in December 1999, and mass campaigns have been held to create community awareness of the Act. The MRC, through the South African Gender-Based Violence and Health Initiative (SAGBVHI) assisted the national Department of Health with the writing of the Sexual Assault Policy and Clinical Management Guidelines for the management of sexual-assault cases. These have been adopted and Sexual-Offence Guidelines have been distributed to provinces for implementation.

Training of health-providers in victim empowerment and trauma management is ongoing. A national pilot project on secondary-level services for victims of violence and other psychological crises is ongoing in Mpumalanga, KwaZulu-Natal and the Eastern Cape.

The training done by SAGBVHI members has raised the awareness of healthcare workers, particularly nurses, about the health impact of violence against women.

Violence prevention

The Department of Health is playing an important role in the prevention of violence. PHC professionals are being trained in victim empowerment and trauma support, and advanced training of healthcare professionals for the management of complicated cases of violence is being carried out in the Secondary-Level Victim Empowerment Centres, established by the Department in some provinces. Violence-prevention programmes in schools are also running in some provinces.

The Crime, Violence and Injury Lead Programme, co-directed by the MRC and the University of South Africa's Institute for Social and Health Sciences, has been designed to improve the population's health status, safety, and quality of life, through public

health-orientated research aimed at preventing death, disability and suffering arising from crime, violence and unintentional incidents of injury. The Lead Programme's overall goal is to produce research on the extent, causes, consequences and costs of injuries, and on best practices for primary prevention and injury control.

Birth defects

It is estimated that 150 000 children born annually in South Africa are affected by a significant birth defect or genetic disorder.

The Department of Health's four priority conditions are albinism, Down's syndrome, FAS and neural tube defects. Implementation of policy guidelines for the management and prevention of genetic disorders, birth defects and disabilities will reduce morbidity and mortality resulting from these conditions. This will involve the decentralisation of training, the expansion of the sentinel sites for birth-defect monitoring, and collaboration with NGOs in creating awareness.

South Africa, through the Birth Defects Surveillance System, is a member of the International Clearing House for Birth Defects Monitoring Systems. In the long term, this should result in more accurate diagnoses. Links have been made with those sentinel sites reporting on perinatal mortality, as congenital anomalies have been shown to be among the top three causes of perinatal mortality at some sentinel sites.

The Department of Health participates in regular meetings with NGOs to discuss collaborative issues.

Chronic diseases, disabilities and geriatrics

The Department continues to focus on the development of guidelines for the clinical management of priority chronic diseases, diseases of lifestyle, eye care, cancers, and cataract surgery. Patient education and information, including education on their rights and responsibilities, are also emphasised. Booklets, posters, audiotapes and videotapes with appropriate informative health messages are available at clinics.

The Department promotes the rights of patients as well as the need for them to take responsibility

for their own health. This includes a new area to be researched, i.e. therapeutic education, whereby barriers to patient compliance will be identified and addressed.

Healthcare professionals from each province have been trained in the management of asthma, hypertension, diabetes and eye health. This includes training in a health-compliance model to improve patient compliance.

The Department aims to reduce avoidable blindness by increasing the cataract-surgery rate.

Government introduced free health services for people with disabilities in July 2003. Beneficiaries include people with permanent, moderate or severe disabilities, as well as those who have been diagnosed with chronic irreversible psychiatric disabilities.

Frail older people and long-term institutionalised State-subsidised patients also qualify for these free services.

People with temporary disabilities or a chronic illness that does not cause a substantial loss of functional ability, and disabled people who are employed and/or covered by relevant health insurance, are not entitled to these free services.

Beneficiaries receive all in- and outpatient hospital services free of charge. Specialist medical interventions for the prevention, cure, correction or rehabilitation of a disability are provided, subject to motivation from the treating specialist and approval by a committee appointed by the Minister of Health.

All assistive devices for the prevention of complications, cure or rehabilitation of a disability are provided. These include orthotics and prosthetics, wheelchairs and walking aids, hearing aids, spectacles and intra-ocular lenses. The Department of Health is also responsible for maintaining and replacing these devices.

The backlog in wheelchairs and hearing aids was expected to be eliminated by the end of 2004/05.

The Department continues to develop national policy guidelines on the management and control of priority diseases/conditions of older persons to improve their quality of life and access to healthcare services. These include the development of exercise posters and pamphlets, and the development of

guidelines that focus specifically on older persons, e.g. National Guidelines on Falls in Older Persons, Guidelines on Active Ageing, National Guidelines on Stroke and TIA (transient ischemic attacks), and National Guidelines on Osteoporosis. The National Strategy on Elder Abuse, together with the National Guidelines on the Management of Physical Abuse of Older Persons, have been implemented in all the provinces. These raise awareness of abuse in all its subtle forms.

Occupational health

The introduction of legislation such as the Occupational Health and Safety Act, 1993 (Act 181 of 1993), and the Mines Health and Safety Act, 1996 (Act 29 of 1996), has done much to focus the attention of employers and employees on the prevention of work-related accidents and diseases. The Compensation for Occupational Injuries and Diseases Act, 1993 (Act 30 of 1993), places the onus on medical practitioners who diagnose conditions which they suspect might be a result of workplace exposure, to report these to the employer and relevant authority.

The Medical Bureau for Occupational Diseases has a statutory function under the Occupational Diseases in Mines and Works Act, 1973 (Act 78 of 1973), to monitor former mineworkers and evaluate present miners for possible compensational occupational lung diseases until they either die or are compensated maximally.

The Compensation Commissioner for Occupational Diseases is responsible for the payment of benefits to miners and ex-miners who have been certified to be suffering from lung-related diseases as a result of working conditions. The Mines and Works Compensation Fund derives funding from levies collected from controlled mines and works, as well as appropriations from Parliament. Payments to beneficiaries are made in terms of the Occupational Diseases in Mines and Works Act, 1973.

Mental health

The promotion of mental health is one of the cornerstones of South Africa's health policy. The Mental Healthcare Act, 2002 (Act 17 of 2002), provides for

the care, treatment, rehabilitation and administration of persons who are mentally ill. It also sets out the different procedures to be followed in the admission of such persons.

There are 18 State institutions with some 10 000 beds.

Private psychiatric hospitals and clinics cater for patients requiring hospitalisation for less severe psychiatric illnesses. General hospitals have some psychiatric beds. A further 7 000 beds are hired from the private sector for treatment of long-term chronic psychiatric and severely intellectually disabled patients.

In keeping with government policy of promoting care of the severely intellectually disabled within the community, these persons receive care-dependency grants to reimburse their families for out-of-pocket expenses, thus allowing the person to remain with his or her family in the community. These grants are administered by the Department of Social Development. In recent years, the focus of treatment has shifted from medication only, except where necessary, to patient rehabilitation.

A comprehensive psychiatric community service is managed by health authorities countrywide. Where possible, consultations are undertaken by multidisciplinary teams comprising psychiatrists, psychiatric nurse practitioners, psychologists, pharmacists, social workers and occupational therapists.

According to the Mental Healthcare Act, 2002, mental health is a health issue like any other. The purpose is to bring community services closer to



Hundreds of South Africans regained their sight during the *Fight-4-Sight* Campaign held at Pretoria East Hospital in October 2004.

The Campaign, a joint initiative of the Primary Eyecare Clinic, Ophthalmic care and private healthcare-provider, Netcare, aimed to make a difference by screening indigent people for cataracts and operating on them, if surgically viable.

A 24-hour surgical marathon was held, involving 10 ophthalmologists, who operated in six-hourly shifts.

More than half of South Africans aged 65 and older develop cataracts.

mentally-ill patients instead of simply placing them in institutions.

The Act focuses on a strong human rights approach to mental health. It also makes the process of certifying a person more complex, and introduces a 72-hour assessment period before a person can be certified. Previous legislation relied on psychiatrists and doctors to make the decision, but the new Act recognises that there are not enough psychiatrists, especially in rural areas. According to the Act, a mental-healthcare practitioner may make such a decision. It also introduces a review board, comprising a mental-healthcare practitioner, a legal expert and a community representative to examine the certified patient's case. The patient and the family will be able to appeal to the board, and all certified cases will be reviewed at least once a year.

The Mental Health Information Centre (MHIC) is situated at the Health Sciences Faculty of the University of Stellenbosch and has been in operation since 1995. It forms part of the MRC's Unit on Anxiety and Stress Disorders and aims to promote mental health in South Africa.

The MHIC is also actively involved in research, and conducts academic and clinical research trials for conditions such as obsessive-compulsive, panic, posttraumatic stress and generalised anxiety disorders. Work is also done on mood, psychotic and dementia disorders, as well as other major psychiatric diagnoses. A key focus area is mental health literacy. The MHIC regularly conducts mental health attitude and stigma surveys among various population and professional groups.

Quarantinable diseases

The Port Health Service is responsible for the prevention of quarantinable diseases in the country as determined by the International Health Regulations Act, 1974 (Act 28 of 1974). These services are rendered at sanitary airports (Johannesburg, Cape Town and Durban international airports) and approved ports.

An aircraft entering South Africa from an epidemic yellow-fever area must make its first landing at a sanitary airport, and passengers travelling from such areas must be in possession of a valid

yellow-fever vaccination certificate. Every aircraft or ship on an international voyage must also obtain a *pratique* from a port health officer upon entering South Africa.

Consumer goods

Another function of the Department of Health, in conjunction with municipalities and other authorities, is to prevent, control and reduce possible risks to public health from hazardous substances or harmful products present in foodstuffs, cosmetics, disinfectants and medicines; from the abuse of hazardous substances; or from various forms of pollution.

Food is controlled to safeguard the consumer against any harmful, injurious or adulterated products, or misrepresentation as to their nature, as well as against unhygienic manufacturing practices, premises and equipment.

Integrated Nutrition Programme and food security

The INP aims to ensure optimum nutrition for all South Africans by preventing and managing malnutrition. A co-ordinated and intersectoral approach, focusing on the following areas, is thus fundamental to the success of the INP:

- disease-specific nutrition support, treatment and counselling
- growth monitoring and promotion
- nutrition promotion
- micronutrient malnutrition control
- food-service management
- promotion, protection and support of breast-feeding
- contribution to household-food security.

The INP targets nutritionally vulnerable/at-risk communities, groups and individuals for nutrition interventions, and provides appropriate nutrition education to all.

The Food Fortification Programme was launched in April 2003. With effect from 7 October 2003, millers are compelled by law to fortify their white

and brown-bread flour and maize meal with specific micronutrients.

The regulations on food fortification stipulate mandatory fortification of all maize meal and wheat flour with six vitamins and two minerals, including Vitamin A, thiamine, riboflavin, niacin, folic acid, iron and zinc.

Environmental health practitioners at local government level are responsible for compliance monitoring and law enforcement. Fines of up to R125 000 can be imposed upon millers who fail to comply.

The National School Nutrition Programme is based on community participation and mobilises communities to develop food gardens. The primary goal of the Programme is school feeding, while also utilising resources invested by government to create sustainable livelihoods for local communities.

The Programme has been transferred from the Department of Health to the Department of Education. The immediate goal for the Department of Education is to ensure continuity of the Programme. By mid-2004, the feeding scheme had reached 85% of the estimated 15 000 schools that the Programme was supposed to cover.

The Programme also focuses on creating employment opportunities for women. The focus is on the 21 Presidential nodes where women are encouraged to form small businesses to administer the school-feeding programme for a group of schools in the area.

By August 2004, a plan with concrete proposals for the nodes had been developed for presentation to the Cabinet.

Acknowledgements

BuaNews

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Health Professions Council of South Africa

Medical Research Council

National Health Laboratory Service

South African Nursing Council

South African Pharmacy Council

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Housing

The aim of the Department of Housing is to determine, finance, promote, co-ordinate, communicate and monitor the implementation of policy for housing and human settlement.

Access to housing and secure accommodation is an integral part of government's commitment to reduce poverty and improve the quality of people's lives.

Since the launch of the *White Paper on Housing* in December 1994, housing in South Africa has undergone fundamental changes. Between 1994 and June 2004, the Housing Programme provided more than 1,6 million housing opportunities to more than seven million people. During the same period, a total of 2,4 million subsidies were approved.

The Minister of Housing, Dr Lindiwe Sisulu, unveiled the Comprehensive Housing Plan for the Development of Integrated Sustainable Human Settlements in September 2004.

Cabinet approved the Plan as a framework for housing programmes in the next five years. It provides for comprehensive oversight by government in promoting the residential property market. This includes the development of low-cost housing, medium-density accommodation and rental housing; stronger partnerships with the private sector; social infrastructure and amenities. The Plan also aims at changing spatial settlement patterns, informed by the need to build multicultural communities in a non-racial society.



According to the Plan, the Government takes responsibility for providing the bare minimum for the hard-core poor (income levels 0 – R1 500) by providing them with a full housing subsidy of R28 000. The poor (income levels R1 500 – R3 500) will also receive the full subsidy but will be required to provide either a small contribution or sweat equity. A newly created subsidy band in terms of the Plan targets the middle-income level (those earning R3 500 to R7 000 per month) for whom government will pay a deposit.

These new benefits will be achieved through the following:

- Housing delivery will be demand-driven and will involve a great deal of flexibility.
- The role of the private sector will be enhanced through the collapsing of subsidy bands, as well as the removal of blockages relating to down-payments for indigents and pensioners. Beneficiaries' spousal income will also be assessed. A fixed rate and other new loan products will be developed, including an option to convert the capital grant, where linked to home ownership or rental, into an annuity-based grant or benefit.
- Employers will be encouraged to make their contribution through employer-assisted housing.
- Barriers to housing trade will be removed through amendments to the Housing Act, 1997 (Act 107 of 1997), to reduce the period during

which resale on the private market is prohibited from eight to five years.

- Access to title deeds will be enhanced through the implementation of measures to stimulate a renewed uptake in the Discount Benefit Scheme, and the establishment of a high-priority focus on completing the registration of transfer in respect of houses constructed under the existing Housing Programme.
- All programmes will be focused on ring-fencing informal settlements and replacing these with more adequate forms of housing.

In addition, greater co-ordination will be effected between national, provincial and local government. An Inter-Ministerial Committee will oversee the implementation of the Housing Plan.

Other initiatives to be carried out in terms of the Plan include land acquisition through the proactive identification and acquisition of land through the Public Works Asset Register, the State Land Register and the Environmental Potential Atlas.

The Plan will be implemented from April 2005.

Legislation and policy

Rental Housing Act, 1999

The Rental Housing Act, 1999 (Act 50 of 1999), which came into operation on 1 August 2001, defines the responsibility of government in respect of the rental housing market.

It sets out the duties and responsibilities of both landlords and tenants, and provides for the establishment of rental housing tribunals in the provinces, thus allowing for a speedy and cost-effective resolution of disputes between landlords and tenants.

Among other things, the Act prescribes that:

- Leases may be oral or in writing. Tenants can demand a written lease.
- The landlord must give the tenant a written receipt.
- The landlord may require the tenant to pay a deposit before moving in.
- The balance of deposit and interest must be refunded to the tenant by the landlord not later than 21 days after the expiration of the lease.

In response to the need for rental housing in urban-based metropolitan areas, the Department facilitated the development of rental housing stock. Rental housing policy was expected to be finalised at the end of 2004 and the rental housing subsidy was expected to be implemented in 2005/06.

Three rental housing tribunals were set up in Gauteng, the Western Cape and North West. Other provinces are in the process of establishing similar tribunals. The Act gives these tribunals the power to make rulings in line with those of a Magistrate's Court.

Home Loan and Mortgage Disclosure Act, 2000

The Home Loan and Mortgage Disclosure Act, 2000 (Act 63 of 2000), provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing-credit needs of communities. It requires financial institutions to disclose information, and identifies discriminatory lending patterns. The Act is aimed at promoting equity and fairness in lending and disclosure by financial institutions, and will be implemented as soon as the regulations of the Act have been promulgated.

The Act aims to eradicate discrimination and unfair practices by encouraging banks and financial institutions to grant home loans to all its clients. It compels banks and financial institutions to disclose annual financial statements so that their lending practices in respect of home loans can be monitored.

The Department of Housing also continues to participate in the deliberations of the Financial Services Charter to monitor the extent to which the targets set for the allocation of credit to low-income communities are met.

Housing Consumer Protection Measures Act, 1998

In terms of the Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998), residential builders have to register with the National Home-Builders Registration Council (NHBRC) and are obliged to enrol all new houses under the NHBRC's Defect Warranty Scheme.

The aim of the Act is to protect home owners from inferior workmanship. Builders are responsible for design and material defects for three months, roof leaks for a year, and any structural failures of houses for five years. NHBRC inspectors may assess workmanship during and after the building process.

Banks are compelled by law to insist on home-builder registration and enrolment prior to granting a mortgage loan or finance.

All new government-subsidised housing units constructed as part of approved projects enjoy protection against shoddy workmanship by housing contractors.

Through the Act, properties that were built with funding from the Government's housing subsidy grant only, now enjoy protection against structural defects and must comply with minimum technical norms and standards.

Previously, the properties of the poor did not qualify for such protection. The NHBRC ensures that registered builders deliver within the minimum housing standards.

Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998

The Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 (Act 19 of 1998), provides for the prohibition of unlawful eviction and sets out detailed procedures for the eviction of unlawful occupiers.

It also prohibits the receipt of payment as a fee for arranging the occupation of land without the consent of the owner, and repeals obsolete laws relating to illegal squatting.

The Act provides a process for fair eviction of unlawful occupiers, and distinguishes between occupiers who have been residing on land for less than six months and those who have been residing on land for more than six months.

Community Reinvestment Bill

The Community Reinvestment Bill, which was published for comment in 2003, has been put on hold pending the outcome of affordable housing lending targets identified in the Financial Services Charter.

The Department of Housing will lead the Government's response to the opportunities presented by the Charter. A framework is expected to be developed within which affordable housing finance deals and partnerships between the finance and public sectors can be structured.

Non-housing urban-development opportunities presented by the Charter will also be explored in an effort to increase private investment in community facilities in residential neighbourhoods.

The Community Reinvestment Bill is a sequel to the Home Loan and Mortgage Disclosure Act, 2000, and will provide for mechanisms to ensure that more home loans are allocated to low- and medium-income borrowers. However, the Bill will not compel housing-finance institutions to take risks in meeting their community-reinvestment obligations.

Social housing

The primary housing policy developments in 2003/04 included a new social housing policy. The policy will create an enabling environment for both private and public-sector investments in social housing projects.

The policy, and associated legislation, will support urban regeneration, integration and densification initiatives that promote greater urban efficiency.

On 15 August 2004, Minister Sisulu and the European Union Ambassador, Mr Michael Lake, launched a R160-million Social Housing Programme in Pretoria.

Rental housing is central to the Department of Housing's strategy to provide alternative and cheap accommodation to those who work in urban areas.

The Programme serves as a vehicle for providing housing under different tenure options like co-operative housing and instalment sale.

Public-Sector Hostel Redevelopment Programme

The Department is revising the hostels policy to replace it with a policy that will enable the creation of humane living conditions, and provide affordable and sustainable housing on either a rental or home-ownership basis.

Several pilot redevelopment projects have been launched.

The Department has also prepared a set of technical specifications for the upgrading or provision of new services, and the upgrading (redevelopment) of hostel buildings.

Amendments to the implementation guidelines, which will direct the redevelopment of the Public-Sector Hostels Redevelopment Programme, were expected to be finalised by the end of the 2004/05 financial year.

Funding

The Department received R4,8 billion in 2004/05 to finance national and provincial housing programmes.

The allocation is made annually on the basis of a formula that takes into account the backlog in each province, the number of households in the various income categories of the subsidy scheme, the ratio between urban and rural housing, and the performance of the relevant provincial government.

Total departmental expenditure was expected to increase from R3,3 billion in 2000/01 to R5,5 billion in 2006/07.

The People's Housing Process (PHP) recognises the efforts and initiatives of those who prefer to build their own houses and are prepared to commit their resources, skills and energies to this task. It provides technical, financial and other support to these people. Funding is administered through the provincial Housing departments, while the People's Housing Partnership Trust (PHPT) helps build the capacity to speed up delivery.

To support the PHP, 62 Cuban community architects and engineers have been deployed in the nine provinces.

Capacity-building

One of the major constraints in housing delivery is the lack of capacity, which entails an efficient workforce and the installation of appropriate technology, equipment and systems for monitoring, evaluation and reporting purposes.

The Department continues to provide support to and assist provinces to ensure effective and efficient implementation of the National Housing Programme. The strategy and guidelines for housing capacity-building, as well as guidelines for provincial housing-capacity business plans were developed.

National housing code workshops were held at both national and provincial level, aimed at capacitating internal and provincial officials, including municipal officials and councillors, and increasing knowledge on housing policies, programmes and legislation.

In April 2004, the Department announced the amended version of the National Housing Programme dealing with housing assistance in emergency circumstances.

The National Housing Programme for Housing Assistance in Emergency Housing Circumstances was instituted in terms of the Housing Act, 1997.

The amendment relates to the provision of the Constitution that everyone has the right to have access to adequate housing, and that the State must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right.

The main objective of this Programme is to provide temporary housing relief to people in urban and rural areas who find themselves in emergencies, such as when:

- their existing shelter has been destroyed or damaged
- their prevailing situation poses an immediate threat to their life, health and safety
- they have been evicted or face the threat of eviction.

The assistance involves prioritising funds from the provincial housing allocations to municipalities to accelerate land development, and the provision of basic municipal engineering services and temporary shelter.

National Housing Education and Training Programme

The Programme has undergone major transformation and improvement since its inception in 1998. By June 2003, a total of 5 590 participants

had been trained. Initially, the University of the Witwatersrand (Wits) School of Public Management and Development played a central role as the only service-provider. Since 1999, at least one tertiary institution in each province has been offering the Programme.

These changes were the result of continuous monitoring and reviews conducted during the implementation of the course, as well as input from the Capacity-Building Task Team, established to oversee the effective and efficient implementation of the Programme.

Courses are designed to cater for the capacity needs of all officials employed in the national, provincial and local governments, including councillors.

There has been a gradual increase in the number of women participating in these courses.

Formal education and training in housing

The Cabinet approved the establishment of the Professional Housing Institute on 29 May 2002.

In line with the Skills Development Act, 1998 (Act 97 of 1998), the Department facilitated and co-ordinated the establishment of the Housing Standard Generation Body (SGB).

The Housing SGB commits itself to the generation of standards and qualifications to ensure quality education and training programmes in the sector.

Through this process, the needs of housing practitioners and consumers are accommodated and lifelong learning encouraged.

SGB activities have been divided into two sub-groups, with the one focusing on housing consumer education and the other on professional qualifications.

In 2004, a housing consumer education programme was developed and piloted in the Western Cape, KwaZulu-Natal, Gauteng and the Free State.

Housing Scholarship Programme

The Department launched the Housing Scholarship Programme in 2002, targeting matriculants who wish to pursue a career in housing. Ten students were awarded scholarships for the 2003 academic

year. Owing to limited resources, the Department approached the Construction Education and Training Authority (CETA) for funding assistance. The Department, in conjunction with CETA, intends to embark on an internship programme to provide students with the opportunity and scope to gain practical experience.

Housing subsidies

Individual ownership subsidies are allocated to help beneficiaries acquire ownership of fixed residential property (housing opportunities) for the first time.

New housing-subsidy programmes are being developed and certain existing programmes have been enhanced, including rental and social-housing subsidies. The housing-subsidy programmes, including project-linked subsidies, are being revised to introduce a procurement-compliant regime, consolidation subsidies, PHP, rural subsidies and institutional subsidies.

The Department increased housing subsidies by up to 11,68% with effect from April 2004. The subsidy for beneficiaries earning from zero to R1 500 rose by R2 700, from R23 100 to R25 800.

Beneficiaries earning between R1 501 and R2 500 received a R1 500-subsidy increase, from R14 200 to R15 700. The subsidy for beneficiaries earning between R2 501 and R3 500 rose from R7 800 to R8 600.

Subsidies for the indigent, including the aged, people with disabilities and the health-stricken, were increased from R22 800 to R25 580.

The consolidation subsidy for beneficiaries earning R1 500 was increased from R10 900 to R12 521, and for indigents from R13 400 to R15 000.

The Department has designed a housing scheme to effectively cater for people with disabilities. People with visual impairment and other disabilities will get an additional amount to the normal subsidy to make their homes more accessible and comfortable, in accordance with their physical needs.

In February 2004, the Department approved an extension to the existing housing subsidies for people with disabilities.

In the past, the existing categories of people with disabilities and the nature of disability comprised

five categories, namely A, B and C for various walking disabilities, varying from the use of walking aids to the partial and full-time use of wheelchairs; Category D for hearing disabilities (partially or profoundly deaf); and Category E for vision loss (partially or totally blind). The sixth category, Category F, was approved and added for limited or no use of upper body limbs.

Other new or enhanced subsidy mechanisms developed since 2002/03 include:

- a procurement-compliant regime for all green-field housing developments
- an enhanced variation for houses in the Southern Cape Coastal Condensation Area
- a comprehensive strategy for provincial governments and municipalities to collect financial contributions from housing beneficiaries.

Project-linked subsidies

This housing subsidy mechanism enables a qualifying household to access a complete residential unit, which is developed within an approved project-linked housing subsidy project for ownership by the beneficiary.

Individual subsidies

An individual subsidy provides qualifying beneficiaries with access to housing subsidies to acquire ownership of serviced stands. It also allows the beneficiary to enter into house-building contracts, or to purchase existing, improved residential property which is not part of approved housing-subsidy projects.

This subsidy furthermore helps qualifying beneficiaries who wish to increase their subsidies by accessing credit, as well as beneficiaries who do not qualify for credit.

Consolidation subsidies

This subsidy mechanism affords former beneficiaries of serviced stands, financed by the previous housing dispensation (including the Independent Development Trust's site and service schemes), the opportunity to acquire houses.

Institutional subsidies

The institutional subsidy is available to qualifying insti-

tutions to enable them to create affordable housing stock for persons who qualify for housing subsidies.

The subsidy is paid to approved institutions to provide subsidised housing on deed of sale, rental or rent-to-buy options, on condition that the beneficiaries may not be compelled to pay the full purchase price and take transfer within the first four years of receiving the subsidy.

Institutions must also invest capital from their own resources in the project.

Relocation assistance

Relocation assistance provides an alternative option to defaulting borrowers who were three months in arrears on 31 August 1997, and where the option of rehabilitating these mortgage loans is not affordable.

This alternative provides an opportunity to obtain affordable housing with the assistance of the housing subsidy.

A person who is eligible for relocation assistance is required to enter into a relocation agreement, so as to relocate to affordable housing.

Discount Benefit Scheme

The Discount Benefit Scheme promotes home ownership among tenants of State-financed rental stock, including formal housing and serviced sites. In terms of this Scheme, tenants receive a maximum discount of up to R7 500 on the selling price of the property.

Where the discount amount equals or exceeds the purchase price or loan balance, the property is transferred free of any further capital charges.

Rural subsidies: informal land rights

This housing subsidy is available to beneficiaries who enjoy only functional tenure rights to the land they occupy. This land belongs to the State and is governed by traditional authorities.

The subsidies are only available on a project basis and beneficiaries are supported by implementing agents. Beneficiaries also have the right to decide on how to use their subsidies either for service provision, the building of houses or a combination thereof.

Housing institutions

The Department of Housing's support institutions play an important role in enhancing the norms and standards of housing, as well as making housing more accessible to all South Africans.

The institutions are the NHBRC, the National Housing Finance Corporation (NHFC), the National Urban Reconstruction and Housing Agency (NURCHA), Servcon Housing Solutions, Thubelisha Homes, the Social Housing Foundation (SHF), the South African Housing Fund, the PHP and the Rural Housing Loan Fund (RHLF).

National Home-Builders Registration Council

The NHBRC was established in terms of the Housing Consumer Protection Measures Act, 1998. The Council protects the interests of consumers and regulates the home-building industry.

Before the commencement of the Act, the National Home-Builders Regulation Council was established as a Section 21 company. Its main objective was to promote the common interests of persons occupied in the business or profession of home-building, through the regulation of the home-building industry.

In August 1995, the NHBRC (Pty) Ltd also established the National Home-Builders Registration Council Fund (Pty) Ltd. The main objective of this company was to establish an indemnity fund to promote the interests of contactors, by making funds available through the NHBRC on an *ex gratia* basis to finance the rectification of defects in housing units in circumstances where contractors were either unable or not liable to do so.

On 26 March 2001, a statutory council was established in accordance with the provisions of the Housing Consumer Protection Measures Act, 1998. The two former Section 21 companies were consequently dissolved and all their assets and liabilities were transferred to the statutory council.

More and more members of the public want to purchase homes which are enrolled with the NHBRC.

The NHBRC's major source of revenue is the enrolment of new homes.

In 2003/04, the NHBRC registered some 19 448 home builders and enrolled 281 462 homes. It also conducted 470 921 inspections during that period and received 16 288 complaints.

National Housing Finance Corporation

The NHFC was set up by the Department of Housing in 1996 with a mandate to ensure that every South African with a regular source of income is able to gain access to finance, and to acquire and improve a home of his or her own.

As one of the country's development-finance institutions, the Corporation acts as a wholesale funder and risk-manager, facilitating access to housing finance for low- and moderate-income communities.

The mission of the NHFC is to ensure:

- Development and appropriate funding of institutions, providing affordable housing finance at retail level. Such finance is aimed at the lowest possible income levels able to afford credit on a sustainable and commercial basis.
- Development and appropriate funding of institutions offering a variety of tenure options for residential purposes, in the under- and unserved segments of the housing market.
- Sustained and growing mobilisation of savings in the housing process, through appropriate intermediaries.

The NHFC Business Plan states that it aims to create housing opportunities for low- and moderate-income families by:

- funding or underwriting the funding of intermediaries and institutions to promote broader access to housing
- building adequate and sustainable capacity within the organisations it funds
- partnering organisations and institutions to deliver innovative housing-finance solutions.

Between May 1996 and February 2004, the NHFC approved facilities totalling more than R1,6 billion, and disbursed R1,5 billion.

In 2003/04, 55 loans to the value of more than R632 million were disbursed to finance 220 602 houses.

Through its lending activities, more than 46 146 new housing units had been built by February 2004. Over 171 510 loans had been originated and facilitated, and a total of 62 new and emerging institutions had been supported. More than 1,1 million people's lives had been improved through the NHFC's funding activities.

National Urban Reconstruction and Housing Agency

NURCHA was formed as a partnership between the South African Government and the Open Society Institute (OSI) of New York, United States of America (USA), in May 1995 to arrange finance for housing.

Over the years, NURCHA has raised additional financing through Swedish, Norwegian and US agencies, and through the Futuregrowth Fund, Overseas Private Investors' Corporation and Rand Merchant Bank. It is a tax-exempt, non-profit-making company. In 2004/05, government awarded NURCHA a R3 034 000 grant.

Operational expenses are funded by an initial allocation from government and a grant from the OSI. Since 1995, NURCHA has expanded its mission to expedite the:

- construction of housing for low-income households

- creation of viable communities through financing the construction of housing-related infrastructure and community facilities.

By the end of the 2003/04 financial year, NURCHA had received claims totalling R4,8 million for 55 housing projects. Since 1995, NURCHA has supported the building of 135 421 houses, of which 13 827 were built during 2003/04.

Programmes

NURCHA uses a variety of interventions to arrange and package finance for those delivering housing to low-income households, infrastructure, and community facilities:

- Bridging-finance loans for small contractors: NURCHA lends money to small/emerging contractors building subsidy housing. To assist contractors and developers who are unable to access bridging finance from a bank, NURCHA has entered into agreements with financial intermediaries that have specifically tailored products to ensure the appropriate flow of finance to projects. Applicants requiring this form of funding are normally contractors who also require financial management support.
- Bridging finance loans for established contractors: NURCHA lends directly to established developers and contractors developing subsidy housing, credit-linked housing in the R50 000 to R180 000 selling price range, infrastructure and community facilities. Established contractors are required to provide a minimum of 30% of the project bridging finance required upfront.
- Financing for rental housing: NURCHA provides finance and guarantees for the construction and upgrading of rental stock for the affordable housing market sector. These facilities are provided subject to the specific requirements of the negotiated package.
- National Savings Scheme: Mandated by government, NURCHA launched the National Savings Scheme in 2001. As a result of the amendment to the Government's housing policy in April 2003, the Scheme was substantially revised. In support of the amended policy, NURCHA now works with provincial and local authorities to assist benefici-



In 2002, the Government enacted the Pre-Emptive Clause which sought to prevent beneficiaries from selling government-subsidised homes. The pre-emptive right, contained in sections 10A and 10B of the Housing Act, 1997 (Act 107 of 1997), was introduced into law by means of the Housing Amendment Act, 2001 (Act 4 of 2001), which came into operation on 1 February 2002.

The law aims to stop the selling of Reconstruction and Development Programme (RDP) houses by beneficiaries at a price well below the market value.

The Clause limits both the voluntary and involuntary sale of houses obtained by persons via any of the national housing programmes. In terms of voluntary sales, persons may not sell an RDP house within a period of eight years from the date on which the property was acquired, without having first offered it to the relevant provincial housing department. In cases of involuntary sales, a person's creditors in law may not sell or otherwise alienate such property without having first offered the property to the relevant provincial housing department.

aries to save towards any contributions they are required to make to their subsidised housing.

Servcon Housing Solutions

Servcon was established as a 50-50 joint venture between the Department of Housing (representing government) and the Council of South African Banks (COSAB) in 1994.

Servcon was mandated to provide exclusive management services in respect of the designated portfolio, comprising 33 306 properties in possession (PIPs), and non-performing loans (NPLs) with a value of R1,277 billion, for a period of eight years from 1 April 1998 to 31 March 2006.

Servcon's mission is to normalise the lending process by managing NPLs and PIPs in areas where the normal legal process has broken down, in terms of the normalisation programme agreed to by the Department and COSAB.

Servcon has four programmes, namely:

- the repurchase/rescheduling programme that assists those who can afford an existing property by providing a mechanism to reassess the property and arrive at a reasonable buy-back or new-debt amount
- the subsidised rental programme that gives the occupant time to adjust to paying again after a period of non-payment
- rightsizing, which is designed for the owner/ex-owner who cannot afford a property or the rental option, by offering assistance to procure and finance, in whole or in part, an alternative affordable house
- special assistance, which is provided to the aged and disabled, such as providing relocation assistance *in situ*, i.e. without having to relocate.

Servcon disposed of 19 783 properties during 2003/04. It receives funding from the Department on a quarterly basis to cover 50% of its operating costs and 50% of interest on the value of the undischarged guarantee to the banks. In 2004/05, Servcon received a grant of R37 166 000.

Thubelisha Homes

Thubelisha Homes is a Section 21 company established in 1998 by the Department of Housing and

Servcon. It commenced operations in 1999.

Thubelisha Homes' mandate is to procure or develop housing stock appropriate for rightsizing purposes.

To achieve this, Thubelisha Homes has to:

- determine the number, nature and location of the required housing stock
- secure funding to finance operations
- procure or develop and finance relevant housing stock
- evaluate the clients for capital subsidies
- sell houses to approved clients under cost-effective and appropriate terms
- communicate its role effectively to key stakeholders on an ongoing basis and obtain their support for the programmes.

Rightsizing is a process initiated by the Record of Understanding signed by certain banks and the Government, whereby occupants of bank-owned PIPs or NPLs are assisted to relocate to more affordable homes.

These clients are permitted to occupy their existing homes temporarily while paying a predetermined and affordable rental to Servcon. Relocation assistance equivalent to the capital subsidy is available to Thubelisha via the provincial Housing departments, to procure new homes for clients.

Thubelisha was initially capitalised with a R50-million grant from government to assist



On 13 October 2004, the South African Government and the Islamic Republic of Iran signed a Memorandum of Understanding (MoU) to co-operate on housing development and technology.

The MoU covers the exchange of expertise between the two countries to assist with solving the problems of increasing urbanisation and housing architectural practices.

The two countries will explore possibilities for joint research in the fields of physical planning at national and regional level, urban design, geographic information systems and seismology. In addition, they committed to building research centres and organisations in the two countries to exchange information and expertise in housing development.

The two parties have agreed to promote co-operation between companies in the building and construction sector, particularly in mass construction of housing, and construction of low-cost and appropriate prefabricated housing units.

with bridging finance and working capital. A division of the FirstRand Group, which provides a treasury function for Thubelisha, manages this fund.

In addition to ensuring the effective implementation of the rightsizing programme, Thubelisha's other core strategic objectives are to:

- increase the utilisation of female contractors on their projects
- integrate the aged and clients with disabilities from the municipal waiting lists into their projects
- facilitate the delivery of houses through a managed PHP
- implement an accredited emerging-contractor development programme
- integrate waiting-list clients into rightsizing projects.

Thubelisha operates in six of the nine provinces. During 2003/04, some 11 713 stands were secured, with 5 405 houses handed over to clients.

Between 1999 and March 2004, some 12 064 stands were secured, 9 777 subsidy applications completed, and 7 341 subsidies approved.

Social Housing Foundation

The SHF was established as a Section 21 company by the Department of Housing in 1997. It is mandated by the Department to develop and build capacity for social housing institutions (SHIs) and to develop a policy framework for the sector.

The strategic objectives of the organisation, based on its mandate, mission and vision, are to:

- provide social-housing-sector strategic information
- mobilise resources for the social housing sector
- facilitate the capacitation of sectoral participants
- promote the social housing sector
- facilitate sectoral stakeholder alignment
- achieve SHF business-service excellence.

The SHF and the social housing sector have shown significant growth and development in recent years. By November 2003, there were 64 SHIs in South Africa and 33 500 housing units had been provided.

The most significant agreement relating to social housing is that between the European Commission (EC) and the South African Government.

The EC has pledged 20 million Euros (about R200 million) for social housing over the next five years.

The EC programme has been strengthened, with a considerable amount of work conducted around building the internal staff capacity, systems, procedures and manuals of the SHF. Three SHIs were successful in applying for grant funding for capacity-building and development, and plans for a number of additional institutions are in the pipeline.

In 2004/05, the Government awarded the SHF a grant of R15 347 000.

South African Housing Fund

The South African Housing Fund aims to provide adequate funds to enable provincial governments to establish and maintain habitable, stable and sustainable residential environments.

This includes the provision of:

- permanent residential structures with secure tenure and privacy, and which provide adequate protection against the elements
- potable water, adequate sanitation facilities and domestic electricity supply.

People's Housing Process

The National Housing Policy: Supporting the PHP was adopted by the Minister of Housing in 1998. The Policy focuses on poor families in both urban and rural areas, using capital subsidies to allow people to build their own homes.

It also assists people in obtaining access to technical, financial, logistical and administrative support to build their own homes, on either an individual or a collective basis.

Peoples' Housing Partnership Trust

The broad mandate of the PHPT is aligned with the National Housing Policy: Supporting the PHP, which stipulates and defines the PHPT mandate as capacitating and engaging with national, provincial and local governments and civil society to meaningfully participate and support the PHP. To create adequate capacity for the PHP, the Department established the PHPT in June 1997 to implement the Capacitation Programme to Support the PHP.

The main objective of the Programme is to develop capacity at all levels of government, and in non-governmental organisations, community-based organisations and communities to support the PHP.

The PHPT has five programmes:

- Communication
- Training
- Research and Development
- Technical Advisory Services
- Corporate Services.

The PHPT is funded by the United Nations (UN) Development Programme, the UN Centre for Human Settlement and the US Agency for International Development. Government assists the PHP by way of subsidies, facilitation grants and housing-support funding.

Rural Housing Loan Fund

The RHLF's main business, as a wholesale lending institution, is to raise money and lend it, to enable retail institutions to provide loans to low-income earners to finance housing in rural areas.

In 2003/04, the RHLF funded more than 54 000 home improvements, mostly built by home owners or small local builders. It committed over R272 million to 22 retail lenders and disbursed over R252 million to lenders.

The Rural Housing Strategy to support rural housing, dealing with a comprehensive range of housing-related issues, such as tenure, livelihood strategies and broader socio-economic issues, was expected to be developed in 2004 and implemented in April 2005.

By August 2004, a farm-worker and farm-dweller policy was being developed to respond to the housing needs of rural communities. This included policy recommendations that will consider the economic, social and institutional sustainability of farm-worker settlements; the required institutional framework; the roles and responsibilities of implementing agencies; technical norms and standards; tenure security; suitable subsidy mechanisms; and legislative amendments.

Urban renewal

The Special Integrated Presidential Project for Urban Renewal was identified as one of the first Presidential Lead projects.

The aim of the Project was to kick-start development in major urban areas, focusing on violence-torn communities and those in crisis.

It was developed to ensure an integrated approach to the provision of infrastructure, housing, community and recreation facilities, and job opportunities. It aimed to transform previously disadvantaged communities and create sustainable and habitable living environments.

In addition, the Project has been viewed as an ideal opportunity to promote the business-planning concept and to give provincial governments the opportunity to improve co-ordination.

Several such projects within 31 communities have been identified as beneficiaries. The projects are:

- Eastern Cape: Duncan Village and Ibhayi
- Free State: Thabong
- Gauteng: Katorus
- KwaZulu-Natal: Cato Manor
- Limpopo: Mahwelereng
- Mpumalanga: Masoyi and Siyabuswa
- Northern Cape: Galeshewe
- North West: Molopo River Basin
- Western Cape: Integrated Service Land Project in the Cape Metropolitan Area.

These projects include the provision of housing, hostel and infrastructure (such as roads and the provision of electricity and street-lighting) upgrading, and the provision and upgrading of social infrastructure. The projects include child-care facilities, schools, clinics, sports fields, libraries, police stations, centres for the aged, post offices and playgrounds.

Providing areas for markets, community gardens and skills training creates opportunities for business development. These activities are planned and implemented in an integrated manner to ensure sustainable and habitable living environments.

Urban Upgrading and Development Programme (UUDP)

The UUDP is a joint bilateral undertaking between South Africa and Germany, which was established in 1994 between the national Department of Housing and German Technical Co-operation.

The Department is playing a key facilitation and co-ordination role in the implementation of the Programme in the Free State and Eastern Cape. Assistance to the two provinces and housing institutions has involved:

- support to the Masilonyana Municipality in the Free State in bridging the bufferzone by promoting the integration of the Masilo township with the former town through territorial marketing
- support for the implementation of the PHP projects in Mount Fletcher, Elliotdale and Tarkastad in the Eastern Cape
- support for the national review of the PHP by the PHPT
- the piloting of a municipal housing-sector plan as part of the Integrated Development Plan of the local municipality of Mohokare in the Free State.

By March 2004, the UUDP assisted:

- roughly 2 500 household beneficiaries of housing subsidies, through integrated planning, self-help and management of construction processes to gain a foothold in the urban economy by owning a transferable asset
- to fast-track the delivery of roughly 18 000 housing units within the framework of the Housing Support Programme without losing sight of quality
- to conceptualise and scale-up a national programme for educating thousands of prospective or existing house owners about citizens' rights and responsibilities as housing beneficiaries
- to empower 550 household beneficiaries of housing subsidies to grow the value of their national assets by investing more than R3 million in the upgrading and improvement of their houses
- to empower thousands of community members to gain a better understanding of housing policy so as to better articulate demand, make an

informed choice and be part of decision-making on appropriate delivery

- many of its staff and community members improving their understanding of urban service-delivery markets and filling up some of the delivery gaps with rare skills.

Settlement policy and urban development

In June 1996, South Africa made a commitment at the Habitat II Conference in Istanbul, Turkey, to implement the Habitat Agenda. The Agenda is the guiding international policy for human settlements.

The Department of Housing is charged with the responsibility of co-ordinating the implementation of the Agenda. To do this, national policies that support the principles and the vision of the Agenda should be in place.

The Urban Development Framework is essentially the key policy document that will guide the implementation of the Habitat Agenda in South Africa. Besides the Framework, the Department has taken the opportunity offered by the Global Urban Observatory, and initiated the Urban Indicators Programme and a Local Best Practice Strategy.

African Solutions Network, a website hosted by the Department, features:

- information about the African Solutions Conference and others in the region, which deal with issues relating to sustainable development
- contact details of individuals and organisations active in the field of sustainable human-settlement development
- a database of relevant good practices
- information on technologies, building material and practices that support sustainable human-settlement development
- links to relevant research databases to source the latest research relating to sustainable human settlement.

African Solutions Network also provides links to other websites and Internet resources.

Another initiative driven by the Department, which relates to Habitat II, is the Environ-

mentally Sound Low-Cost Housing Task Team. The Team has been tasked with promoting environmental efficiency in the housing sector, and is working

on the development of standards and guidelines, incentive programmes, a financing mechanism and general awareness-raising initiatives.

Acknowledgements

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Justice and correctional services

Administration of justice

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), is the supreme law of the country and binds all legislative, executive and judicial organs of the State at all levels of government.

In terms of Section 165 of the Constitution, the judicial authority in South Africa is vested in the courts, which are independent and subject only to the Constitution and the law.

No person or organ of State may interfere with the functioning of the courts, and an order or deci-

sion of a court binds all organs of State and persons to whom it applies.

The aim of the Department of Justice and Constitutional Development is to uphold and protect the Constitution and the rule of law, and to render accessible, fair, speedy and cost-effective administration of justice in the interest of a safer and more secure South Africa.

It performs its functions in conjunction with judges, magistrates, the National Director of Public Prosecutions (NDPP) and the Directors of Public Prosecutions (DPPs), who are independent.



Transformation of the justice system

During 1994/95, following the amalgamation of the national Department and the former homeland departments, consultative meetings with various stakeholders took place.

The result was Justice Vision 2000 – a strategic plan to transform the administration and implementation of justice and State legal affairs in South Africa.

Justice Vision 2000, which was launched in October 1997, identified seven key result areas, namely:

- the Department of Justice and Constitutional Development

- courts and other structures that administer justice
- crime, safety and security
- access to justice
- human resource development (HRD)
- the legal profession
- State legal and legislative services.

Since 1994, the Department has had numerous successes in these key result areas. Significant progress has been made with regard to employment equity, which has been funded to the amount of R1,642 million.

In 1994, of the 166 judges, there were 162 White males, two White females, three Black males and no Black female judges.

In 2003, there were 61 Black male, 12 Black female, 13 White female and 128 White male judges. Consisting of less than 2% Black judges in 1994, the judiciary was 34% Black by June 2004. Of the 53 new judges appointed since 1994, 89% were Black while the magistracy was nearly 50% Black and 30% female.

As far as the courts and service delivery are concerned, the Department's flagship project *Re Aga Boswa* (meaning We Are Restructuring/Rebuilding), is aimed at capacitating the courts and empowering them to perform to their full potential. The Model Court Blueprint has also been developed.

Mitchell's Plain in the Western Cape is the first court to benefit, and all future court planning and upgrading is being done in line with the Blueprint's prescribed minimum standards.

The Department has launched the Service-Delivery Improvement Programme (SDIP), which aims to integrate all initiatives dealing with improving court productivity and service delivery.

The most important aim of the Programme is to improve the experience and perception of the public with regard to the service being rendered by the court system. The intention is to develop a number of templates containing procedures for the implementation of the aspects of each project within the SDIP. Individual projects can then be implemented in phases.

The projects include the establishment of local Integrated Justice System (IJS) governance structures, the use of court-management information, case-flow management, plea-bargaining, pre-trial services, actions to reduce the number of awaiting-trial prisoners, video arraignment and court-user surveys.

The Department has also been instrumental in restructuring and transforming the various institutions and bodies involved in the administration of justice. These include the Legal Aid Board, the South African Law Reform Commission (SALRC), the Magistrate's Commission, the Board for Sheriffs and the Rules Board for Courts of Law.

Some of the major challenges the Department still faces include:

- aligning the court structure with the Constitution
- reducing case backlogs

- extending access to justice to the poorest and most remote areas
- re-engineering the maintenance system and the effective implementation of the Domestic Violence Act, 1998 (Act 116 of 1998),
- increasing capacity among justice personnel to effect service-delivery excellence, in line with the principles of *Batho Pele* (People First)
- promoting a culture of good governance and human rights in line with constitutional imperatives.

Restructuring of the Department

The Department of Justice and Constitutional Development is undergoing a restructuring process to:

- Improve service delivery to internal and external clients to enhance client satisfaction.
- Ensure that business is conducted efficiently and in a cost-effective manner, with the primary focus on courts and other services rendered to the State and the public. This includes improving productivity in the courts and making justice more accessible and affordable.

For the purpose of restructuring, the following core business units have been identified:

- Court Services
- Master's Offices
- Legal Services
- Legislative and Constitutional Development.

Various other units have been identified in support of these business units, namely:

- the Office of the Chief Financial Officer
- HRD
- Information and Systems Management, which includes Information Technology (IT) services
- Public Education and Communication.

In 2003/04, court managers were appointed to individual courts, freeing the judiciary from administrative functions and giving effect to the constitutional principle of the separation of powers. The realigned roles of clerks of the court and registrars will in future focus more on supporting cases through the various court processes.

The judiciary continues to play an active role in restructuring the court system. On the judiciary's agenda are moves towards a single judiciary and

judicial training syllabi, improving racial and gender representivity, and improving accountability and the judiciary's active participation in budgetary processes.

National Prosecuting Authority of South Africa (NPA)

The NPA structure includes the National Prosecuting Services (NPS), the Directorate: Special Operations (DSO), the Witness-Protection Programme, the Asset Forfeiture Unit (AFU) and specialised units such as the Sexual Offences and Community Affairs Unit, and the Specialised Commercial Crime Unit.

In terms of the NPA Amendment Act, 2000 (Act 61 of 2000), the DSO is a distinct and autonomous agency.

By the end of December 2003, the outstanding roll of cases for the District Courts were 149 539, 43 573 for the Regional Courts, and 1 012 for the High Courts. To address the issue of backlogs, Saturday and Additional Courts were introduced in 2001.

The NPA has made steady progress in achieving its priorities.

Between February 2001 and March 2004, a total of 75 214 cases were handled by these Courts. Some 72 Courts participated in the project during 2003. Some improvements were also realised with regard to court hours. During the same period, the conviction rate for Additional Courts was 84% for District Courts and 68% for Regional Courts; while in the Saturday Courts, it was 65% for District Courts and 76% for Regional Courts.

Additional Courts will be scaled down, while the Saturday Courts were to be operational until the end of September 2004, as courts are now reasonably resourced to deal with these cases in a permanent court arrangement.

The concept of Night Courts is being considered.

Office of the National Director of Public Prosecution

The Office of the NDPP is the head office of the NPA. The prosecuting authority vests in the NDPP. This authority has been delegated to other members of the NPA. They have the power to:

- institute and conduct criminal proceedings on behalf of the State
- carry out any necessary functions incidental to instituting and conducting such criminal proceedings
- discontinue criminal proceedings.

Directorate: Special Operations

The DSO pursues its objectives, and complies with its legislative mandate through the application of numerous legislative tools. In addition to the NPA Act, 1998 (Act 32 of 1998), other statutes include the Prevention of Organised Crime Act, 1998 (Act 121 of 1998), International Co-operation in Criminal Matters Amendment Act, 1996 (Act 75 of 1996), and the Extradition Amendment Act, 1996 (Act 77 of 1996).

The DSO is committed to the investigation of matters that are national in scope, and concentrates on those crimes that threaten national security and economic stability. The more complex and protracted the investigations and higher up the criminal target, the more appropriate the matter would be for DSO selection. In many instances, these high-impact investigations fall outside the scope and capacity of the South African Police Service (SAPS).

The DSO pioneered a new approach, which combines intelligence, investigation and prosecution. With the DSO's success in high-profile cases, public confidence grew in the Directorate's ability to impact on organised crime. Money laundering and racketeering were added to its priorities and the DSO succeeded in obtaining the first-ever convictions for racketeering in South Africa.

By February 2004, the DSO had completed 653 cases, comprising 273 investigations and 380 prosecutions.

Of the 380 prosecutions, 349 resulted in convictions, representing an average conviction rate of 93,1%. At the beginning of 2004, there were 588 ongoing cases (investigations and prosecutions).

Asset Forfeiture Unit

In terms of chapters 5 and 6 of the Prevention of Organised Crime Act, 1998, the AFU can seize and

forfeit property that was bought from the proceeds of crime, or property that has been used to commit a crime.

The AFU has two major strategic objectives, namely to:

- develop the law by taking test cases to court and creating the legal precedents necessary to allow for the effective use of the law
- build capacity to ensure that asset forfeiture is used as widely as possible to make a real impact in the fight against crime.

The use of asset forfeiture to fight crime has been one of government's most important innovations.

Since 1999, the AFU has had a success rate of more than 91%.

The AFU is ensuring that the powers contained in the Prevention of Organised Crime Act, 1998 to seize criminal assets, are used to maximum effect. In the last nine months of 2003/04, the AFU returned more than R100 million to victims of crime and froze assets valued at R78 million, involving more than 170 cases.

Special Investigating Unit (SIU or Scorpions)

In the last nine months of the 2003/04 financial year, the Scorpions confiscated drugs worth more than R1,2 billion.

The SIU has highlighted the benefits of its multi-disciplinary approach through its work with bodies such as the AFU, the SAPS and the DSO. During 2002/03, the SIU made significant savings and recoveries to the value of R123,1 million. This consisted of savings and preventions of R88,8 million, and R34,3 million in cash recoveries.

Sexual Offences and Community Affairs Unit

This Unit focuses on violent and indecent offences committed against women and children, family violence, and child support and justice. It ensures that these cases are prioritised, monitors the quality of delivery and ensures that victims and witnesses receive decent treatment in courts.

The Unit also seeks to improve the investigation and prosecution of rape cases.

The Department of Justice and Constitutional Development, in conjunction with the SAPS and the departments of Social Development and of Health, have established several *Thuthuzela* Care Centres for victims of sexual offences.

These multi-purpose Centres render the services of these departments to communities where these services either do not exist, or do exist but are not easily accessible (especially in rural areas).

The Centres are situated at Thembaletu (George, Western Cape), Nsimbi (Umbumbulu, KwaZulu-Natal), Leboeng (Praktiseer, Limpopo), Khutsong (Oberholzer/Carletonville, Gauteng), Tshidilamolomo (Molopo, North West) and Centane (Eastern Cape).

Other Centres receiving attention are Thabong (Welkom, Free State) and Augrabies (Kakamas, Northern Cape).

Sexual Offences Courts

The fight against sexual offences is a national priority. The Department is providing facilities at courts where child witnesses, especially in child-abuse cases, can testify in a friendly and secure environment without the risk of being intimidated.

New child-witness rooms are furnished with one-way glass partitions adjacent to the courtrooms. Where it is impossible to provide such rooms in existing buildings, other rooms away from the courts are utilised by providing a closed-circuit television link.

Intermediaries act as buffers against hostile and potentially protracted cross-examinations of child witnesses in an open court, particularly necessary in cases of sexual victimisation. Most intermediaries are social workers by profession, and fulfil their intermediary functions on a part-time basis or as volunteers. Given the specialised nature of the work and the scarcity of the resource, the Department has decided to appoint about 30 full-time intermediaries. The Draft Criminal Law (Sexual Offences) Amendment Bill, 2003 aims to provide intermediaries to all vulnerable witnesses in sexual-offence cases.

The performance of the special Sexual Offences Courts improved during the first three quarters of

2003/04. The number of cases finalised rose from 1 814 to 2 998.

This corresponds with the increase in the roll-out of these special Courts. The conviction rate of 62% in these Courts in 2003/04 exceeded the *2002 Estimates of National Expenditure* target of 60%.

By May 2004, 50 Sexual Offences Courts had been established countrywide. During the next five years, government aims to establish at least 10 such Courts a year.

National Prosecuting Services

The mission of the NPS is to raise the levels of productivity in the NPA and make it efficient and credible.

It has to ensure proper planning of court rolls, prioritisation, proper preparation and arrangement for all cases to be heard, and the avoidance of unreasonable delays.

By mid-2003, IJS Court Centres had been established at 47 lower courts throughout the country. The IJS Project has resulted in improved case preparation and reduced case-cycle times. Court statistics show that the average cycle time of cases has declined from 110 to 74 days. The Court Management Information System (MIS) reports aspects such as the number of cases finalised per courtroom and per judicial officer, cases withdrawn as a proportion of cases disposed of, and the number of new cases per courtroom and per judicial officer. Encouraged by the initial results, the Department has extended the Southern Gauteng Pilot Project to the rest of the courts in Gauteng and all the courts that have IJS Court Centres.

Specialised Commercial Crime Unit

The Pretoria-based Specialised Commercial Crime Unit was established in 1999 to bring specialisation to the investigation, prosecution and adjudication of commercial crimes.

Three new courts and offices were established in the Johannesburg and Pretoria central business districts for specialised commercial crime cases.

The Johannesburg and Pretoria courts will eventually be followed by similar courts in Durban and Cape Town.

Before the establishment of Specialised Commercial Crime Courts, only 6% of all perpetrators prosecuted were convicted, compared with the 23% conviction rate at the Pretoria Court.

The Specialised Commercial Crimes Unit achieved a conviction rate of more than 95% in 2002.

Witness-Protection Programme

The Office for Witness Protection falls under the auspices of the NPA. The Office is responsible for the protection of witnesses in terms of the Witness Protection Act, 1998 (Act 112 of 1998), and its regulations.

It also makes provision for placing a person related to the witness under protection at the request of the witness, prospective witness or a person who has given evidence or is required to give evidence in criminal proceedings or before a commission of inquiry.

The Programme does not offer incentives such as those offered by the SAPS to witnesses of serious crimes.

Instead, the Programme offers sustenance in the form of a food allowance; replacement of salary if employment has been lost; free accommodation, including all municipal services; a clothing allowance; transport; a housing allowance for school-going children; medical expenses, etc.

Community Courts

During 2003/04, the Department delivered new court buildings in communities at an unprecedented rate.

President Thabo Mbeki announced in the State of the Nation Address in May 2004 that government would establish at least two Community Courts in each of the nine provinces in the 2004/05 financial year.

These Courts will be modelled on the Hatfield Community Court in Pretoria.

The Court focuses on the appropriate handling of lower court cases from the area, specifically offences such as handbag and cellphone theft, offences relating to drug and alcohol abuse, municipal by-law offences and petty offences.

Courts for Income Tax Offenders

In October 1999, the South African Revenue Service (SARS) opened a criminal courtroom at the Johannesburg Magistrate's Office dedicated to the prosecution of tax offenders. The court deals only with cases concerning failure to submit tax returns or to provide information requested by SARS officials. It does not deal with bigger cases such as tax fraud.

Another SARS court is operating twice a week at the Magistrate's Office in Roodepoort.

Discussions to decentralise and expand such courts to the bigger centres in the country have taken place between SARS and the Department of Justice and Constitutional Development. These courts will be established on request of SARS.

Family Court Pilot Project

A specialised Family Court structure and extended Family Advocate services are priority areas for the Department.

The establishment of Family Courts in South Africa is motivated by three broad aims, namely to:

- provide wide and specialised protection and help to the family as the fundamental unit in society
- bring about access to justice for all in family disputes
- improve the quality and effectiveness of service delivery to citizens who have family law disputes.

The Family Court Blueprint recommended that 17 interim projects be established to strengthen the existing pilot projects. The Department is implementing these recommendations as part of the Courts' restructuring.

As part of the Department of Justice and Constitutional Development's aim of prioritising and improving services to vulnerable groups such as women and children, the services rendered by the Family Courts in Durban, Cape Town, Port Elizabeth, Lebowakgomo and Johannesburg are being improved. The Department planned to legislate the Family Court concept in 2004/05, and to roll-out the pilot project to other court districts.

Municipal Courts

Municipal Courts are being set up in the larger centres of South Africa in conjunction with municipalities.

They are Magistrate's Courts but deal only with traffic offences and contraventions of municipal by-laws.

They are set up in a partnership agreement in that administrative and infrastructural support is supplied by the municipality, while magistrates are provided by the Magistrate's Commission, with the support of the Department.

By mid-2004, Pretoria, Port Elizabeth, Nelspruit and Potchefstroom were receiving attention, with one court envisaged per province.

These Courts assist in addressing the backlogs and severe workloads of the other lower courts.

The establishment of Municipal Courts to hear traffic and municipal cases frees the criminal courts to attend to their core function.

Equality Courts

The role of Equality Courts, which are to be rolled out countrywide, is to enforce the provisions of the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act 4 of 2000).

The Act outlaws unfair discrimination and allows for the creation of Equality Courts within the Magistrate's and High Courts, each to be presided over by an Equality Court presiding officer.

The Act further authorises the Minister of Justice and Constitutional Development to appoint an Equality Review Committee to monitor the implementation of the Act's provisions.

By May 2004, 220 Equality Courts were in operation. By mid-2004, 75 cases had been heard, including 31 complaints of racial discrimination; 23 of hate speech; 17 of sexual harassment; and four of discrimination against people with HIV and AIDS.

A monitoring and evaluation system for these cases has been established.

More than 800 magistrates have been trained in equality matters. The training will be extended to include more magistrates so as to ensure that all Equality Courts have a sufficient number of trained presiding officers.

State Legal Services

State Legal Services provides government with legal services and facilitates constitutional amendments through three subprogrammes.

- State Legal Services provides for the work of the State Attorney and State law advisers. The former acts as attorney, notary and conveyancer for government. State law advisers provide legal opinions, scrutinise and amend international agreements, draft legislation and attend relevant Parliamentary Portfolio Committees as legal advisers for all national departments. The Department's resolution to centralise all legal services in the Legal Advisory Services component has gained momentum. The component hosts the National Forum Against Racism and facilitates South Africa's participation in the International Court for Criminal Justice.
- From 1 April 2003 to 30 November 2003, 21 pieces of legislation were introduced in Parliament. Eight of these were passed. This compared well with 2002/03, when 14 pieces of legislation were passed. Plans to establish a Constitutional Litigation Unit in the Department to litigate on constitutional matters on behalf of government, are at an advanced stage.
- The Master of the High Court is responsible for the administration of deceased and insolvent estates, companies and close corporations in liquidation, trusts and the Guardian's Fund, as well as the property of minors, persons under curatorship and absent persons.

Human rights

Human rights, in terms of Chapter Two (Bill of Rights) of the Constitution, bind all legislative and executive bodies of State at all levels of government.

They apply to all laws, administrative decisions taken, and acts performed during the period in which the Constitution is in force. In terms of the Constitution, every person has basic human rights such as:

- freedom from discrimination
- a right to life.

Crime prevention

The Department of Justice and Constitutional Development is one of the four core departments in

the Justice, Crime Prevention and Security (JCPS) Cluster that has been tasked with the implementation of the National Crime Prevention Strategy (NCPS). This is government's official strategy to combat, control and prevent crime. (See chapter 17: *Safety, security and defence*.)

The main responsibilities of the Department in the implementation of the NCPS are:

- promoting legislation to create an effective criminal justice system (CJS)
- creating an effective prosecution system
- creating an effective court system for the adjudication of cases
- co-ordinating and integrating the departmental activities of all role-players involved in crime prevention.

Integrated Justice System

In recent years, departments within the JCPS Cluster have taken significant steps towards modernising and integrating the CJS. Following government's approval of the NCPS in 1996, the IJS Board was formed in 1997 to integrate the activities of departments in the Cluster in a co-ordinated manner.

The IJS Programme, approved in 2002, aims to increase the efficiency and effectiveness of the entire criminal justice process by increasing the probability of successful investigation, prosecution, punishment for priority crimes and ultimately rehabilitation of offenders.

A second version of the IJS Programme was published in May 2003.

Issues that are receiving specific attention include overcrowding of prisons and awaiting-trial prisoner problems (currently dealt with by the Department of Correctional Services), as well as bail, sentencing and plea-bargaining (currently dealt with by the Department of Justice and Constitutional Development).

During the latter half of 2002, the IJS Board initiated a process to co-ordinate and align activities beyond the IJS Programme. In response to this, a development committee was established in 2003

and mandated to align the shared objectives of the Cluster departments.

The JCPS has structured itself to focus on two main areas of responsibility, namely operational and developmental issues relating to the justice system, and improved safety and security of citizens.

The Development Committee is mandated to align and co-ordinate Cluster activities across the various departments, with the ultimate aim of improving service delivery, policy co-ordination and planning.

It consists of senior representatives from each of the partner departments participating in the IJS and is chaired by the Department of Justice and Constitutional Development. The National Treasury, the judiciary and the Department of Home Affairs are also represented on the Development Committee.

Based on the existing priorities of the JCPS Cluster, together with government's *Towards a 10-Year Review*, the Development Committee has drafted its first programme plan and identified the following primary objectives:

Modernisation of the justice system

This includes the establishment of proper governance structures, effective monitoring mechanisms based on proper review findings, as well as the integration and automation of the justice system.

Key projects already receiving attention are:

Criminal Justice Review Commission

The July 2003 Cabinet *Lekgotla* identified, as one of government's priorities, the need for a comprehensive audit and review of the CJS. The review is intended to look at how the CJS works and to establish whether processes underway and steps undertaken are feasible and in line with international best practice.

Integration and automation of the Criminal Justice System

While each department within the JCPS Cluster must have its own Information Technology (IT) Plan to achieve the vision, mission and departmental specific objectives, the IJS Board co-ordinates the

broader, shared duty to integrate the information flow throughout the CJS.

This governing body provides critical leadership in IJS strategic planning. Its initial responsibilities include articulating a vision, defining the scope and establishing objectives for the integrated System.

Key activities include:

- aligning business processes
- establishing a Centre of Excellence (CoE)
- rolling out a CoE Model (ongoing activity)
- establishing business intelligence
- establishing and maintaining a programme management and support capability.

Effective and efficient management of cases and persons through the justice chain

This goal focuses specifically on women, children and vulnerable groups, as well as improved court and case administration. Key projects include:

Child justice

Key activities include:

- implementing the Child Justice Bill, once enacted
- trend analyses of children at risk and in custody
- a plan of action to fast-track the processing of children in the justice system
- standardising diversion programmes for children
- reviewing 60 places of safety and secure-care facilities
- establishing one-stop Child Justice Centres – at least one in each province
- training in restorative justice and family-group conferencing.

Victim Empowerment Programme (VEP)

This Programme aims to improve services rendered to victims of crime.

Establishment of specialist courts

Immediate priorities are the establishment of Special Commercial Crimes Courts and Sexual Offences Courts. Priority Crime Courts will be established based on a proper needs and impact analysis of crime statistics.

Integrated Justice System Court Centres

The IJS Court Centres provide an IT-driven system to facilitate co-ordination between the IJS partners around case-flow management, and ensure the development of case-management capacity at court level.

Some 46 Court Centres have been established, which has led to reductions in case cycle times, increased court hours, increased number of cases finalised, reductions in awaiting-trial prisoners and reductions in outstanding court rolls.

The Court MIS has been extended to include all the courts in southern Gauteng as well as IJS Court Centres.

The System was expected to be rolled out to courts in 2004/05.

Effective and efficient cluster co-ordination and co-operation

This includes the establishment of structures at provincial, area, and local levels to further promote co-operation and co-ordination between cluster departments.

The Integrated Case-Flow Management Project seeks to unblock blockages in the flow of cases through the court system to ensure expedient case handling.

It necessitates the redefinition of the role of Registrars of Courts and the introduction of Registrar's posts at lower courts to focus on case processing, improving the services of language practitioners, and facilitating the introduction of a case-flow management system to assist the judiciary and other role-players in managing the workload effectively.

The new court structures provide for a dedicated capacity to take responsibility for case-flow management to ensure that case backlogs and cycle times are addressed separately from matters pertaining to facilities management.

Saturday and Additional Courts

To increase the capacity of existing resources, reduce the number of outstanding cases on the roll, and shorten the cycle time of cases in the court

process, 72 courts participated in this project during 2003.

Children awaiting trial

As part of the Overcrowding Task Team's work, the Intersectoral Child Justice Steering Committee has developed a plan of action to fast-track children through the justice system, including an interim protocol for the management of children awaiting trial.

A Standardisation of Diversion Programmes for Children workshop took place on 18 February 2004. The first report was expected in November 2004.

The Department assisted the Department of Education with the development of a protocol to deal with detained children awaiting placement in reform schools. Intersectoral co-operation is facilitated to improve progress in this regard.

The NPA is fast-tracking cases involving detained children awaiting trial.

Intersectoral planning for the implementation of the Child Justice Bill continues. In anticipation of the Bill, the establishment of Integrated Child Justice Centres continued.

These Centres provide an integrated, intersectoral one-stop focal point for children in trouble with the law.

Children's Courts, on the other hand, concentrate on the social-welfare needs of abused and neglected children, requiring close interaction between the social welfare and the justice sectors.

The Department of Justice and Constitutional Development will receive R7,0 million per year from 2004 to 2007 to enable it to fulfil its obligations in terms of the Child Justice Bill.

e-Justice Programme

The e-Justice Programme supports the fundamental reforms necessary to establish a more fair, accessible and efficient justice system in South Africa.

The purpose of the e-Justice Programme is to reform and modernise the administration and delivery of justice through re-engineering work processes by using technologies, strengthening strategic planning and management capacity, organisational development and human resource interventions.

The multi-year Programme was launched in 2000 and comprises the following specialised projects:

Court Process Project (CPP)

The CPP is one of the keystone projects of the e-Justice Programme.

The CPP incorporates the flow of processes that affect departments in the IJS, namely the departments of Safety and Security, Correctional Services, Social Development, Justice and Constitutional Development, as well as the NPA.

The CPP essentially seeks to re-engineer the way in which court services are delivered and is aimed at providing courts with the necessary tools to deal with both caseloads and general management in a more effective manner. This Project also links, for the first time, the police, prosecutors, courts, prisons and social-welfare facilities at selected pilot sites.

The CPP will bring innumerable benefits to all justice officials as well as society at large. These include:

- improved administration and tracking of dockets and case files
- reduced delays leading up to trials
- reduced duplication of data entry
- improved access to information
- timeous notification of events
- verification of identities
- reduced number of lost case dockets
- reduced postponement of cases due to misplaced files/exhibits
- improved administration of prisoner admissions and releases
- improved docket/exhibit administration.

The CPP, which was initiated in 2000, was the first project to deal with an integrated criminal case-management system as well as a civil solution. The Project was the first serious attempt to bring advanced IT functionality and support to the courts.

Digital Nervous System (DNS)

The aim of this project is to deploy IT infrastructure and related services to the Department of Justice and Constitutional Development.

Since the project's inception in 2000, more than 7 000 officials have been provided with basic IT infrastructure.

Financial Administration System (FAS)

The FAS is tasked with automating and administering trust accounts in the Magistrate's Courts, the State Attorneys' offices, and the Guardian's Fund in the Master's Offices. The FAS comprises the following projects:

- The Guardian's Fund administers monies kept in trust for persons including minors, State patients, unborn heirs, and persons having usufructuary, fiduciary or fideicommissary interests.
- The Justice Deposit Account System administers monies received at court in lieu of maintenance, bail, admission of guilt, civil cases, contributions, court cases and estates.
- The State Attorneys' System assists State Attorneys with registering and administering case files, collecting money and administering payments to applicable parties, and the handling of litigation processes.
- The Masters' Administration System for Estates and Insolvencies enables officials to manage cases and track records. It has also resulted in better service delivery through quick and efficient response times to queries.

Legislation

The Legislative and Constitutional Development Unit is responsible for promoting, maintaining and developing the Constitution and its values by researching, developing and promoting appropriate legislation.

It includes research activities of the SALRC, which involve extensive reviews of wide areas of law and legal practice.

The Constitutional Development component of the Unit is, among other things, responsible for promoting the independence and effectiveness of Chapter 9 institutions and administering the Constitution, which includes monitoring the implementation of the Constitution and the Bill of Rights.

The Legislative component of the Unit is, among other things, responsible for researching, developing and promoting appropriate legislation.

The main function of the component is to promote new or amended legislation through the Parliamentary process.

Between 1994 and 2004, the Department promoted more than 108 Bills. The Department's legislative programme was dominated by three main themes, namely, legislation to give effect to the spirit of the constitutional dispensation, legislation to address the crime problem prevailing in South Africa, and legal reform.

The most important pieces of legislation promoted in recent years include the following:

Maintenance Act, 1998 and the Domestic Violence Act, 1998

The Department implemented the Maintenance Act, 1998 (Act 99 of 1998), and the Domestic Violence Act, 1998 in November 1999 to make a difference in the lives of vulnerable women and children.

By mid-2004, maintenance investigators had been appointed at 62 Maintenance Courts. It was envisaged that 122 more investigators would be appointed in 2004/05, as well as 100 maintenance clerks in hot-spot courts.

Promotion of Access to Information Act, 2000

The Promotion of Access to Information Act, 2000 (Act 2 of 2000), grants the right of access to information referred to in Section 32 of the Constitution.

The Act generally promotes the transparency, accountability and effective governance of all public and private bodies.

Promotion of Administrative Justice Act, 2000

The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000), is aimed at the provision of lawful, reasonable and procedurally fair administrative action as contemplated in Section 33 of the Constitution.

Promotion of Equality and Prevention of Unfair Discrimination Act, 2000

The objectives of the Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 include prevention and prohibition of unfair discrimination, redress for discrimination, promotion of equality, and progressive eradication of discrimination.

In 2003/04, some 220 Magistrate's Courts were designated as Equality Courts.

Constitution of the Republic of South Africa Amendment Act, 2001

The Constitution of the Republic of South Africa Amendment Act, 2001 (Act 34 of 2001), amends the Constitution so as to change the title of the President of the Constitutional Court (CC) to that of Chief Justice; provide for the Offices of the Deputy Chief Justice, President of the Supreme Court of Appeal and Deputy President of the Supreme Court of Appeal; and provide for the extension of the term of office of a Chief Justice. The Amendment Act also makes provision for municipal borrowing powers, and to enable a municipal council to bind itself and a future council in the exercise of its legislative and executive authority to secure loans or investments for the municipality concerned.

Child Justice Bill

The proposed Child Justice Bill will create a new system for dealing with children accused of crimes that will:

- set a minimum age of criminal capacity
- ensure individual assessment of each child
- establish procedures to divert as many children as possible away from courts and institutions
- set up new Child Justice Courts with trained personnel
- provide a creative range of sentencing options
- develop a system of review and monitoring.

The Bill encourages the release of children into the care of their parents and entrenches the constitutional injunction that prison should be considered as the last resort.

The Child Justice Bill was presented to the Portfolio Committee on Justice and Constitutional Development on 20 February 2003.

Amendments to the Bill were made at the request of the Portfolio Committee. Although substantial redrafting of certain sections has been requested, the main policy direction of the Child Justice Bill remains intact.

Updated costing and implementation planning of the Bill was done for submission to the Portfolio

Committee on Justice and Constitutional Development in August 2004.

It was expected that the Bill would be passed before the end of 2004.

Constitution of the Republic of South Africa Amendment Bill, 2003

The Bill amends the Constitution in two respects:

- provision is made for a single High Court of South Africa, consisting of the divisions, with the areas of jurisdiction, as determined by an Act of Parliament
- provision is made for the appointment of a second Deputy President for the Supreme Court of Appeal.

The amendments contained in the Bill are required to constitutionally sanction certain corresponding provisions of the Superior Courts Bill, 2003.

The Superior Courts Bill will largely be giving effect to Item 16(6) of Schedule 6 to the Constitution, in terms of which all courts must be rationalised to establish a judicial system suited to the requirements of the Constitution.

It aims to rationalise and consolidate laws pertaining to the CC, the Supreme Court of Appeal and the High Courts, referred to collectively as the Superior Courts. It will also merge the Labour Court and the Labour Appeal Court with the proposed High Court of South Africa and the Supreme Court of Appeal, respectively.

Compulsory HIV-Testing of Alleged Sexual Offenders Bill, 2003

The purpose of the Bill is to provide a speedy and uncomplicated mechanism whereby a victim of a sexual offence can apply to have the alleged offender tested for HIV and have the test results disclosed to the victim.

The Bill emanates from the SALRC's fourth interim report on *Aspects of the Law Relating to AIDS*. In its report, the Commission noted the vulnerability of women and children being infected with HIV as a result of rape and other sexual offences.

In accordance with the Bill, the HIV-testing of the alleged offender should take place within a specific period after the alleged sexual offence

was committed. The victim, or any interested person on behalf of the victim, may apply to a magistrate for an order that the alleged offender be tested for HIV.

The application may also be made as soon as possible after a charge has been laid, and may be made before or after an arrest.

Criminal Law (Sexual Offences) Amendment Bill

The Criminal Law (Sexual Offences) Bill emanates from an investigation by the SALRC. The aim of the Bill is to address mounting public concern about the high levels of rape and other sexual offences in South Africa.

According to statistics released by the Crime Information Analysis Centre of the SAPS in September 2004, 52 733 rape cases were reported in 2003/04.

The Bill was adopted for submission to Parliament in July 2003.

Amendments to the Bill were made on the request of the Portfolio Committee. The Bill was expected to be passed before the end of 2004.

Constitution of the Republic of South Africa Amendment Act, 2003

The Constitution of the Republic of South Africa Amendment Act, 2003 (Act 2 of 2003), amended the Constitution of the Republic of South Africa to provide for the floor-crossing of members of political parties.

Public Protector Amendment Act, 2003

The Public Protector Act, 1994 (Act 23 of 1994), provides for the appointment of Deputy Public Protectors by the Cabinet member responsible for the administration of justice. There have been arguments that this erodes the independence of that office, as such a person (Deputy Public Protector) may eventually assume the duties of the Public Protector. The Act amended the principal Act so as to provide that only one Deputy Public Protector be appointed, and that he/she, as is the case with the Public Protector, be appointed by the President with the involvement of Parliament. The Act also contains

amendments to the principal Act relating to the Office of the Public Protector, and regulates the remuneration and other terms and conditions of employment, vacancies in office, and removal from office of the Deputy Public Protector.

Criminal Procedure Amendment Act, 2003

The Amendment Act, 2003 (Act 42 of 2003), amends the Criminal Procedure Act, 1977 (Act 51 of 1977), to among other things, introduce leave to appeal and petition procedures in respect of decisions of the lower courts.

Prevention and Combating of Corrupt Activities Act, 2004

The Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004), provides, among other things, for the strengthening of measures to prevent and combat corruption and corrupt activities.

Court and other legal structures

Constitutional Court

The CC is situated in Johannesburg and is the highest court in all constitutional matters. It deals only with constitutional matters and issues connected with decisions on constitutional matters, including whether Acts of Parliament and the conduct of the President and Executive are consistent with the Constitution, including the Bill of Rights. Its decisions are binding on all persons, including organs of State, and on all other courts. The Court consists of the Chief Justice of South Africa, the Deputy Chief Justice and nine other justices. Justice Arthur Chaskalson is the Chief Justice and Justice Pius Langa is the Deputy Chief Justice.

President Thabo Mbeki officially opened the new building housing the CC on Human Rights Day, 21 March 2004.

The new Court building forms part of the new Constitutional Hill precinct, which is built on the site of Johannesburg's notorious old Fort Prison complex.

The precinct, which is open to members of the public, aims to tell South Africa's story of transition and democracy. (See chapter 5: *Arts and culture*.)

Supreme Court of Appeal

The Supreme Court of Appeal, situated in Bloemfontein, in the Free State, is the highest court in respect of all other matters. It is composed of the President and Deputy President of the Supreme Court of Appeal and a number of judges of appeal determined by an Act of Parliament. The Supreme Court of Appeal has jurisdiction to hear and determine an appeal against any decision of a High Court.

Decisions of the Supreme Court of Appeal are binding on all courts of a lower order, and the decisions of the High Courts are binding on Magistrate's Courts within the respective areas of jurisdiction of the divisions.

High Courts

In terms of Item 16(6)(a) of Schedule 6 to the Constitution, 'all courts, their structure, composition, functioning and jurisdiction, and all relevant legislation, must be rationalised with a view to establishing a judicial system suited to the requirements of the Constitution'. The Minister of Justice and Constitutional Development must, after consultation with the Judicial Service Commission (JSC), manage this process.

There are 10 court divisions: Cape of Good Hope (with its seat in Cape Town), Eastern Cape (Grahamstown), Northern Cape (Kimberley), Orange Free State (Bloemfontein), Natal (Pietermaritzburg), Transvaal (Pretoria), Transkei (Umtata), Ciskei (Bisho), Venda (Sibasa), and Bophuthatswana (Mmabatho). Each of these divisions, with the exception of Venda, is composed of a Judge President and, if the President so determines, one or more Deputy Judges President, and as many judges as the President may determine from time to time.

There are also three local divisions: the Witwatersrand Local Division (Johannesburg), Durban and Coast Local Division (Durban) and South-Eastern Cape Division (Port Elizabeth). These courts are presided over by judges in the provincial courts concerned.

A provincial or local division has jurisdiction in its own area over all persons residing or present in that area. These divisions hear matters that are of such a serious nature that the lower courts would not be competent to make an appropriate judgment or impose a penalty. Except where minimum or maximum sentences are prescribed by law, their penal jurisdiction is unlimited and includes life imprisonment in certain specified cases.

Decisions of the CC, the Supreme Court of Appeal and the High Courts are an important source of law. These Courts are required to uphold and enforce the Constitution, which has an extensive Bill of Rights binding all organs of State and all persons. The Courts are also required to declare any law or conduct that is inconsistent with the Constitution to be invalid to the extent of that inconsistency, and to develop the common law in a manner consistent with the values of the Constitution and the spirit and purpose of the Bill of Rights.

The Land Claims Court and the Labour Court have the same status as the High Court. The Land Claims Court hears matters on the restitution of land rights that people lost after 1913 as a result of racially discriminatory land laws. The Labour Court adjudicates matters relating to labour disputes, and appeals are made to the Labour Appeal Court.

By mid-2003, the Department was engaged in consultations with the judiciary and key stakeholders regarding the rationalisation of the High Courts in terms of the Superior Courts Bill. The objective is to ensure that High Courts are distributed in accordance with political and constitutional boundaries.

The Superior Courts Bill and the Constitutional Amendment Bill were tabled before the Portfolio Committee on Justice and Constitutional Development during 2004.

The Superior Courts Bill is intended to rectify legal discrepancies by rationalising the former Supreme Court of South Africa and the High Courts of the former Transkei, Bophuthatswana, Venda and Ciskei states. It also deals with the integration of the Labour Court and Labour Appeal Court into the High Court system.

The Bill was expected to be passed in 2004.

Circuit local divisions

These are itinerant courts, each presided over by a judge of the provincial division. These courts periodically visit areas designated by the Judge President of the provincial division concerned.

Regional Courts

The Minister of Justice and Constitutional Development may divide the country into magisterial districts and create regional divisions consisting of districts. Regional Courts are then established at one or more places in each regional division to hear matters within their jurisdiction.

Unlike the High Court, the penal jurisdiction of the Regional Courts is limited by legislation.

Magistrate's Courts

Magisterial districts have been grouped into 13 clusters headed by chief magistrates. This system has streamlined, simplified and provided uniform court-management systems applicable throughout South Africa, in terms of judicial provincial boundaries. It facilitated the separation of functions pertaining to the judiciary, prosecution and administration; enhanced and developed the skills and training of judicial officers; optimised the use of the limited available resources in an equitable manner; and addressed the imbalances in the former homeland regions. The Department now communicates through cluster heads.

In terms of the Magistrates Act, 1993 (Act 90 of 1993), all magistrates in South Africa fall outside the ambit of the Public Service. The aim is to strengthen the independence of the judiciary. Although the Regional Courts have a higher penal jurisdiction than Magistrate's Courts (District Courts), an accused person cannot appeal to the Regional Court against the decision of a District Court, only to the High Court.

By March 2003, there were 370 magistrate's offices, 51 detached offices, 107 branch courts and 234 periodical courts in South Africa, with 1 776 magistrates.

Civil jurisdiction

Except when otherwise provided by law, the area of

civil jurisdiction of a Magistrate's Court is the district, subdistrict or area for which the Court has been established. South African law as applied in the Western Cape is in force on Prince Edward and Marion islands which, for the purpose of the administration of justice, are deemed to be part of the Cape Town magisterial district.

On 1 May 1995, the civil jurisdictional limits of Magistrate's Courts were increased for both liquid and illiquid claims, from R50 000 and R20 000 respectively, to R100 000. In addition to the considerable increase, the previous distinction between jurisdictional limits with regard to the different causes of action was abolished.

Unless all the parties in a case consent to higher jurisdiction, the jurisdiction of a Magistrate's Court is limited to cases in which the claim value does not exceed R100 000 where the action arises out of a liquid document or credit agreement, or R50 000 in all other cases.

Small Claims Court

The limit of cases involving civil claims heard by the Small Claims Court was increased from R3 000 to R7 000 with effect from 1 April 2004.

By June 2004, there were 152 Small Claims Courts throughout the country.

The Commissioner of Small Claims is usually a practising advocate or attorney, a legal academic or other competent person, who offers his/her services free of charge.

Neither the plaintiff nor the defendant may be represented or assisted by counsel at the hearing. The Commissioner's decision is final and there is no appeal to a higher court.

Other civil courts

An authorised African headman or his deputy may hear and determine civil claims arising from indigenous law and custom, brought before him by an African against another African within his area of jurisdiction. Courts constituted in this way are commonly known as Chief's Courts. Litigants have the right to choose whether to institute an action in the Chief's Court or in a Magistrate's Court.

Proceedings in a Chief's Court are informal. An appeal against a judgment of a Chief's Court is heard in a Magistrate's Court.

Criminal jurisdiction

Apart from specific provisions of the Magistrate's Courts Act, 1944 (Act 32 of 1944), or any other Act, jurisdiction with regard to sentences imposed by District Courts is limited to a period of not more than three years' imprisonment or a fine not exceeding R60 000. The Regional Court can impose a sentence of not more than 15 years' imprisonment or a fine not exceeding R300 000.

Any person charged with any offence committed within any district or regional division may be tried either by the Court of that district or the Court of that regional division. Where it is uncertain in which of several jurisdictions an offence has been committed, it may be tried in any of such jurisdictions.

Where, by any special provision of law, a Magistrate's Court has jurisdiction over an offence committed beyond the limits of the district or regional division, the Court will not be deprived of such jurisdiction.

A Magistrate's Court has jurisdiction over all offences except treason, murder and rape. The Regional Court has jurisdiction over all offences except treason. However, the High Court may try all offences. Depending on the gravity of the offence and circumstances pertaining to the offender, the DPP decides in which court a matter will be heard. He/she may even decide on a summary trial in the High Court.

Prosecutions are usually summarily disposed of in Magistrate's Courts, and judgment and sentence passed. The following sentences may, where provided for by law, be passed upon a convicted person:

- imprisonment
- periodical imprisonment
- declaration as a habitual criminal (Regional Court and High Court)
- committal to an institution established by law
- a fine with or without imprisonment as an alternative, correctional supervision or a suspended sentence
- declaration as a dangerous criminal (Regional Court and High Court)

- a warning or caution
- discharge.

The sentencing of 'petty' offenders to do community service as a condition of suspension, correctional supervision or postponement in appropriate circumstances has become part of an alternative sentence to imprisonment.

Where a court convicts a person of any offence other than one for which any law prescribes a minimum punishment, the court may, at its discretion, postpone the passing of sentence for a period not exceeding five years and release the person convicted on one or more conditions, or pass sentence but suspend it on certain conditions.

If the conditions of suspension or postponement are not fulfilled, the offender may be arrested and made to serve the sentence. This is done provided that the court may grant an order further suspending the operation of the sentence if the offender proves that circumstances beyond his or her control or any other good and sufficient reason prevented him or her from complying with the conditions of suspension.

Other criminal courts

In terms of statutory law, jurisdiction may be conferred upon a chief or headman or his deputy to punish an African person who has committed an offence under common law or indigenous law and custom, with the exception of certain serious offences specified in the relevant legislation. The procedure at such trials is in accordance with indigenous law and custom. The jurisdiction conferred upon a chief and a magistrate does not affect the jurisdiction of other courts competent to try criminal cases.

Legal practitioners

The legal profession is divided into two branches – advocates and attorneys – who are subject to a strict ethical code.

Advocates are organised into Bar associations or societies, one each at the seat of the various divisions of the High Court. The General Council of the Bar of South Africa is the co-ordinating body of the various Bar associations. There is a law society for

attorneys in each of the provinces. A practising attorney is *ipso jure* a member of at least one of these societies, which seek to promote the interests of the profession.

The Law Society of South Africa is the co-ordinating body of the various independent law societies.

In terms of the Right of Appearance in Courts Act, 1995 (Act 62 of 1995), advocates can appear in any court, while attorneys may be heard in all of the country's lower courts and can also acquire the right of appearance in the Superior Courts. An attorney who wishes to represent his/her client in the High Court is required to apply to the registrar of a provincial division of the High Court. Such an attorney may also appear in the CC. All attorneys who hold an LLB or equivalent degree, or who have at least three years' experience, may acquire the right of audience in the High Court.

The Attorneys Amendment Act, 1993 (Act 115 of 1993), provides for alternative routes for admission as an attorney. One of these routes is that a person who intends to be admitted as an attorney and who has satisfied certain degree requirements prescribed in the Act is exempted from service under articles or clerkship. However, such a person must satisfy the society concerned that he/she has at least five years' appropriate legal experience.

State law advisers give legal advice to Ministers, government departments and provincial administrations, as well as to a number of statutory bodies. In addition, they draft Bills and assist the Minister concerned with the passage of Bills through Parliament. They also assist in criminal and constitutional matters.

In terms of the NPA Act, 1998, State advocates and prosecutors are separated from the Public Service in certain respects, notably the determination of salaries.

The State Attorney derives his/her power from the State Attorney Act, 1957 (Act 56 of 1957), and protects the interests of the State in the most cost-effective manner possible. He/she does this by acting on behalf of the State in legal matters covering a wide spectrum of the law.

The State Attorney is involved in the drafting of contracts where the State is a party, and also acts

on behalf of elected and appointed officials acting in the performance of their duties, e.g. civil and criminal actions instituted against Ministers and government officials in their official capacities.

Masters of the High Court

The Masters of the High Court are involved with the administration of justice in estates of deceased persons and those declared insolvent, the liquidation of companies and close corporations, and the registration of trusts.

The key statutory functions of the Masters are the following:

- controlling the administration of deceased and curatorship estates
- controlling the administration of insolvent estates and the liquidation of companies and close corporations
- controlling the registration and administration of both testamentary and *inter vivos* trusts
- managing the Guardian's Fund, which is entrusted with the funds of minors, mentally challenged persons, unknown and/or absent heirs, and creditors for administration on their behalf
- assessing estate duty and certain functions with regard thereto
- the acceptance and custodianship of wills in deceased estates
- acting as an Office of Record.

Master's Business Unit

The Master's Business Unit was launched in Pretoria in October 2002, creating a structure for the Master's Division of the High Court. The Unit is responsible for the overall control of Master's Offices in the country, creating uniformity in Master's Offices; overall control of the Guardian's Fund; strategy and research; and the opening of new offices.

Four new Master's Offices were opened during 2003/04.

Rules Board for Courts of Law

The Rules Board is a statutory body, empowered to make or amend rules for the High Courts, the Supreme Court of Appeal and the lower courts.

It also develops rules and court procedure to ensure a speedy, inexpensive civil justice system, which is in harmony with the Constitution and technological developments, and accessible to all South Africans.

Justice College

The Justice College is tasked with the vocational training of all officials of the Department. The College also presents training to autonomous professions such as magistrates and prosecutors.

Office of the Family Advocate

The Office of the Family Advocate functions in terms of the Mediation in Certain Divorce Matters Act, 1987 (Act 24 of 1987).

The Family Advocate, assisted by family counselors, reports to the court and makes recommendations which will serve the best interest of children in cases where there is litigation relating to children in divorce actions or applications for the variation of existing divorce orders.

Inquiries take place at the request of the court, one or both parties to the litigation, or on the initiative of the Family Advocate, in which case authorisation of the court must be obtained.

Family advocates operate in the provincial and local divisions of the High Court.

The Hague Convention on the Civil Aspects of International Child Abduction Act, 1996 (Act 72 of 1996), came into effect in October 1997 and the Natural Fathers of Children Born out of Wedlock Act, 1997 (Act 86 of 1997), in September 1998. The promulgation of these Acts extended the service delivery of the Office of the Family Advocate countrywide.

The Office of the Family Advocate provides support services for the Family Court pilot project. Most offices are involved in mediation training for a large contingent of social workers and other mental-health professionals.

The Office of the Family Advocate co-ordinates community-outreach programmes to assist children involved in family disputes.

The Draft Children's Bill provides for the extension of the role of the Family Advocate to areas such

as mediation and the facilitation of family-group conferences. To assist family advocates in multidisciplinary enquiries about custody, access and guardianship disputes involving children, about 40 family counsellors (social workers) were expected to be appointed in 2004/05.

Legal Aid Board

Established by the Legal Aid Act, 1969 (Act 22 of 1969), the Legal Aid Board provides publicly funded legal advice and representation in criminal and civil matters to individuals and communities in need.

The Legal Aid Board, through its public campaigns and partnerships, is committed to promoting a just society where constitutional rights and the rule of law are respected.

The Legal Aid Board's criminal work supports the constitutional guarantee of a criminal accused's right to a fair trial. In its civil work, the organisation places special emphasis on providing legal advice to protect and defend the rights of women, children and the rural poor.

The Legal Aid Board aims to extend its services to as many indigent persons in South Africa as possible. From time to time, matters arise in which the opportunity exists to undertake or fund litigation or other legal work which has the potential to affect the lives of large numbers of indigent persons in a positive way.

This is done through:

- cases in which opportunity exists to establish a legal precedent that will be followed in dealing with indigent persons in similar matters
- class-action suits or litigation in a small number of matters, calculated to bring about the settlement of a much larger group of disputes
- the strategic intervention and rendering of non-litigious legal services where the potential exists to materially improve the lives of a group or a significant segment of a group of indigent persons.

In civil matters, legal-aid applicants need to qualify in terms of a means test. The merits of an application are also considered.

In criminal matters, the means test is used as a point of departure, but the final test is whether or not the accused is able to afford the cost of his/her own legal representation and would suffer substantial injustice if not provided legal representation at State expense.

The Legal Aid Board's services are provided by salaried legal practitioners employed in its 58 justice centres and 20 satellite offices, by legal practitioners in private practice through the Judicare Scheme and through non-governmental organisations (NGOs) with which the Board has entered into co-operation agreements.

The Legal Aid Board aims to have its justice centres provide most of its legal assistance to indigent people.

In 2003/04, a total of 236 282 new matters were taken on by justice centres, 166 298 of which were finalised.

A total of 46 613 matters were handled by Judicare lawyers. A further 10 965 matters were handled by co-operation partners.

The Legal Aid Board's mission is to provide legal aid to as many indigent people as possible within its limited budget. It does this in an independent manner to enhance access to justice, and public confidence in the law and administration of justice, promoting the entrenchment of a rules-based society.

Public Protector

The Public Protector receives and investigates complaints from the public against government or its officials, and has the power to recommend corrective action and to issue reports.

The Public Protector's services are free and available to everyone.

Complainants' names are kept confidential as far as possible.

The President appoints the Public Protector on recommendation of the National Assembly and in terms of the Constitution, for a non-renewable period of seven years.

The Public Protector is subject only to the Constitution and the law, and functions independently from government and any political party.

No person or organ of State may interfere with the functioning of the Public Protector.

The Public Protector has the power to report a matter to Parliament, which will debate on it and ensure that the Public Protector's recommendations are followed.

In 2003/04, the Office of the Public Protector received 17 295 new cases, while 7 520 cases were brought forward from 2002/03. Of the 24 815 cases, 15 922 were finalised in 2003/04, leaving 8 280 to be carried forward to 2004/05.

Additional staff have been appointed to deal with the increased workload and backlog.

Magistrate's Commission

The Magistrate's Commission was established to ensure that the appointment, promotion, transfer or discharge of, or disciplinary steps against judicial officers in the lower courts take place without favour or prejudice, and that the applicable laws and administrative directions in connection with such actions are applied uniformly and correctly.

The Commission also attends to grievances, complaints and misconduct investigations against magistrates. It advises the Minister on matters such as the appointment of magistrates, promotions, salaries and legislation.

The Commission has established committees to deal with appointments and promotions; misconduct, disciplinary inquiries and incapacity; grievances; salary and service conditions; and the training of magistrates.

South African Law Reform Commission

To remain relevant and useful to the community it serves, and to provide government with pragmatic advice, law reform must be supported by extensive research and effective public consultation. Consultation is required to ensure that the law reform process is consistent with the principles of participatory democracy where the law is influenced by those it affects.

A number of measures have been implemented to develop public participation in the SALRC's activities.

Since 1999, the SALRC has submitted 29 reports containing draft legislation to the Minister of Justice and Constitutional Development.

These include reports on critical areas such as compulsory HIV-testing of persons arrested in sexual-offence cases, traditional courts, security legislation, juvenile justice, review of legislation affecting children, Islamic marriages, a compensation fund for victims of crime, the repeal of the Black Administration Act, 1927 (Act 38 of 1927), and customary law of succession.

Judicial Service Commission

In terms of the Constitution, the Chief Justice and the Deputy Chief Justice, and the President and Deputy President of the Supreme Court of Appeal are appointed by the President after consulting with the JSC. Other judges are appointed by the President on the advice of the JSC.

In the case of the Chief Justice and the Deputy Chief Justice, the leaders of the parties represented in the National Assembly are also consulted.

The JSC was established in terms of Section 178 of the Constitution to perform this function.

It also advises government on any matters relating to the judiciary or the administration of justice.

When appointments have to be made, the Commission gives public notice of the vacancies that exist and calls for nominations.

Suitable candidates are short-listed by the JSC and invited for interviews. Professional bodies and members of the public are afforded the opportunity to comment before the interviews or make representations concerning the candidates to the Commission.

The JSC has determined criteria and guidelines for appointments, which have been made public.

The interviews are conducted as public hearings and may be attended by anyone who wishes to do so. Following the interviews, the JSC deliberates and makes its decisions in private. Its recommendations are communicated to the President, who then makes the appointments.

During 2003, some 68 candidates were interviewed by the Commission and 27 appointments made. The Commission consists of 23 members.

South African Human Rights Commission (SAHRC)

The SAHRC, inaugurated on 2 October 1995, comprises a Commission and Secretariat. The aim of the Commission is to promote a culture of respect for human rights; to enhance the protection, development and attainment of human rights; and to monitor and assess the observance of human rights in South Africa.

According to the Constitution, the SAHRC has the power to:

- investigate and report on the observance of human rights
- take steps to secure appropriate redress where human rights have been violated
- carry out research and educate
- require relevant State organs to provide the Commission with information on measures that they have taken towards realising the rights set out in the Bill of Rights concerning housing, healthcare, food, water, social security, education and the environment.

The Secretariat implements the programmes of the Commission and ensures the promotion and protection of rights by handling complaints of human-rights violations; monitoring observance of human rights; and through education, training and the dissemination of public information.

Some 9 464 complaints were received in 2003/04. The 78% increase in complaints received can be attributed to sustained education and training initiatives.

In response to thematic complaints, the Commission has conducted inquiries into:

- sexual offences against children
- human-rights violations in farming communities
- the accessibility of the built environment for people living with disabilities
- practices of financial institutions in relation to HIV and AIDS
- healthcare services in the Eastern Cape.

National Centre for Human-Rights Education and Training (NACHRET)

The NACHRET was established in April 2000. The Centre provides a platform for debate on human-

rights issues aimed at enhancing an understanding of these issues and practices. The Centre also provides training and builds capacity both in South Africa and on the African continent with regard to human-rights themes, challenges and issues.

Commission on Gender Equality (CGE)

Chapter 9 of the Constitution provides for the establishment of the CGE. Section 187 of the Constitution specifically grants the CGE powers to promote respect for, and to protect, develop and attain gender equality. The composition, functions and objectives of the CGE are outlined in the CGE Act, 1996 (Act 39 of 1996).

The CGE comprises seven commissioners, one chairperson and 33 members of the Secretariat who fall within four departments and are based in six provinces. The other three provinces are serviced from the head office based in Johannesburg. It was envisaged that two more offices would be established in two provinces in the 2004/05 financial year.

The CGE is responsible for:

- gathering information and conducting education on gender equality and the human rights of women
- monitoring and evaluating the policies and practices of State organs, statutory and public bodies, as well as the private sector, to promote gender equality
- evaluating Acts in force, or Acts proposed by Parliament, affecting or likely to affect gender and women's human rights
- investigating any gender-related complaints received or on its own initiative
- liaising with institutions, bodies or authorities with similar objectives
- conducting research to further the objectives of the CGE.

The CGE works in partnership with various civil-society structures and other organisations with similar objectives.

During 2003/04, the CGE received 2 127 complaints relating to discrimination, 45% of which were concluded and 30% referred to other institutions.

Statistics on the nature of complaints are as follows:

- 32% of the complaints received were from men and the rest from women
- gender-based violence and maintenance-related complaints constituted 50% of complaints
- welfare and employment complaints constituted more than 5% each
- the rest related to customary law, media and court processes.

As a result of the nature of complaints received in previous years, the CGE embarked on evaluation, monitoring and research on gender-based violence and maintenance.

The CGE supports strategic interventions in litigation, with the aim of encouraging law reform.

The CGE also monitors most Bills that are introduced in Parliament to ensure that gender sensitivity is considered and that the rights of women are integrated.

Truth and Reconciliation Commission (TRC)

The TRC was established in terms of the Promotion of National Unity and Reconciliation Act, 1995 (Act 34 of 1995), to help deal with human rights abuses that were perpetrated under South Africa's Apartheid Government.

According to the TRC, some 22 000 individuals or their surviving family members appeared before the Commission. Of these, 19 000 required urgent reparations, and virtually all of them, where the necessary information was available, were attended to as proposed by the TRC with regard to interim reparations.

President's Fund

The President's Fund was established in terms of Section 42 of the Promotion of National Unity and Reconciliation Act, 1995.

In February 2004, government decided to deal with the regulations on reparations in two phases. Phase One dealt mainly with the payment of once-off individual reparation grants of R30 000.

By February 2004, the President's Fund was giving effect to these provisions. By 12 February 2004,

the status of the payments was as follows:

- number of persons paid – 11 735
- amount paid – R353 million
- number of persons still to be paid – 3 739.

The persons still to be paid included beneficiaries of deceased victims who, in terms of the regulations, had to be referred to courts, and their names displayed on notice boards for a period of 30 days. This was done to invite persons who might have a higher preference to the claim than the beneficiary who received the interim reparation to come forward.

Included in the creditors still to be paid were persons who did not supply their banking details, as well as some whose bank accounts had been automatically closed due to inactivity.

Phase Two of the regulations will deal with programmes that will provide for medical benefits, education assistance, housing, and other social benefits, as well as symbols and monuments.

International affairs

The functions of the Directorate: International Affairs in the Department of Justice and Constitutional Development consist mainly of identifying and researching legal questions that relate to matters pertaining to the administration of justice between South Africa and other states.

The Directorate is involved in direct liaison and negotiations at administrative and technical levels with foreign states in an effort to promote international legal co-operation, and for the possible conclusion of extradition and mutual legal-assistance agreements.

The Directorate also aims to establish greater uniformity between the legal systems of southern African states, especially the Southern African Development Community (SADC), and thus promote and establish an efficient administration of justice in the southern African region.

The Directorate co-ordinates human rights issues at international level under the auspices of the United Nations (UN) and the African Union.

The functions of the Directorate are divided into six broad categories:

- the establishment of regular liaison with SADC states
- the co-ordination of all Commonwealth matters pertaining to the administration of justice
- interaction with other international bodies, such as the UN, the Hague Conference and the International Institute for the Unification of Private Law
- interaction with foreign states outside the SADC region
- negotiation of extradition and mutual legal-assistance agreements with other countries
- preparation of Cabinet and Parliament documentation for the ratification of human-rights treaties, including report-writing.

International Criminal Court (ICC)

As required by the Rome Statute of the ICC, South Africa has promulgated the Implementation of the Rome Statute of the ICC Act, 2002 (Act 27 of 2002).

This Act provides for a framework to:

- ensure the effective implementation of the Rome Statute of the ICC in South Africa
- ensure that South Africa conforms with the obligations set out in the Statute
- address the crime of genocide, crimes against humanity, and war crimes
- address the prosecution in South African courts of persons accused of having committed the said crimes in South Africa and beyond the borders of South Africa in certain circumstances
- deal with the arrest of certain persons accused of having committed the said crimes and their surrender to the ICC in certain circumstances
- address co-operation by South Africa with the ICC.

Correctional services

The *Draft White Paper on Corrections* embodies the Department of Correctional Services' long-term strategic policy and operational framework that recognises corrections as a societal responsibility and puts rehabilitation at the centre of all the Department's activities.

The Department is required to deliver focused quality services to all persons under its care, ef-

fectively manage correctional officials and substantially improve its management of relations with accredited external stakeholders and oversight authorities.

The Department recognises the enormous challenge it faces: to change the profile of the correctional official from that of a prison warden to that of a role model and rehabilitator. Developing the final White Paper and delivering services according to its principles will be a key priority over the next three years.

The acknowledged and intended functions of the Department as detailed in the Draft White Paper will require substantial resources and innovative approaches to correction, development, care, reintegration and aftercare of offenders. The establishment of centres of excellence in various regions as sustainable service-delivery points will enable the Department to phase in interventions and services to promote excellence, taking advantage of the best practices within and outside the system. The White Paper Implementation Plan details the activities to be realised.

The White Paper roll-out is a deliberate effort aimed at promoting partnership, ownership, and participation from correctional staff, NGOs, government departments, individuals and collectives.

The Department has undergone extensive restructuring in the last two years to realign itself with the Draft White Paper.

Safe custody of prisoners

The aim of the Department of Correctional Services is to contribute towards maintaining and protecting a just, peaceful and safe society by enforcing court-imposed sentences, detaining offenders in safe custody, and promoting the social responsibility and human development of all offenders and persons subject to community-correction programmes.

During 2004/05, the budget allocation for the Department of Correctional Services was spent as follows:

- R2 707 million on security
- R503 million on corrections
- R765 million on care
- R1 622 million on facilities

- R318 million on after-care
- R407 million on development
- R2 707 million on administration.

By 31 March 2004, the Department had a personnel force of 32 786, with 187 903 offenders incarcerated in 241 prisons countrywide. By 31 March 2004, there were 51 281 parolees and 26 257 probationers within the system of community corrections.

Strategies have been adopted to balance the need for security with the need for conditions that are conducive to rehabilitation. The Gearing Department of Correctional Services for Rehabilitation Project was introduced in 2002/03, which involved a substantial review of rehabilitation, and identified key service-delivery areas: corrections, development, security, care, facilities and after-care. This comprehensive approach entails all aspects of the Department's core business, and requires developing new policy regarding the types of correction programmes offered and the recruitment and training of prison personnel.

In line with the Vienna Declaration on Crime and Justice, the Department has embraced the restorative-justice approach aimed at reducing crime and promoting healing between offenders, victims and the community.

The process to conduct public education campaigns has begun to raise awareness of the implementation of restorative-justice programmes and policies. This project intends to facilitate the mediation process between victims of crime and offenders, in an attempt to bring about restitution and reparation. This will be done by means of developing restorative-justice and victim-empowerment programmes.

Offender accommodation

The Department strives to provide adequate prison accommodation that complies with accepted standards. Offenders are housed in 238 prisons countrywide, which include:

- eight prisons for female offenders only
- 13 youth correctional facilities
- 141 prisons for male offenders only
- 72 prisons for both male and female offenders

- four temporarily inactive prisons (closed down for renovations).

In prisons where male, female and juvenile offenders are accommodated, female and juvenile offenders are housed in separate designated sections.

Overcrowding in prisons

The problem of prison overcrowding remains the most important influence on the Department's budget and performance, especially in relation to rehabilitation.

Figures on overcrowding in South Africa's prisons released in February 2004, indicated that the prison population at the time was 187 065. This figure consisted of 54 750 unsentenced prisoners and 132 315 sentenced prisoners.

The prison's capacity on 30 April 2004 stood at 114 787, meaning that at the time, the country's prisons were overpopulated by 64%.

The daily average prisoner population is projected to increase to 188 100 prisoners in 2004/05, 195 300 in 2005/06 and 202 400 in 2006/07.

A notable contributing factor is the awaiting-trial and awaiting-sentence prisoner population. Despite decreases in this population in the last three years, at the end of April 2004 there were some 53 880 prisoners awaiting trial and prisoners awaiting sentencing in South Africa's prisons – representing about 28,7% of the total prison population of 187 903 as at 30 April 2004.

To address these challenges, the Department is implementing a number of strategies:

- The building and staffing of new prisons, designed cost-effectively.
- The finalisation of prison procurement models.
- The Department of Correctional Services is co-operating with other departments in the IJS, notably the Department of Justice and Constitutional Development, on a range of projects to reduce the number of prisoners.
- The Department is also promoting awareness in the IJS of alternative sentencing options and diversion programmes.
- A JCPS Cluster Task Team on overcrowding, established at the end of 2002, monitors the CJS to identify and eliminate blockages that result in increased prisoner numbers.

- In September 2003, Cabinet approved the advance by nine months of the parole date of certain categories of sentenced prisoners, to alleviate overcrowding. This immediately reduced the prisoner population by about 7 000 inmates.

Since 1994, 10 new prisons have been constructed and two rebuilt to address the problem of overcrowding. Two of the 10 prisons are public-private partnership prisons. They will have a combined capacity of 5 952.

Members of the JCPS Cluster are working together to reduce the awaiting-trial population by speeding up court processes through Saturday Courts and the free participation of the Law Society of South Africa in dealing with court cases to promote plea-bargaining.

This resulted in a drastic reduction of the prison population in 2003.

Work has begun on the construction of four new prisons in Leeuwkop, Nigel, Klerksdorp and Kimberley under the 'new generation' concept. The first prison is expected to be completed by January 2007. Each of these prisons will be able to accommodate about 3 000 prisoners. By mid-2004, Phase One of the upgrading of and additions to the existing prison at Klerksdorp was completed and the prison handed over to the Department.

In terms of the new release policy, no offender may be considered for parole before he/she has completed at least half of his/her sentence.

The Criminal Law Amendment Act, 1997 makes provision for much harsher sentences for serious crimes.

These changes are expected to place an even greater burden on prisons as it is likely to increase the average length of prison sentences.

Safety and security

From 1 January to 31 December 2003, there were 234 escapes from South Africa's prisons. There were 391 escapes in 1999/00, 241 in 2000/01, 233 in 2001/02 and 281 in 2002/03.

The Department has put in place various measures aimed at combating escapes. These include the optimal utilisation of existing security aids and

equipment, continued evaluation of security directives, upgrading of personnel training, disciplinary action against negligent personnel, rewarding offenders who report or warn of planned escapes, and the installation of electronic fences and X-ray scanners in high-risk prisons.

The Department is in the process of upgrading and intensifying the use of equipment to increase the level of security in prisons, thereby ensuring the protection of offenders, officials and the public. The Department has created a culture of security awareness among its staff. All managers are involved in monitoring and ensuring adherence to security policies and procedures, through strict supervision, control mechanisms and disciplinary action against negligent officials.

Progress has been made with the development of the inmate tracking system. The aim is to identify and track persons in prison more effectively, reducing both prisoner delays in court attendance, and escapes. The pilot project in the Durban Westville Correctional Centre started in January 2004.

Classification

Offenders undergo safe-custody classification upon admission to determine the level of security required to detain them.

Offenders are classified into minimum, medium or maximum custodial categories. Variables taken into account include the type of crime committed, the length of the sentence, and previous convictions. The safe-custody classification of every offender is reviewed regularly, and if his/her behaviour, or any other aspect affecting his or her security risk, justifies it, reclassification takes place.

Categories

There are five categories of offenders in South African prisons, namely:

- unsentenced offenders (mainly offenders standing trial on a charge and detained in prison pending the conclusion of the judicial process)
- short-term offenders (offenders serving a sentence of less than two years)
- long-term offenders (offenders serving sentences of two years and longer)

- unsentenced children/juveniles and youths between the ages of 14 and 25
- sentenced children/juveniles and youths between the ages of 14 and 25.

Young offenders

In terms of the Constitution, a child is a person under the age of 18 years. The Department of Correctional Services regards a person between the ages of 14 and 25 years as a youth. The Department is responsible for the detention, treatment and development of sentenced juveniles.

Section 7(2)(c) of the Correctional Services Act, 1998 (Act 111 of 1998), stipulates that children must be kept separate from adult offenders and in accommodation appropriate to their age, as young offenders are predisposed to negative influence. The aim of this separation is the provision of distinctive custodial, development and treatment programmes, as well as spiritual care, in an environment conducive to the care, development and motivation of youths to participate and to develop their potential.

The nature of serious offences committed or allegedly committed by some 4 158 children under the age of 18 who were awaiting trial or sentenced is alarming. In 2003/04, there were 1 844 economic-related offenders under 18; 1 627 aggressive crime offenders; 511 sexual offenders under the age of 18; and 176 drug-related and other types of offences.

Likewise, of the crimes committed by 36 311 sentenced youths between the ages of 18 and 25, a total of 12 440 were aggressive, 15 100 economic, 5 395 sexual, and 3 376 drug-related and other types of offences.

The crimes allegedly committed by 26 783 unsentenced youths between the ages of 18 and 25 consisted of 13 148 aggressive, 8 404 economic, 3 682 sexual and 1 549 drug-related and other types of offences.

There are 13 youth correctional facilities in the country, namely Hawequa, Brandvlei, Drakenstein Medium B and Pollsmoor Medium A (Western Cape); Leeuwkop, Emthonjeni and Boksborg (Gauteng); Rustenburg (North West); Durban and Ekuseni (KwaZulu-Natal); Groenpunt and

Kroonstad (Free State); and Barberton Prison (Mpumalanga).

The development and support of youth offenders form an essential part of their incarceration. The aim of rendering professional services (education, reskilling, learning a trade, moral and spiritual enlightenment, and personal development) is to rehabilitate youth offenders, contribute towards their behavioural change, and prepare them for their reintegration into the community.

The focus is on the promotion and development of leadership qualities. A holistic approach is followed in which:

- young offenders are motivated to actively participate in their own development and the realisation of their potential
- a culture and atmosphere of development prevails
- sound discipline and co-operation between personnel and offenders, and among offenders, is fostered and maintained.

Mother-and-child units

Mother-and-child units have been established in eight female prisons nationally. By 31 March 2004, there were 210 infants under the age of five in prison with their mothers. Policy on such infants clearly stipulates that mothers and children are kept in a separate unit within the prison, where the surroundings and facilities are complementary to the sound physical, social and mental care and development of children.

The policy also stipulates that the admission of an infant with a mother is permitted only if no other suitable accommodation and care are available at that stage, and that it should be regarded as a temporary measure.

The right of the mother to have her child with her during admission promotes a positive relationship between mother and child. The policy emphasises that the mother should be taught good child-care practices for her own self-esteem and self-confidence, and for the benefit of the child.

The privilege system

The main objectives of the privilege system are

to encourage offenders to display good behaviour, engender a sense of responsibility in them, and ensure their interest and co-operation in treatment programmes.

The system consists of primary and secondary privileges. Primary privileges are aimed at the retention, maintenance or furthering of family ties to, among other things, facilitate reintegration into the community. These privileges are divided into A, B and C groups. The entry level for all new admissions is the B group and, depending on behaviour, an offender may be promoted or demoted to either the A or the C privilege group.

Secondary privileges are aimed at leisure-time activities such as participation in sports and watching television. No sentenced offenders are allowed to receive food from outside prison or to use private electrical appliances.

Healthcare services

The healthcare of offenders is regarded as an important responsibility of the Department, and includes nutrition, personal care, environmental hygiene and pharmaceutical services. The Department endorses the fundamental rights and privileges of all offenders.

In accordance with the Correctional Services Act, 1998, an independent judicial inspectorate regularly inspects all prisons and reports on its conditions and the treatment of offenders.

The policy and administrative framework for the maintenance of an adequate, affordable and comprehensive healthcare service is based on the principles of Primary Healthcare (PHC). The service includes mental, dental and reproductive health, supplementary healthcare, health-promotion management of communicable diseases (including HIV, AIDS and sexually transmitted infections [STIs]) and referrals where necessary, through the acknowledgement of national and international norms and standards, within the limited available resources.

The approach to healthcare in South Africa's correctional facilities focuses on:

- the strict pursuance of ethical codes by health professionals

- regular health-quality inspections
- strict compliance with rules of confidentiality and privacy with regard to the medical records of patients
- the continuous evaluation and upgrading of medical emergency services.

The Department of Correctional Services provides a system in which offenders are treated in the same way as other patients in the State sector through PHC principles.

Offenders in need of further healthcare are, as far as possible, treated in State hospitals. The use of private hospitals for offenders is permitted in cases where public hospitals are unable to provide access to healthcare and only after approval by the Provincial Commissioner of Correctional Services.

The Department's objective is to maintain a high standard of personal hygiene by ensuring that the following are provided to offenders:

- toilet and bathing amenities with warm water
- suitable clothing and comfortable shoes
- adequate bedding
- a clean and healthy environment
- safe water-supply
- the promotion of a smoke-free prison environment.

To provide prisoners with access to medical care, the Department concluded service level agreements with the Western Cape in 2003/04 and envisaged concluding such agreements with the remaining provinces during the 2004/05 financial year.

The Minister of Correctional Services approved the Department's HIV and AIDS Policy in October 2002. The Department will be involved in the roll-out of government's antiretroviral implementation plan to HIV-positive prisoners during the medium term.

The Department's HIV and AIDS Policy caters for the following:

- prevention, which involves the promotion of safe sexual practices, management and control of STIs, provision of condoms and access to voluntary counselling and testing
- treatment, care and support
- respect for human rights

- awareness campaigns and the commemoration of HIV and AIDS calendar events
- partnerships with other government departments, the private sector, NGOs and educational institutions
- peer-led education programmes to introduce behavioural changes among peers
- the appointment of employee-assistance practitioners to implement employee-wellness programmes
- principles of universal precautions, which provide personnel and offenders with guidelines and procedures regarding the handling of all body fluids.

Nutrition

The Department is committed to maintaining the health and strength of those entrusted to its care by satisfying their nutritional needs according to the Recommended Daily Allowance for food intake. The main objectives are to provide:

- all offenders with three nutritious meals per day, and with a therapeutic diet when prescribed by a medical doctor
- religious and cultural diets.

Rehabilitation services

The aim of rehabilitation is to provide treatment and development programmes to offenders in partnership with the community to enhance personal and social functioning, and to prepare them for reintegration into the community as productive, well-adapted and law-abiding citizens.

A multidisciplinary team, consisting of social workers, psychologists, chaplains, educators, correctional officers and others (the external community), addresses the basic needs of offenders by means of comprehensive assessments and various needs-based programmes.

The development and rehabilitation processes, which enable offenders to improve their mental health, social functioning, competencies, knowledge, skills and spiritual well-being, are focused on the following key strategies, namely to:

- positively combat illiteracy within the prison environment

- actively engage the community to assist with development programmes for the people entrusted to the Department's care
- develop and implement a needs-based development programme
- establish training centres at large prisons as well as capacity-building in small prisons
- market rehabilitation programmes to offenders and the community
- promote and implement restorative justice principles to ensure the involvement of offenders, victims and the community in the rehabilitation process.

The further establishment of training centres in the various provinces is aimed at equipping offenders with basic technical skills in a variety of fields such as brick-making, brick-laying, woodwork, welding, garment-making, etc. Training is also provided in business skills to equip individuals to operate their own small businesses upon release.

The Department is in the process of researching, designing and developing needs-based correctional programmes to target and address the offending behaviour of individual offenders.

During the 2004/05 financial year, the Department was set to design, develop and implement policy, guidelines, instruments, processes and procedures on risk assessment and profiling, including monitoring and evaluation mechanisms. Various work sessions between management and the National Council on Correctional Services took place to clarify the roles and responsibilities of members of the various remission and parole boards. As soon as the appointments are finalised, training will begin, and 52 new boards aligned with the new legislative requirements were expected to come into operation during 2004/05.

Institutional committees

Institutional committees at each prison are responsible for ensuring a professional and co-ordinated approach towards the incarceration, treatment, training and development of all offenders. This is implemented by means of a multidisciplinary approach in which all role-players are involved, i.e. those concerned with custodial, training, education-

al, psychological, religious-care and social-work functions, recreational sport and library projects, as well as self-sufficiency and skills programmes.

Institutional committees have statutory decision-making competency with regard to the safe custody of offenders, individual participation, subgroup and group programmes, as well as the prompt rewarding of positive behaviour.

Education and training of offenders

All offenders have a right to basic education and training. The aim is to enhance the education level and improve the skills of offenders to facilitate their reintegration into the community. Services are provided to sentenced and unsentenced offenders in collaboration with external partners (government institutions, training boards, NGOs, etc.) and are in line with the provisions of the South African Qualifications Authority and the National Qualifications Framework.

Education and training programmes include:

- Adult Basic Education and Training (ABET)
- mainstream education (Grades 10 to 12)
- business and engineering
- correspondence studies
- technical studies
- vocational training
- occupational skills training
- instruction in recreation and sport
- arts and culture programmes
- life-skills training and development
- entrepreneurial skills training
- computer-based training.

The main emphasis is on the provision of literacy and numeracy programmes, which include training in occupational, life and entrepreneurial skills, and should enhance the chances of the successful reintegration of the offender into the community and labour market.

Inmates are encouraged to take part in sport, recreation, arts and culture activities as far as possible.

By February 2004, 8 375 inmates had benefited from the ABET Programme. As some of the prisoners are of school-going age, they are given the opportunity to study.

Partnership agreements and formal working relationships were established with external service-providers of voluntary services in relation to formal education and skills development. During 2003, a total of 347 bursaries (for 329 prisoners and 18 officials) were granted for ABET practitioner training within the Department of Correctional Services, sponsored by the University of South Africa and the United Kingdom's (UK) Department for International Development. A total of 204 prisoners were trained during the 2003 academic year, as reading, communication and life skills instructors, in a project facilitated by the Re-educate Trust. The Department of Labour (National Skills Fund) allocated some R13,1 million for the training of prisoners in basic occupational skills.

By February 2004, about 12 400 inmates had been trained in 14 of the Department of Correctional Service's training centres throughout the country in various fields such as computers, brick-laying, wood-work, welding, etc. Between 2002 and 2003, about 13 government departments purchased 6 640 of the items produced in the Department's workshops, generating revenue of about R6,8 million.

These training facilities are also available to members of the neighbouring communities to empower themselves. The *Vukukhanye* Youth Development Project in the Western Cape is a prime example – 78 trainees from Paarl and Franschoek graduated with technical skills in garment-making, cabinet-making, upholstery and other fields in early 2004.

Spending on development is expected to increase by an annual average of 13,8% per year over the period 2000/01 to 2006/07.

Psychological services

Psychological services are provided for sentenced offenders and persons subject to community corrections, to maintain or enhance their mental health and emotional well-being.

The number of psychologists decreased from 31 to 23 in 2004 which impacted on the rendering of services. Psychologists held 3 560 individual therapy sessions, 403 group sessions and 46 family sessions.

The Department intends to alleviate the shortage of psychologists by utilising community psychologists on an annual basis in co-operation with the Department of Health. This venture will also support the Department of Correctional Services' rehabilitation drive and serve as a solution for continual recruitment.

In areas where there are no departmental psychologists, the Department uses the following procedures to address the emotional needs of offenders:

- external registered psychologists can be contracted in if a medical practitioner has referred the offender for psychological treatment
- offenders can see a private psychologist at their own expense
- final-year students who are busy with their MA degrees in Clinical or Counselling Psychology provide services without remuneration under the supervision of their respective universities.

Social Work Services

Social Work Services aims to provide professional services to help offenders cope more effectively with their problems with social functioning, and to prepare them for reintegration into the community.

Treatment programmes offered by Social Work Services comprise structured programmes on issues such as life skills, family care and marriage, alcohol and drug abuse, orientation, sexual offences, trauma, pre-release, and HIV and AIDS.

In May 2004, the Department employed 489 social workers.

An important challenge is the growing number of people living with HIV and AIDS, as not all social workers possess the necessary training to qualify them as HIV and AIDS counsellors.

Research on the rehabilitation of offenders found that there was a need for rehabilitation interventions to be systematic and needs-based. This led to the development of a framework/model of intervention that aims to assist in the consistent and intensive assessment and evaluation of offenders' needs and rehabilitation programmes.

All social workers in the Department have received training on the model of intervention to

assist in the consistent assessment of offenders and provision of needs-based rehabilitation programmes. All social workers are implementing the intervention model.

However, other structured programmes are still being offered as a preventative measure, e.g. the programme on HIV and AIDS offered to young offenders.

Spiritual care of offenders

Spiritual-care services are rendered through needs-based programmes within a multidisciplinary context to persons who are in the care of the Department. This is done in partnership with churches or faith-based organisations (FBOs) and other role-players with the aim of rehabilitating offenders and reintegrating them into the community.

It also aims to contribute to changing the offenders' behaviour, based on a lifestyle which is in accordance with the acceptable values and norms of their faith.

Spiritual-care services are rendered to sentenced and unsentenced offenders, probationers, parolees and personnel on an *ad hoc* basis.

During 2003, a survey was conducted to determine the spiritual needs of offenders.

The Department employs full-time chaplains and part-time spiritual workers from various religious backgrounds.

The extent of religious/spiritual counselling is reflected by the 45 245 spiritual services, 39 371 group sessions and 71 841 individual sessions held for offenders in 2003/04.

Quarterly meetings are held with the chaplains of the South African National Defence Force and the SAPS to discuss issues of common concern.

The Department is a member of the International Prison Chaplaincy Association (IPCA). A working relationship also exists with FBOs like Prison Fellowship International, Alpha, New Life Behaviour Ministries and Kairos.

Provision is made for offenders to observe the main religious festivals and holy days such as Ramadan, Passover, Good Friday and Christmas. Religious and spiritual literature, such as the *Bible* and the *Qur'an*, is supplied to offenders.

Release of offenders

The Correctional Services Act, 1998 provides for the creation of independent regional correctional supervision and parole boards throughout the country, with greater powers to consider and approve which offenders, serving sentences exceeding 12 months, should be granted parole. In the interest of protecting the community, the Department has abolished the concept of remission of sentence.

The parole and correctional-supervision policy deals with and also provides for a non-parole period. In terms of the Correctional Services Act, 1998, offenders are not considered for parole until they have served at least half of their original sentences or the non-parole period, whichever is the longer.

Courts are empowered to build a non-parole period into the sentence of any convicted criminal. This period may be as much as two-thirds of the total sentence. A person declared a habitual criminal may not be considered for parole before having served at least seven years in prison. An offender serving a life sentence may not be considered for parole until he/she has served at least 25 years of his/her sentence.

Reintegration into the community

The Department aims to equip offenders with the skills required for effective reintegration into society after release. Offenders sentenced to longer than six months' imprisonment undergo a basic pre-release programme before release. Aspects receiving attention include how to secure employment, personal finance management and street law.

Specialists from the community are also involved in the presentation of the programme. Care and support for an offender are prerequisites for placement in the community. Before offenders are placed, they are assisted with obtaining employment and accommodation, or at least care and support. Community involvement in supporting offenders after release is encouraged.

Offenders are provided with financial and material assistance before they are released from prison.

By mid-2004, the Department was drafting an after-care policy to facilitate the social acceptance

and reintegration of offenders into the community, and involve the community in the process. The policy is expected to be implemented during the 2005/06 financial year after approval by the Minister of Correctional Services.

Community corrections

Plans are being implemented to make community correction offices more widely accessible to the majority of offenders and the community, especially in rural areas. The final location and decentralisation of the offices is envisaged by the end of 2006/07. In 2004, there were 175 fully functional offices and 21 suboffices.

A revised classification system for offenders subject to community corrections is being developed. The intention is to align offenders' classification with the principles of rehabilitation, requiring more interaction between offenders and their supervision officials. This system was expected to be phased in during 2004/05.

The Department managed to increase the percentage of absconders traced, from 40,5% in 2001/02 to 68,2% in 2002/03. This was achieved through an increase in the personnel responsible for managing and controlling offenders under community corrections.

Supervision of parolees

Parolees are subject to certain conditions as well as supervisory measures aimed at gradually reintegrating them into the community.

To achieve these goals, parolees are allocated to a supervision official of the Department, who ensures that they are regularly monitored. Contra-vention of parole conditions leads to stricter conditions and increased supervision or reimprisonment for a part of or the entire remainder of the parole period.

Volunteers from the community are encouraged to assist the Department in the monitoring of parolees.

Based on their risk profile, parolees are placed in minimum, medium or maximum supervision categories. These supervision categories are also applicable to probationers. Awaiting-trial persons under community corrections are classified under the maximum supervision category.

Parolees are confined to their homes according to their monitoring categories. Monitoring includes visits to the parolee's home and workplace, telephonic liaison and reports to the Community Corrections Office.

Parliament approved amendments to the Correctional Services Act, 1998 to address concerns about the lack of community involvement in the parole system. According to the amendments, the composition of the new parole boards includes three permanent members from the community: the chairperson, members from the departments of Correctional Services and of Justice and Constitutional Development, as well as the SAPS.

The victim may also participate or be represented at the parole hearing, to allow, for the first time, the direct participation of victims in the justice system instead of them being called upon only as prosecution witnesses.

The Department aims to increase the number of personnel responsible for managing and controlling persons sentenced to community corrections, in order to decrease the number of probationers and parolees each officer must supervise.

In 2002/03, some 5 413 parole absconders were traced. They were either referred back to court to receive alternative sentences or sent back to prison to serve the remainder of their sentences.

Correctional supervision

The Correctional Services Act, 1998 ensures that all probationers and parolees are subject to the same conditions.

In terms of the Act, parolees must do community service. Correctional supervision aims to control and rehabilitate those who can serve their sentences in the community. Offenders who pose a real threat to the community and who have chosen crime as a career, however, do not qualify for correctional supervision.

A person sentenced to correctional supervision is placed under the control of a correctional supervision official. This official ensures that the probationer complies with whichever of the following conditions he or she may be subject to:

- house arrest
- community service, rendered free of charge
- victim's compensation
- restriction to a magisterial district
- prohibition on alcohol usage or abuse
- participation in certain correctional programmes.

If the set conditions are violated, the probationer can be referred to the court of first hearing for consideration of an alternative sentence or, in certain cases, be admitted directly to prison to serve the remainder of his/her sentence.

Section 117(e) of the Correctional Services Act, 1998 makes it an offence for a probationer or parolee to abscond from the system of community corrections. If found guilty, they may receive an additional sentence of up to 10 years' imprisonment.

The community corrections population, comprising parolees and probationers, versus the sentenced prison population on 31 March 2003 was 38%.

Day parole

A small number of offenders are placed on day parole either because they are institutionalised or they have a doubtful prognosis and pose a high security risk to the community. These offenders are gradually resettled into the community as a bridging measure, instead of being released upon termination of sentence. Day parolees have to comply with certain conditions. Contravention leads to withdrawal of privileges, stricter conditions or suspension of day parole.

Certain categories of offenders are allowed to spend weekends at home. Inmates may temporarily leave prison for compassionate leave, consolidation of family ties, preparation for release, or for reasons that involve the reintegration of the offender into society.

The offender has to observe strict conditions, which include abstaining from drugs and alcohol, being in the care of a specific person and at a specific address, personally accepting liability for any event that might result in expenses for the State, and not being found guilty of any misconduct.

Facility management and capital works

The Correctional Services Act, 1998 empowers the Minister of Correctional Services to enter into joint ventures with the private sector to design, construct, finance and operate any prison or part of a prison.

Two such prisons were procured by the Department of Public Works on behalf of the Department of Correctional Services, using private-sector capital and expertise for their financing, designing, construction, operation and maintenance.

The first privately operated prison is the 2 928-bed Mangaung Maximum Security Prison near Bloemfontein. The 3 024-bed Kutama Sinthumule Maximum Prison at Makhado (formerly Louis Trichardt) in Limpopo, is the second facility to be built and operated by a private-sector company in South Africa.

Construction started on four new prisons in 2003/04. It is envisaged that these will be completed by 2005/06, providing accommodation for an additional 12 000 offenders.

The Repair and Maintenance Programme has also been embarked upon. The Programme addresses backlogs in maintenance and inhumane conditions under which offenders are incarcerated.

Forty-three prisons were repaired as part of the Department's Repair and Maintenance Programme during the 2002/03 financial year, against an initial target of 44.

Administration

The Administration Programme funds the overall management of the Department. It includes policy formulation by the Minister, the National Commissioner, and other members of senior management, and facilitates prison inspections by the Inspecting Judge.

The Programme accounted for about 32% of the budget of the Department in 2004/05, and will remain at approximately this level throughout the medium term. Over the medium term, the budget for administration will grow by an average of 6,6% a year, mainly because the Department will focus on increasing its anti-corruption capacity and investment in HRD.

Human resources

Employees of the Department of Correctional Services are not entitled to strike and conditions of employment have to be negotiated with labour unions in a bargaining council.

The major unions active in the Department are the Police and Prisons' Civil Rights Union, the Public Servants' Association and the Democratic Nursing Association of South Africa.

Community involvement

The Subdirectorate: Community Involvement facilitates the involvement of members of the community in correctional matters and provides expanded capacity for the Department. The objectives of the Subdirectorate are to:

- promote co-responsibility for offender management and crime prevention
- share responsibility for the rehabilitation and reintegration of offenders into the community
- maximise the use of public and private resources.

The Department actively participates in the initiative of the NCPS to establish Community Safety Centres. The aim of these Centres is to provide integrated services in South Africa's disadvantaged communities. The departments of Correctional Services, Health, Social Development, Justice and Constitutional Development and the SAPS provide these integrated services to the community under one roof. Two Community Safety Centres were opened at Nsimbini in KwaZulu-Natal and at Leobeng in Limpopo.

The Department has embarked on a poverty-alleviation programme that entails the deployment of offender-generated goods and services for poverty alleviation, disaster relief and rural development.

Since the launch of the Programme, the majority of prisons have engaged in projects, but in 17 areas they have managed to realise surplus produce in agriculture which is donated to old-age homes, school children, the disabled, orphanages and poor community members living in the vicinity of the country's prisons.

The Department has managed to reach 83% self-sufficiency in the production of pork, 67% in vegetable production, 53% in the production of

eggs and 45% in the production of chickens. Efforts are being made to raise the levels of self-sufficiency in the production of other foodstuffs.

Anti-corruption

Since the Department intensified its anti-corruption measures in 1996, more than 500 various cases were handled. The measures include the approval of a National Risk Management Plan and Anti-Corruption Strategy as well as the establishment of a formal Anti-Corruption Unit to manage the Strategy.

The Department has its own anti-corruption unit. The Chief Directorate: Legal and Special Operations has been created, under which the Departmental Investigation Unit (DIU) and the Directorate: Code Enforcement reside.

The DIU is responsible for the prevention and investigation of corrupt elements, fraud and maladministration within the Department.

There are three desks in this Directorate, namely Investigations, Prevention and Integrity. The Investigations Desk conducts and manages all the investigations in the Unit. The Prevention Desk is responsible for developing corruption-prevention mechanisms and conducting trend analyses. The Integrity Desk conducts vetting of employees and investigations emanating from breach of security by members.

The DIU is spearheading the implementation of the Anti-Corruption Strategy.

The Department is increasing the capacity of the

DIU. It works in partnership with the SIU, SAPS and the DSO in a concerted effort to root out corruption.

International co-operation

During 2003, officials from the Department of Correctional Services visited several countries such as Algeria, the UK, the Netherlands, the United States of America and others to raise the country's profile and to create an atmosphere for a healthy exchange of ideas on corrections.

The Department has established relations with organisations such as the American Correctional Association, the IPCA and the International Corrections and Prisons Association.

The Department hosted a meeting of Ministers in the SADC responsible for corrections in Johannesburg. The aim of the meeting was to exchange views on how to create a corrections and justice forum to enhance co-operation in these matters within the region.

The Department is considering the development of policy guidelines to enable government to enter into Prisoner Transfer Agreements with other countries. This policy advocates for the return of prisoners sentenced in foreign countries to enable them to complete their sentences closer to their families and the communities they will be released into. This affects both South Africans in foreign prisons as well as foreigners in South African prisons.

The policy has yet to go through normal government processes for final approval by Cabinet.

Acknowledgements

Beeld

BuaNews

Commission on Gender Equality

Department of Correctional Services

Department of Justice and Constitutional Development

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Johannesburg News Agency

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16

Minerals, energy and geology

The Department of Minerals and Energy is the primary government institution responsible for formulating and implementing minerals and energy policy to ensure optimal use of these resources. It reports to and advises the Minister of Minerals and Energy who, in consultation with the Cabinet, takes final responsibility for policy.

Within the Department, the Electricity and Nuclear Branch is responsible for electricity and nuclear-energy affairs; while the Hydro Carbons and Energy Planning Branch is responsible for coal, gas, liquid fuels, energy efficiency, renewable energy and energy planning, including the energy database.

The objective of the Mineral Development Branch is to transform the minerals and mining industry and promote the sustainable development of the industry for the benefit of all South Africans.

The Mine Health and Safety Inspectorate (MHSI) is responsible for the application of mine health and safety legislation.

Policy

The Minerals and Petroleum Resources Development Act (MPRDA), 2002 (Act 28 of 2002), was promulgated in May 2004. The Act recognises the



State's sovereignty and custodianship over the country's mineral resources; and provides for equitable access to mineral resources; opportunities for historically disadvantaged individuals (HDIs); economic growth; employment and socio-economic welfare; and security of tenure. Meaningful and substantial participation of HDIs in the mining sector is guided by principles contained in the Broad-Based Socio Economic Empowerment Charter. A scorecard for the Charter has been introduced to facilitate the application of the Charter in terms of the requirements of the MPRDA, 2002 for the conversion of all the 'old-order rights' into new rights.

The provisions of the MPRDA, 2002 have necessitated the establishment of the National Mining

Promotion System (NMPS), which has been installed in the Department of Mineral and Energy's offices. This online System allows the Department to improve on mineral licensing administration, investment promotion and the registration of rights. It ensures accurate data-capturing to enable immediate access to information of spatial overlaps on existing mining or prospecting permits. The NMPS enables the Department to improve on turnaround time when processing applications and maintain the proper management and administration of mineral-related rights and permits.

The Mining Titles Registration Amendment Act, 2003 (Act 24 of 2003), was promulgated on 26 November 2003 and came into effect on the com-

mencement date of the MPRDA, 2002, on 1 May 2004. The purpose of the Amendment Act is to re-regulate the registration of mineral and petroleum titles and related rights, to effect certain amendments that are necessary to ensure consistency with the MPRDA, 2002, and to amend the Deeds Registries Act, 1937 (Act 47 of 1937), so as to transfer the functions relating to the registration of rights to minerals from the ambit of the Act into the duties and functions of the Director-General of the Department of Minerals and Energy.

The Precious Metals and Diamonds General Amendment Bill, released for public comment in 2004, amends the Diamond Act, 1986 (Act 56 of 1986), and Chapter XVI of the Mining Rights Act, 1967 (Act 20 of 1967), and was expected to be finalised in the 2004/05 financial year. The main objective of these amendments is to provide for the rationalisation of the regulation of matters pertaining to the downstream development of precious metals and diamonds, to promote equitable access to the nation's precious metals and diamonds, and to promote local beneficiation of these minerals.

Mine environmental management

Mine environmental management forms an integral part of mineral-resource management. It focuses on the following national priority programmes:

- The strengthening of enforcement to prevent mining legacies from occurring. This relates to

the implementation of the MPRDA, 2002 and other short- and long-term strategies to strengthen environmental enforcement.

- Identifying mine-pollution 'hot spots' and implementing additional measures, norms and standards to address and manage pollution within these areas.
- Rehabilitation of abandoned and ownerless mines.

To facilitate the implementation of these priorities, the *Phephafatso* (meaning 'clean-up' in Setswana) Strategy was developed. The Strategy is not only an initiative of the Department of Minerals and Energy, but is a co-operative government initiative supported by the mining industry, various parastatals and other role-players. Further linkages to this Strategy have been made with the Council for Scientific and Industrial Research (CSIR).

To address mine-water pollution problems within the Witwatersrand gold-mining 'hot spots', the Department, in conjunction with the Council for Geoscience and several other government departments, has developed a comprehensive strategy to address the polluted underground water that has been a hindrance for many years.

This strategy includes measures to prevent water ingress into mines.

Such preventative measures will reduce the impact on the environment and substantially decrease mining costs within the Witwatersrand gold-mining area. For the prevention of water ingress, a work programme aimed at engineering interventions in the central and East Rand mining basins was implemented in 2003/04. By mid-2004, the work plan was well underway and research in terms of best practices for closure of openings and the prioritisation of work was in progress.

Mining outcomes of the World Summit on Sustainable Development (WSSD)

Representatives from nearly 200 countries assembled at the WSSD in Johannesburg in September 2002 to reaffirm their commitment to sustainable development.

In April 2004, the Minister of Minerals and Energy, Ms Phumzile Mlambo-Ngcuka, launched the first project of the beneficiation leg of the Mining Charter.

The South African Mineral Pavilion is situated at the Johannesburg International Airport. The Pavilion showcases the country's vast array of mineral resources as well as jewellery designs of local producers.

The Pavilion is the result of proposals contained in the Mining Charter to develop the country's minerals-beneficiation industry beyond mining and processing.

The Pavilion is a partnership between Harmony Gold, Mintek, the Airports Company of South Africa, and the departments of Minerals and Energy and of Arts and Culture.



As a follow-up to the WSSD outcomes for mining, the Department of Minerals and Energy finalised a strategy with specific programmes, plans and time frames to achieve the objectives and priorities with regard to the implementation of the Johannesburg Plan of Implementation (JPI).

The WSSD outcomes for mining include:

- poverty eradication
- changing unsustainable patterns of consumption and production
- protecting and managing the natural resource base for economic and social development
- globalisation
- initiatives for sustainable development in Africa.

Apart from the national processes being established to take the WSSD outcomes forward, international processes and structures such as the African Mining Partnership will be established to champion, among others, the New Partnership for Africa's Development's (NEPAD) mining and mineral-related initiatives. The Global Mining Dialogue was also established to promote WSSD mining outcomes in the international arena.

The Dialogue has achieved its objective of bringing together interested governments to prepare the launch of the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development.

The outcome was achieved at the second preparatory meeting of the Global Dialogue on Mining/Metals and Sustainable Development that took place in Geneva, Switzerland, in June 2004.

The JPI has implications for a number of national departments, because of its integrated nature, to address poverty eradication, sustainable production and consumption, management of the natural resources base and socio-economic aspects. Many of the relevant national departments have been requested to submit follow-up action plans to the Department of Environmental Affairs and Tourism. The departments' input ranges from national to international actions as well as policy reform and priorities.

Mineral and Mining for Sustainable Development

An international initiative as well as a southern African initiative for sustainable development have

been undertaken. The purpose of these initiatives is to undertake research into sustainable development through mining, to identify critical issues and priorities, and to make recommendations regarding the implementation of such initiatives.

The key challenges include the following:

- poverty alleviation through employment, job creation, skills development and training, and ensuring that communities benefit from the exploitation of natural resources
- addressing the social and environmental legacies of the past
- HIV and AIDS
- ensuring the viability of the mining industry on global, national and regional bases where markets for minerals must develop in a way that enables rather than limits the transition to sustainable development, notably in terms of internalising costs over time, while maintaining viable enterprises and rewarding good practice
- good governance and strengthening enforcement
- issues relating to market access and in particular the beneficiation of minerals.

A task team has been established, consisting of government departments, the mining industry, labour and non-governmental organisations. Its role is to determine how the recommendations emanating from the initiatives can be taken forward.

Sustainable development on the African continent

African Mining Ministers met in Cape Town in February 2004 to launch the African Mining Partnership (AMP) to discuss issues of common interest in mining, and to adopt projects which were recommended during the second Steering Committee meeting held in Accra, Ghana, in October 2003.

The following projects were discussed and adopted:

- beneficiation
- artisanal and small-scale mining
- human resource development (HRD)
- environment/sustainable development
- promoting foreign investment and indigenous/local participation in mining ventures.

The outcomes of the meeting resulted in an implementation plan, which identified the following projects:

- the first project entails assessing the environmental impact of African mining and mineral-processing operations and associated infrastructure, and evaluating the expected impact of future mining and mineral processing operations and associated infrastructure
- the second project entails synergising the AMP environment/sustainable development strategy with the WSSD Outcomes For Mining and with the JPI, taking into consideration the AMP priorities.

The project proposals of the abovementioned projects were presented to the Steering Committee of the AMP in Egypt in July 2004.

Rehabilitation of mines

Government follows an integrated and co-operative approach with regard to the rehabilitation of South Africa's asbestos mines. A dedicated programme for the rehabilitation of derelict and ownerless asbestos mines/dumps has been implemented and the Department rehabilitated about 60% of the existing 578 asbestos dumps located in Limpopo, Northern Cape and North West. It is envisaged that the remaining rehabilitation work will be completed within six years.

The Department of Minerals and Energy, in co-operation with the Department of Water Affairs and

Forestry and other role-players, implemented urgent short-term rehabilitation measures at the Transvaal and Delagoa Bay mines.

The initial work programme has been expanded to address the following:

- ingress of air and water into underground mine workings
- spontaneous combustion in underground workings
- acid mine water egress from the workings
- unpredicted collapses of the mine workings and surface areas (sinkholes).

An evaluation of the options for rehabilitation of the colliery has identified two broad methods:

- re-mining and selective rehabilitation
- fall-back options: covering the site with ash or sealing off the mine perimeter and flooding followed by rehabilitation.

Three derelict/ownerless coal-mining sites were identified in the Vierfontein Colliery area, situated near Orkney in the Free State. It was envisaged that the sinkholes identified will be rehabilitated during the 2004/05 financial year.

Excellence in Mining Environmental Management (EMEM) Award System

The EMEM Award System was implemented in March 2000 to motivate the mining industry to excel in environmental management, and to recognise those mining companies which have excelled in their field. The EMEM Awards are awarded to regional and national companies.

Black Economic Empowerment (BEE)

The New Africa Mining Fund (NAMF), a private equity fund, was established in 2002 to exclusively finance exploration activities, while facilitating the entry of HDIs into the mining industry.

No other institution in South Africa provides such funding.

By June 2004, the NAMF had received 130 applications for funding. During 2004, eight BEE transactions to the value of R10 billion were finalised.

The Department of Minerals and Energy supports various organisations aimed at empowering women in the minerals and energy fields.

These include:

- Women in Nuclear South Africa, which communicates the benefits of nuclear technology to the public.
- Women in Oil and Energy, which supports women working in the oil and energy fields and develops renewable energy projects.
- South African Women in Mining Association (SAWIMA), which is positioning itself as a role-player in major mining transactions. SAWIMA has formed an investment company, which champions business opportunities.



Mining industry

Mining continues to play an important role in the national economy. Preliminary figures for 2003 indicate that South Africa's mining sector contributed R78,5 billion of gross value added compared with 2002. Although this is a 1% decrease which is equivalent to R2,08 billion, the mining industry remains the major contributor to South Africa's economy.

The improvement in the exchange rate has reversed the positive effect that would have been experienced by local producers due to the relatively higher revenues in Dollar terms, as compared with 2002 for major commodities. Some of the local producers have scaled down their projected expenditure on expansion projects while others may retrench workers in marginal operations.

Gold mining continued to play a dominant role in the sector. In 2003, preliminary figures for foreign revenue earnings stood at US\$4,4 billion, compared with those of platinum-group metals (PGMs), which totalled US\$3,8 billion.

Even with greater mineral value addition at R31,0 billion, South Africa continues to export a very high proportion of its raw mineral resources.

Employment has continued the slight upturn which was first experienced in 2002, to a workforce of 430 870 in 2003, a 4,3% rise. This sustained rise can be attributed to expansions in the PGM sector.

There is still potential for growth in the exploitation of minerals in the country, especially in the sectors where the country is ranked number one in terms of reserves. For example, in manganese, chrome and the PGMs, South Africa has 80%, 72,4% and 87,8% of world reserves respectively.

Over the last few years, South African mining houses have transformed into large focused mining companies that include Anglo Platinum, Anglogold, De Beers, Implats and Iscor.

The Government is the only shareholder of Alexkor, a diamond mine situated on the west coast in Namaqualand. Mining takes place on land and in certain sea concession areas.

The Alexkor Limited Amendment Act, 2001 (Act 29 of 2001), provides for the sale or disposal of

shares held by the State. However, new management has been appointed and over the past two years, the mine has turned around to profitability.

Government is involved in the Alexkor Diamond Mine Board and Audit Committee.

In October 2003, the Constitutional Court returned the land and mineral rights owned by Alexkor to the Richtersveld community which was forcibly removed from the land in the 1920s.

Negotiations regarding the future of the mine are taking place.

Mineworkers

Gold mining, with 45,7% of the mining industry's labour force, was the largest employer in 2003, followed by PGM mining with 28,8%. The coal industry employed 11% of the labour force in 2003.

Taking into account the multiplier effect of the supply and consumer industries, including dependants, many millions rely on the mining industry for their livelihood.

Employers and trade unions in the mining industry have agreed to establish measures that will help create jobs and alleviate poverty. The parties committed themselves to ensuring that skills development becomes a priority in the industry.

Mine health and safety

The purpose of the MHSI is to reduce mining-related deaths, injuries and diseases through the establishment of national policy, legislation and systems to regulate and enforce health and safety, and support training in the mining industry.

The Chief Inspector is also chairperson of the boards of the Mine Health and Safety Council (MHSC) and the Mining Qualifications Authority (MQA).

The main strategic objective of the MHSI is to improve occupational health and safety in mines through the establishment and promotion of national policy, legislation and systems to regulate, monitor, audit and inspect mines; contribute to the development of qualifications, skills programmes and learnerships in the mining industry; and provide technical advice to the mines.

There has been a steady improvement in safety performance during the past 10 years, but all stake-

holders agree that the fatality and injury rates remain high especially in underground gold mines. Coal, platinum and other commodity mines have shown a satisfactory performance in relation to international benchmarks. This necessitated a concerted effort to improve the prevention of occupational accidents.

The prevention of occupational diseases has received increased attention in the years following the Leon Commission of Inquiry (1994) and the coming into effect of the Mine Health and Safety Amendment Act, 1997 (Act 72 of 1997).

There has been a steady appreciation of the need to apply more resources to deal with occupational health matters. Tuberculosis (TB) associated with exposure to silica dust is a growing occupational health concern and is receiving priority attention in the mining industry. The increase in prevalence of HIV-infection has led to a doubling in new TB cases and increased mortality. Noise-induced hearing loss

has also been recognised as a major occupational health risk in the South African mining industry.

The State and its tripartite partners in the MHSC have identified and are addressing the following four key national occupational health and safety priorities:

- prevention
- culture
- capacity
- governance.

Proposed key measures for the prevention of machinery-related accidents were identified by the Minister of Minerals and Energy, Ms Phumzile Mlambo-Ngcuka, during the National Union of Mineworkers Policy Conference in February 2003.

These include:

- the maintenance of track work to prevent derailment
- the development of a traffic-control system to prevent the collision of vehicles
- a clearance of at least 500 mm between rolling stock and any object to allow sufficient space for pedestrians.

In the next three years, the MHSI will focus on addressing hazards relating to mine falls, machinery and occupational health. Work will also continue to support HRD in the industry, inquiries into recent major accidents, developing and improving occupational health and safety databases, and bringing about the integration of occupational health and inspectorates at national level.

The Biennial Tripartite Mine Health and Safety Summit was held in October 2003. Representatives from the State, employers and labour agreed on milestones to be achieved by 2013, with the ultimate goal being to achieve zero accident and injury rates and the elimination of exposure to health hazards.

These include:

- eliminating silicosis and noise-induced hearing loss
- reducing the fatality rate in the gold-mining sector by 50%
- reducing the fatality rate in coal, platinum and other mines by 20%.

Policy, legislation and implementation plans are being developed to establish a new interdepartmen-

South Africa's mineral reserves, 2003

Commodity	Unit	Reserves	%	World ranking
Alumino-silicates	Mt	51	37,4	1
Antimony	Kt	250	6,4	4
Chrome ore	Mt	5 500	72,4	1
Coal	Mt	33 814	3,7	7
Copper	Mt	13	2,0	14
Fluorspar	Mt	80	16,4	2
Gold	t	36 000	40,7	1
Iron ore	Mt	1 500	0,9	11
Lead	Kt	3 000	2,1	7
Manganese ore	Mt	4 400	80,0	1
Phosphate rock	Mt	2 500	5,0	4
Platinum-group metals	t	70 000	87,8	2
Silver	kt	10	—	—
Titanium minerals	Mt	244	27,8	2
Uranium	Kt	298	1,6	4
Vanadium	Kt	12 000	44,0	1
Vermiculite	Mt	10	40,0	2
Zinc	Mt	15	3,3	
Zirconium minerals	Mt	14	17,4	2

Mt=megaton, Kt=kiloton, t=ton

Source: Minerals Bureau

tal national institution, in addition to the MHSI, to be responsible for the prevention and compensation aspects of occupational health and safety. Transition to the new system is likely to take place in the Medium Term Expenditure Framework period.

The fatality rate for 2003 was 0,63 per 1 000 people at work per year, or 264 fatalities. This is an improvement on the previous year's rate of 0,76 per 1 000 people, or 293 fatalities. The reportable injury rate for 2003 was 10,30 injuries per 1 000 people at work, or 4 290 injuries. The corresponding figure for 2002 was 11,5 per 1 000 people, an equivalent of 4 461 injuries.

Against a backdrop of expansion in the gold, platinum and small mining areas, and particularly severe personnel capacity constraints in the platinum and small-mining sector, these results suggest that considerable effort was made on the part of the Inspectorate and certain industry stakeholders to prevent safety performance from deteriorating.

The Department benchmarks local mine fatality and accident rates against the international Ontario Hard Rock Mines Standard. According to these criteria, South Africa's platinum mines are performing well whereas its gold mines still require improvement. The Inspectorate has completed a number of inquiries into major accidents.

Human resource development

The overall aim of the MQA is to facilitate the development of appropriate knowledge and skills in the mining, minerals and jewellery sectors, to:

- enable the development and transformation of the sector
- contribute to the health, safety and competitiveness of the sector
- improve access to quality education and training for all
- redress past inequalities in education and training.

The MQA was established as a Sector Education and Training Authority under the leadership of the Department of Labour. The responsibilities of the MQA are to:

- develop and monitor the implementation of a sector skills plan

- register skills-development facilitators at workplaces within the sector
 - approve work skills plans and annual training reports of companies in the sector
 - develop unit standards and qualifications
 - maintain the quality of standards, qualifications and learning provision in the sector
 - establish, register, administer and promote learnerships
 - administer existing apprenticeship systems
 - administer and disburse skills-development levies.
- The MQA's output (unit standards, skills programmes, qualifications and accreditation) have been aligned with the policies of the Mining Charter and the legislative programme of the Inspectorate, through the active participation of the latter in the organisational structure of the MQA. This resulted in 52 priority learnerships and 558 learners being registered by November 2003. The MQA also registered 21 ongoing skills programmes.

The MQA has made significant progress in the following areas:

- sector skills planning
- standard setting
- learnerships, skills programmes, apprenticeships and learning material
- education, training and quality assurance.

Chamber of Mines

Established in 1889, the Chamber of Mines consists of independent mining finance corporations, individual mines and mining companies. The members account for more than 85% of South Africa's mineral output.

The Chamber of Mines provides an advisory and service function to its members and to the industry on a co-operative basis, in areas such as industrial relations; education and training; security and healthcare; technical, legal and communication services; and the provision of statistical data.

The following services are provided by subsidiary companies to the South African mining industry and, in some instances, also to customers outside the mining industry: training; examination administration; visits to operational gold and diamond mines;

the monthly newspaper *Mining News*; mine-rescue; environmental management; and centres for human development.

Other areas of industry networking include:

- the Employment Bureau of Africa (TEBA)
- TEBA-Bank, providing efficient and cost-effective banking services for mineworkers
- Rand Mutual Assurance, providing workers' compensation benefits for accidental injury or death arising out of and in the course of employment
- Rand Refinery Ltd, the world's largest gold refinery
- the Nuclear Fuels Corporation (NUFCOR)
- Colliery Technical Services, which includes the Colliery Training College
- Rescue Drilling Unit

South Africa's mineral production, 2003

Commodity	Unit	Production	%	World rank
Aluminium	kt	735	2,6	9
Alumino-silicates	kt	165	29,8	2
Antimony	t	5 291	5,4	3
Chrome ore	kt	7 405	49,0	1
Coal	Mt	239	4,7	5
Copper	kt	121	0,9	15
Diamonds	kcar	11 914	9,1	5
Ferrochromium	kt	2 813	46,0	1
Ferromanganese	kt	843	10,2	2
Ferrosilicon	kt	184	8,9	5
Fluorspar	kt	—	—	—
Gold	t	373	16,4	1
Iron ore	Mt	38	3,5	7
Lead	kt	4,0	1,3	12
Manganese ore	kt	3 501	14,8	1
Nickel	kt	41	3,3	9
Phosphate rock	kt	—	—	—
Platinum-group metals	kg	266 150	57,3	1
Silicon metal	kt	49	4,9	7
Silver	t	80	0,4	20
Titanium minerals	kt	—	—	—
Uranium	t	758	2,1	10
Vanadium	kt	27	41,0	1
Vermiculite	kt	183	41,3	1
Zinc in minerals	kt	—	—	—
Zirconium minerals	kt	—	—	—

Mt=megaton, Kt=kiloton, t=ton, kg=kilogram, k car=kilocarats

Source: Minerals Bureau

- Collieries Environmental Control Services
- the CSIR Mining Technology Division (Miningtek).

Junior and small-scale mining

The National Small-Scale Mining Development Framework was created to assist small-scale miners with the challenges they face. The small-scale mining sector makes a significant contribution to job creation in the mining industry.

It is estimated that about 1 000 jobs can be created for every seven to 10 sustainable small-scale mining projects assisted. Experience has shown that it is not enough just to provide institutional support; there is a need to involve technical partners or business professionals to mentor the project to its completion.

The target market for assistance by the Framework are:

- illegal or unacceptable operations with the aim to legalise and convert them into sustainable operations
- undercapitalised operations which require expansion or optimisation
- first-time entrepreneurs interested in greenfield projects.

Efforts are being made to raise finance to capitalise the 25 projects that the Framework has approved for support. The Framework assisted the approved projects with the following services:

- resource evaluation
- project development and training
- environment planning
- business planning
- financial guidance.

A total of R15,1 million was allocated to small-scale mining projects in 2003/04.

Mineral wealth

South Africa's mineral wealth is found in diverse geological formations, some of which are unique and extensive by world standards. Some of the country's minerals include:

- Gold – the unique and widespread Witwatersrand Basin yields some 98% of South Africa's gold output.
- Diamonds (in kimberlites, alluvial and marine) – the country is among the world's top producers.
- Titanium – heavy mineral-sand occurrences containing titanium minerals are found along the coasts.
- Manganese – enormous reserves of manganese are found in the sedimentary rocks of the Transvaal Supergroup.
- PGMs and chrome – these minerals occur in the Bushveld Complex in Mpumalanga, Limpopo and North West. More than half of the global reserves of chrome and platinum are found in this deposit.
- Coal and anthracite beds occur in the Karoo Basin in Mpumalanga, KwaZulu-Natal and Limpopo.
- Copper phosphate, titanium, iron, vermiculite and zirconium are found in the Phalaborwa Igneous Complex in Limpopo.

South Africa's reserves of five commodities rank highest in the world. These are:

- manganese
- chromium
- PGMs
- gold
- alumino-silicates.

The small domestic market for most commodities means that South Africa's mineral industry is export-orientated: for vanadium it contributes 79% of world exports, antimony 26%, alumino-silicates 38%, ferrochromium 57%, chrome ore 57%, and manganese ore and ferromanganese 22% and 24% respectively.

South Africa is the world's largest exporter of these commodities, as well as of gold, zirconium and vermiculite. Other important export commodities include coal and titanium minerals.

Because of this vast mineral resource base, South Africa is, to a large degree, self-sufficient with respect to the supply of minerals.

However, some minerals and mineral products need to be imported due to an insufficiency of local resources or the fact that their deposits in South Africa cannot be economically exploited.

Another factor is that certain specialised grades and products are not produced in South Africa.

South Africa's total primary minerals decreased by 12,6% to R117,7 billion in 2003. Total processed mineral sales increased by 10,0% from R30,9 billion in 2002 to R27,8 billion in 2003.

The combined total for primary and processed mineral sales is estimated to have decreased by 12,2% from R165,7 billion in 2002 to R145,5 billion in 2003.

Domestic primary mineral sales revenue increased in 2003 by 12,8% to R30,9 billion, from 27,4 billion in 2002.

The value of exports of primary minerals in 2003 decreased by 19,1% to R86,8 billion.

The Directorate: Mineral Economics (Minerals Bureau) of the Department of Minerals and Energy monitors and analyses all mineral commodities with regard to South African and world supply and demand, marketing and market trends.

Full details of South Africa's mineral industry (including the individual commodities) and its recent performance are provided in the Directorate's annual review.

The recent performance of the more important individual commodities and of the different mineral sectors is summarised as follows:

Gold

World demand for gold decreased by 1,5% to 3 978 tons (t) in 2002. The average gold price traded at a five-year high of \$364/oz.

World mine supply decreased by 36 t to 2 587 t, but South African gold production fell by 6,4% to 373,1 t in 2003. Provisional data for 2003 indicates that total gold sales declined by 19,7% to \$4,38 billion.

Coal

Investments in new coal-mining and transport infrastructural developments are still awaiting prospects of sustained strong activity and firm prices.

Platinum-group metals

South African PGM production increased by 12,5% to 266 t in 2003, while PGM revenue increased by

14,8% to \$3,8 billion. The average platinum price for 2003 was 28% higher at \$692/oz, while the average palladium price was 40,0% lower at \$201/oz.

Due to the sharply increasing strength of the Rand, rising local costs and inflation with lower prices for palladium and rhodium, Anglo Platinum, South Africa's largest PGM producer, announced their decision to slow down the development of several new projects.

Non-ferrous minerals

Refined copper, nickel, cobalt, titanium and zirconium concentrates dominate this sector, with support from zinc, lead and arsenic concentrates. The sector contributes some 12% and 4% respectively to total primary local sales and total primary export sales. About 44% of total revenue is from local sales for further added-value operations.

Ferrous minerals

This sector consists of the ores of iron, manganese and chrome, and is dominated by iron ore. It has been a leading performer in the primary minerals industry in recent years, with revenue in Dollar terms growing at about 3% annually. Demand depends on the fortune of the world's steel and stainless steel industries.

Export earnings from ferrous minerals fell a considerable 26,5% from R5,66 billion in 2002 to R4,16 billion in 2003, as higher Dollar earnings were severely discounted by a much higher average Rand-Dollar exchange rate ratio for 2003. The strong Rand also affected total ferrous sales, which fell by 15,3% to R6,81 billion.

Industrial minerals

This sector comprises a wide variety of mineral products, from which over 70% of revenue is local sales. In Dollar terms, domestic total sales increased by 49,2% in 2003 to \$564 million. In Rand terms, local sales increased by 7,5% to the value of R4,3 billion, and export sales decreased by 10,8% to R1,4 billion.

During 2003, 84% of local sales comprised limestone and lime (28%), phosphate rock concentrate

(data withheld), aggregate and sand (29%) and sulphur (6%).

Exports were dominated by dimension stone (57%), vermiculite (10%), andalusite and fluorspar (11% each), and phosphate rock concentrate (data withheld).

Processed minerals

Ferro-alloys and aluminium dominate this sector, with solid support from titanium slag, phosphoric acid, vanadium, zinc metal and low-manganese pig-iron. Through investment in beneficiation, it has been the outstanding performer in the mineral industry over the last 20 years, with revenue in Dollar terms growing by 6,3% annually.

Weaker international prices during 2002 were responsible for processed mineral sales falling some 5,5% compared with 2001.

Other minerals

This sector is dominated by diamonds, with support from hydrocarbon fuel, uranium oxide and silver. Sales revenue was boosted enormously in 2000 by diamond sales that were held back from 1999, and by a strategy to amortise commercial diamond inventories.

After three consecutive years of falling earnings, total sales of other minerals increased by some 31% in 2003 to \$1 258 million.

New investment potential remains strong in this sector, which has recovered enormously through new investments in operations since 1994, compensating for the rapid demise in the demand for uranium oxide in nuclear applications since the late 1980s.

Energy

Energy in the economy

Energy comprises about 15% of South Africa's Gross Domestic Product (GDP), creating employment for about 250 000 people. The total electricity sales by Eskom in 2003 grew to 196 980 gigawatt-hour (GWh). The peak demand on the integrated system totalled 31 928 megawatts (MW). Total liquid-fuels sales in 2001 grew by 0,3% to

20 934 million litres (ML). These figures demonstrate the growth of the South African economy and the importance of energy as a key driver of the country's economy.

Its energy intensity is above average, with only 10 other countries having higher commercial primary energy intensities. This high-energy intensity is largely a result of the economy's structure, with its dominating large-scale, energy-intensive primary mineral beneficiation and mining industries.

In addition, there is a heavy reliance on coal for the generation of most of the country's electricity and a significant proportion of its liquid fuels. Furthermore, South Africa's industry has not generally used the latest in energy-efficient technologies, mainly as a result of relatively low energy costs.

Government has been persistently engaging members of the Organisation of Petroleum Exporting Countries through diplomatic channels to increase production.

Energy efficiency

Significant potential exists for energy efficiency improvements in South Africa in all economic sectors, the largest potential being in industry, which uses 68% of all electricity.

The savings potential of the industrial sector could be as high as 50% for a number of reasons: the low cost of electricity is only a temporary phenomenon, energy-efficient technologies are more easily available than in the past and the payback periods are short. However, maximum benefits for the national economy will only be realised if energy efficiency is practised across all sectors, including mining, households, commercial buildings and transport.

The Draft Energy Efficiency Strategy, which was released for comment in May 2004, sets a national target for energy efficiency improvement of 12% by 2014.

These include economic and legislative means, norms and standards and appliance labelling, energy audits and management, promotion of energy-efficient technologies, as well as the promotion of public awareness and information about the benefits of energy-efficiency measures.

Interventions will be grouped into three phases according to the payback period, implementing 'easy-gain' measures in the first phase and 'long-term gains' in the third phase.

The barriers to implementing energy efficiency in the past have been the low cost of electricity and the lack of knowledge among the public about the benefits of energy-efficient technologies. However, the situation is set to change. The commitment to sustainable development and cleaner energy utilisation, the low cost of energy-efficient technologies, and, above all, the cost-effectiveness of energy efficiency (including demand-side management on behalf of the electricity utilities) compared with the great expenditure involved in building new power-generation capacity, are driving government policy in a new direction.

Energy demand by the economic subsector

Households

Energy consumed by households represents some 17% of the country's net use. Most household energy is obtained from fuel wood (50% of net household energy), primarily in rural areas, with the remainder coming from coal (18%), illuminating paraffin (7%) and a small amount from liquid petroleum gas.

Rural households comprise the majority of poor homes and are characterised by severe poverty. In terms of basic energy services, their energy 'poverty' is exacerbated by the increasingly widespread scarcity of fuel-wood resources. Wood and paraffin are their main energy sources, with few having access to electricity.



The Department of Minerals and Energy, in conjunction with Eskom and the National Electricity Regulator, launched National Energy Efficiency Month under the theme *Save Energy, Save Money* on 1 May 2004.

The aim is to show the public how to conserve energy in their homes, businesses and industries, while saving money.

Productive sectors

Industry and mining are the most important subsectors in terms of energy consumption. These sectors use mainly electricity and coal as energy sources.

The balance comes largely from coke and blast-furnace gases and small amounts of heating oils.

The mining industry depends heavily on electricity. Mineral and metal processing uses large amounts of electricity and coal, mostly in large-scale mineral-beneficiation processes. Base metals, the largest single industrial energy-consuming subsector, is also by far the most energy-intensive one.

The food sector shows a high total use and relatively high intensity, although, in terms of value added, its energy requirements are very modest in comparison with the basic mineral and metal industries. The chemical and paper and pulp industries also consume large amounts of energy at high intensities.

Transport

Liquid fuels such as petrol and diesel account for 92% of the energy used for transport. Rail transport accounts for less than 5% of the total national electricity consumption. Petrol sales account for more than half of the total sales of local petroleum products.

Petrol and diesel consumption was 10 669 ML and 7 436 ML in 2003 respectively. Petrol and diesel account for about 72% of all petroleum products consumed in 2003. The total volume of liquid fuels sold during in 2003 was 25 338 ML.

The demand for petrol and diesel has remained relatively static over the last five years. The demand for jet fuel has, however, grown steadily since 1994 as a result of increased business and tourism activities.

Government has accepted a process of managed liberalisation for the liquid fuel industry.

The Petroleum Products Act, 1977 (Act 120 of 1977), has been amended to institute a licensing dispensation for participants in the liquid-fuel industry. The Petroleum Products Amendment Act, 2003 (Act 58 of 2003), was promulgated in 2003.

The Energy Regulator Bill, which will establish a National Energy Regulator, was before Parliament in 2004. It is expected that the Regulator, which will be responsible for the regulation of electricity, petroleum pipelines and gas, will be established in 2005.

Coal

South Africa's indigenous energy resource base is dominated by coal. Internationally, coal is the most widely used primary fuel, accounting for about 36% of the total fuel consumption for the world's electricity production.

About 77% of South Africa's primary energy needs are provided by coal. This is unlikely to change significantly in the next decade, owing to the relative lack of suitable alternatives to coal as an energy source.

South Africa produces an average of 239 million tons (MT) of saleable coal annually, making it the fifth-largest coal producing country in the world.

Many of the deposits can be exploited at extremely favourable costs and, as a result, a large coal-mining industry has developed.

In addition to the extensive use of coal in the domestic economy, some 30% of South Africa's production is exported internationally mainly through the Richards Bay Coal Terminal, making South Africa the fourth-largest coal exporting country.

South Africa's coal comes from collieries ranging from among the largest in the world to small-scale producers. As a result of new entrants in the industry, operating collieries were increased to 64 during 2003. Of these, a relatively small number of large-scale producers supply coal primarily to electricity and synthetic fuel producers. About 51% of South African coal mining is done underground and about 49% is produced by opencast methods.

The coal-mining industry is highly concentrated, with four companies; Ingwe (BHPBilliton), Anglo

In 2004, Cabinet endorsed a five- to 10-year plan to grow a critical research and skills base to support the Pebble Bed Modular Reactor (PBMR) Programme and the South African nuclear industry.

The PBMR received an invitation to bid for the building of a reactor system in the United States of America.



Coal, Sasol and Eyesizwe, accounting for 79% of saleable coal production. Production is concentrated in large mines, with 13 mines accounting for 75% of the output.

South African coal for local electricity production is among the cheapest in the world. The beneficiation of coal, particularly for export, results in more than 63 MT of coal discards being produced annually.

Thirty percent of the run-of-mine coal mined for the export market, and between 15% and 30% of the run-of-mine coal mined for local demand (excluding power-station coal), is not saleable and therefore discarded.

The remainder of South Africa's coal production feeds the various local industries: some 61% is used for electricity generation, 24% for petrochemical industries (Sasol), 8% for the general industry, 4% for metallurgical industries (Iskor) and 3% for domestic heating and cooking.

The key role played by South Africa's coal reserves in the economy is illustrated by the fact that Eskom is the seventh-largest electricity generator in the world, and Sasol the largest coal-to-chemicals producer.

South Africa's coal reserves are estimated at 34 billion tons, and with South Africa's present production rate there should be more than 50 years of coal supply left.

By international standards, South Africa's coal deposits are relatively shallow with thick seams, which naturally make them easier and, most often, cheaper to mine.

Coal is expected to maintain its share of the over-all electricity generation market until at least 2020. Total discards on the surface could reach more than 2 billion tons by the year 2020, should none of this material be utilised. As a result, the Department of Minerals and Energy is investigating ways to promote and encourage the economic use of the discards.

Environmental concerns pose the main challenge to coal as energy source. Not only does the burning of coal cause air pollution, but the mining activities to extract coal also have a severe impact on the environment. This is why the Department and the coal-

mining industry are fostering the introduction of clean coal technologies to the South African arena.

Nuclear

The nuclear sector in South Africa is mainly governed by the Nuclear Energy Act, 1999 (Act 46 of 1999), and the National Nuclear Regulator (NNR) Act, 1999 (Act 47 of 1999), administered by the Department of Minerals and Energy; and part of the Hazardous Substances Act, 1973 (Act 15 of 1973), related to Group III & IV of hazardous substances, administered by the Department of Health.

The main organisations directly involved in the nuclear sector are the following:

- The Department of Minerals and Energy plays a leading governance role with regard to nuclear technology, non-proliferation and safety. The Minister of Minerals and Energy is the executive authority responsible for overseeing the Nuclear Energy Corporation of South Africa (NECSA) and the NNR.
- NECSA undertakes and promotes research and development in the field of nuclear energy, radiation sciences and technology, medical isotope manufacturing, nuclear liabilities management, waste management and decommissioning. It is a public entity reporting to the Minister of Minerals and Energy.
- The NNR oversees safety regulation of nuclear installations at NECSA, Pelindaba, Vaalputs Radioactive Waste Disposal Facility, the Koeberg Nuclear Power Station, certain mines and other small users. It is a public entity reporting to the Minister of Minerals and Energy.
- The Department of Health (Directorate: Radiation Control) issues licences for Group III haz-



The formation of government's Integrated Energy Centres (IECs) will facilitate job creation, help improve access to modern energy carriers, and educate the poor about how to use energy in a cost-efficient manner.

Seven IECs were expected to be launched in 2004/05. These will be situated in KwaZulu-Natal, the Eastern Cape, Northern Cape, North West and Mpumalanga.

ardous substances (electronic product generating X-rays, other ionizing beams, electrons, neutrons or other particle radiation or non-ionising radiation) and Group IV hazardous substances (radioactive material outside a nuclear installation and which does not form part of or is used or intended to be used in the nuclear fuel cycle, and which is used or intended to be used for medical, scientific, agricultural, commercial or industrial purposes).

- The Koeberg Nuclear Power Station is responsible for electricity generation. It is government-owned through the public entity, Eskom, which reports to the Minister of Public Enterprises.
- IThemba Laboratories is responsible for medical isotopes and medical applications. This public entity falls under the Department of Science and Technology.
- NUFCOR is responsible for uranium-ore refinement and export. It is privately owned by AngloGold.

The South African nuclear sector employs about 2 700 people. The Koeberg Nuclear Power Station contributes about 6% of total electricity, and contributions to GDP are in excess of R1,5 billion from uranium exports (last five years) and NECSA's direct commercial sales of about R300 million per year.

Liquid fuels

South Africa consumed 21 267 ML of liquid-fuel products in 2002 and 25 338 ML in 2003. Thirty-six percent of the demand is met by synthetic fuels (synfuels) produced locally, largely from coal and a small amount from natural gas. The rest is met by products refined locally from imported crude oil.

The petrol price in South Africa is linked to the price of petrol in United States (US) Dollars in certain international petrol markets. This means that the domestic price is influenced by supply and demand for petroleum products in the international markets, combined with the Rand/Dollar exchange rate.

The National Petroleum, Gas and Oil Corporation of South Africa (PetroSA) was officially launched in Cape Town in October 2002.

The formation of the Corporation was the result of a merger between Moss gas, Soekor and other assets managed by the Strategic Fuel Fund (SFF).

PetroSA is responsible for the exploration and exploitation of oil and natural gas, as well as the production and marketing of synthetic fuels produced from offshore gas at the world's largest commercial gas-to-liquids plant in Mossel Bay.

PetroSA's commitment to the safety and health of its workers led to the company winning the National Association of Clean Air Award for its Mossel Bay refinery operation.

The Petroleum Products Amendment Bill and the Petroleum Pipeline Bill were promulgated in 2003. The Department of Minerals and Energy established a monitoring team in 2002 to evaluate the sustainability of BEE deals in liquid fuels and the validity of BEE groups.

The Department also regulates the liquid-fuels industry and has played a pivotal role in the development of the Liquid Fuels Charter and the transformation of the industry. To track the effectiveness of the Charter, annual audits are conducted to ascertain the extent of participation by companies owned or controlled by HDIs.

A further challenge for the Department together with the Department of Environmental Affairs and Tourism is the commitment to a clean environment. In terms of Cabinet's decision of 2000, sulphur in diesel will have to be reduced and leaded petrol phased out by 2006.

Sasol

The Sasol group of companies comprises diversified fuel, chemical and related manufacturing and marketing operations, complemented by interests in technology development, oil and gas exploration, and production.

Its principal feedstocks are obtained from coal, which the company converts into value-added hydrocarbons through Fischer-Tropsch process technologies.

The company supplies 41% of South Africa's liquid fuel needs. It also provides 200 000 direct and indirect jobs, contributes R34 billion annually to

South Africa's GDP, and produces 23% of the country's required coal.

Sasol operates in 23 countries on all continents, producing hundreds of fuel and chemical products for customers.

Among its recent international developments is an agreement signed with the Mozambican Government for the development of natural gas fields in that country, and the construction of a pipeline to Sasol's Secunda Plant in South Africa.

The pipeline was officially opened at the end of March 2004. It immediately raised South Africa's use of natural gas as primary energy supply source from 1,5% to 4,3% of total demand.

The pipeline is a joint venture between Sasol and the governments of South Africa and Mozambique.

The State retains the 25% share option in the gas pipeline project, through iGas, a subsidiary of the Central Energy Fund (CEF).

The initial capacity of the pipeline is 120 million giga-joules per year, equivalent to 4 000 MW.

Sasol listed its American Depository Receipts on the New York Stock Exchange on 9 April 2003.

The company's main projects during the last six months of 2003/04 included the following:

- Project Turbo – the fuels enhancement and polymers expansion project which is scheduled for commissioning in the last quarter of 2005
- the gas-to-liquid fuels projects in Qatar and Nigeria which are scheduled for start-up in December 2005 and July 2007 respectively
- the Arya Sasol polymers joint venture to build a world-scale ethane cracker and polyethylene plants in Iran, which are scheduled for commissioning from the fourth quarter of 2005
- the acrylic acid project which was commissioned during the first quarter of 2004.

Central Energy Fund

The CEF is mandated by the State to engage in the acquisition, exploration, generation, marketing and distribution of any energy form, and to engage in research related to the energy sector.

The vision of the CEF is to become the leading commercially viable energy-development company in Africa. The CEF's mission is to actively pursue

economically viable opportunities in oil, gas, coal and renewable energy resources, and to provide access to sustainable and affordable energy.

The CEF group of companies focuses on a number of areas:

- exploration and production
- petroleum products and services
- promoting and marketing offshore and onshore exploration
- oil trading and tank terminal management
- renewable energy
- energy efficiency and climate change
- low-smoke fuels
- research and development
- gas infrastructure development
- oil pollution prevention and control.

The Fund's activities are housed in five active subsidiaries – PetroSA, Petroleum Agency SA (PASA), iGAS, the SFF Association and Oil Pollution Control South Africa.

Indigenous oil and gas resources and production

The Department of Minerals and Energy is committed to the promotion of liquid petroleum gas which is cleaner, safer and which can serve as an efficient burning energy source. It is better burning fuel for cooking and heating. It does not generate smoke, dust and choking fumes like most other hydrocarbon fuels.

Government is committed to making it more affordable. It aims to pilot a different approach to the liquid petroleum gas retail sector before the end of 2004/05. A regulatory framework will also be developed.

PASA, the Department of Minerals and Energy's Agency responsible for the promotion of oil and gas exploration, has been successful in further encouraging international exploration companies to evaluate the country's oil and gas opportunities.

As a result of increased exploration activities, a better understanding of the potential for commercial oil and gas is being developed. PASA is following this with a detailed resource study.

The EM gas-field complex off Mossel Bay started production in the third quarter of 2000, and

will ensure sufficient feedstock to PetroSA to maintain current liquid-fuel production levels at 36 000 barrels (bbls) of petroleum products a day until 2009.

Parallel exploration is being carried out in various other sections of the Bredasdorp Basin off the coast of Mossel Bay in the Western Cape to locate reserves for PetroSA beyond 2009.

PetroSA's gas-to-liquid plant supplies about 7% of South Africa's liquid-fuel needs. The products are supplied to oil companies that market them under their own brand names.

PetroSA also produces anhydrous alcohols and speciality fuels that are exported and earn the company more than R500 million per year.

PetroSA's oilfield, Sable, situated about 150 km south off the coast of Mossel Bay, is expected to produce 17% of South Africa's oil needs.

The field, which came into operation in August 2003, was initially projected to produce 30 000 to 40 000 bbls of crude oil a day and 20 million to 25 million bbls in the next three years.

The net savings in foreign exchange to the country would be equivalent to PetroSA's bottom-line profit of between \$10 million and \$15 million a year.

PetroSA holds 60% working interest in Sable, while Dallas-based partner company Pioneer Natural Resources holds the remaining 40%.

PetroSA has offered 9% of its Sable interest for sale to a BEE group.

Import and export of fuel products

The import of refined products is restricted to special cases where local producers cannot meet demand. It is subject to State control with a view to promoting local refinery utilisation.

When overproduction occurs, export permits are required and generally granted, provided that both South Africa's and other Southern African Customs Union members' requirements are met.

More diesel than petrol is exported, owing to the balance of supply and demand of petrol and diesel relative to refinery configurations. Although petrol and diesel make up 55% of total liquid-fuel exports, South Africa is also the main supplier of all other liquid fuels to Botswana, Namibia, Lesotho and Swaziland.

Gas

In addition to coal gas and liquid petroleum gas, South Africa produced some 930 000 t of natural gas and 104 860 t of associated condensate in 2003.

The entire gas and condensate output is dedicated to PetroSA's liquid-fuel synthesis plant, and accounts for about 1,5% of total primary energy supply. Gas manufactured from coal accounted for 0,5% of net energy consumption, while liquid petroleum gas accounted for about 0,6%.

Natural and coal gas play separate roles in the energy system, with natural gas being used solely as a feedstock for the production of synthetic fuels, and coal gas as an industrial and domestic fuel.

However, current development of regional gas fields will lead to natural gas becoming a more important fuel in South Africa.

Infrastructure

South Africa's gas infrastructure stretches from Sasolburg in the northern Free State, through the industrial areas of Vereeniging, Johannesburg and the East Rand, and from Secunda to Witbank, Middelburg, Newcastle, Richards Bay and Durban.

Through the Sasol Gas Division, Sasol Oil markets industrial pipeline gas produced by Sasol Synthetic Fuels and Sasol Chemical Industries to about 700 industrial customers. These customers are mostly situated in the greater Johannesburg-Pretoria region and the industrial areas of Witbank-Middelburg and Durban. Its pipeline network consists of about 1 500 km of underground pipelines.

Most of the remaining 10% of gas sales in South Africa is on selling of Sasol gas by Metro Gas in Johannesburg, which owns 1 300 km of distribution pipe, and supplies 12 000 domestic and 3 000 industrial customers.

The privatisation of Metro Gas was completed in 2000. It is now owned by Egoli Gas (Pty) Ltd, a joint venture company owned by Cinergy Global Power Inc. Egoli Gas intends to invest R276 million in Metro Gas.

Petronet owns and operates a gas pipeline, known as the Lily Line, which is about 600 km long

and transports methane-rich gas from Sasol's Secunda plant as far as the Durban area. Easigas (Shell) has a small liquid petroleum gas/air pipe network in Port Elizabeth. A privately owned company in Port Elizabeth distributes a small amount of liquid petroleum gas/air blend by pipe.

Industrial customers use 87% of the gas, and domestic consumers the rest. The supply of cost-competitive pipeline gas is complemented by the fuel oils range of low-sulphur residual and distillate fuel oils derived from coal and other synthesised forms, as well as crude oil.

PASA markets offshore gas exploration and exploitation.

The Gas Act, 2001 (Act 48 of 2001), aims to:

- promote the orderly development of the piped-gas industry
- establish a national regulatory framework
- establish the National Gas Regulator as the custodian and enforcer of the national regulatory framework.

To facilitate the movement of gas across international borders, a cross-border gas trade agreement with Mozambique has been signed.

Electricity

South Africa, which supplies two-thirds of Africa's electricity, is one of the four cheapest electricity producers in the world. Ninety-two percent of South African electricity is produced from coal. Generation is currently dominated by Eskom, the national wholly State-owned utility, which also owns and operates the national electricity grid. Eskom currently supplies about 95% of South Africa's electricity.

In global terms, the utility is among the top 11 in generating capacity, among the top nine in terms of sales, and has the world's biggest dry-cooling power station.

Eskom was incorporated as a public company on 1 July 2002. It is financed by net financial market liabilities and assets as well as reserves.

While Eskom does not have exclusive generation rights, it has a practical monopoly on bulk electricity. It also operates the Integrated National High-

Voltage Transmission System and supplies electricity directly to large consumers such as mines, mineral beneficiators and other large industries. In addition, it supplies directly to commercial farmers and, through the Integrated National Electrification Programme (INEP), to a large number of residential consumers. It sells in bulk to municipalities, which distribute to consumers within their boundaries.

In 2003, Eskom electrified 75 396 homes against government's target of 64 107, thereby exceeding the target by 11 289 homes.

During 2003/04, 212 875 households were connected to the grid and 18 092 households were electrified using solar home systems. During 2003/04, 1 061 schools and 20 clinics were electrified.

The Department of Minerals and Energy commenced a two-year pilot study in 2002 to inform the free basic electricity policy to determine the most effective and financially viable delivery process. The Department is responsible only for formulating policy on free basic electricity, while the Department of Provincial and Local Government oversees implementation.

The Department started to develop a policy for using electricity prices as a macro-economic tool for inflation targeting in 2002. This work is ongoing and will also be used for attracting foreign investment to South Africa in the future, when the environment resulting from the restructuring of the electricity industry will be more competitive.

The electricity subprogramme also produced a regulatory framework during 2003 for the electricity supply industry (ESI), legislation that makes provision for and supports the regional electricity distributors (REDs), and the Multimarket Model (MMM) implementation plan. The programme has also begun to introduce multiplatforms for electricity trading.

In 2004, Eskom revealed plans to reintroduce three of its previously shut-down power stations into its generating capacity to cope with South Africa's increasing energy demand.

These power stations are Camden in Ermelo, Grootvlei in Balfour, and Komati, between Middelburg and Bethal. Built in the 1960s, these power plants were shut down as a result of excess

capacity in the 1980s and 1990s. However, with current projections indicating that, based on an average increase in electricity demand of 2,5% per year, the existing excess peaking capacity will be exhausted by 2007 and the baseload by 2010.

The first unit of Camden is expected to be returned to service in 2005, followed by Grootvlei in 2007 and Komati in 2010.

Between January 2003 and January 2004, South Africa increased its electricity output by 6,9%. South Africa's power producers generated 19 270 GWh of electricity during March 2004. Consumption rose by 4,8% to 17 640 GWh.

Restructuring of the electricity supply industry

The recommendations approved by the Cabinet and which represent government's position on the ESI, include the following:

- To meet government's developmental and social objectives, Eskom retains no less than 70% of the existing electricity-generating market sector.
- The introduction of private-sector participation in the generation sector will be increased to 30% of the existing electricity-generating market sector.
- To ensure a meaningful participation of the private sector in electricity in the medium term, Eskom should not be allowed to invest in new generation capacity in the domestic market, other than in its existing capacity.
- To ensure non-discriminatory and open access to the transmission lines, and taking into consideration the financial stability of Eskom, government, in the medium term, is to establish a separate State-owned transmission company that

will be independent of generation and retail businesses, with a ring-fenced transmission-system and market-operation functions. Initially, this transmission company will be a subsidiary of Eskom Holdings and will be established as a separate State-owned company before any investments are made in current or new-generation capacity.

- Over time, an MMM electricity-market framework will ensure that transactions between electricity generators, traders and power purchasers take place on a variety of platforms, including bilateral deals, and future and day-ahead markets.
- A regulatory framework is in place that will ensure the participation of independent power producers, and that diversified primary energy sources be developed within the electricity sector without hindrance.
- The planning and development of transmission systems will be undertaken by the transmission company, subject to government's policy guidelines.
- Over time, and taking cognisance of the strategic objectives of the region, the Southern African Power Pool (SAPP) must develop into an independent system operator for the southern African regional grid system, so that public and private generating companies can participate in the Pool.
- Adapting the role of the regulatory system, which will include the reform of the legal framework defining the role of the National Electricity Regulator (NER), the development of a new framework for licensing, the adaptation of price-setting, and the creation of the capacity to monitor the effectiveness of the reformed ESI and ensure security of supply.

In October 2004, Cabinet authorised Eskom to begin planning for new capacity construction as estimates indicate that some R107 billion will be needed between 2005 and 2009 to meet South Africa's growing energy needs.

Cabinet decided that Eskom should provide 70% of that requirement. This will mean an investment of R84 billion by Eskom over the next five years.

The balance of R23 billion is being reserved for possible Independent Power Producer (IPP) entrants. The IPP process was expected to commence early in 2005.

Restructuring of the electricity distribution industry (EDI)

The EDI restructuring process differs from most of the other State restructuring activities, as it addresses a number of diverse stakeholders, of which the most important are:

- Eskom

- municipalities' electricity departments
- provinces (related to their governance of municipalities)
- consumers, ranging from very large and electricity-intensive to small
- labour
- a number of government departments.

The normal State restructuring process needs to be modified at the entry level for EDI restructuring in such a manner that the ESI and the EDI restructuring processes are interlinked.

The EDI Holdings Company was registered in March 2003 and became operational in July 2003. It is responsible for the next phase which involves moving from the current fragmented EDI structure to the implementation of REDs.

The recommendations approved by the Cabinet, which represent government's position on the EDI, are the following:

- Endorsing the thrust of the revised *EDI Restructuring Blueprint Report*.
- The number of six REDs as both the Government's policy direction and the end-state model for the restructured EDI.
- The EDI restructuring implementation plan, especially the time frames, the establishment of the EDI Holdings Company and the transition, will ensure that Eskom and stronger municipalities support the weaker municipal distributors, and that RED 3 and RED 6 receive transitional financial support from the EDI Holdings Company. During 2003/04, the Company was expected to start transforming the EDI. Significant progress in the planning of the transformation of the ESI was made in 2003/04.
- Ongoing consultations with stakeholders such as new municipalities, the NER, Eskom, organised labour, customers, and provincial and local governments.

By May 2003, the industry was worth R30 billion and employed more than 30 000 personnel.

The work on demarcating the six new REDS has been completed. The REDS will own the distribution business of Eskom and municipalities.

In June 2004, Cape Town met the criteria to host the country's first RED. The criteria met by the city

include revenue management, customer performance and network configuration complexity.

National Electricity Regulator

Established in 1995, the NER is a statutory body funded from a small levy imposed on electricity generators.

Legislation requires anybody wishing to generate, transmit or supply electricity to apply to the NER for a licence. This is issued on the basis of criteria which aim to promote and maintain a viable ESI.

In 2003/04, the NER:

- Continued to play a key role as a member of Government's Steering Committee for New Generation Capacity. It also provided advice to government on the 'managed liberalisation' of the generation and transmission sectors, as part of the build-up to a competitive market structure.
- Participated in and provided specific input to the following working groups:
 - ESI working groups (led by the Department of Public Enterprises)
 - EDI working groups (led by the Department of Minerals and Energy).
- Published the second National Integrated Resource Plan in May 2004.
- Regulated price increases applied for by licensees (including Eskom), resulting in customers enjoying considerable savings as a result of lower-than-applied-for electricity price increases.
- Managed the process to ensure that the Wholesale Electricity Pricing System (WEPS) is ready for implementation. In addition, the WEPS tariffs, modelling and simulation were tested and confirmed. WEPS is intended to regulate the wholesale price of electricity in South Africa when REDs are introduced.
- Broadened the Independent Power Producer (IPP) policy and licensing framework to include renewable IPPs and demonstration plants.
- Implemented the NER Power Quality Directive, resolved disputes between suppliers and customers, and dealt with customer complaints so that customers could have recourse at no or little cost.

- Developed the Draft Energy Efficiency Policy.
- Developed the Transmission Grid Code in consultation with industry stakeholders. These stakeholders represent entities that are foreseen to become Grid Code participants. The Grid Code Advisory Committee was established to advise the NER Board on matters relating to the drafting and amendment of the Grid Code.

The projected revenue of the NER over the medium term is about R68 million per year. The Regulator is in the process of increasing capacity to manage its expanded responsibilities for gas regulation and monitoring the roll-out and regulation of renewable energy technologies.

National and regional co-operation

The NER was elected the first chairperson of the formalised African Forum for Utility Regulators. The NER was also the founding member of the Regional Electricity Regulators' Association (RERA) and the South African Utility Regulators' Association (SAURA), which were launched in September and October 2002 respectively. The NER is the chairperson of SAURA and a chairperson of one of RERA's portfolio committees.

The main purpose of RERA is to provide a platform for co-operation between independent electricity regulators within the Southern African Development Community (SADC) region.

Integrated National Electrification Programme

The INEP remains the flagship of the Department of Minerals and Energy.

Government announced in February 2004 that it would allocate R200 million towards providing free, basic electricity to poor people in an effort to alleviate their living conditions.

The allocation is an extension of the Free Basic Electricity Policy which was developed and implemented in 2001.

By providing this basic service, government hopes to offer social relief to those who earn less than the national minimum wage levels.

Although users have access to a basic quantity of 50 Kilowatt-hours (KWh) per household per month in

terms of the Policy, users will pay the normal tariff for any consumption exceeding 50 KWh per month.

Rural households using solar energy will benefit from a limited operation and maintenance subsidy up to a maximum of R40 per household.

Rural solar-energy users will then be liable for paying any amount above the R40 monthly subsidy.

To make paraffin more affordable, the Department of Minerals and Energy removed the levying of Value-Added Tax on it.

The increased allocation/spending on basic electricity from R300 million to R500 million, took effect on 1 April 2004.

In March 2004, government announced that since the inception of the Programme, the overall amount spent on providing households with electricity was R12 million while R62 million was spent on non-grid electrification in 2003/04.

In April 2004, President Thabo Mbeki and Ms Mlambo-Ngcuka celebrated the electrification of 7,5 million households – an achievement of four million new electricity connections since 1994.

By that time, more than 50% of rural households in South Africa were electrified, whereas 80% of urban areas had access to electricity. More than 11 976 schools and clinics had been electrified using both grid and non-grid technology.

Southern African Power Pool

The SAPP is the first formal international power pool in Africa.

The objectives of the SAPP are, among other things, to:

- co-ordinate and co-operate in the planning and operation of electricity power systems to minimise costs, while maintaining reliability, autonomy and self-sufficiency
- increase interconnectivity between SADC countries to increase the reliability of power supplies
- facilitate cross-border electricity trading
- fully recover costs of operations, and equitably share benefits, including reductions in generating capacity and fuel costs, and improved use of hydro-electric energy.

Member countries include Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland,

Tanzania, Zambia, Zimbabwe and the Democratic Republic of Congo.

The SAPP is facing the following challenges:

- lack of infrastructure to deliver electricity
- lack of maintenance of infrastructure
- required funds to finance new investments
- insufficient generation – running out of excess capacity by 2007
- high losses.

The SAPP is considering a wholesale competition market called the MMM. The key drivers for considering wholesale competition are to:

- allow for private-sector participation and new players
- deregulate energy prices
- establish an independent regulator
- introduce competition and establish markets
- ensure rural electrification takes place driven by the different governments.

The SAPP has instituted a process of restructuring, aimed at expanding SAPP membership and allowing more participants into the SAPP.

The start of the Short-Term Energy Market is a good example of how the SAPP has opened up the electricity market to participants other than SAPP members.

The SAPP is encouraging members to review the energy tariffs and to become more competitive.

Biomass

Fuel wood, which comes mainly from natural woodlands, is the primary source of energy used by households in most rural areas for the purposes of cooking and heating. In some areas, this is already almost completely depleted and in others it is under heavy pressure.

The total annual sustainable supply of wood from natural woodlands in communal rural areas is estimated at about 12 Mt. However, probably no more than half of it is usable as fuel wood. In addition to these sources, residues from commercial forestry total about 4,2 Mt per year. Much of this, as well as wood from bush clearing on commercial farmland, is increasingly being used as fuel.

To be effective, planning for a sustainable fuel-

wood supply requires decentralisation, understanding of local conditions and flexibility.

Supply-side interventions focus on satisfying a range of local needs and the realisation that community forestry involves not only the planting of trees, but also community participation, which is central to all activities.

Planning must ensure their integration into broader rural development, land use, natural resource management, and agricultural and energy planning. Interventions should build on the best indigenous practices identified. (See chapter 23: *Water affairs and forestry*.)

The Department of Minerals and Energy is participating with the Department of Science and Technology, National Treasury and stakeholders in a Joint Implementation Committee tasked with advising government and stakeholders on the creation of a market environment for biofuels. It is supporting the South African Bureau of Standards in testing South African plant oils to the European biodiesel standard. This should ensure high-standard biodiesel for blending which motor manufacturers also accept. The Department is also participating in workshops with the sugar industry and international interest groups who expressed an interest in ethanol production for liquid transport fuels.

Renewables

Renewable energy sources, other than biomass, have not yet been exploited to the full in South Africa.

Cabinet approved the *White Paper on Renewable Energy* in November 2003, and in so doing, laid the foundation for the widespread implementation of renewable energy. The policy calls for a target of a 10 000 GWh contribution to final energy demand, to be realised by 2013. The Department aims to create an enabling environment for project developers to gain entry to this market. The Department has also strengthened international relationships in this area, through the support offered to partnerships established during the WSSD in 2002. These partnerships will overcome market barriers, promoting widespread use of sustainable energy solutions.

These include the Global Village Energy Partnership and the Renewable Energy and Energy Efficiency Partnership. The Department's capacity-building programme for renewable energy and energy efficiency (CaBEERE), which is funded by the Danish International Development Agency, is yielding significant value, both in capacity-building in the Department as well as the production of various strategies and studies to support the enabling environment created by government.

The White Paper addresses four key strategic areas, namely:

- financial instruments to promote the implementation of sustainable renewable energy through the establishment of appropriate financial instruments
- legal instruments to develop, implement, maintain and continuously improve an effective legislative system to promote the implementation of renewable energy
- technology development to promote, enhance and develop technologies for the implementation of sustainable renewable energy
- building capacity and education to develop mechanisms to raise awareness of the benefits and opportunities renewable energy offers.

Technological feasibility studies will be conducted for possible implementation in the medium to longer term.

These include:

- grid-connected wind farms
- wind farm/pumped storage as a means of addressing peak loads on the national electricity grid
- the local production and commercial dissemination of solar cookers which is a collaborative project between the German Development Agency and the Department of Minerals and Energy
- solar thermal-power generation, which is a collaborative programme with Eskom, also involving the SolarPACES Programme of the International Energy Agency
- small-scale hydropower
- landfill gas exploitation
- rural water supply and sanitation.

With Cabinet approving the *White Paper on Renewable Energy* in November 2003, the Department could proceed with the development of its Renewable Energy Strategy. This is essentially the implementation plan for widespread roll-out of the various technologies identified in a macro-economic study undertaken in the latter half of 2003.

The *White Paper on Renewable Energy's* target of 10 000-GWh renewable energy contribution to final energy consumption by 2013 was confirmed to be economically viable with subsidies and carbon financing. Achieving the target will add about 1 667 MW new renewable energy capacity, with a net impact on GDP as high as R1 071 million per year; additional government revenue of R299 million; additional income that would flow to low-income households of as much as R128 million, creating just over 20 000 new jobs; and water savings of 16,5 million kilolitres, which translates into a R26,6-million saving.

In addition to these benefits, the study also highlighted the technologies to be implemented first, based on the level of commercialisation of the technology and natural resource availability. These technologies include:

- sugar-cane bagasse for cogeneration
- landfill gas extraction
- mini-hydroelectric schemes
- commercial and domestic solar water heaters.

These technologies are to be deployed in the first phase of the target period, from 2005 to 2007. The Department will introduce nominal, once-off capital subsidies to assist project developers in producing economically sound projects that are readily financed by financial institutions.

Solar

Most areas in South Africa average more than 2 500 hours of sunshine per year, and average daily solar-radiation levels range between 4,5 and 6,5 kWh/m² in one day.

The southern African region, and in fact the whole of Africa, is well endowed with sunshine all year round. The annual 24-hour global solar radiation average is about 220 W/m² for South Africa, compared with about 150 W/m² for parts of the

USA, and about 100 W/m² for Europe and the United Kingdom, making the local resource one of the highest in the world.

The solar resource is the most readily accessible in South Africa. It lends itself to a number of potential uses.

The country's solar-equipment industry is developing. Annual photovoltaic (PV) panel-assembly capacity totals 5 MW, and a number of companies in South Africa manufacture solar water-heaters.

The *White Paper on Energy Policy* identifies universal access to electricity as one of the primary goals of South Africa's energy policy.

To achieve this goal, it was decided to integrate non-grid technologies into the INEP as complementary supply-technologies to grid extension. A pilot programme has been launched to establish a limited number of public-private sector institutions in conjunction with the relevant municipalities to provide electricity services on an integrated basis. The service-provider will own and maintain the systems, allowing longer-term financing to ameliorate monthly payments. It will provide the service against a fee, payable as a monthly tariff.

Once the underlying managerial and funding issues have been resolved, the process will be expanded to cover all the rural areas.

Solar power is increasingly being used for water-pumping through the rural water-provision and sanitation programme of the Department of Water Affairs and Forestry.

Solar water-heating is used to a certain extent. Current capacity installed includes domestic 330 000 m² and swimming pools 327 000 m² (middle to high income), commerce and industry 45 000 m² and agriculture 4 000 m².

In 2002/03, some 5 300 solar home systems were installed by the Department of Minerals and Energy, representing a 3% increase from 2001/02.

Solar-passive building design

Houses and buildings in South Africa are seldom designed from an energy consumption or energy-efficiency perspective. The energy characteristics of low-cost housing are particularly bad, resulting in high levels of energy consumption for space heating in winter. The net result is dangerously high levels of

indoor and outdoor air pollution in the townships, due mainly to coal burning.

Research has shown that low-cost housing could be rendered 'energy smart' through the utilisation of elementary 'solar-passive building design' practice. This can result in fuel savings of as much as 65%. Such savings on energy expenditure will have a major beneficial impact on the household cash-flow situation. Energy-efficient homes may be constructed at the same direct cost (and lower life-cycle cost) as energy-wasteful houses. The challenge is to develop awareness and to ensure implementation of basic energy-efficiency principles.

National solar water-heating programme

Water-heating accounts for a third to half of the energy consumption in the average household. In South Africa, this derives mainly from electricity, being the most common energy-carrier employed. Avoidance of this expenditure on household budgets could lead to significant improvements in the disposable incomes of the lower-income sector.

Furthermore, the equivalent of a large coal-fired power station (2 000 MW+) is employed to provide hot water on tap to the domestic sector alone. Since the inception of the accelerated domestic electrification programme through grid extension, a major distortion of the national load curve has emerged, with the early evening load peak growing significantly.

Modelling indicates that the introduction of solar water-heating can ameliorate the situation substantially.

Switching from electrical to solar water-heating can, therefore, have significant economic and environmental benefits.

There are economic benefits for home owners in reducing their energy bills. Expensive generation capacity to address load peaks will be obviated, and the introduction of new base-load capacity will be postponed. Benefits for the country include reducing greenhouse gas (GHG) emissions, and the release of scarce capital for other pressing needs.

The CEF is expected to instal some 250 domestic solar water-heaters as part of the CEF/GEF (Global Environment Facility) Solar Water-Heating

Programme, aimed at the commercialisation of domestic solar water-heating.

Solar-thermal power generation

The minimum Direct Normal Radiation (DNR) to justify a combined solar thermal power plant is 1 800 kWh/m² per year. According to the Renewable Energy Resource Database, the area exceeding the minimum required DNR in South Africa covers about 194 000 km². A 100-MW solar thermal plant requires roughly 3 km² (1800 kWh/m² per year). If 1% (1 940 km²) of the identified area is available for solar thermal power generation, South Africa has an installed potential of 64,6 GW, which is about 36 217 GWh/year.

Back-up and energy-storage constraints are limiting the wider economical utilisation of solar electricity generation (solar thermal and PV).

Wind

Wind as an energy source is only practical in strong and steady wind areas. South Africa has fair wind potential, especially along the coastal areas. At present, however, wind is not used to generate electricity in this country. For the future, it presents itself as a competitive energy source.

Wind power is primarily used for water pumping, with about 300 000 windmills being used for watering livestock and supplying communities with water.

Wind energy is environmentally friendly and helps reduce global warming and GHGs.

The first wind-energy farm in Africa was opened at Klipheuwel in the Western Cape on 21 February 2003.

Eskom's experimental wind farm at Klipheuwel is exploring the use of wind energy for bulk electricity-generation. Three different models were selected for Eskom to demonstrate and assess their different mechanical and electrical performances.

The Darling Wind Farm is a proposed bulk renewable energy IPP that involves the construction of a 5 MW wind farm in the Darling area of the Western Cape. The project partners have been able to successfully negotiate a power purchase agreement with the City of Cape Town for the purchase of the electricity generated by the wind farm. In addition,

the shareholders, CEF and the Darling Independent Power Producer, structured the shareholder and management agreements required to form the basis of the IPP company structure. Commissioning of the Darling National Demonstration Wind Farm is expected in 2005.

One of the activities of the GEF-funded South African Wind Energy Programme, which is funded by the GEF and supported through CaBEERE, is to quantify South Africa's commercial exploitable wind resources.

Moderate wind regimes, for example the large sparsely populated areas of the Karoo and Northern Cape, can be economically exploited in stand-alone or hybrid electricity-generation configurations with PV and/or diesel generator sets. A small local supply industry focusing on small stand-alone battery-charging systems already exists in the country.

Hydro

A popular perception that the potential for hydropower in South Africa is very low, is often overstated. It has been shown in an assessment conducted by the Department of Minerals and Energy, the *Baseline Study on Hydropower in South Africa*, that there exists a significant potential for the development of all categories of hydropower in the short- and medium-term in specific areas of the country.

The Eastern Cape and KwaZulu-Natal are endowed with the best potential for the development of small, i.e. less than 10-MW hydropower plants. The advantages and attractiveness of these small hydropower plants are that they can either be stand-alone or in a hybrid combination with other renewable energy sources. Advantage can be derived from the association with other uses of water (e.g. water supply, irrigation, flood control, etc.), which are critical to the future economic and socio-economic development of South Africa.

The SAPP allows the free trading of electricity between SADC member countries, providing South Africa with access to the vast hydropower potential in the countries to the north, notably the significant potential in the Congo River (Inga Falls). At the same time, the countries to the north could benefit through access to the coal-fired power resources in

the south. Such an arrangement should stabilise the energy requirements of the region as a whole well into this century.

Exploitation of the vast hydropower resources will constitute a significant infusion of renewable energy resources into the energy economy of the region over the medium to long term. The Lesotho Highland Water Scheme has the capacity to contribute some 72 MW of hydroelectric power to the system in the short term. Global pressures regarding the environmental impact and displacement of settlements by huge storage dams will likely limit the exploitation of hydropower on a large scale.

Small-scale hydro generators (<10 MW) could be stand-alone or used in combination with other renewable energy and conventional technologies (hybrid systems) for power generation.

Irrespective of the size of installation, any hydropower development will require authorisation in terms of the National Water Act, 1998 (Act 36 of 1998).

Energy and the environment

Energy and the global environment

On a global scale, South Africa's contribution to GHG emissions is small. On a per-capita basis, however, it is well above global averages and that of other middle-income developing countries.

Furthermore, the economy is carbon-intensive, producing only US\$259 per ton of carbon dioxide emitted, as compared with US\$1 131 for South Korea, US\$484 for Mexico and US\$418 for Brazil.

Sources of greenhouse gas emissions

The energy sector is a major source of GHG because of the heavy reliance on coal for electricity generation, the Sasol oil-from-coal process, and a variety of other indigenous energy uses such as household coal burning.

In addition, 57% of the coal-mining methane emissions can be attributed to these two uses of coal.

Energy and the national environment

There is some contention regarding the polluting effects of the energy sector, particularly in the

Mpumalanga Highveld – the location of most of Eskom's coal-powered stations and the largest Sasol plants.

As is the case internationally, there is ongoing debate about the desirability of nuclear energy.

Energy and the household environment

Coal is used by about 950 000 households country-wide. This brings with it indoor air-pollution problems, which have a serious health impact.

It has been found that some people's exposure, especially to particulate matter, can exceed World Health Organisation (WHO) standards (180 mg.m⁻³) by factors of six to seven during winter, and two to three in summer. A national programme has been established to introduce low-smoke alternatives into the townships.

Fuel wood is used by three million rural households as their primary energy source. Studies have shown that fuel-wood users are exposed to even higher levels of particulate emissions than coal users. In one study, exposure levels were found to exceed the WHO lowest-observed-effect level by 26 times.

The Department participates in the National Housing Interdepartmental Task Team and has contributed towards the development of norms and standards for solar-passive and thermally efficient housing design.

The Department is investigating the introduction of improved woodstoves and other alternatives, such as solar cookers and biogas, in an attempt to address these pollution problems.

More widespread is the use of paraffin by low-income households, rural as well as urban. Paraffin has, however, associated health and safety problems. The distribution of child-proof caps and the dissemination of information on the safe storage and use of paraffin are some of the measures being taken by the Department and other role-players to address the problem.

Apart from the Department of Minerals and Energy, the departments of Health, Environmental Affairs and Tourism, and Water Affairs and Forestry, are involved to a greater or lesser degree in the monitoring of and legislation on pollution.

Geology

South Africa has a geological wonderland, which comprises 10 different and unique areas across the country.

Barberton mountain land

The beautiful and rugged tract of country with some of the oldest rocks on Earth is situated in Mpumalanga. The renowned Barberton Greenstone Belt, the largest of its kind in South Africa, represents remnants of original crust, dated around 3 500 million years. The greenstone formations represent the earliest, clearly decipherable geological events on the Earth's surface. Silica-rich layers within the greenstone have revealed traces of a very early life form – minute blue-green algae.

The formations are surrounded by granites and gneisses more than 3 000 million years old.

Gold, iron ore, magnesite, talc, barite, chrysotile asbestos and verdite are mined in the area.

Bushveld Complex and Escarpment

The Bushveld Complex extends over an area of 65 000 km² and reaches up to 8 km in thickness. It is by far the largest layered igneous intrusion in the world. It contains most of the world's resources of chromium, PGMs and vanadium. This mega-Complex was emplaced in a molten state about 2 060 million years ago into pre-existing sedimentary rocks, through several deep feeder zones.

The impressive igneous geology of the Bushveld Complex is best viewed in Mpumalanga, in the mountainous terrain around the Steelpoort Valley. In abundance here are the imposing Dwars River chromitite layers, the original platinum-bearing dunite pipes, the discovery site of the platinum-rich Merensky Reef, and extensive magnetite-ilmenite layers and pipes near Magnet Heights and Kennedy's Vale.

The Great Escarpment is one of South Africa's most scenic landscapes. This area features potholes (at Bourke's Luck), the Blyde River Canyon and the dolomite formation in which giant stromatolites bear witness to the 2 500 million-year-old fossilised remains of vast oxygen-producing algae growth.

Drakensberg Escarpment and Golden Gate Highlands National Park

The main ramparts of the Drakensberg range, reaching heights of more than 3 000 m, lie in KwaZulu-Natal and on the Lesotho border. These precipitous mountains are the highest in southern Africa and provide the most dramatic scenery.

They are formed from outpourings of basaltic lava more than 1 500 m thick, covering the Clarens sandstones. Only a small remnant of the once-vast continental basalt field that covered much of the continent now remains, mostly in the highlands of Lesotho.

The northern area of the Drakensberg has been declared a World Heritage Site. More than 40% of all known San cave paintings in southern Africa are found here.

The Golden Gate Highlands National Park features spectacular sandstone bluffs and cliffs. The sandstone reflects a sandy desert environment that existed around 200 million years ago. Dinosaur fossils can still be found in the area.

Karoo

The Karoo Supergroup covers most of South Africa and reaches a thickness of several thousand metres. The sedimentary rock sequence reveals an almost continuous record of deposition and life, from the end of the Carboniferous into the mid-Jurassic periods, between 300 and 180 million years ago.

Karoo rocks are internationally renowned for their wealth of continental fossils, and particularly for the fossils of mammal-like reptiles that show the transition from reptiles to early mammals, and for early dinosaur evolution.

During this long period of the history of the Earth, southern Africa was a lowland area in the centre of the Gondwana supercontinent.

Initially, the prehistoric Karoo was a place of vast glaciation, then a shallow inland sea, followed by huge rivers, lush flood plains and swampy deltas, ending in sandy desert and finally, vast outpourings of continental basaltic lava heralding the Gondwana break-up.

Diamond fields

Kimberlite is the primary host-rock of diamonds and was first mined as weathered 'yellow ground' from the Kimberley mines, starting in 1871 at Colesberg koppie, now the site of the Big Hole of Kimberley.

At increasing depths, less-weathered 'blue ground' continued to yield diamonds.

The discovery of kimberlite-hosted diamonds was a key event in South Africa's economic and social development, and paved the way for the later development of the Witwatersrand goldfields.

Kimberlite originates as magma from very deep below the surface, and typically occurs as small volcanic pipes and craters at the surface. Included within solidified kimberlites are fragments of deep-seated rocks and minerals, including rare diamonds of various sizes.

The Orange and Vaal rivers' alluvial diamond fields, and the rich West Coast marine diamond deposits, all originated by erosion from primary kimberlite pipes.

Meteorite impact sites

Impacts by large meteoritic projectiles played a major role in shaping the surface of the Earth.

One such site is the Vredefort Domes, the oldest and largest impact structure known on Earth.

It is located some 110 km south-west of Johannesburg, in the vicinity of Parys and Vredefort in the Free State and North West.

This spectacular and complex geological feature, measuring 70 km across, has recently been proved to be the remnant of the original catastrophic impact by a large meteorite or asteroid, some 2 000 million years ago. The original impact crater has long since eroded.

The Vredefort structure consists of a 50-km wide core zone made up of granitic rocks, surrounded by the ring-like collar zone of younger bedded formations. Younger Karoo sediments cover the structure in the south-east.

Pilanesberg

The Pilanesberg Complex and National Park, located some 120 km north-west of Johannesburg in North West, is a major scientific attraction which includes a number of unique geological sites.

The Complex consists of an almost perfectly circular, dissected mountain massif some 25 km in diameter, making it the third-largest alkaline ring complex in the world.

The geology reflects the roots of an ancient volcano that erupted around 1 500 million years ago.

The remains of ancient lava flows and volcanic breccias can be seen.

The dominant feature of the Complex is the concentric cone sheets formed by resurgent magma that intruded ring fractures, created during the collapse of the volcano. There are old mining sites for fluorite and dimension stone, and a non-diamond-bearing kimberlite pipe in the region.

Cradle of Humankind (Sterkfontein)

Located mainly in Gauteng, this World Heritage Site extends from the Witwatersrand in the south to the Magaliesberg in the north, and is considered to be of universal value because of the outstanding richness of the fossil hominid (family of man) cave sites.

The Sterkfontein area near Krugersdorp stands supreme as the most prolific and accessible fossil hominid site on Earth. It comprises several scientifically important cave locations, including Sterkfontein, Swartkrans, Drimolen, Kromdraai, Gladysvale and Plover's Lake, all of which have produced a wealth of material crucial to paleo-anthropological research.

Table Mountain and the Cape Peninsula

Table Mountain is arguably South Africa's best known and most spectacular geological site, being made up of five major rock formations.

The earliest of these are the deformed slates of the Malmesbury Group which formed between 560 and 700 million years ago.

Coarse-grained Cape Granite intruded around 540 million years ago.

The Table Mountain Group, deposited from 450 million years ago, consists of basal, reddish mudstone and sandstone, very well exposed along Chapman's Peak Drive. Overlying this is the light-coloured sandstone that makes up the higher

mountains and major cliff faces of the Cape Peninsula, as far south as Cape Point.

Much younger sandy formations make up the Cape Flats and other low-lying areas.

The Table Mountain Group continues further inland across False Bay in the strongly deformed Cape Fold Belt.

Witwatersrand

The geology and gold mines of the 'Ridge of White Waters' are world-famous. Nearly half of all the gold ever mined has come from the extensive Witwaters-rand conglomerate reefs that were discovered in 1886, not far from the city centre of Johannesburg.

The Witwatersrand is the greatest goldfield of all time, with more than 48 000 t of gold having been produced from seven major goldfields distributed in a crescent-like shape across the 350-km long basin, from Welkom in the Free State in the south-west, to Evander in the east.

The geology of the region can be seen at many excellent outcrops in the suburbs of Johannesburg. The sequence is divided into a lower shale-rich group and an upper sandstone-rich group, the latter containing the important gold-bearing quartz-pebble conglomerates. These 'gold reefs' were formed from gravels transported into the basin and reworked 2 750 million years ago. The gold and uranium originated from a rich source in the hinterland.

Acknowledgements

Business Day

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Eskom

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17

Safety, security and defence

Internal security and crime prevention are primarily the responsibility of the South African Police Service (SAPS), while the South African National Defence Force (SANDF) is responsible for defending South Africa against external military threats.

Safety and security

In accordance with the South African Constitution, 1996 (Act 108 of 1996), the Minister of Safety and Security is responsible for policing in general and is

required to account to the Cabinet and Parliament on all matters relating to policing. Important features of the Minister's responsibility are the determination of national policing policy and the provision of civilian oversight. The following three structures fall under the Minister of Safety and Security:

- Secretariat for Safety and Security
- Independent Complaints Directorate (ICD)
- SAPS.

Based on its legislative mandate, the Department of Safety and Security has identified the following key objectives for the medium term, namely to:



- enhance the safety and security of South Africans
- ensure proper investigation of criminal cases and the provision of sound crime intelligence
- protect prominent people
- efficiently manage the SAPS, including its resources, development and operations.

These objectives have been aligned with the goals of the Integrated Justice System and the Justice, Crime Prevention and Security (JCPS) Cabinet Cluster, which co-ordinates joint crime-prevention initiatives.

The SAPS Strategic Plan (2004 – 2007) includes, among others, the following key strategic priorities for the medium term:

- combating organised crime by focusing on drug and firearm trafficking, vehicle theft and hijacking, as well as commercial crime and corruption among public officials
- addressing serious and violent crime to counter the proliferation of firearms; improve safety and security in high-crime areas; combat crimes such as taxi and gang violence and faction fighting; and maintain security at major public events
- reducing the incidence of crimes committed against women and children, improving the investigation and prosecution of these crimes, and improving service delivery at police stations.

The National Crime Combating Strategy (NCCS) involves the establishment of crime-combating task

groups targeting serious and violent crime in designated high-crime zones.

The NCCS is informed by a comprehensive set of factors, such as strain and deprivation, low education levels, a legacy of poor human-rights culture, high rates of urbanisation, high levels of illegal gun ownership, radical socio-economic and political transition, the risk of repeated victimisation, and the impact of HIV and AIDS on crime.

Secretariat for Safety and Security

In terms of the SAPS Act, 1995 (Act 68 of 1995), the functions of the Secretariat for Safety and Security are, among others, to:

- advise the Minister
- promote democratic accountability and transparency in the SAPS
- provide the Minister with legal services and advice on constitutional matters
- monitor the implementation of policy
- conduct research on any policing matter in accordance with the instructions of the Minister, and evaluate the performance of the SAPS.

The Secretariat emphasises the importance of moral regeneration in efforts to combat crime, in the belief that a major problem affecting criminality is moral degeneration. The Moral Regeneration Movement calls on all cardinal role-players – the family, church, school system, government departments, various constitutional commissions such as the National Youth Commission (NYC) and the Commission on Gender Equality, and business – to come on board.

Independent Complaints Directorate

The ICD investigates complaints of alleged criminality and misconduct against members of the SAPS.

Criminality includes offences such as theft, corruption, robbery, assault and rape.

The primary role of the ICD is to ensure that complaints about offences and misconduct committed by the SAPS are investigated in an effective manner. Police conduct or behaviour which is prohibited in terms of the SAPS Standing Orders or Police

Regulations, includes neglect of duties and failure to comply with the SAPS Code of Conduct. It is governed by Chapter 10 of the SAPS Act, 1995.

The ICD has additional mandates in respect of monitoring the implementation of the Domestic Violence Act, 1998 (Act 116 of 1998), by the SAPS, and in respect of civilian oversight over municipal policing services.

The ICD investigates all deaths in police custody or as a result of police action. An investigation is conducted to determine whether there are any indications of criminal conduct by the SAPS. Where there are no indications of criminal conduct, the matter is left to the police themselves to investigate, while the ICD monitors/supervises the investigation. If information is subsequently received indicating criminal conduct on the part of the police, the ICD will conduct a full investigation.

Upon completion of an investigation, the ICD may make recommendations to the Director of Public Prosecutions about the prosecution of any SAPS member(s) implicated. It may also make recommendations to the SAPS management regarding the departmental prosecution of a police member.

The ICD is compelled by law to investigate complaints or reports of deaths in police custody, or as a result of police action.

The ICD reports to Parliament through the Minister of Safety and Security. However, it is operationally independent from the SAPS.

The number of complaints handled by the ICD in 2003/04 amounted to 5 882, representing an increase of 32,4% compared with 2002/03, when 4 443 were received.

There was a substantial 47% increase in reports of serious criminal offences allegedly committed by SAPS members (a total of 1 473 cases). Reported incidents of alleged misconduct also increased by 27,6%, to a total of 3 716 cases.

Of the 383 deaths in police custody, most occurred in KwaZulu-Natal (63), followed by Gauteng (59), the Western Cape (41), the Eastern Cape (39), Mpumalanga (30), North West (28), Limpopo (27), the Free State (13) and Northern Cape (nine).

Most of the 384 deaths as a result of police action also occurred in KwaZulu-Natal (121), fol-

lowed by the Eastern Cape and Gauteng (49 each), Western Cape (32), Limpopo (26), the Free State (21), North West (11), Mpumalanga (nine) and Northern Cape (six).

Of all the deaths, 47% took place at the scene of a crime or during arrest, 29% at a hospital or clinic, and 20% in police cells.

The majority of SAPS members allegedly involved in shootings were constables (76%), followed by inspectors (17%) and sergeants (4%).

Persistent interventions by the ICD and SAPS management aim to reduce the number of deaths in custody or as a result of police action, in line with a growing human-rights ethic within the SAPS.

South African Police Service

Strategic overview and key objectives

The SAPS came into being in 1994 after the amalgamation of the 11 independent policing agencies that existed before the nation's transition to democracy.

The key aims and programmes of the SAPS are based on the objectives provided for in Section 205 of the Constitution. The SAPS has a responsibility to:

- prevent, combat and investigate crime
- maintain public order
- protect and secure South Africans and their property
- uphold and enforce the law.

The vision of the SAPS is to create a safe and secure environment for all South Africans.

The values held by the SAPS are to:

- protect everyone's rights and be impartial, respectful, open and accountable to the community
- use its powers in a responsible way
- provide a responsible, effective and high-quality service with honesty and integrity
- evaluate its service continuously and make every effort to improve it
- use its resources in the best way possible
- develop the skills of all its members through equal opportunities

- co-operate with the community, all levels of government and other role-players.

The budget of the SAPS has been increasing by an annual average of 10,7% since the 2000/01 financial year, when it stood at R15,6 billion. It is expected to increase to R28,7 billion by 2006/07.

Restructuring

The SAPS continued to restructure specialised investigation units, and by the end of 2002/03, all 288 of the former specialised units had been closed, with the exception of those dealing with child protection and sexual offences.

The following priority specialised units had been established by March 2004: 27 Serious and Violent Crime units with 677 detectives; 24 Organised Crime units with 723 detectives; 17 Commercial Crime units with 626 detectives; one Serious Economic Offences unit with 24 detectives; and 46 Family Violence, Child Protection and Sexual Offence units with 755 detectives.

The National Intervention Unit was established in 2002/03 to intervene in extreme situations where normal policing is less effective. The Unit deals with medium- and high-risk operations to stabilise volatile situations. It also provides specialised operational support to police stations and other sections and units.

Strategic direction

The objectives of policing inform the SAPS's key departmental programmes:

Administration

Administration provides for the formulation of policy and the management of the SAPS, and includes administrative support.



The winners of the 2004

Slimunye Excellence Awards for Best Police Stations were the police stations in Hendrina (1st prize), Barberton (2nd prize) and Middelburg (3rd prize).

The Awards are an annual event aimed at improving service delivery at station level and consolidating partnerships between the police and the community for a better-functioning criminal justice system that achieves a higher conviction rate.

Visible Policing

Visible Policing aims to discourage all crime from occurring by providing a proactive and responsive policing service aimed at preventing the priority crime rate from increasing.

Detective Service

The Detective Service contributes to the successful prosecution of crime by investigating and gathering all related evidence which prevents the detection rate from decreasing.

Crime Intelligence

Crime Intelligence contributes to neutralising crime by collating and analysing intelligence information, which leads to actionable policing activity.

Protection and Security Services

Protection and Security Services minimises security violations by protecting foreign and local prominent people, and securing strategic areas to ensure a safer South Africa.

Divisions

National Evaluation Services

This Division is responsible for supporting management in the assessment of service-delivery standards and performance.

Financial and Administration Services

This Division is responsible for rendering a financial and administrative support function to the management of the SAPS.

Logistics

This Division is responsible for fleet and facility management and all other logistical support.

Career Management

This Division renders a people-centred human-resource service to all personnel and ensures their optimal utilisation.

Legal Services

Legal Services renders a legal support function to

management. The Division is responsible for national standards and policy relating to crime operations, property and assets, legislation, contracts and agreements, policy standards and litigation.

Personnel Services

Personnel Services is responsible for managing personnel-related matters in support of the operational priorities of the SAPS.

By September 2004, the SAPS had a staff complement of 112 168 employees (including civilians).

Training

A total of 9 050 SAPS Act personnel (trainees) and 2 450 Public Service Act personnel (civilians) were allocated for appointment in the 2004/05 financial year.

For the first time in the history of policing in South Africa, new recruits are not enlisted as members of the SAPS before training commences. They are instead appointed on contract and enter into a Memorandum of Agreement for a period of two years during which they undergo training. However, all applicants must still comply with the prescribed requirements as set out in Regulation 11 of the SAPS Act, 1995.

Trainees are only enlisted after successful completion of the first phase of training. This programme is an integrated outcomes-based learning intervention that seeks to deliver hard skills, but also to subscribe to the patriotic imperatives of democracy and the soft skills needed to support victims of crime.

The formal training phases (covering two periods of six months) are followed by one year in-service training after which the official is deployed as a fully fledged police officer. The expansion of the SAPS is supported by training in two intakes six months apart at five police training institutions situated countrywide.

A sixth training centre situated at Phillipi in the Western Cape opened its doors for this purpose during July 2004. The first shooting range built according to standards designed by the South African Bureau of Standards, which is situated at Bisho in the Eastern Cape, was officially opened on 11 June 2004. Others are under construction.

With financial support to the value of R7 million from the European Commission (EC), the SAPS was expected to provide Adult Basic Education and Training to 4 000 employees in 2004. A further 1 100 serving members were expected to receive driver training financed by the EC at a cost of more than R3 million.

Crime Prevention

Crime Prevention is regarded as a line-function division of the SAPS, specifically responsible for the prevention of crime, by addressing its root causes, e.g. socio-economic factors, and by uplifting the community through rural-development and urban-renewal projects.

Crime Prevention aims to reduce opportunities to commit crime by optimising visible policing. The Division is also responsible for developing, maintaining and monitoring policy standards and directives regarding crime prevention and uniformed services in general. Police Emergency Services and Social Crime Prevention resort under this Division.

Police Emergency Services

Police Emergency Services focuses on enhancing the skills and knowledge of all personnel performing rapid-response services (10111 centres and Flying Squad), hostage negotiators, police divers and members of the Dog and Equestrian units.

Social Crime Prevention Unit

This Unit focuses on building community policing and community-based partnerships for crime prevention with stakeholders in government and civil society.

Policing tools such as sector policing play a role in this regard. The SAPS has also developed resource manuals to support crime-prevention partnerships with information such as the *Designing Safer Places Manual* for crime prevention through environmental design.

Programmes of the Social Crime Prevention Unit aim to:

- improve victim support and assistance services, particularly for victims of domestic violence and rape

- build capacity for local crime-prevention-strategy development, particularly within the framework of rural development and urban renewal
- build skills for resilience and resistance to crime among young people
- develop and implement strategies to deal with factors contributing to crime.

With funding from the SAPS and the European Union, a capacity-building programme has been developed to assist with the implementation of an interdepartmental anti-rape strategy.

Victim-friendly facilities are of particular benefit to victims of gender-based violence as they enable victims' statements to be taken in privacy. The SAPS has provided assistance for the establishment of such facilities at 143 police stations countrywide. In 2003/04, training in generic victim-friendly services and domestic-violence service provision were provided to 424 police members.

Operational Response Services

Operational Response Services is responsible for maintaining public order, conducting high-risk operations, combating rural and urban terror, executing search-and-rescue flights, stabilising volatile situations and preventing cross-border crime.



On 20 September 2004, the Minister of Safety and Security, Mr Charles Nqakula, released the crime statistics for the 2003/04 financial year.

The statistics indicated, among other things, the following decreases:

- murder by 9,9%
- attempted murder by 17,8%
- assault with intent to inflict grievous bodily harm by 4,3%
- common assault by 2,6%
- theft of vehicles by 7,3%
- stock theft by 13,4%
- bank robbery by 58,3%
- cash-in-transit robberies by 49,7%
- hijacking of trucks by 10,5%
- carjacking by 8%
- housebreaking in residential areas by 8,3%
- housebreaking in business premises by 14,3%.

However, drug-related crimes showed an increase of 14,2%; drunken driving (10,1%) illegal possession of firearms (4,2%); aggravating robbery (3,2%); and shoplifting (2,1%).

Public-Order Policing units include the Special Task Force, Intervention units, Border Police and the Air Wing.

Border policing covers 53 land-border posts, 10 air-border posts and nine sea-border posts. General border security work is performed by some 5 200 permanent SAPS members.

The SAPS will take over the borderline security responsibility from the SANDF over the period 2004 – 2009. The first SAPS deployments for this purpose commenced in September 2004 on both the Namibian and Botswana borders. Similar operations will also be launched in co-operation with the SANDF on all other borders.

Detective Service

The Detective Service is responsible for maintaining an effective crime-investigation service. The Division's main functions involve investigations into serious, violent, commercial and organised crime.

The Detective Service consists of the following components:

- General Investigations.
- Organised Crime.
- Commercial Crime.
- Criminal Record Centre (CRC).
- Serious and Violent Crime
- Forensic Science Laboratory. The Laboratory received 155 728 exhibit materials for analysis during 2002/03, of which 152 442 were finalised within 35 days.

An automated forensic DNA-typing system was expected to be installed in 2004/05, making the

forensic science laboratories in Pretoria and Cape Town the first such facilities in the world to use the RT-PCR technique which produces DNA results quicker. The Pretoria Laboratory does advanced work like voice comparison and the detection of fraudulent documents, including cheques.

By mid-2004, the decentralisation of the DNA analysis capacity to KwaZulu-Natal had been commissioned and a new multimillion Rand project for expansion work at the Forensic Science Laboratory in the Western Cape was underway.

Crime Intelligence

The Crime Intelligence Division of the SAPS is responsible for managing information-gathering, and centralised intelligence management, co-ordination and analysis. It also provides technical-intelligence support to the operational components of Crime Intelligence and, where necessary, to other operational divisions of the SAPS.

Projects and operations

Information Systems Management (ISM)

The ISM of the SAPS conducts various projects to support and enhance the administration, analysis and management of crime and criminal information in support of crime investigation and prevention. Among others, the following critical projects relating to the development and/or the implementation of application-software systems, have been undertaken:

- the Geographic Information System at priority stations
- the Laboratory Information Management System at the Forensic Science Laboratory
- the Automated Fingerprint Information System (AFIS) at the CRC
- the Analysts Notebook Application at the Crime Intelligence and Organised Crime units.

Automated Fingerprint Information System

The AFIS is fully operational at national level as well as at 35 sites throughout the country. It is envisaged

On 19 February 2004, the South African Police Service officially launched the first Special Task Force Training Course for women.

The first 35 female trainees were recruited from various existing police units throughout the country.

The recruits were expected to undergo a three-week preparation and conditioning phase to develop their physical fitness and emotional and psychological well-being.

They also had to undergo an 86-hour endurance test, which entailed doing strenuous physical and mental exercise without food, water and sleep. Those who completed the endurance test proceeded to the next four phases – weapon, basic rural, basic urban and parachute training.



that AFIS Palm will be implemented by February 2005. This technology will enable the SAPS to read latent palmprints along with the current ability to read latent fingerprints. The AFIS is contributing towards an increase in accuracy, productivity and service delivery. Faster response times lead to an increase in the production of previous conviction reports.

Integrated Ballistics Information System (IBIS)

The IBIS, which enables the SAPS to link bullets and cartridge cases to firearms and crime scenes, was upgraded in 2003/04. A total of 24 566 exhibits were placed on the System since its upgrading.

Community involvement

The implementation of the Crime-Prevention Development Programme continues. The Programme facilitates the development and implementation of community-based crime-prevention strategies.

The Programme has made a significant contribution towards intersectoral co-operation, and serves as a tool for local service-providers such as local government to integrate community-based crime-prevention strategies in their core business. Communities have been able to participate through applying indigenous knowledge during the conceptual phase of projects.

The Programme was successfully completed in the urban-renewal nodes of KwaMashu and Inanda in KwaZulu-Natal.

It has been extended to the following areas:

- Limpopo (Thohoyandou and Bolobedu)
- KwaZulu-Natal (KwaDukuza, Mtubatuba and Umhlathuze)
- Eastern Cape (Motherwell and Mdantsane)
- Mpumalanga (Driefontein).

The projects are aimed at enhancing the existing crime-prevention partnerships between the SAPS, municipalities, private security firms, business and local communities.

The SAPS has developed a strong focus on partnership policing. This involves mobilising the community to become involved in various projects to counteract crime. Community policing fora are fea-

turing more prominently and are playing a major role in safeguarding the country.

Sector policing

Over and above efforts to concentrate on the generators of contact crimes, such as firearms and drug and substance abuse, the SAPS intensified its efforts in 2004 to implement sector policing. The increase in police visibility not only serves as a crime deterrent – it also contributes to an increased feeling of safety and security among communities.

The SAPS's focus in 2004 was on the 63 contact-crime priority areas. These included:

- implementing sector-policing plans based on the profiles of police stations
- deploying sector-policing teams during each police shift
- establishing partnerships with all role-players to ensure a multidimensional approach to contact crimes
- recruiting sector-policing reservists for each area
- implementing programmes such as the Domestic Violence Programme, the Anti-Rape Strategy and Victim Empowerment and Support programmes in each of the areas
- utilising the Area Crime Combating units for regular operations



The South African Police Service

(SAPS) Women's Network was launched in October 2003. On 26 February 2004, the Head Office of the Women's Network was launched in Pretoria.

The Network aims to enhance service delivery by facilitating greater co-operation among all members of the SAPS. Some 53 women commissioners and directors from all over the country attended the launch. The objectives of the Women's Network are to:

- facilitate mentors for women in the SAPS to advance their careers and to assist them in becoming fully participating and contributing partners alongside their male counterparts
- provide adequate support to women who are victims of sexual harassment
- promote external services to women who have fallen victim to serious and violent crimes
- advocate career opportunities for all women in all occupational categories and at all levels in the SAPS
- ensure a fully representative workforce.

- implementing technology such as closed-circuit television cameras and other surveillance equipment where it could play a role in crime reduction.

The SAPS completed the Practical Implementation Model for Sector Policing, consisting of examples taken from various police stations, to serve as an initiator and to enhance the successful implementation of sector policing. This Model will serve as the primary guideline for the initiative in the 63 areas.

Community safety centres

The SAPS is dedicated to the upliftment of historically disadvantaged communities. This includes the building of community safety centres.

These centres focus on delivering basic and easily accessible services to communities, especially in deep rural and informal settlement areas.

The innovative concept of community safety centres brings all relevant departments under one roof and involves the SAPS, the departments of Justice and Constitutional Development, Correctional Services, Health, and Social Development. Community safety centres are fully operational in Thembalethu in the Western Cape, Ntsimbini in KwaZulu-Natal, Leboeng in Limpopo, and Khutsong in Gauteng.



Government formed a partnership with Business Against Crime (BAC) in 1996.

The partnership covers a broad spectrum and includes the Integrated Justice System; the Criminal Justice Strengthening Programme; the Service-Delivery Improvement Programme of the South African Police Service (SAPS); the installation of surveillance systems; dealing with organised crime; co-operation in respect of white-collar crime and corruption; and the *Tisa Thuto* Project which teaches school learners non-violent methods of conflict resolution and positive morality, including life skills and personal values.

The BAC has supported government as consultant and facilitator by influencing strategy, policing and priorities; supporting a mutually agreed-upon vision; transferring business skills; developing working solutions that deliver results; and developing public-private partnerships.

Successes of the partnership include the installation of surveillance systems in urban areas, which has resulted in an 80% decrease in street crime in those areas, while also improving the SAPS's response time to one minute. Video footage obtained from these surveillance systems is admissible as evidence in a court of law.

By mid-2004, community safety centres were under construction in Galeshewe in the Northern Cape and Thabong in the Free State.

Victim-Empowerment Programme (VEP)

Government recognises the importance of addressing the needs of victims of crime and violence in South Africa. To meet these needs, the national VEP was launched. It aims to make the country's criminal justice system more understandable and accessible to victims.

The VEP further aims to address the negative aspects of crime and violence through the provision of counselling and other support services. The SAPS, as the first and often the only criminal justice agency to come into contact with victims, has a vital role to play in the empowerment of victims.

The SAPS is a member of the interdepartmental management team of the VEP, led by the Department of Social Development. Key contributions of the team during 2003/04 included the finalisation of the Victim Charter of Services and the development of a policy on victim empowerment.

The *White Paper on Safety and Security: 1999 – 2004* also emphasises the need for improved services to victims. The Department of Safety and Security views victimisation as a violation of human rights.

It subscribes to the United Nations (UN) Declaration of Basic Principles of Justice for Victims of Crime and Abuse of Power, which clearly states that victims have the right to be treated with respect and dignity; the right to offer and receive information; the right to legal advice; and the right to protection, compensation or restitution.

Victim empowerment has also been included as a national priority in the annual priorities and objectives of the SAPS and forms an integral part of community policing.

By February 2004, a new domestic violence training curriculum was being finalised for implementation in 2004/05.

Youth programmes

To acquaint children with the SAPS, it launched,

among others, the Captain Crime Stop Project. Captain Crime Stop pays regular visits to schools countrywide.

The aim of the Project is to educate children about crime and to provide them with tips for personal safety.

The national Crime Stop number (08600 10111) and the national emergency number (10111) are available to receive information on criminals and their activities.

Children and the youth are affected by crime, both as perpetrators and as victims. Reported criminal victimisation of children by other children is also of concern. Recognising the importance of early intervention in changing criminal behaviour, the SAPS supports the Department of Education's Safe Schools Programme.

The objectives of the partnership include:

- reducing firearm violence in schools
- assisting young people to become resilient to crime and violence.

The Youth Violence Prevention Programme has joined hands with various national departments and bodies such as the NYC and the National Consultative Forum to develop and implement a holistic and integrated Youth Crime-Prevention Programme.

The SAPS is also participating in the Young Sport Development Programme, which is designed to provide an alternative to crime. A pilot project was initiated for streetchildren in Pretoria and Johannesburg in conjunction with other State departments and non-governmental organisations.

Commemoration Day

On 9 May 2004, the SAPS commemorated deeds of valour and the men and women in blue who performed them. Homage was paid to those who laid down their lives to protect South Africans against crime.

An amount of R19 million was set aside to buy new bullet-proof vests. The safety of police officials is being addressed through the newly developed Street Survival Programme. The Programme focuses on the total well-being of police members and covers health, fitness and street survival.

Employee Assistance Programme

The Programme provides a counselling service and a referral base to employee assistance services, such as psychologists, social workers and spiritual workers.

Police File

SABC 2 supported the return of the SAPS programme *Police File*. This programme is fast gaining popularity and several high-profile cases have been solved through public participation. Numerous wanted and missing persons have been found.

Operation Sethunya

Since October 2003, Operation *Sethunya* has been integrated into day-to-day police activities.

Between 1 April 2003 and 31 March 2004, 25 975 illegal firearms and 1 679 940 rounds of ammunition were confiscated under Operation *Sethunya*, and 5 990 people were arrested for illegal possession of firearms and ammunition.

National Drug Master Plan

The National Drug Master Plan is under review and in 2004 each department was instructed to draft and implement mini drug master plans.



On 25 May 2004, several units of the South African Police Service (SAPS) received awards for their humanitarian efforts to relieve poverty and promote peace.

The *Impumelelo* Innovation Golden Awards were presented to the SAPS Task Force, Airwing, Bomb Disposal Squad, Crime Intelligence, Illegal Firearms and Selected Operations for their role in destroying millions of rounds of ammunition and arms stored in caches throughout Mozambique during Operation Rachel.

Operation Rachel is a bilateral co-operation agreement on arms destruction between the SAPS and Mozambican police, which began in 1995.

The two police forces have since destroyed several tons of illegal weapons.

By May 2004, more than 5 000 submachine guns, 28 000 rifles, 20 million rounds of small arms ammunition, more than 20 000 mortar bombs, 747 kg of explosives and 13 500 hand grenades had been destroyed.

The SAPS has to a large degree been focusing on supply reduction via law-enforcement efforts inside South Africa and across the borders of the country, with the assistance of international agencies. During 2004, the SAPS increased its focus on demand reduction, by among other things, implementing the Demand Reduction Strategy.

Police officers were also instructed to focus intensely on 65 syndicates involved in the illegal trafficking and distribution of drugs. The SAPS's main focus is on syndicate leaders – both inside South Africa and abroad. This is done in co-operation with the relevant foreign agencies.

In 2003/04, 61 706 persons were arrested on drug-related offences. Between July and August 2004, four clandestine laboratories were dismantled and drugs with a street value of more than R20 million confiscated.

Physical resource management

The SAPS has made great strides in upgrading and providing facilities. This will go a long way towards improving service delivery. Some 110 police stations and cells were expected to receive attention in 2004/05. Special attention is being paid to facilities in historically disadvantaged communities.

Firearm control

The Firearms Control Act, 2000 (Act 60 of 2000), and the Firearms Control Amendment Act, 2003 (Act 43 of 2003), intend to help the SAPS prevent the proliferation of illegal firearms and remove them from society, as well as to control legally owned firearms.

The Firearms Control Act, 2000 came into effect on 1 July 2004. People seeking firearm licences are

compelled to undergo a competency test before being granted a licence.

By mid-2004, South Africa had 2 079 759 registered firearm owners who possessed 3 696 089 licensed firearms. The country had 554 firearm dealers, 160 gunsmiths and 19 firearm manufacturers.

Between January and May 2004, some 7 993 firearms were reported stolen or lost.

International obligations and involvement in Africa

The Department of Safety and Security has an obligation to ensure peace and stability in South Africa, on the African continent and internationally. These obligations are achieved through international conventions and forging partnerships with security establishments.

The Department also continues to forge and strengthen partnerships with police institutions on the continent to advance the objectives of the New Partnership for Africa's Development (NEPAD) and the African Union (AU).

To this end, the Department is actively involved in peace initiatives in the Democratic Republic of Congo and Burundi, and has received requests for training support from various African countries, including Mozambique, Kenya and Nigeria.

International relations

The SAPS has co-operation agreements with France, Argentina, Chile, Brazil, the Russian Federation, Hungary, Egypt, China, Nigeria, Mozambique, Portugal, Swaziland and the People's Republic of China. Negotiations are ongoing to include more countries on its list of international partners against organised crime.

South Africa is among 182 countries whose police structures are affiliated with Interpol. It has 12 liaison officers based at South African Missions abroad, to interact on a continuous basis with its counterparts in the detection of international crime.

International Liaison serves as a 24-hour nodal point with respect to all crimes committed against and by the diplomatic corps, requests for protection duties throughout the country, visits by foreign dele-



In April 2004, a pilot counter-terrorism training programme was held in Pretoria. It was attended by 22 police members from 12 southern African countries.

The training focused on various issues related to counter-terrorism – including legal aspects, intelligence co-ordination, border control, investigation, and the role of the media.

The programme was held under the auspices of the Southern African Regional Police Chiefs' Co-ordinating Committee.

gates, and general enquiries by foreign Missions and diplomatic-accredited international organisations.

The SAPS regularly participates in UN activities such as:

- The UN Crime Prevention and Criminal Justice Programme. The National Commissioner of the SAPS, Mr Jackie Selebi, is the Government rapporteur to the UN Commission on Crime Prevention and Criminal Justice.
- Negotiations of the UN Single Convention Against Terrorism.
- The implementation of UN Security Council Resolution 1373, in particular the work of the Counter Terrorist Committee in New York.

South Africa has signed and ratified the Southern African Development Community (SADC) Protocol on Drug Trafficking. It also signed the SADC Protocol on the Control of Firearms, Light Weapons and Other Related Material.

The SAPS has agreements with various international donor countries. The aims of the projects range from operational initiatives to human resource capacity-building (training, skills development, etc.), technical assistance and physical resources.

On 16 March 2004, the former United States of America (US) Ambassador to South Africa, Mr Cameron Hume, handed over specialised anti-terrorism equipment to the SAPS. The equipment – aimed at dealing with biological, chemical and nuclear attacks – forms part of a five-year US State Department anti-terrorism assistance training programme worth about US\$13 million.

The equipment, valued at US\$180 000, included biohazard suits, chemical detectors and special material-analysing apparatus.

Defence

The Constitution, the Defence Act, 2002 (Act 42 of 2002), the *White Paper on Defence* and the *Defence Review* mandate the Department of Defence. These laws and policies direct and guide the functions of the Department of Defence and the SANDF.

The mission of the Department of Defence is to provide, manage, prepare and employ defence capabilities commensurate with the needs of

South Africa, as regulated by the Constitution, national legislation, and parliamentary and executive direction.

The mission success factors of the Department involve the following:

- national consensus on defence
- excellent strategic direction
- excellent resource management
- effective combat and support forces
- professionalism in the conduct of operations
- successful implementation of the transformation process.

Ongoing transformation has drastically changed the functions of the Department from offensive to defensive. It is gradually withdrawing from its involvement in support of the police and other protection agencies.

As a key player in regional peace efforts, and as a committed member of the SADC and the AU, the Department is participating in a variety of initiatives aimed at securing peace and stability on the continent.

The SANDF's budget was increased by more than R1 billion to R20,05 billion in the 2003/04 financial year. The Medium Term Expenditure Framework estimate puts the allocation for 2005/06 at R22,5 million.

In 2003/04, the South African Army was allocated R3,1 billion; the South African Air Force (SAAF) R2,1 billion; the South African Military Health Service (SAMHS) R1,2 billion; and the South African Navy R1,05 billion. Defence Intelligence received R153 million.

Legislation

Defence Act, 2002

The Defence Act, 2002 regulates the defence function.



On 8 October 2004, the National Police Commissioner, Mr Jackie Selebi, was elected as Interpol's new president, becoming the first African to be elected to this office.

Mr Selebi has served as vice president, Africa, since 2002. Interpol comprises 182 member countries.

National Conventional Arms Control Committee (NCACC) Act, 2002

The NCACC Act, 2002 (Act 41 of 2002), was assented to by the President on 20 February 2003. The Act establishes, among other things, the NCACC (a committee of Ministers of which the Minister of Defence is a member) as a statutory body to ensure compliance with government policies in respect of arms control, and provide guidelines and criteria to be used when assessing applications for permits.

National Conventional Arms Control regulations dealing with applications for permits and the list of dual-use goods, technologies and munitions that are subject to control were published in May 2004. The NCACC's Policy for the Control of Trade in Conventional Arms was promulgated in January 2004.

Armaments Corporation of South Africa (Armcor) Bill

This Bill will replace the Armaments Development and Production Act, 1968 (Act 57 of 1968). It will be aligned with current national and defence policy, which pronounces the role, function, accountability, management and operations of Armcor.

Military Discipline Bill

The Bill consolidates various separate legislative instruments such as the Military Discipline Supplementary Measures Act, 1999 (Act 16 of 1999), Chapter XI and the First Schedule of the Defence Act, 1957 (Act 44 of 1957). The Bill intends to obviate future constitutional challenges by eliminating those provisions of current legislation not in line with the Constitution.

Prohibition on Anti-Personnel Mines Bill

The Bill aims to give effect to the International Mines Ban Treaty to which South Africa is a party. It intends to provide for appropriate legal and administrative measures to suppress any activity that may be in contravention of provisions of the Treaty. The Bill also prescribes penal sanctions against those who contravene the Treaty or engage in prohibited activities.

In 1996, South Africa prohibited the export of all types of landmines and, in 1997, ceased the use,

development, production and stockpiling of anti-personnel landmines.

South Africa plays a leading role in de-mining, training de-miners and improving the cost-efficiency of operations.

Functions

The SANDF is responsible for:

- the defence of the Republic, for the protection of its sovereignty and territorial integrity
- compliance with the international obligations of the Republic with regard to international bodies and other states
- the preservation of life, health and property
- the provision and maintenance of essential services
- upholding law and order in the Republic in co-operation with the SAPS, under circumstances set out in legislation, where the SAPS is unable to maintain law and order on its own
- the support of any State department for the purpose of socio-economic upliftment.

Objectives

The SANDF's military strategic objectives are to:

- defend against aggression
- promote security
- support the people of South Africa.

The tasks of the SANDF are as follows:

- defence against aggression:
 - providing military defence capabilities for the defence of South Africa against external military threats, and the execution of military operations in defence of South Africa, its interests and its citizens when so ordered by the President in his/her capacity as Commander-in-Chief of the SANDF
- promoting security:
 - promoting regional security through defence co-operation within the SADC/AU/UN
 - promoting international security through military co-operation in support of South Africa's foreign policy
 - providing a military capability for participation in regional and international peace-support operations

- supporting the people of South Africa:
 - providing defence capabilities against internal threats to the constitutional order, and the execution of such operations in a state of emergency when so ordered by the President
 - providing and applying forces for land, air and maritime border protection against non-military threats
 - providing capacity to maintain law and order in co-operation with the SAPS on an ongoing basis, which will remain necessary until the SAPS is able to fulfil the task without assistance from the military other than in exceptional circumstances
 - providing surveillance and enforcement support to the relevant authorities for the protection of marine resources, control of marine pollution, and maritime law and enforcement
 - providing air-traffic control services in support of civil-aviation authorities
 - providing military support for the preservation of life, health and property in emergencies where the scale of the emergency temporarily exceeds the capacity of the relevant civil authority
 - providing emergency capabilities for the maintenance of essential services which have been disrupted temporarily and where the capacity of the relevant civil authority is exceeded
 - providing medical and health services in support of relevant authorities
 - providing search-and-rescue support for relevant authorities in accordance with domestic agreements and South Africa's international obligations
 - providing an air transport service for Very Important Persons (VIPs) and other officials in accordance with approved policy
 - providing support for other State departments for missions to the Antarctic and southern oceans
 - providing hydrographic services to South African mariners in compliance with the international obligations of the country
 - providing an infrastructure for the management of the Service Corps
 - providing a communications-security service for other State departments.

Defence Strategy

The Department of Defence's Defence Strategy is based on the Constitution, the *White Paper on Defence*, the *Defence Review* and the National Security Strategy.

The Defence Strategy consists of the Business Strategy and the Military Strategy. The Business Strategy informs the way in which the Department conducts its business as a State department, while the Military Strategy indicates the way in which the SANDF prepares for and executes its military missions. The Military Strategy has a number of strategies emanating from it, namely the Force Employment Strategy, Provide Force Strategy and its supporting strategies.

Business Strategy

The Business Strategy enables the Military Strategy by:

- providing strategic direction to the business of the Department
- integrating and aligning the resource and core capability strategies and ultimately the plans and actions which evolve from them
- providing enhanced service delivery through sound governance and ethics which rest on the four pillars of transparency, honesty, integrity and accountability, and by following the principles of *Batho Pele* (People First).
- fully supporting, equipping, maintaining and administering military forces while in barracks and when deployed on missions of any nature
- ensuring that the Department is aligned with the policies and priorities of government in respect of governance and administration
- continuously improving the Department's business system and accountability
- continuously improving the quality of personnel, material, information and facilities.

Business strategic objectives

The five business strategic objectives are to:

- comply with civil oversight
- account for defence resources
- provide policy direction and guidance
- strive for continuous improvement

- create an appropriately skilled, educated and sustainable workforce.

Military Strategy

The Military Strategy of South Africa is derived from the Constitution, the *Defence Review*, the *White Paper on Defence* and the National Security Strategy.

The National Security Strategy is derived from implied national interests, the Department of Foreign Affairs, international relations and JCPS Cluster objectives.

Missions

The SANDF uses a mission-based approach to achieve the military strategic objectives of the Department of Defence. This approach uses wartime and peacetime missions to direct the peacetime strategy for force preparation, and to guide joint and combined force preparation and force employment during times of conflict. The missions envisaged for the next 10 years include:

- borderline control
- co-operation with the SAPS
- defence against a biological and/or chemical onslaught
- defence against an information onslaught
- disaster relief and humanitarian assistance
- international or regional humanitarian intervention
- international or regional observers

- international, regional or subregional peace-building and peacemaking
- international or regional peace enforcement
- international or regional search-and-rescue
- maintenance of the health status of members of the SANDF
- maritime support
- pre-emptive operations
- Presidential healthcare
- Presidential tasks
- protection of foreign assets
- repelling of conventional and non-conventional onslaught
- show-of-force
- special operations
- subregional disaster-relief and humanitarian assistance
- support to military diplomacy
- support to government departments
- VIP transport.

Military strategic concepts

The military strategic concepts describe the procedures to be followed to meet the military strategic objectives:

- Provision of mission-essential training: The SANDF is to educate, train and develop its soldiers in the essential skills required to execute the tasks necessary to accomplish its missions. It focuses on force training/preparation and is aligned with the allocated budget.
- Establishing a mission-trained force: The SANDF is to have the capability to establish a mission-trained force that can engage in specific missions. The force must be relatively small, but must ultimately be prepared according to the missions and capabilities required.
- Selective engagement where possible: The SANDF will execute all the missions as ordered, but will be selective in the courses of action it will follow, the force levels it will field, as well as the capabilities and resources it will provide and maintain. It focuses on the conscious taking of calculated strategic and operational risks.
- Strategic positioning: This entails the establishment of early-warning mechanisms, such as the

The People's Republic of China (PRC) and South Africa have signed a defence agreement to exchange military hardware and personnel.

The agreement was signed in Pretoria on 19 July 2004 by the Minister of Defence, Mr Mosiuoa Lekota, and General Guo Boxiong, second vice-chairperson of the PRC Central Military Committee.

The deal strengthens South Africa and the PRC's military ties both in the defence industry and through a military co-operation pact, including peacekeeping missions. Soon after the agreement was signed, the PRC Defence Force donated more than 100 computers to the South African Department of Defence for training purposes.

The equipment and computer programmes will be used in the training of personnel for peacekeeping missions in Africa.



placement of military attachés and involvement in subregional institutions to enhance peace and security in the region. This supports development initiatives such as NEPAD.

Military strategic capabilities

The capabilities of the SANDF constitute the means of the Military Strategy and consist of:

- command and control, communication, computers, information, intelligence, infrastructure, reconnaissance and surveillance
- light mobile
- conventional warfare
- support.

Organisational structure

Defence administration

The Department of Defence adheres to the principles of civil control and oversight through the Minister of Defence, the Joint Standing Committee on Defence (JSCD) and the Defence Secretariat.

While the Minister is responsible for providing political direction to the Department, the JSCD ensures that the Executive Authority (Minister of Defence) remains accountable to Parliament. However, for day-to-day administration and the co-ordination of strategic processes, the Minister of Defence relies on the Defence Secretariat, which is the civilian leg of the Department.

Defence Secretariat

The Defence Secretariat is headed by the Secretary for Defence.

In terms of the Defence Act, 2002, the Defence Secretariat is responsible for the following:

- supporting the Secretary for Defence in his/her capacity as the head of the Department, the accounting officer for the Department and the principal departmental adviser to the Minister of Defence
- performing any functions entrusted by the Minister to the Secretary for Defence, in particular those necessary or expedient to enhance civil control by Parliament over the Department of Defence, Parliamentary committees overseeing

the Department of Defence and the Minister of Defence over the Department of Defence

- providing the SANDF with comprehensive instructions regarding the exercise of powers
- monitoring compliance with policies and directions issued by the Minister of Defence to the SANDF, and reporting thereon to the Minister
- ensuring discipline of, administrative control over, and the management of employees, including effective utilisation and training
- instituting departmental investigations as may be provided for by the law.

Chief of the South African National Defence Force

The functions of the Chief of the SANDF include, but are not limited to:

- executing defence policy
- directing the work of Defence headquarters
- responsibility for the overall functioning of the SANDF
- serving as the principal adviser to the Minister and President on military, operational and administrative matters within his/her competence.

The Inspector-General provides management information to the Secretary for Defence. This is derived from performance and regulatory internal audits that are based on the risks derived from the Department of Defence Risk Register and results depicted from survey analyses.

Policy and planning

One of the subprogrammes of the Defence Administration Programme is the Division: Policy and Planning. It comprises three subprogrammes, namely Defence Policy, Human Resource Policy and Strategic Management. The functions of this subprogramme include, but are not limited to, the following:

- providing expert input relating to general defence policy to the Minister of Defence, Deputy Minister of Defence, Secretary for Defence and the Chief of the SANDF
- the strategic management, planning and strategic control processes of the Department

- managing the policy-formulation process of the Department
- drawing up, promulgating and presenting the departmental plan to Parliament
- the integration and performance analysis of management systems in the Department
- interpreting input and influences that could affect the overall national defence strategy
- regulating conventional arms transfers in accordance with government policy
- co-ordinating the drawing-up of national contingency plans for a state of national defence (war).

Operations

Conventional

In the event of a conventional military threat against South Africa, the broad joint concept of operations will be as follows:

- land operations: the SANDF will conduct offensive, proactive and reactive land operations directed at stopping and destroying the enemy before it can penetrate South African territory
- air operations: enemy air power will be neutralised mainly through defensive counter-air operations assisted by air-mobile land operations aimed at destroying the enemy air force on the ground
- maritime operations: enemy maritime forces will be attacked at range, while the defence of own and friendly shipping will be enhanced by defensive patrols and escort
- SAMHS operations: during conventional operations, the SAMHS deploys its mobile formation in direct support of land, air and maritime operations.

Non-conventional

The broad non-conventional concepts of operations are as follows:

- support to the SAPS in the maintenance of law and order will be provided by general support tasks and focused rapid-reaction operations directed at priority crime and the conduct of special operations
- border control will be exercised on land, sea and

air by high-technology surveillance supported by rapid-reaction forces

- general area protection will be provided by a combination of high-density and rapid-reaction operations.

Operational commitments

These include:

- The achievement of international and regional defence co-operation aims.
- The execution of limited peace operations.
- Effective land, sea and air-border control.
- The maintenance of law and order in support of the SAPS, with special attention to the combating of taxi violence, robberies and heists.
- Control of the South African maritime areas of responsibility, including the Exclusive Economic Zone (EEZ).
- When requested, providing support to civil authorities within the scope of regulations regarding:
 - the preservation of life, health and property
 - the maintenance of essential services
 - the provision of medical and health services
 - search-and-rescue operations
 - missions to the Antarctic and the southern oceans
 - diplomatic initiatives.
- Air-transport missions, including VIP flights and departmental scheduled flights.
- Area-defence operation missions.
- Multinational and joint-force preparation missions.
- Special forces missions.
- Borderline control – the SANDF deploys forces in support of the SAPS along South Africa's international borders. The SANDF will gradually phase out its role in this regard, to be completed by March 2009. SANDF deployment consists of an average of nine infantry companies patrolling selected stretches of the borderline as the situation demands, supported by elements of the SAMHS and the SAAF. The SAAF contributes aircraft to deploy land forces along the land borders where necessary and carries out reconnaissance flights along the land and sea borders where they assist

the South African Navy patrolling the EEZ. The Navy patrols the coastline, assisting the Department of Environmental Affairs and Tourism with the prosecution of illegal fishermen, while also maintaining a presence at sea and thereby deterring other criminal activities such as drug smuggling.

The SAAF further assists the Civil Aviation Authority and the SAPS border component in reducing the incidence of illegal aircraft flights into the country which, in most cases, are involved with smuggling of some kind.

Other defence commitments

Other defence commitments of the Department of Defence are to:

- achieve a reasonable level of military diplomacy through:
 - the placement and control of defence attachés
 - the preparation and servicing of Memoranda of Understanding
 - participation in international and regional defence structures, such as the UN, AU, SADC and the Interstate Defence and Security Committee
- meet the international obligations of the Department of Defence according to international agreements such as:
 - search-and-rescue
 - hydrography
- provide communication-security services to other State departments
- administer the National Key Points Act, 1980 (Act 102 of 1980),
- provide healthcare for the President and Deputy President.

Management of transformation

Since 1996, the Department of Defence has been undergoing a formal transformation process through which the Transformation Project was registered. The Project's goals are to:

- maximise defence capabilities through an affordable and sustainable force design and structure
- minimise defence costs by business process, i.e. engineering and restructuring of especially the support structures

- institutionalise appropriate leadership, command and management practices, philosophy and principles
- align defence policies, plans and management with the overall government transformation and administrative-reform initiatives
- ensure compliance with the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), as amended by Act 29 of 1999 and National Treasury regulations.

After comprehensive research, a set of seven shared values for the Department was approved:

- military professionalism
- human dignity
- integrity
- leadership
- accountability
- loyalty
- patriotism.



On 20 January 2004, the former Deputy Minister of Defence, Ms Nozizwe Madlala-Routledge, opened the first site to house Project *Phidisa*, a clinical research project, at 1 Military Hospital in Pretoria.

Project *Phidisa* focuses on the management and treatment of HIV-infections among uniformed members of the South African National Defence Force (SANDF) and their dependants.

The Minister of Defence, Mr Mosiuoa Lekota, launched Project *Phidisa* on 1 December 2003 (World AIDS Day) in Pretoria.

The research will:

- evaluate the effect of HIV on the SANDF with an initial focus on treatment, including treatment with antiretrovirals
- provide treatment to qualified HIV-positive SANDF members and their dependants at six selected research locations
- answer research questions relevant to South Africa on the use of antiretroviral therapy and other interventions to address diseases that impact on members of the military
- build capacity within the South African Military Health Service so that it can conduct research on other diseases of critical importance to military force preparedness.

The Project was expected to be extended to 2 Military Hospital in Cape Town in the Western Cape, 3 Military Hospital in Bloemfontein in the Free State, and to military bases in Mtubatuba in KwaZulu-Natal, Phalaborwa in Limpopo, and Umtata in the Eastern Cape.

Force employment

In accordance with the Force Employment Strategy approved in 2002, the force-employment structures provide for operational level structures to enhance command and control, cost-efficiency and functional differentiation at military-strategic, operational and tactical levels of the Joint Operations Division. This will ensure that the core strategic objectives of the Department are effectively addressed.

Nine tactical level headquarters were established, one in each province. If required, temporary Joint Task Force headquarters may be created for specific operations. Combat-ready units are prepared, provided and supported, as required.

Bases

Bases are lower-level structures provided by all the Services. Units are generally clustered in or around bases and share common facilities and services.

Bases exercise administrative control, but not command over attached units.

One Force

The 'One Force' concept comprises the Regular and Reserve Force components of the SANDF.

The Regular Force consists of highly trained soldiers to operate and maintain a core capability, sophisticated equipment and defence systems.

The Reserve Force is the former part-time component of the SANDF. Members are trained to bolster the core defence commitment. Other components are the Army Conventional Reserve (ACR), the Army Territorial Reserve (ATR), which includes the commandos, the SAAF, the Naval Reserve and the SAMHS Reserve. The ATR operates mainly in co-operation with other government departments, especially the SAPS. Approval has been granted for the expansion of the Defence Reserve Force divisions to include offices in 10 regions. These offices will carry out the mandate of the Chief of Defence Reserve at regional level.

This is aimed at involving Reserve Force members in the command, management and decision-making processes, and providing them with enhanced career-development opportunities.

Reserve Force in the South African Army

The majority of Reserve Force units reside in the South African Army. Currently, the Army comprises the ACR and the ATR, or the commandos, as they are commonly known.

As an integral and essential part of the Army, the Reserve Force element will, during times of war, provide the expansion capability of the Army. The South African Army Reserve is being aligned with force-employment capability requirements.

The Chief Directorate: Army Reserve is the advisory body to the Chief of the Army on all issues pertaining to the Reserve Force. Furthermore, it provides policy and strategy input to the planning fora of the Army. Senior Reserve officers from both the ex-statutory and non-statutory forces have been staffed on a high level to provide a balanced input and to be part of the planning processes in the Army.

The ACR is the conventional reserve capability of the Army. By mid-2004, it comprised 51 units spread among the following formations – Infantry, Artillery, Air Defence Artillery, Armour and the engineers. The majority of units are in the infantry formation and provide the mechanised, motorised, light and paratroop capabilities.

These units were undergoing transformation and rejuvenation with the intention of building a deployable force. The ATR is part of the 'One Force' for the defence of South Africa. Due to their strategic location around the country, the role of the 183 units is defined as rear area protection in time of war.

However, this geographic positioning also enables them to be easily deployed/employed in the secondary functions of the SANDF, e.g assistance to the SAPS, disaster relief, etc. Over the last decade, employment in the secondary role has been the sole function of the ATR.

With the implementation of the Military Strategy and the Force Employment Strategy, the SANDF (Regular and Reserve) will gradually withdraw from providing support to the SAPS, which will rightfully assume full responsibility. The ATR as a system is expected to be phased out by 2009.

Force preparation

The chiefs of the Services (Army, SAAF, Navy and SAMHS) are responsible for the 'provide forces' processes of their respective Services. Formations are basic building-blocks in this process.

Each formation has its own commander. A formation includes, where practical, all units and support elements related to a specific user-system type. It is capable of providing a fully supported user system to a commander responsible for the exercising and combat-readiness of land, air, maritime and military-health capabilities, such as a brigade or division commander.

A formation can provide the same service to a task-force commander appointed by the Chief of Joint Operations.

This is a considerable improvement in cost-effectiveness, while it also provides the best way of retaining core defence capabilities, especially expertise in critical mass function. Some examples of formations established by the different Services are:

- Army – infantry, artillery or armour formations
- SAAF – direct combat system
- Navy – the fleet
- SAMHS – military-health formations.

A formation's specific geographical location depends on where its combat and support units are concentrated.

Force support

Support formations are intermediate structures with their own formation commanders. Their task is to provide combat support to type formations and other system structures.

Military veterans

The Military Veterans Affairs Act, 1999 (Act 17 of 1999), came into effect on 1 February 2001. The regulations in terms of the Act, 1999 were approved by the Minister of Defence for promulgation.

The Minister appointed the chairperson and members of the Advisory Board on Military Veterans' Affairs from nominations received from the recognised military veterans' organisations. The President is designated as the Patron-in-Chief of all military veterans in terms of the Act.

Humanitarian relief

As in the past, the SANDF participated in various disaster- and human-relief operations throughout South Africa and the region in 2003/04.

Staff complement

The Department strives towards representivity at all levels in terms of gender and race. The Department's baseline target for race is 65% Black, 10% Coloured, 0,75% Indian and 24% White. By March 2003, the Force had 62% Black, 12% Coloured, 1% Asian and 25% White personnel, while 85% of the Force was male and 15% female.

The baseline target for the employment of people with disabilities is 2%, but owing to rightsizing this is not viable. By September 2003, the Department of Defence was employing 446 persons with disabilities. To achieve its target, the Department would have to employ 1 400 persons with disabilities.

Resettlement

The Directorate: Personnel Separation has executed programmes at various levels in terms of the Department's Human Resource Strategy 2010. The Directorate is serving as a nodal point for redeployment and resettlement.

The Department of Defence established a Personnel Rationalisation Advisory and Co-ordinating Committee for the management of this process to ensure efficient and cost-effective support programmes for both the resettlement and redeployment of the Department's members and employees affected by separation.



From 23 March to 5 April 2004, a task team of 63 members of the South African National Defence Force was deployed in Madagascar after the island state was hit by a vicious cyclone.

The task team, which included medical, logistics and traffic personnel, left on board four IL 76 transport aircraft which each carried an Oryx helicopter.

The helicopters were used to help the United Nations Children's Fund, the International Red Cross and other non-governmental organisations involved with the World Food Programme, in the distribution of food and medical supplies in affected areas.

Cyclone Gafilo left at least 130 dead and 193 000 homeless.

The Directorate has established and implemented the Social Plan, which addresses the reskilling and psychosocial needs of the Department's members and employees.

Professional multidisciplinary teams execute this support programme.

The Department of Defence has set in place the Human Resource Planning Instruction that guides the process of interdepartmental transfers of redeployable members and employees.

Peace support

Based on the *White Paper on South African Participation in International Peace Missions*, the SANDF continues to prepare for support in peace missions. Various members of the Department of Defence have been trained for participation in peace missions.

The Cabinet authorised the SANDF to deploy up to 1 600 South African soldiers as part of the 3 200-strong AU Mission in Burundi, consisting of soldiers from South Africa, Mozambique and Ethiopia.

On 21 May 2004, the UN Security Council adopted Resolution 1545 of 2004, authorising and mandating the UN Operation in Burundi (ONUB), which came into effect on 1 June 2004.

The UN Department of Peacekeeping Operations requested South Africa to contribute to the ONUB.

Three South African staff officers were deployed in the UN Mission in Liberia. The first two members were deployed in November 2003 and the third in January 2004.



On 21 September 2004, Captain Catherine 'Siren' Labuschagne (25) made world military history as the first woman fighter pilot to fly a Gripen fighter jet.

Captain Labuschagne, who is stationed at 85 Combat Flying School in Hoedspruit, Mpumalanga, took to the skies during the Africa Aerospace and Defence (AAD) Expo 2004 held at the Waterkloof Air Force Base from 21 to 25 September 2004.

The AAD is jointly owned by South Africa's defence acquisition and procurement agency Armscor; the Commercial Aviation of Southern Africa; the South African Aerospace, Maritime and Defence Industries Association; and the Department of Defence.

Seventeen members of the SANDF were deployed to the Comoros from March to May 2004 to serve as military observers for the AU Observer Mission during elections held on the islands.

South Africa was also requested to deploy 10 military observers to the Sudan as part of the AU Observer Mission in that country. Members started deploying from early 2004, for an initial period of 12 months.

Requirement of main equipment

The Department of Defence has completely revised and consolidated its policies for the acquisition of weapon systems. Whereas the old approach placed emphasis squarely on the local satisfaction of systems and technological needs, the new direction takes into account the fact that South Africa is part of the global environment within which opportunities should be exploited to the benefit of the Department of Defence.

The Ground-Based Defence System (Phase One) was contracted for delivery from 2004 to 2006.

The rapid-deployment logistical vehicles for paraforces and special forces were delivered at the end of 2002.

The SAS *Amatola* was launched and named by Ms Zanele Mbeki, the First Lady, on 2 June 2002. After successful work and sea trials, the vessel was handed over to the South African Navy and arrived in Simon's Town on 23 September 2003.

The SAS *Isandlwana* was launched and named by Ms Nozizwe Madlala-Routledge, the then Deputy Minister of Defence, on 5 December 2002. The vessel left Kiel, Germany, on 31 January 2004 and arrived in Table Bay, Cape Town, on 25 February 2004.

The SAS *Spioenkop* was launched and named by Ms Thandi Modise, the then Chairperson of the Parliamentary Standing Committee on Defence, on 4 June 2003. The vessel was handed over to the South African Navy and arrived in Simon's Town on 31 May 2004. The fourth corvette, SAS *Mendi*, was launched and named in Kiel on 15 June 2004. The SAS *Mendi* arrived in South Africa early in November 2004.

These ships, each with a range of 6 200 nautical miles, are the first new warships for South Africa in

16 years and are specifically designed for South African conditions.

South Africa is also in the process of acquiring three types of 209 submarines from Germany. Unlike the patrol corvettes that still have to be fitted out in South Africa, the submarines will arrive fully operational. The first boat was launched by Ms Ruth Mompoti, a veteran of the Apartheid struggle, in Kiel on 15 June 2004. After completing sea trials, the submarine is expected to arrive in South Africa towards the end of 2005.

The submarines will be delivered at approximately 12-month intervals, with final delivery expected by December 2008.

Inkwazi, which means 'fish eagle', is the name given to the Boeing Business Jet which the SAAF accepted into service in January 2003. *Inkwazi* provides the South African Government with a VIP inter-continental air-transport capability.

The first four of nine C130 Hercules mid-life aircraft were delivered to the SAAF after a life-extension programme. The final delivery was expected by the end of 2004.

Ministerial approval has been received for the procurement of four maritime helicopters for the SAAF for operational deployment on the South African Navy corvettes.

The following major projects will commence in the next five years:

- new tactical radios
- new power-supply equipment
- new telecommunications infrastructure.

Provision was made by the Government in 2003/04 for the procurement of four Super Lynx 300 maritime helicopters from Agusta Westland for deployment aboard patrol corvettes. These are expected to start arriving in 2007.

Facilities, land and environment

Facilities, Land and Environmental Management in the Department of Defence strives for the efficient management of these entities.

The Department has adopted the process of base conversion. The focus is on the role and responsibilities of the military process of conversion aimed at

assisting role-players in closing down and re-using military bases in a sustainable manner. The *Military Integrated Training Range Guidebook* provides military environmental managers with a process that will ensure the long-term continuation of environmentally sound management practices, while also enhancing the ability of the defence sector to sustain long-term and cost-effective range operations.

The Department continues to demonstrate its responsibility as custodian of land entrusted to it through active co-operation in the land redistribution and restitution policies of government. It co-operated in a pilot study regarding the closing down and re-use of redundant military bases for the purposes of alternative economic land-use initiatives. These are aimed at achieving co-operative environmental governance as advocated in national environmental policies.

Over the past decade, the Department has been rationalising its land portfolio and has made one-third (close to a quarter million hectares) of its original estate available for non-military use.

Armaments

Armaments Corporation of South Africa

The primary function of Armscor is to acquire defence products and services for the SANDF, and to co-manage, with the Department of Defence, the development of technologies for future weapon systems and products. It also manages the disposal of excess, forfeited, redundant or surplus defence material for the SANDF and subsidiary companies, which directly support defence technology and acquisition strategies.

The Armscor Act, 2003 (Act 51 of 2003), was signed by the President in April 2004.

Armscor provides the Department with tender-board functions; a procurement secretariat; legal,



In September 2004, paratrooper teams from 14 countries took part in the third Exercise Airborne Africa, held at Lohatla in the Northern Cape.

financial, quality and asset-management services; project security; and arms-control compliance assurance.

Armcor also manages subsidiary companies, which directly support defence technology and acquisition strategies, as well as the disposal of excess, forfeited or redundant defence material for the SANDF.

Armcor is the sole shareholder in Armcor Business (Pty) Ltd, which has the following divisions:

Defence, Science and Technology Institute Group

- The Institute for Maritime Technology aims to satisfy strategic needs for techno-military maritime support, products and services; and to establish applicable technology and systems to further the interests of the SANDF.
- Protechnik Laboratories conducts research, and develops and implements projects in the fields of chemical and biological defence, and non-proliferation of chemical weapons.
- The Defence Institute assists the defence community in developing informed solutions to decision-making problems over the full life cycle of defence capabilities.
- Hazmat Protective Systems manufactures and distributes protective equipment such as filter canisters, cartridges and masks, and also impregnates activated carbon.
- Ergonomics Technologies provides services on ergonomics to enhance and optimise human-machine interaction within the working environment.
- Flamengro provides computer-based simulation and failure-analysis support, and consultative services to the Department and the defence industry during product and system development.
- Armour Development provides a research and development capability for armour protection and anti-armour attacks.

Test and Evaluation Group

- Gerotek Test Facilities provides specialised services such as testing and evaluation of vehicles and vehicle components, research and develop-

ment of vehicle-testing technologies and methods, VHF/UHF and microwave antenna-testing and evaluation, environmental testing, and verification of military products against specification.

- Alkantpan offers an all-purpose weapon and ammunition test range, compiles specifications and analyses test data.
- Sidibane/Gerotraine offers restaurant and conference facilities, and independent driver-assessment and development facilities.

Armcor Facilities Group

- Defence Export Support Services provides export support to the South African defence-related industry and manages the process of commercialising technologies.
- AB Logistics provides a strategic and logistical support service to Armcor, the SANDF and the defence-related industry, and specialises in the handling of dangerous goods.

Defence Support Group

- Armcor Defence Asset Management Centre provides decision-making support in the acquisition, operational and phasing-out phases of systems, by providing data and asset-management services.
- Defence Material Disposal is the appointed agent of the Department of Defence to dispose of excessive military defence equipment.

The activities of Armcor are financed mainly by an annual transfer payment from the Department of Defence, interest received on investments, the hiring of some of their buildings, commission from stock sales, and income from subsidiaries.

Acquisition of arms is totally transparent. Armcor publishes the monthly *Contracts Bulletin*, which contains all requests for proposals and tenders awarded. An electronic bulletin, updated daily, is available to industry via a computer network.

During March 2003, the Defence Council of the SANDF approved the running and management of the transformation process of the Simon's Town Naval Dockyard by Armcor. The decision was necessitated by the need to provide effective and

professional logistical support to the Navy, and to utilise and manage the Dockyard's capacity on a sound economic and commercial basis.

The transformation process will be jointly managed by Armscor, the Secretary of Defence and the South African Navy.

Denel Group of South Africa

Specialising in aerospace and defence, Denel is recognised globally for leading defence capabilities, notably integrated artillery systems. Unmanned Aerial Vehicles (UAVs), precision-guided weapons and the Rooivalk attack helicopter, now operational in the SAAF, are testimony to Denel's sophisticated aerospace capabilities.

From Denel's proven capabilities in defence-technology development and manufacturing, it has also emerged as a leader in commercial fields such as property development, innovative food technology, industrial manufacturing and information technology.

Denel is a State-owned profit-driven corporation registered under the South African Companies Act, 1973 (Act 61 of 1973). Its defence capability dates back more than 50 years, when its oldest manufacturing plants were established.

The company has international technology alliances and joint ventures with some of the world's major aerospace and defence companies. Denel provides invaluable humanitarian services around the world through cost-effective mine-action contracts.

Reflecting South Africa's priorities of empowering, uplifting and educating people, Denel has established learning and development centres, focusing on education, training and job creation, towards a truly progressive democracy.

Denel's defence manufacturing is grouped as follows:

- Aerospace Group
- Land Systems Group.

Airspace Group

Airframe Manufacturing

As part of Denel Aviation in Kempton Park, adjacent to Johannesburg International Airport (JIA), this facility specialises in a range of manufacturing disciplines.

It includes comprehensive machine shops, a fabrication plant, an assembly line and a composites department. It is well positioned for the manufacture of aircraft detail components, aerostructure sub-assemblies, as well as the assembly and integration of airframes, mainly for:

- Saab
- BAE Systems
- detail machine parts for commercial airplanes, including B747, B737 and B777.

Denel Aerospace Systems

Located in Irene, Centurion, this unit is responsible for systems development, comprising ground-based air defence systems (GBADS) for the SANDF.

Denel is prime contractor on the first phase of the South African Army's requirement for GBADS. This phase, for the local warning segment, will provide the Army with an integrated short-range defence system capability consisting of a man-portable air defence system, radar sensor and relevant air-defence command and control.

Rooivalk attack helicopter

The Rooivalk attack helicopter was designed from the outset to operate in all-weather conditions, suitable for high-mobility warfare, with low detectability and high manoeuvrability, low pilot workload, extreme agility and cost-efficiency. It can be rapidly deployed and has very low maintenance.

Missiles and guided weapon systems

As a leader in systems technology, Denel's range of missiles and guided weapons include the following:

- anti-armour missiles, like Ingwe and Mokopa
- surface-to-air missiles
- air-to-air missiles
- the Raptor family of long-range precision-guided weapons.

Unmanned Aerial Vehicles

Denel is a pioneer of UAV systems in the world and the leading technology house on the African continent regarding design, production and operation of UAV systems. Not only does it produce short-to-medium range tactical UAV systems like the Seeker

It, it is also a leading force in the world today with regard to the design, production and operation of multi-purpose high-speed aerial targeting systems such as Skua.

Aerospace Engineering

Aerospace Engineering is undertaken at Denel's Kempton Park facilities adjacent to JIA and at Irene in Centurion. Its activities include the following:

- airframe structural and system design, structural testing, subsystem design and integration
- aerodynamic design and analysis
- weapons and stores integration and clearance
- avionics system engineering and software development
- electrical system design and analysis
- mission planning and debriefing systems
- test and integration, including ground-testing and full-flight testing capability.

Aircraft logistics

Aircraft Logistics, based at Denel's Kempton Park facilities near JIA, undertakes the following:

- Integrated system support and product support for transport aircraft (including C-130) and tactical aircraft, like the Rooivalk combat helicopter, the Oryx medium transport helicopter, and the SAAF Cheetah fighter fleet. It is geared to undertake similar work on the future SAAF fleet of Hawk LIFT and Gripen swing-role jet aircraft.
- Component repair, and laboratory/calibration services.
- Aircraft refurbishment/modernisation, including full-service painting.

OTB multi-purpose test range

Located near Bredasdorp in the Western Cape, OTB is renowned for specialised in-flight systems-performance measurements on sophisticated weapons and aviation systems for local and international aerospace industries.

Denel Optronics

Comprising a wide range of capabilities, Denel Optronics undertakes the following:

- design and manufacture of optical and laser products
- electro-optical stabilised observation and surveillance systems
- helmet-mounted sighting and tracking systems.

Land Systems Group

Denel Land Systems

The Systems Unit within Denel Land Systems is located in Lyttelton, Centurion. Its activities include the design, development, manufacture, integration and product support of:

- 155-mm and 105-mm artillery ballistic systems, renowned for accurate extended range fire
- advanced combat turrets in various calibres
- infantry weapons
- rapid fire cannons
- naval air-defence gun systems.

Large Calibre Ammunition

The Large Calibre Ammunition plant in Potchefstroom in North West, in conjunction with the forging facility in Boksburg, is able to design, develop and manufacture:

- heavy calibre ordnance consumables
- a comprehensive range of 60-mm and 81-mm mortar bombs
- naval ammunition
- turnkey ammunition filling plants.

Explosives and Pyrotechnic Ammunition

Located in the Western Cape, Denel's Explosives and Pyrotechnic Ammunition plants offer research, design and development, and manufacture of the following:

- propellants in small and medium calibre
- gun propulsion
- rocket propulsion for all tactical rockets and missile applications, UAVs and propellant grains for rocket motors and ejection seats
- warhead systems, high explosives and energetic raw material for defence and civilian applications
- minefield breaching systems
- pyrotechnics and explosive devices for riot control

- high explosive and phosphorus devices, as well as pyrotechnics for signalling, screening, illumination, training simulation and battlefield application
- low velocity and high velocity 40-mm grenades
- commercial products, including distress flares, industrial cartridges and rock-breaking devices.

Small and Medium Calibre Ammunition

In its Small and Medium Calibre Ammunition plant, Denel produces:

- small arms ammunition for military and commercial applications
- medium-calibre ammunition
- brass products
- detonics
- industrial products for mining, aircraft escape systems and cutting charges.

Mine action (Mechem)

Mechem delivers humanitarian mine clearance and other forms of mine-action services. Its product line comprises:

- landmine-clearing equipment and landmine-protected vehicle platforms
- cost-effective and professional execution of mine-clearing contracts.

National Conventional Arms Control Committee

The NCACC consists of Ministers and Deputy Ministers, and oversees policy and sets control mechanisms for the South African arms trade. It ensures that arms-trade policies conform to internationally accepted practices.

Companies interested in exporting arms have to apply for export permits, after which the Ministry of Defence processes the application.

Each application is also sent for scrutiny to the relevant government departments, such as Foreign Affairs or Trade and Industry. The application is then referred to the various Directors-General to make their recommendations, whereafter the NCACC makes the final decision.

An independent inspectorate ensures that all levels of the process are subject to independent

scrutiny and supervision, and conducted in accordance with the policies and guidelines of the NCACC. The inspectorate submits periodic reports to the Standing Parliamentary Committee on Defence.

Intelligence services

There are two civilian intelligence structures, namely the National Intelligence Agency (NIA) and the South African Secret Service (SASS).

The NIA's mission is to proactively, professionally and impartially manage and provide the Government with domestic intelligence and counter-intelligence to enhance national security and defend the Constitution, the interests of the State, and the well-being of the people of South Africa.

The NIA concentrates on the following areas and intelligence themes:

- international terrorism, which involves:
 - monitoring South Africa's compliance with international terrorism treaties
 - monitoring local support of international terrorist groups
 - monitoring international terrorism and related trends with a view to ascertaining their impact on South Africa.
- domestic terrorism, which involves:
 - urban terrorism
 - extremism
 - cyber terrorism.

The SASS is South Africa's foreign-intelligence capacity. It aims to provide government with accu-



In May 2004, the Armaments

Corporation of South Africa launched the third of its technical support vehicles, used for the maintenance and repair of military vehicles in times of war.

The Samil 20 maintenance and repair vehicle will be deployed locally, as well as in the Democratic Republic of Congo and Burundi.

The vehicle is modular in design, and includes a diesel generator set for quick, light repair work in the field.

The modular can be set up as a workshop in a base and contains shelves, tool boxes, spares and full service kits.

rate, topical, policy-relevant and timeous foreign intelligence. The objective of the SASS is to forewarn, inform, and advise government on real and potential threats to South Africa's security, and on opportunities for South Africa.

The purpose of intelligence provided by the SASS is to promote, enhance and protect the national security and interests of South Africa and its people.

The SASS is subject to comprehensive accounting and oversight regulations that have made the organisation more accountable to the public.

Executive control is exercised by a civilian Ministry and a Cabinet committee.

The civilian intelligence services are accountable to the Minister of Intelligence, who reports to the Cabinet through the Cabinet Committee on Security and Intelligence Affairs.

Parliament has appointed the Joint Standing Committee on Intelligence, legislated in the Intelligence Services Control Act, 1994 (Act 40 of 1994), which is able to order investigations into the intelligence community's activities.

In addition, the Constitution provides for protection against State abuse through the Public Protector and the Human Rights Commission. (See chapter 15: *Justice and correctional services*.)

The objective of the intelligence community is to provide evaluated information with the following responsibilities in mind:

- safeguarding the Constitution
- promoting the interrelated elements of security, stability, co-operation and development, both within South Africa and in relation to southern Africa
- upholding the individual rights enunciated in the Chapter on Fundamental Rights (the Bill of Rights) contained in the Constitution
- intensifying collection efforts on crime in support of the SAPS's crime intelligence task
- promoting South Africa's ability to face foreign threats and to enhance its competitiveness in a dynamic world
- achieving national prosperity while making an active contribution to global peace and other globally defined priorities for the well-being of humankind.

The National Strategic Intelligence Amendment Act, 1998 (Act 37 of 1998), allows South Africa to conduct a counter-intelligence service overseas, under the SASS.

The Act gives the Minister of Intelligence a seat on the National Intelligence Co-ordinating Committee and clearly defines his/her powers and functions.

The Minister is also accountable to the Cabinet for co-ordinating intelligence through the national intelligence structures.

The South African Academy of Intelligence (SANAI), situated at the Mzwandile Piliso Campus in Mafikeng, North West, opened its doors on 28 February 2003.

The SANAI is responsible for providing training to members of the intelligence community and other related departments.

The Academy is involved with the management and running of a cadet programme which seeks to attract the best of the youth. The programme is driven by a systemic process of talent-spotting, head-hunting, and focused and dedicated training of the youth, to bring much-needed skills into the intelligence community. Sixty-nine new recruits graduated from cadet programmes in 2002 and 2003.

During 2002/03, the Electronic Communications Security Company was established to develop cutting-edge electronic communications technology and secure South Africa's communications sector. The Office for Interceptions and COMSEC (Pty) Ltd are two new structures formed to create specialisation, exercise better control and reduce duplication within government.

COMSEC's responsibility is to protect critical electronic communications infrastructure against cyber attack and information warfare waged by hostile foreign and local entities by providing systems and products to government. COMSEC is also tasked with advancing South Africa's technological capacity.

One of the company's first tasks is to conduct security audits of prioritised government departments at provincial and local level. This is a strategic intervention aimed at ensuring that e-commerce

in South Africa can thrive without difficulty in reaction to threats posed by intrusion, cyber crime or cyber sabotage.

In an effort to unmask cyber criminals' plans, the Office of Interception Centres will be established.

These Centres will target those who seek to undermine South Africa's national security, commit crimes, and steal and sell strategic information belonging to the country.

The Centres will interface with telecommunications operators to provide law-enforcement agencies with judiciary-approved intercepting products and services, as approved by Parliament through

the Regulation of Interception of Communications and Provision of Communication-Related Information Act, 2002 (Act 70 of 2002).

The Interception Act, 2002 prohibits the manufacturing, possession, selling and use of interception devices. The only structures that may manufacture, possess or sell these devices are law-enforcement agencies and those private security companies registered in terms of the Private Security Industry Regulation Act, 2001 (Act 56 of 2001). These authorised groups can intercept communications for the sole purpose of combating crime and providing emergency services.

Acknowledgements

Armcor

BuaNews

Denel

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Science and technology

Policy and funding

The vision of the Department of Science and Technology is to realise the full potential of science and technology (S&T) in social and economic development, through the development of human resources (HR), research and innovation.

National S&T policy is the responsibility of the Minister of Science and Technology.

The intellectual framework for policy is the National System of Innovation (NSI), in which a set of functioning institutions, organisations, individuals and policies interact in the pursuit of a common set of social and economic goals.

The Science budget vote represents core funding for key science councils and national research and development (R&D) financing programmes. It has grown at an average annual rate of 9,2% over the period 2000/01 to 2003/04, with above-average increases in expenditure for the Medical Research Council (MRC), the Innovation Fund (IF), the National Research Foundation (NRF) and the Africa Institute of South Africa.

Growth in the Science budget increased at an annual average rate of 12,5% over the 2004 Medium Term Expenditure Framework (MTEF) period.



National System of Innovation

The NSI focuses on the role of technology in economic growth and supports innovation and technology diffusion. Since 1994, institutions such as the National Advisory Council on Innovation (NACI) have been established to advise the Minister on policy and the allocation of funding.

Some funds allocated to the science councils were earmarked to address specific South African problems. The funding of science councils has been substantially reformed: core funding through parliamentary grants is complemented with allocations through a competitive bidding process from the IF. The IF applies three major criteria when making its

selections: competitiveness, quality of life and environmental sustainability. Projects funded from the IF have led to new businesses, products and services in the marketplace.

National Research and Development Strategy

The National R&D Strategy focuses on three broad areas:

- Innovation enhancement, primarily through technology missions: The emphasis is on technological innovation, demonstrating technology, incubating new technology-based businesses, and enhancing networks of knowledge workers

and organisations in specific areas of technology.

- Strengthening science, engineering and technology (SET), HR and transformation: The emphasis is on establishing Centres of Excellence (CoEs); establishing and funding networks for the New Partnership for Africa's Development (NEPAD) and Southern African Development Community (SADC); strengthening global science networks; formulating strategies aimed at sourcing new financing for R&D equipment; strengthening institutional and individual research capacity in science focus areas through the NRF; and increasing public understanding and the number of public engagement activities.
- Creating an effective government S&T system: There needs to be a clear distinction between the roles of line-function departments and the integrative role of the Department of Science and Technology. This focus area is involved in generating three-year R&D plans for science councils in line with the MTEF process, developing standard-reporting frameworks and a performance management system for all institutions, and giving the Department central responsibility for producing an integrative budget for all S&T initiatives.

Advanced Manufacturing Technology Strategy

The Advanced Manufacturing Technology Strategy was launched in October 2003 and resources are being allocated towards its implementation. Planning is underway for developing innovation programmes in the energy, mining and mineral-beneficiation domains of resource-based industries.

National Technology Transfer Strategy

The National Technology Transfer Strategy has been completed and should be implemented from 2004/05. This Strategy is based on the inevitable role that technology plays in wealth creation and in addressing the challenges of social development.

National Energy Research Institute (NERI)

The Cabinet approved the establishment of the NERI in 2004.

The Institute, which will be jointly run by the departments of Minerals and Energy and of Science and Technology, will conduct research on the energy sector.

The Ministry of Science and Technology is leading the high-level strategy formulation process for the operational function of the Institute. The objectives of the NERI will, through R&D, provide for:

- cost-effective and efficient energy generation, transformation, transport, end use and decision-support technologies
- energy technology innovation
- sustainable development and utilisation of energy resources
- improvement of the quality of life all South Africans
- promoting and conducting training of energy researchers
- the establishment and expansion of industries in the field of energy
- commercialisation of energy technologies resulting from its Research Development and Innovation programmes.

Pebble Bed Modular Reactor (PBMR) Human Capital Research and Innovation Frontier Programme

In support of the Government's vision for the PBMR, the Department of Science and Technology has undertaken to establish a co-ordinated programme to advance skills and innovation frontiers along the whole technology value chain of the PBMR Programme, ranging from basic and applied research of all applicable science and engineering disciplines, to manufacturing and the distinctive aspects of waste management. The PBMR Human Capital Research and Innovation Frontier Programme is a consensus of key stakeholders, including the departments of Minerals and Energy and of Trade and Industry; Eskom; the Nuclear Energy Corporation of South Africa; universities; and science councils.

The PBMR Programme represents a significant development for South Africa in the field of nuclear S&T. This Programme is around four years ahead of any other high-temperature gas-cooled reactor programme in the world. To maintain this competitive edge, there needs to be rapid development of the research and skills base in South Africa.

This fast-track five- to 10-year Programme is aimed at achieving the following:

- utilising and co-ordinating existing capacity and instruments to grow a critical research and skills base to support the PBMR Programme for a sustainable nuclear industry in South Africa
- promoting new programmes at universities to stimulate innovation and high-calibre intellectual capacity in PBMR-specific science and engineering disciplines, with a special focus on historically disadvantaged individuals
- stabilising attitudes towards nuclear technology in society, through the creation of awareness programmes.

National Advisory Council on Innovation

Government has a constant need for informed advice on the development and implementation of S&T policy and the stimulation of innovation. The NACI is responsible for carrying out inquiries, studies, policy research and consultations with regard to the functioning of the NSI, as requested by the Minister of Science and Technology.

The Council enables the Department of Science and Technology to consolidate and develop the NSI in an informed and proactive manner. It provides a focused mechanism to access and target critical S&T research and information for the purpose of socio-economic development.

The members of the NACI are broadly representative of government and the higher education (HE), business and non-profit sectors.

Public understanding of science, engineering and technology (PUSET)

The Department's efforts in this regard include:

- The South African Reference Group on Women in

Science and Technology, which was established in March 2003. This Ministerial body advises on ways to increase the visibility and development of women, and on making science more relevant to the needs of society by incorporating women's needs and expectations.

- The Women in Science Awards, which were first awarded in 2003, honour female scientists and their achievements.
- The SET Week project, which was implemented for the first time in 2000. In May 2004, it took place simultaneously in all nine provinces. Some of the key activities included interactive exhibitions, science shows, workshops, theatres and career-information sessions.

The main objective of the SET Week is to inform the community about the achievements in SET and persuade young people, in particular, to pursue scientific careers that would contribute towards the development of South Africa's economy. SET Week also promotes public awareness and appreciation of the role in and contribution of S&T to people's lives.

National Biotechnology Strategy (NBS)

The 1996 *White Paper on Science and Technology* set the course for the transformation of South Africa's S&T system into a better co-ordinated and inclusive system aimed at benefiting all South Africans.

The NBS was launched in 2001. It sets the agenda for the development of South Africa's biotechnology industry. This Strategy led to the establishment of the Biotechnology Regional Innovation Centres (BRICs), which champion innovation in biotechnology and stimulate the development of the biotechnology industry.



The Indigenous Knowledge

Systems Policy and Bill will come into effect in the coming Medium Term Expenditure Framework. The Policy builds on initiatives already in place, such as the National Language Policy, the promotion and copywriting of indigenous music and art forms, and the Traditional Health Practitioners Bill.

The Department received proposals by consortia comprising academic institutions, private institutions and research councils to form three BRICs representing specific regions in the country. The BRICs promote R&D, entrepreneurial services, technology platforms, intellectual-property management and business incubation. Each Centre specialises in specific areas of technology within the national development imperatives, local expertise and market opportunities:

- Biopad BRIC in Gauteng focuses on animal health and industry/environmental-related biotechnology
- Ecobio BRIC in KwaZulu-Natal focuses on human health and bioprocessing, with a plant biotechnology focal area to contribute to plant biotechnology
- Cape Biotech Initiative BRIC in the Western Cape focuses on human health and bioprocessing.

These Centres combine business, academic and research capabilities to target areas that are directly relevant to South Africa's needs, as well as providing a platform for global economic participation. The key areas of activity include human health, industrial biotechnology, food security and agricultural production. These activities complement existing strategies in Information and Communications Technology (ICT) and new developments to support the advanced manufacturing industry.

Another Programme initiated as a result of the NBS is the Public Understanding of Biotechnology (PUB) Programme. The PUB Programme provides information to the public to enable South Africans to participate meaningfully in debates about biotechnology and to enable them to make informed decisions.

Godisa Programme

The departments of Science and Technology and of Trade and Industry, with the support of the European Union (EU), launched the Godisa National Incubation Programme in 2001. The Godisa Programme aims at encouraging technology transfer and capacity-building to enable small business to compete in the global economy.

Godisa aims to address:

- outdated technologies employed by small, medium and micro-enterprises (SMMEs)
- the low engagement rate of SMMEs in value-adding activities
- the high failure rate in the start-up of SMMEs
- poor access to facilities for testing and promoting SMMEs.

Godisa supports eight technology-transfer centres in five provinces, focusing on a multitude of technology platforms and markets, such as biotechnology, life sciences, medical devices, software, embedded systems, fine and performance chemicals, small-scale miners, and hydroponics for cut-flower exports. This technology has very real local and international benefits and leads directly to job creation, increased levels of competency and enhanced international competitiveness.

The Department of Science and Technology has partnered with the NRF to implement and manage the CoEs Programme. On 29 July 2004, the final six CoEs to be funded by the Department were launched.

As identified in the National R&D Strategy, CoEs are aimed at stimulating sustainable excellence in research and effecting the capacity-building of highly qualified HR.

Funding for the Programme has been budgeted at R15 million a year from 2003/04 to 2005/06, with plans to increase this amount as the Programme develops.

The establishment of the Timbali Technology Incubator under the Godisa Programme stems from opportunities that were identified in the Mbombela Investment Strategy and the report on the South African Floriculture Cluster.

Timbali is responsible for creating the technology basis that will focus on the establishment and development of a financially feasible export-based cut-flower industry in the Mbombela region in Mpumalanga.

This will be achieved through technology transfer to flower-growers selected from the local historically disadvantaged community, with emphasis on training in horticulture, business, finance and mentoring.

Tshumisano

The *Tshumisano* partnership programme, which aims to bring a closer partnership between stations based at participating universities of technology and SMMEs, has doubled its SMME client base from 206 in 2002/03 to just over 400 SMMEs with about 1 000 development projects in 2003/04. This was expected to grow to a target of 800 small and medium enterprises (SMEs) in 2004/05.

By June 2004, there were nine *Tshumisano* stations operating out of the universities of technology environment in specific sectors to enrich their R&D, teaching and learning activities with better equipment and more realistic understanding of the industry and their needs. The sectors include chemicals, textiles, electronics, metals processing, mechanical engineering and food technology.

A key objective of these programmes is Black Economic Empowerment (BEE) through new SME development, and productivity improvement, technical mentoring and innovation services for existing SMEs.

Poverty-Reduction Programme

The Department of Science and Technology believes in a multipronged approach to fighting poverty.

Its poverty-alleviation projects have had positive outcomes in businesses and co-operatives focused on, among other projects, bee-keeping, paper-making, African design incorporation in clothing and textiles based on natural fibres, and indigenous cattle production. These projects are concentrated in the poverty nodes as identified by the Government's Integrated Sustainable Rural Development Strategy (ISRDS) and, by June 2004 had yielded over 2 900 jobs and employed 1 675 women, 862 youth and 68 people with disabilities.

International science and technology co-operation

Science is an increasingly global activity and international funding for South African science rose from essentially nil in 1994 to 6% in 2002.

The Department of Science and Technology is committed to building strong international relations. It manages over 30 S&T bilateral agreements with various countries and is a key player in many multi-lateral fora, including the Commonwealth; the African, Caribbean and Pacific Group of States; the EU; and the Organisation for Economic Co-operation and Development.

The main areas of S&T co-operation between South Africa and its international partners are material science; manufacturing technology; biotechnology; environmental management; sustainable exploitation of natural resources and minerals; medical research and public health; engineering science and advancement of technologies; water-supply projects; and agriculture, Mathematics and Science education.

The NRF manages the implementation of the agreements, which range from 60 active projects with France to eight projects with the People's Republic of China. Other countries with which active projects are underway include Belgium, Germany, Hungary, Sweden, Poland, Italy, India, Norway, Nigeria, the Russian Federation, the United Kingdom (UK) and the United States of America (USA).



South Africa celebrated 10 years of science and technology (S&T) in the country by hosting a three-day international Innovation, Science and Technology (IST) Fair from 1 – 3 November 2004 at Gallagher Estate, Midrand.

The theme for the Fair was *Sustainable Development, Science and Technology – Challenges Ahead*.

The main objective of the Fair was to showcase the S&T partnerships established since 1994. The Fair also provided a platform to create a marketplace for IST with international players, offered goods and services in the areas of IST, focused on IST solutions for the developing world, and promoted IST partnerships for global sustainable development.

The Fair comprised a collection of country-level stands exhibiting goods and services from all parts of the world covering IST aspects such as research and development, equipment, new advances in S&T, experimental models, high-tech inventions, prototypes, interactive displays, etc.

Seminars and conferences were held to exchange ideas and to enhance the role IST plays in sustainable development.

A number of positive international developments for South Africa include the signing of crucial co-operation agreements with countries like Japan, Korea, Brazil and Malaysia; the development of a solid science platform in the trilateral India-Brazil-South Africa engagement; and the leveraging of significant new funds for South African and African S&T from international agencies and foreign countries.

The 2004/05 financial year was characterised by the intensified implementation of these agreements and plans, and an increase in South Africa's S&T footprint on the world stage. South Africa was expected to sign S&T agreements with Argentina, Australia, Chile, Romania and Kenya. Further bilateral collaboration was explored in Asia and Eastern Europe.

South Africa's role at the forefront of NEPAD is, to a significant extent, based on its ability to deploy scientific knowledge and technological solutions on the continent. Following the inaugural conference in Johannesburg in November 2003, South Africa now chairs the African Minister's Council on Science and Technology, as the policy co-ordination body.

The work plan for 2004/05 included the expansion of the African Institute of Mathematical Science. The Department was also expected to increase the number of nodes of the African Laser Centre and launch new CoEs in the 12 flagship programmes in Africa's five regions.

The Southern African Large Telescope (SALT) at Sutherland in the Northern Cape is a multimillion-Rand project involving Germany, Poland, the USA, New Zealand and the UK.

Upon its completion in December 2004, SALT will be the largest single optical telescope in the southern hemisphere.

Science councils

The statutory science councils are a key part of South Africa's NSI. Through them, government is able to directly commission research in the interest of the nation and support technology development in its pre-competitive phase.

National Research Foundation

The NRF is the key public entity responsible for supporting the development of HR capacity for research, technology and innovation in the fields of S&T. Within the context of the national R&D and NEPAD objectives, the NRF sees itself as a major player in the education and training of a new generation of scientists able to handle South Africa's and the African continent's needs.

The NRF provides services and grants to support research and postgraduate research training, vital to the development of S&T in South Africa. It is the NRF's vision to be a key instrument in the creation of an innovative and knowledge-driven society where all citizens are empowered to contribute to a globally competitive and prosperous South Africa.

The four corporate core missions of the NRF are to develop and support:

- high-quality HR in aggressively increasing quantities
- the generation of high-quality knowledge in prioritised areas that are responsive to national and continental development needs
- the utilisation of knowledge, technology transfer and innovation to ensure tangible benefits to society
- the provision of state-of-the-art research infrastructure that is essential to facilitating the development of high-quality HR and knowledge.

Cross-cutting corporate strategic priorities include redressing and ensuring equity in race and gender; adhering to quality; internationalising research, focusing on Africa; positioning the NRF within the NSI; and transformation.

Thrusts identified by the NRF for 2004 – 2007 include: positioning the NRF as a knowledge organisation within the NSI, fostering diversity and transformation in the NSI, supporting big science activities, and driving organisational transformation and growth.

With a growth of 25% in its budget, from R766 million in 2003/04 to R956 million in 2004/05, the NRF is becoming a major player in the NSI. This budget includes ring-fenced funds, and funding for the national research facilities and CoEs. It excludes funds for the IF and Technology and Human Resource for Industry Programme (THRIP).

South Africa's Square Kilometre Array (SKA) bid

The SKA is a US \$1-billion international project to create a radio telescope with a receiving surface of a million m², 100 times larger than the biggest receiving surface now in existence. This huge surface will be composed of many small antennas, with peripheral antennas as far as 1 000 km from the core. The signals received by these antennas will be combined to form a single big picture. This will require complex computing and information-processing systems. The result will be an instrument capable of probing the secrets of the very early universe.

South Africa, with the NRF as the lead agency, is gearing up to bid to become a host country for the SKA radio telescope, proposing to host the core array of the SKA, or part of the peripheral array. A major drive is underway to promote the competitive advantage of South and southern Africa for capital-intensive big science initiatives among the international community. The decision on the siting of the SKA telescope will most likely be made in 2006 and the success of SALT gives hope that South Africa will be favourably considered. The Northern Cape is considered to be one of the best potential locations for the SKA.

The South African SKA Steering Committee has submitted a preliminary bid proposal and the bidding process is expected to take two to three years to finalise. Construction will hopefully start in 2010 and the SKA should start operating in 2015.

Research and Innovation and Support Agency (RISA)

The NRF's RISA has a suite of funding programmes that are in line with South Africa's priorities and needs.

Focus Area Programme

The Focus Area Programme's high-level research themes are:

- Challenge of Globalisation
- Conservation and Management of Ecosystems and Biodiversity
- Distinct South African Research Opportunities

- Economic Growth and International Competitiveness
- Education and the Challenges for Change
- Indigenous Knowledge Systems
- ICT and the Information Society in South Africa
- Sustainable Livelihoods and the Eradication of Poverty
- Unlocking the Future: Advancing and Strengthening Strategic Knowledge.

Collectively, these themes provide a broad framework for researchers across the spectrum of disciplines (the natural, social and human sciences, engineering and technology) to pursue their research interests, taking into account the macro-environment as well as relevant national developments.

Research Capacity Development (RCD)

Institutional and RCD programmes focus on boosting historically Black universities and universities of technology that are committed to the research process. In addition, the *Thuthuka* Programme supports individual researchers. It comprises researchers in training, women in research, and research development for Black academics.



South Africa hosted the South Africa-Japan Science Forum in May 2004 in Pretoria.

The main objectives of the Forum were to:

- promote excellence in all aspects of collaboration between the two countries
- ensure that collaborative activities contribute significantly to the national strategies for social equity, poverty alleviation and economic development in a constructive and sustainable manner
- work closely with research institutions, private organisations and government structures to develop appropriate policy and support for the National System of Innovation of the two governments
- build a network of researchers which encourages bilateral, multilateral and multidisciplinary collaboration in the areas identified
- use the Forum as a platform to regularly host meetings, symposia and conferences to promote dialogue between researchers
- strengthen the facilities and other resources for science and technology education in the further and higher education sectors.

All the NRF's RCD initiatives aim to boost the output of high-level Black HR (both academics and research students at all HE institutions); develop a postdoctoral research culture; strengthen weak, yet critically important disciplines; improve gender equity; and renew outdated research equipment.

Student support

The NRF provides two complementary types of post-graduate student support, namely:

- free-standing bursaries, scholarships and fellowships
- grantholder-linked bursaries.

Free-standing bursaries, scholarships and fellowships are awarded directly to students on a competitive basis, while grantholder-linked bursaries are granted to researchers within their NRF support package and may be awarded to students selected by the NRF grantholder. The NRF offers a limited number of travel grants for research abroad.

Knowledge Management (KM)

The NRF's KM Directorate includes Information and Strategy Advice, the Evaluation Centre and the Information Technology (IT) Department. KM, including records management, and expanding communities of practice, is high on RISA's agenda. It aims to

ensure a co-ordinated and efficient KM system that facilitates the achievement of RISA goals, including optimal governing structures for maximum integration and synergy.

International Science Liaison (ISL)

The ISL aims to forge and maintain strategic and intellectual alliances between individuals, institutions and organisations in science research communities nationally and internationally to support the international competitiveness of the country.

Innovation Fund

The IF, a policy instrument of the Department of Science and Technology, was created to promote technological innovation; increase networking and cross-sectoral collaboration; and competitiveness, quality of life, and environmental sustainability to harness IT. The IF's budget increased to R171 million in 2004/05. The NRF claims a management and administration fee from the allocated budget for support services rendered.

The strategic direction of the Fund identified a series of new funding initiatives that seek to enhance innovation in South Africa. They are:

- technology missions to support the development of long-term, high-risk, market-driven and enabling technology that will benefit an existing economic sector
- the technology-advancement programme to promote innovation in new technology frontiers
- various competitive initiatives to promote entrepreneurship through the commercialisation of the innovative ideas of young entrepreneurs; and to promote R&D collaboration and entrepreneurship within the business and research community, emphasising networking among racial groups and across cultures
- the IF Commercialisation Office to offer a comprehensive service with respect to patent applications and technology transfer for publicly funded research
- seed and start-up financing for the development of a product or prototype, proof of concept and initial marketing.

In March 2004, Nomathemba Kontyo (16) arrived home from Atlanta, United States of America (USA), where she represented South Africa and Africa at a National Aeronautical Space Agency (NASA) facilitated research project.

Nomathemba, a Grade 11 Mathematics and Science learner from Fezeka Senior Secondary School in Gugulethu, was a finalist in the International Essay Writing Competition on the topic *Mars and Other Celestial Bodies*.

The competition was hosted by the US-based NASA and was open to learners from all over the world.

Afterwards, the Department of Trade and Industry enrolled Nomathemba for the Techno-Girl Programme, which encourages girls to take up a career in Technology and Science. Techno-Girl is part of the Technology for Women in Business (TWIB) Programme, driven by the Department of Trade and Industry.

Nomathemba was also awarded an honorary trophy – making her a TWIB ambassador.

Technology for Human Resources for Industry Programme

The THRIP is managed by the NRF, advised by the THRIP Board, and sponsored by the Department of Trade and Industry. The Programme supports projects that address the technology and HR needs of industry on a cost-sharing basis with industrial partners.

In 2004/05, THRIP implemented its new five-year strategic plan. The Programme is better aligned with key strategies that government is using to guide R&D, such as to increase competitiveness, grow the economy, create jobs, eradicate poverty and provide equity within South Africa.

THRIP is focusing on increasing participation by SMMEs and BEE entities. It is embarking on a vigorous advertising and marketing campaign targeted at industry in general, and specifically small and medium industries. Other key performance areas that will be addressed are participation by historically disadvantaged institutions, and by Black and women students.

The MTEF budget allocation for THRIP was R135 million for 2004/05. The NRF claims a management and administration fee from the allocated budget for support services rendered.

Science and Technology Agreements Committee (STAC)

The Department of Science and Technology negotiates bilateral or multilateral agreements with international partners. The NRF manages the agreements which serve to develop scientific relations between the research communities of the intergovernmental signatories. The year 2004 saw the launch of at least four new intergovernmental agreements (with Switzerland, Iran, Algeria and the UK), bringing to 18 the number of agreements managed by the NRF on behalf of the Department of Science and Technology. An independent evaluation of STAC-related activities will be conducted during 2004/05. The STAC budget for 2004/05 increased to R23,9 million.

Scarce Skills Development Fund

To address the shortage of skills required for nation-

al development and competitiveness, government passed the Skills Development Act, 1998 (Act 97 of 1998), as a framework for realising this objective. The Department of Labour, in conjunction with the departments of Education and of Science and Technology, is responsible for ensuring training in scarce skills, both in HR and other training institutions, especially in S&T. To deliver on this objective, the Department of Labour recommends the allocation of resources from the NSF for bursaries and scholarships. The NRF has become the implementing agency for the Department of Labour for the provision and support of scarce skills at postgraduate levels in the fields of S&T.

Biodiversity programmes

The NRF manages two initiatives linked to the biodiversity science thrust of the National R&D Strategy, namely the South African Biodiversity Initiative (SABI) and the South African Bioinformatics Facility (SABIF). The budget allocation for SABI in 2004/05 was R1,5 million and for SABIF some R1,7 million.

Indigenous Knowledge Systems (IKS)

Similar to STAC, the NRF receives a ring-fenced grant for IKS from the Department of Science and Technology in support of research and human resource development (HRD) in the field of indigenous knowledge. IKS has been identified as a focus area within RISA, and all IKS activities have been integrated into RISA activities.

RISA does, however, report separately to the Department of Science and Technology on the outcomes of this programme. The programme will be reviewed by the Department of Science and Technology in 2004/05. The ring-fenced IKS grant from the Department amounts to R10 million annually.

Additional initiatives

- CoEs: The NRF has taken on management responsibility for CoEs. The Department of Science and Technology has entrusted the NRF with establishing these Centres to stimulate research, generate high-quality HRD, and to make meaningful impact on key national and international R&D issues.

- CoEs in Industrial Research and Development (CEIRD): The Department of Trade and Industry has recognised the need for greater innovation and skills development and will fund Centres that focus on national priorities and sectors for which the Department of Trade and Industry is the primary custodian. Managed by the NRF, CEIRD will maximise co-operation and synergies with other relevant NRF programmes.
- Chairs of Entrepreneurship and Enterprise Development (CEED): Following international trends of funding endowed chairs at HE institutions to provide leadership and guidance in a specialist field, the Department of Trade and Industry has decided to support endowed CEEDs.
- Postgraduate bursaries for the disabled made possible through a grant of R5 million per year by the Department of Labour from the National Skills Fund.
- The NRF manages the Mathematics and Science Teachers' Training Programme to enhance the teaching skills of Science and Mathematics educators. A budget of R20 million was allocated for this initiative in the 2004/05 financial year.

South African Agency for Science and Technology (SAASTA)

There is an opportunity for enhanced integration of science outreach activities at the various national research facilities of the NRF, and for closer collaboration in terms of encouraging grantholders, bursars and industry partners to become more actively involved in science communication and advancement. To pursue these objectives effectively, the NRF's corporate communication and public relations activities are located within SAASTA.

Programme expansion in SAASTA is only possible through increased funding via partnerships. Already, project funding has been secured for the PUB Programme. For 2004/05, some R10,8 million was allocated to SAASTA from the Parliamentary Core Grant with additional income expected to be generated through contracts.

National research facilities

National research facilities are important elements

of South Africa's research infrastructure. Recent developments also require the creation of multilocal networks of institutions that collaboratively contribute to the provision of an urgently needed research infrastructure and are accessible to the research community on a competitive basis.

The following national facilities are managed by the NRF:

- South African Astronomical Observatory (SAAO)
- Hartebeesthoek Radio Astronomy Observatory (HartRAO)
- Hermanus Magnetic Observatory (HMO)
- South African Institute for Aquatic Biodiversity (SAIAB)
- iThemba Laboratory for Accelerator-Based Sciences (iThemba LABS)
- Pretoria National Zoological Gardens
- South African Environmental Observation Network (SAEON) (by mid-2004, it had not yet been declared a national research facility).

South African Astronomical Observatory and Southern African Large Telescope

SAAO is the national research facility for optical/infrared astronomy in South Africa. Its primary function is to further fundamental research in astronomy and astrophysics at national and international level. The SAAO's research excellence is underpinned by strong technical competencies in certain niche areas.

The SAAO contributes to the future development of South Africa through the creation and dissemination of knowledge, HRD, the provision of research infrastructure, and providing an interface between science and society. It maintains a number of telescopes at Sutherland, where the SALT is situated.

The astronomical commissioning of SALT will be accomplished with the instrument Salticam, which the SAAO had been contracted to build. The instrument was completed in 2004. During 2004/05, the urgent restructuring of SAAO Sutherland will take place to facilitate the SALT commissioning phase.

Marked growth is expected in the number of postgraduate students at the SAAO. The flagship National Astrophysics and Space Science Programme, run by a consortium of eight South African

universities and three national research facilities, graduated its first class of Master of Science students in mid-2004. As the postgraduate student enrolment in astronomy at universities increases, student training at SAAO is expected to increase in importance.

Hartebeesthoek Radio Astronomy

Observatory

HartRAO is the national research facility for research and training in radio astronomy and space geodesy in South Africa. It provides facilities for South African and foreign scientists to participate in research using the facilities at HartRAO. The radio telescope is available either as a single, independent instrument or in global networks of radio telescopes using the technique of very long baseline interferometry (VLBI). HartRAO is one of only five permanent fundamental space geodesy stations worldwide. It participates internationally in geodetic VLBI, satellite laser ranging and Global Positioning System research.

Hermanus Magnetic Observatory

The HMO functions as part of the worldwide network of magnetic observatories. Its core function is to monitor and model variations of the Earth's magnetic field. It is primarily the HMO's scientific achievements, critical location and unique facilities that make it indispensable in the global network of magnetic observatories. Besides its core function of providing geomagnetic field information, the scope of the HMO's activities includes fundamental and applied space physics research, and the provision of geomagnetic field-related services on a commercial basis. HMO is growing its efforts in HRD, especially science-outreach programmes for school educators and learners, and postgraduate student training and research capacity-building.

South African Institute for Aquatic Biodiversity

The SAIAB serves as a research hub for aquatic biodiversity in southern Africa by housing and developing the national fish collection and associated resource collections as research tools and sources of aquatic biodiversity data. It also generates know-

ledge on aquatic biodiversity through interactive and collaborative scientific research, and disseminates scientific knowledge at all levels.

The SAIAB is focusing on developing HR capacity and skills to handle the research demands arising from the global biodiversity crisis and, in particular, national biodiversity legislation. It is developing an effective aquatic-biodiversity information centre that connects the generation and development of aquatic-biodiversity knowledge products by SAIAB to the demands of the user community and public.

Ongoing research and collection-based projects include the African Coelacanth Ecosystems Programme and SADC aquatic biodiversity contract projects, while new research initiatives include a freshwater biodiversity conservation programme and the Southern Ocean Fish Diversity Project.

iThemba Laboratory for Accelerator-Based Sciences

iThemba LABS provides modern research facilities to users in science, medicine and industry. iThemba LABS has established itself as a major commercial centre for radiation medicine and is forging strategic partnerships with the private and public sectors to leverage capital, skills and the expertise required for an initiative of this magnitude.

By establishing a major oncology centre, iThemba is creating more space for training in physics and radiation sciences. The Major Radiation Medicine Centre (MRMC), as the proposed oncology centre is known, was endorsed by leading international oncologists during a visit to iThemba LABS. The MRMC will become the centrepiece of cancer control in southern Africa and an internationally recognised centre of excellence in cancer treatment, research and training. iThemba LABS will invest in equipment for therapy, while initial 'seed money' funding of R10 million is required for the MRMC project.

It is the primary centre of expertise in radiation medicine and nuclear S&T in South Africa.

Pretoria National Zoological Gardens

The Pretoria National Zoological Gardens was declared a national research facility in April 2004.

The transfer of the Pretoria National Zoological Gardens to the NRF aims to strengthen the funding of the Zoo's scientific research functions and enhance its ability to do research in the conservation of South Africa's biodiversity. The Zoo will redefine and reposition itself as one of the leaders in the breeding and research of endangered species. This will enhance its position as a globally competitive institution and further the goals of the South African Government to improve PUSET.

The Pretoria Zoo, as it is popularly known, is the only zoo in South Africa with national status and is rated as one of the top zoos in the world, attracting thousands of local and international visitors annually. The facility extends over an area of about 80 hectares. It has breeding centres in Mokopane in Limpopo and Lichtenburg in the North West, where especially endangered animal species are bred. (See chapter 9: *Environmental management*.)

South African Environmental Observation Network

SAEON is being developed as a South African observation and research network to address the sustainable management of natural resources and habitat over a range of eco-regions and land users.

SAEON establishes and maintains nodes (environmental observatories, field stations or sites) linked by an information-management network to serve as research and education platforms for long-term studies of ecosystems that will provide for incremental advances in the understanding of ecosystems and the ability to detect, predict and react to environmental change. SAEON will bring about better cohesion between national and international research programmes and will ensure that data is archived and accessible as a national asset for generations to come.

Agricultural Research Council (ARC)

The ARC is a statutory parastatal body established in terms of the Agricultural Research Act, 1990 (Act 86 of 1990). It is committed to the promotion of agriculture and related sectors through research, and technology development and transfer.

Through its wide network of research institutes and experimental farms, the ARC provides a strong scientific base and a broadly distributed technology-transfer capacity for the entire agricultural industry in South Africa. In support of national and household food security, ARC research empowers both commercial and resource-poor farmers.

Farmers are provided with appropriate technologies to improve production. Training of farmers and agricultural extension staff in new technologies is an integral part of the ARC's activities.

Rural development

The ARC collaborates with government and the Independent Development Trust in the development of government's ISRDS.

The ARC advises the M-17 group of Ministers under the chairpersonship of the Deputy President on the development of a planning tool, based on geographic information systems.

To share information and assess the use-options of resources in a particular area, the South Africa Integrated Spatial Information System is being developed to provide a user-friendly framework for informed decision-making.

The impact and wide scope of the ARC's sustainable rural development thrusts are evident in all provinces. The ARC empowers people through research, information and appropriate training that address economic and social challenges.

ARC-generated technologies also underpin SMMEs that aim to create new job opportunities through agribusiness. Its research impacts on agriculture and related disciplines such as applied S&T, health and nutrition, food safety, education, the environment and natural-resource conservation.

Partnerships

The ARC interfaces with national, provincial and local governments as well as various agricultural unions and farmers' associations in South Africa. Apart from research collaboration with these stakeholders, the ARC also partners other science councils.

The ARC is active in over 65 regional networks and has 137 research projects with international partners, involving one or more countries.

The ARC is also active in international collaboration, especially with universities in the USA, UK, Europe, Australia, New Zealand and Africa. It has Memoranda of Understanding with numerous scientific role-players in other countries.

The ARC's institutes have localised research and demonstration trials at about 40 sites. These include strategic research farms and satellite stations located within some provincial departments of Agriculture.

ARC Institute for Soil, Climate and Water

This Institute in Pretoria, Gauteng, promotes the characterisation, sustainable utilisation and protection of natural resources.

Research activities cover soil science, agrometeorology, water utilisation and analytical services.

ARC Institute for Agricultural Engineering

Situated in Pretoria, the Institute is active in agricultural mechanisation, resource conservation, farm structures, irrigation, alternative energy, aquaculture and product-processing.

Research is directed at a wide range of clients, from subsistence farmers using animal traction to commercial farmers and manufacturers requiring scientific performance evaluations of advanced equipment. Innovative energy sources and applications are developed for rural areas.

ARC Plant-Protection Research Institute

The ARC Plant-Protection Research Institute in Pretoria concentrates on national agricultural and environmental problems. It is committed to the promotion of economic and environmentally acceptable pest control. Research focuses on biosystematics, ecology and epidemiology of vertebrates, as well as fungi, and pathogenic and useful bacteria and viruses.

The Institute researches the control of pests and invasive plants through effective pesticide management, as well as biological and integrated control strategies. A variety of services are provided.

The Institute also houses the Plant Genetic Resource Unit.

ARC Grain Crops Institute

This Institute, situated in Potchefstroom, North West, is responsible for research into the improvement and cultivation of grain crops such as maize, sorghum and millet, as well as oil-and-protein seeds such as sunflower, ground-nuts, soya beans, dry beans, cowpeas, sweet white lupin and bambara. Research activities involve plant-breeding, evaluation of cultivars, grain quality, plant physiology and other production factors.

ARC Small Grain Institute

The ARC Small Grain Institute in Bethlehem, Free State, concentrates on the improvement and cultivation of small grain crops such as barley, wheat, oats, triticale and rye. Research activities include plant-breeding, evaluation of cultivars, grain quality, plant physiology, tillage, weed science, plant pathology, entomology and yield potential.

ARC Institute for Industrial Crops

This Institute in Rustenburg, North West, is involved in all fundamental and applied research in the interest of the tobacco and cotton industries. Research is also conducted on other fibre crops such as hemp, sisal and flax that have potential as new crops in rural areas.

ARC Institute for Tropical and Subtropical Crops

The ARC Institute for Tropical and Subtropical Crops in Nelspruit, Mpumalanga, is responsible for research into all aspects of the cultivation of tropical and subtropical fruits.

Other crops on which production research is conducted include tea, coffee, spices such as ginger, and pecan, macadamia and cashew nuts. Lesser-known exotic crops being evaluated are pitanga, feijoa, annona types, carambola and jaboticaba.

ARC Roodeplaat Vegetable and Ornamental Plant Institute

Situated outside Pretoria, this Institute concentrates on a wide range of horticultural crops. Research is conducted on commercial vegetables such as onions, potatoes, tomatoes and sweet potatoes.

Traditional and indigenous vegetables receiving attention include amaranthus, cassava, plectranthus, Zulu round potato, pigeonpeas, cowpeas and bambara.

Research on the production and development of ornamentals and indigenous flora such as *fynbos*, woody ornamentals and bulbs has led to a new growth industry.

ARC Infruitec/Nietvoorbij

ARC Infruitec/Nietvoorbij in Stellenbosch, Western Cape, is responsible for research on the cultivation and post-harvest technology of deciduous fruit.

Other assigned crops are berry fruits, tree-nut crops, *rooibos* tea, honeybush tea, dates, olives, kiwi fruit and hops. It is also responsible for research on the cultivation of table, raisin and wine grapes, as well as on the production of wine and brandy.

ARC Animal-Improvement Institute

The ARC Animal-Improvement Institute at Irene,

near Pretoria, provides the livestock industry with technologies for the improved quality of animals.

It has established genetic and physiological methods to identify and study superior breeding material to improve the efficiency of the national herd.

ARC Animal Nutrition and Animal Products Institute

Situated at Irene, near Pretoria, this Institute develops environment-friendly technologies to promote animal production through improved nutrition.

Research is conducted on beef and dairy cattle, sheep, pigs, goats and poultry. The Institute also evaluates technologies to enhance the quality of meat and dairy products.

ARC Onderstepoort Veterinary Institute

The ARC Onderstepoort Veterinary Institute, north of Pretoria, is responsible for the prevention and control of animal diseases. It also provides a public health service with regard to animal products such as milk, meat and eggs.

The Institute conducts research on specialised diagnostics, parasitology, toxicology and related disciplines. Various vaccines and other biological products are developed and produced. The Institute also houses a high-security facility for research into infectious diseases such as foot-and-mouth disease and African swine fever. It serves as a regional centre for diagnostic services, advice and training.

ARC Range and Forage Institute

The Institute, situated in Pretoria, focuses on the development of holistic and integrated land-use strategies. It provides guidelines for sustainable livestock and rangeland management systems.

Council for Scientific and Industrial Research

The CSIR, established in 1945, is the largest community and industry-directed scientific and technological research, development and implementation organisation in Africa. It undertakes approximately



In 2004, the Department of Science and Technology and the Council for Scientific and Industrial Research (CSIR) produced a recipe book called *South African Indigenous Foods*, which reflects the rich traditions of generations of South African women.

The book was the result of a poverty-alleviation project and was selected as a gift for guests at the inauguration of President Thabo Mbeki on 27 April 2004.

Dishes such as *morogo* (an indigenous green leafy vegetable), mealie bread, *polokwe* (fresh mealie balls), *semphemphe* pudding (wild melon pudding), *mabele* porridge (sorghum porridge), *masonja* (mopani worms and ground peanut dish), and *isigwampa* (a vegetable and mealie dish) are featured.

The recipes were collected as part of a project aimed at commercialising and promoting South African indigenous foods, and was funded by the Department of Science and Technology and implemented by CSIR Food, Biological and Chemical Technologies.

While some dishes and beverages were the starting point for new products that are being commercialised, the recipe book contains a broader range of dishes prepared by generations of women.

Copyright of the book has been ceded to IndiZAFoods, the Section 21 company created to facilitate the commercialisation of the indigenous food products. Proceeds from the sale of the book will be re-invested into community initiatives.

10% of all research and development work on the continent.

As a key provider of information and technology solutions, the CSIR plays an integral part in the development of South Africa as a nation and the SADC. It undertakes market-driven research, and development and technology transfer:

- in support of its clients in both the public and private sectors
- to meet community needs and improve the quality of life of all South Africans in a cost-effective and ethical manner.

The CSIR's eight operational divisions are responsible for its research, development and implementation activities that provide technology solutions and information across a broad range of technologies, such as aeronautical systems, building, communications, development, food, information, infrastructure, manufacturing, materials, mining, textiles and the environment.

It has a staff complement of 3 300 scientists, engineers, technicians, sociologists and support staff.

The CSIR has a wide variety of clients and stakeholders, ranging from the private sector, government, public enterprises and national safety and security establishments, to development structures such as non-governmental organisations (NGOs), funding agencies and the labour sector.

The CSIR Head Office is situated on the Scientia site in Brummeria, Pretoria, and is represented in each of the nine provinces.

Mintek

Mintek, South Africa's national mineral-research organisation, was established in 1934 to ensure the sustainability and growth of the minerals industry through technology development and transfer. This role has expanded internationally, and today Mintek is one of the world's leading technology organisations specialising in mineral processing, extractive metallurgy and related areas. Working closely with industry and other R&D institutions, Mintek provides service testwork, process development, consulting and innovative products to clients on six continents.

Mintek is an autonomous statutory organisation and reports to the Minister of Minerals and Energy. About 35% of the annual budget of R256 million is funded by the State, with the balance provided by contract R&D, sales of services and products, technology-licensing agreements and joint-venture operating companies. Mintek has some 480 permanent staff members, over half of whom are scientists, engineers and other technical R&D personnel.

Mintek's objectives are to research, develop and transfer novel and improved techniques to industry for processing and extracting, refining, and utilising minerals and mineral products to:

- enhance the competitiveness of South Africa's minerals industry in the global market
- promote job creation, economic growth and regional development
- assist local mining and engineering companies to expand internationally.

Specific goals include:

- promoting increased beneficiation of South Africa's minerals and mineral commodities by developing competitive and innovative processing technology and equipment
- strengthening South Africa's international position as a supplier of mineral technologies, capital goods and services
- developing regional strategies for the mineral-processing sector, concentrating on value-addition, capacity-building and broad-based development.

Mintek achieves its objectives in the following ways:

- providing essential services (information, consulting and experimental)
- increasing the competitiveness of industry by developing appropriate technology to cut costs and improve recoveries
- developing 'breakthrough' process technologies and novel uses for metals and their products
- marketing its commercial products and technologies to industry
- establishing strategic partnerships and joint ventures
- participating in regional development initiatives and SADC activities and projects

- maintaining and expanding international scientific links
- developing the HR potential of the region through educational and training activities.

Mintek offers a complete range of process development services, from preliminary bench-scale investigations to large-scale piloting and integrated flow-sheet development in support of bankable feasibility studies. Engineering design, plant construction and commissioning are carried out in conjunction with international partners. Comprehensive laboratory and piloting facilities for sample preparation, milling, flotation, physical separation, smelting, leaching, pressure leaching, and metal recovery and purification are supported by internationally accredited analytical laboratory and mineralogical services.

To ensure focus and market orientation, Mintek's R&D activities are grouped into programmes that are based largely on industry structure:

- The Gold Industry Programme focuses on developing and introducing improved technologies, such as biotechnology and ion-exchange processes, to simplify processing and increase recoveries, particularly from ores that are difficult to treat. A major joint venture with industry and other research groups is exploring new industrial uses of gold.
- The Platinum-Group Metals (PGMs) Industry Programme aims to increase the cost-effectiveness of PGM production and stimulate industrial demand for PGMs.
- The Ferrous Metals Industry Programme develops products and technical services to increase the cost-effectiveness of steel, stainless steel and ferro-alloy production, as well as improved alloys.
- The Non-Ferrous Metals Industry Programme includes the processing of aluminium, cobalt, copper, lead, magnesium, nickel and zinc. A major emphasis is on the introduction of cleaner technologies.
- The Industrial Minerals Industry Programme includes a major R&D effort towards the beneficiation of titaniferous raw material, which constitutes one of the country's most significant mineral resources. Mintek's research into waste

management and environmental problems also fall under this Programme.

Promoting industrial growth

Mintek is promoting a number of major new industrial projects based on mineral beneficiation, and utilising both existing and newly developed technologies.

These include the recovery of PGMs from chromite tailings, the production of ferronickel and electrolytic manganese dioxide, and the establishment of a local magnesium industry using a novel thermal-production route being developed in conjunction with industry partners.

Regional development

Mintek carries out surveys, evaluations and commodity and market studies to support initiatives by governmental, international, regional or industry associations. It also identifies and evaluates potential development projects, assesses and provides technology, and conducts feasibility studies.

Mintek supports the activities of the SADC Mining Co-ordination Unit and was closely involved in developing the economic growth strategy for NEPAD and the African Mining Partnership.

Mintek's Small-Scale Mining Division provides experimental and consulting services, with an emphasis on the transfer of knowledge and skills. The overall purpose is to assist these operations to function more efficiently and economically, and to ensure sustainability.

The Division also proactively searches for opportunities from which artisanal and small-scale miners can benefit. The aim is to establish small-scale mineral-beneficiation projects with the emphasis on adding maximum value to raw material by manufacturing end-products.

Environment

Mintek continues to focus on the development of environmentally responsible technologies for the recovery and recycling of metals from metallurgical residues. A major programme is in place to monitor cyanide species after discharge in various locations around gold plants, from both an environmental and

a processing point of view. In 2003, a new metals-recycling project was launched to smelt stainless-steel plant dust and other wastes, using DC arc smelting technology. The valuable metals nickel and chromium are recovered into an iron alloy for recycling to the stainless steel-making process.

Mintek's environmental management system has been certified as meeting the requirements of the International Organisation for Standardisation (ISO) 14001 standard.

Education

The development of appropriate HR is crucial for the long-term sustainability of the minerals industry. Mintek's educational and training initiatives are provided through a Section 21 company that was set up with the aim of developing technicians, technologists, engineers and others with appropriate skills from historically disadvantaged communities. The specific programmes include:

- Artisanal and Small-Scale Mining Training
- Jewellery Manufacturing
- Upgrading of Mathematics and Science Skills
- Undergraduate and Postgraduate Bursary Schemes
- In-Training Programmes for Recently Qualified Engineers and Technicians
- Specialised Advanced Technical Programmes.

Human Sciences Research Council (HSRC)

The HSRC is South Africa's statutory research agency dedicated to the applied social sciences. It has about 130 researchers, mainly specialists, 30 interns and 110 support staff. Its revenue is derived roughly equally from its parliamentary grant and from earnings through tenders, commissions, and local and international foundation grants.

The HSRC conducts social-science research concerned with all aspects of development and poverty alleviation in South Africa, the region and in Africa.

Research programmes

The organisation's research is organised into 10 interdisciplinary programmes.

Assessment, Technology and Education Evaluation (ATEE)

The ATEE Research Programme focuses on the monitoring and evaluation of education change at national, provincial, district, school and classroom levels. It also develops instruments and techniques for assessing individuals in the worlds of work and play. ATEE provides valuable information to address quality, equity, access, and redress issues for transforming the education and training sector.

Child, Youth and Family Development (CYFD)

The CYFD Research Programme is dedicated to national social development through innovative research that has significant intervention and policy implications.

It works in seven priority areas:

- early childhood development and intervention, including nutrition, psycho-social development, health, illness and pre-school education
- rights and protection, including violence and abuse, child labour, children and youth in care, and law and justice as it affects children, youth and families
- socialisation and learning, including language and literacy, schools, neighbourhoods and social identity
- youth development, including civic engagement, work, livelihoods and life skills, subcultures and network
- risk and resilience, including context and determinants, risk behaviours, prevention, and intervention to reduce high-risk conditions and behaviour
- sexuality and reproductive health, including HIV and AIDS, teenage pregnancy and parenthood, sexual violence, gender and relationships
- families and households, including family formation and security, dissolution and coping, roles and responsibilities, culture and values, and the impact of HIV and AIDS.

Democracy and Governance (D&G)

The D&G Research Programme explores contributions to and constraints upon democratisation in

South Africa and the African continent. Researchers evaluate the policies, institutions and impact of government, business and civil society with regard to their capacity to reduce inequality and poverty, while empowering communities to promote local, national and regional sustainable development. The Programme has three major thrusts, namely democratisation, local government and delivery, and public service and development.

Employment and Economic Policy Research (EEPR)

The EEPR Programme seeks to improve and disseminate an understanding of the nature and causes of persistent unemployment and underemployment.

This work feeds directly into strategy and action by enabling public and private interventions. To ensure relevance and uptake, each new step involves critical stakeholder groupings and government departments.

The Research Programme focuses on integrated employment studies and labour-market and industry analyses.

Human Resource Development

The HRD Research Programme undertakes research in the area of HRD, orientated largely towards the creation of an improved information and analysis infrastructure to support government decision-making in the area of HRD.

Its primary focus is the study of the pathways of learners from school into further education and HE, and the world of work.

Integrated Rural and Regional Development (IRRDR)

The IRRDR Research Programme is a multidisciplinary research programme with the primary objective of promoting rural development in South and southern Africa.

It achieves this through user-driven policy, monitoring and evaluation, and problem-orientated research. With poverty reduction as the unifying, overarching theme, the Programme's objectives, orientation and activities are designed specifically to address key national, regional and Africa-wide policy priorities.

There are four distinct, but interlocking, subprogrammes:

Knowledge Management

The KM Research Programme covers three overlapping domains:

- Information Society
- NSI Studies
- Knowledge-Intensive Research Organisations.

Social Aspects of HIV, AIDS and Health (SAHA)

The SAHA Research Programme conducts policy-relevant research in South and southern Africa. Its extensive regional network makes it possible to mobilise an alliance of key stakeholders, policy-makers, programme planners, researchers, NGOs and donors to address HIV and AIDS, using evidence arising from collaborative research.

The SAHA offers technical support to its partners, jointly develops implementation strategies, and shares information on the monitoring and evaluation of programmes.

Surveys, Analysis, Mapping and Modelling (SAMM)

The SAMM Research Programme is a cross-cutting entity that brings together the HSRC's capacity in surveys, quantitative and qualitative analy-



The South African Medical Research Council (MRC) will host the African office of the Assembly of the European and Developing Countries Clinical Trials Partnership (EDCTP).

The Partnership will have two offices, one in The Hague in the Netherlands and the other in Cape Town.

The Partnership's aim is to develop new treatment options to fight HIV, AIDS, tuberculosis and malaria.

The EDCTP, established in 2003 by 14 European Union member states and Norway, aims to improve the quality of research in relation to these diseases.

The African office, under the auspices of the MRC, will represent the EDCTP in Africa and will provide administrative and promotional support for the Partnership.

The new office was expected to start operating in the second quarter of 2004.

ses, geographical information systems, statistical and econometric modelling, and data management. It supports the organisation's move from previous fixed research groups and disciplines to flexible, user-driven and responsive research programmes.

Social Cohesion and Integration (SCI)

The SCI Research Programme deals with religion, arts and culture, the social aspect of science, the media and public discourse. In essence, it analyses the social fabric of a developing country.

Medical Research Council (MRC)

The MRC's mission is to improve the nation's health status and quality of life, through relevant research aimed at promoting equity and development.

The MRC is an autonomous body, but reports to the national Department of Health. It receives 60% of its budget from the Department of Science and Technology. Its Head Office is situated in Cape Town, with provincial offices in Pretoria and Durban.

The MRC's research activities are aligned with the health priorities of the nation, and in accordance with the national S&T imperatives and the health priorities defined by the Department of Health under the philosophy of Essential National Health Research. Activities are grouped into the following six national programmes:

National Programme for Research in Molecules to Disease

This Programme undertakes research on human and microbial genetics, genomics, bio-informatics, cell and molecular biology, tissue engineering, oesophageal cancer, molecular hepatology, microbiology, and liver and bone disease.

National Programme for Health Systems and Policy Research

The scientists in this Programme conduct research on health systems, clinical epidemiology, biostatistics, health policy, burden of disease and telemedicine.

National Programme for Infection and Immunity Research

The research units in this Programme are involved in research on tuberculosis, malaria, immunology of infectious diseases, diarrhoeal diseases, inflammation and amoebiasis, genital ulcer diseases, respiration and meningeal pathogens, and South African traditional medicines.

It also incorporates the MRC National HIV and AIDS Lead Programme, whose divisions co-ordinate the South African AIDS Vaccine Initiative; various aspects of biomedical research, including mother-to-child transmission and microbicides; and prevention of transmission through behavioural change. (See chapter 13: *Health*.)

National Programme for Non-Communicable Disease Research

This group undertakes research on heart disease (both laboratory, clinical and public health research), nutritional intervention, diabetes, crime, violence and injury, anxiety and stress disorders, dental issues, medical imaging, chronic diseases of lifestyle, and cancer epidemiology.

National Programme for Environment and Development Research

In this entity, research is undertaken on health promotion, health and development, exercise and sports science, occupational and environmental health, alcohol and drug abuse, and technology transfer.

National Programme for Women and Child Health Research

This Programme undertakes research on many aspects of women's health, including high blood pressure during pregnancy, healthcare strategies in maternal and infant health, perinatal mortality, gender and health, mineral metabolism and nutritional intervention.

South African National Health Knowledge Network

The South African National Health Knowledge Network was established in 1999 at the MRC with funding from the Government's IF.

It operates under the tradename *SA HealthInfo* and is available on the Internet (www.sahealth-info.org), providing a one-stop interactive forum or resource for quality-controlled and evidence-based health-research information.

Council for Geoscience (CGS)

The main functions of the CGS are:

- the systematic documentation of the surface of the Earth within the borders of South Africa; the compilation of geological, geophysical, geochemical and other geoscientific information; and the publication of this information in the form of maps and documents
- geoscientific research on rocks, minerals, ores, fossils, etc. in South Africa, and the publication of research results in national and international journals
- the collection and conservation of all geoscientific information and data on South Africa in national collections and electronic databases
- the supply of geoscientific services and advice to the national and provincial governments, to ensure informed decisions regarding the optimal and efficient use of the Earth's surface.

The objectives of the CGS are to:

- minimise the geological and geoscientific investment risk for national and international entrepreneurs in the South African mining sector (the quality of available geological information, which is known as the 'geological risk grading', contributes to about 61% of the investment risk in any country)
- supply the country with basic geoscience data to establish a safe, cost-effective physical infrastructure
- supply basic knowledge to ensure safe, cost-effective and environmentally acceptable urbanisation and housing development
- carry out research on raw material needed to clothe, transport, feed and provide shelter for the nation.

To accomplish these functions and objectives, the CGS maintains a specialised workforce, consisting of Earth scientists supplemented by technical, support and administrative staff at its headquarters in

Pretoria, as well as branch offices in the Western Cape, Northern Cape, Limpopo, North West and the Eastern Cape.

The following national institutions are maintained by the CGS:

- The National Geoscience Library in Pretoria is probably the most comprehensive geoscience library on the African continent. It includes the National Geoscience Map Library, which contains a collection of South African and African geoscience maps.
- The National Core Library contains a representative stratigraphic-borehole core collection, representing most of the lithological units located within the borders of South Africa. This collection is housed at Donkerhoek, east of Pretoria.
- The Geoscience Museum in the Transvaal Museum in Pretoria contains a unique collection of minerals and fossils, catering for the Earth-science education of the public, especially schoolchildren.
- An extensive laboratory analyses rock and soil samples, using various specialised techniques.

The geoscience information and services provided by the CGS are particularly important for sustainable development of the country. In South Africa's arid region, the management of groundwater resources (both the quantity and quality thereof) is aimed at providing enough clean water to communities.

Although South Africa is located on a relatively stable portion of the Earth's crust, the CGS maintains a seismic network for the recording of seismic events within the national borders and the coastal waters off South Africa's coastline. This information is available to interested parties and serves to help mitigate the problems associated with mining-related seismic events.

The Council is a world leader in the domain of geophysical surveys, using a detection system deployed on light aircraft. This significantly reduces the cost of very high resolution geophysical data for mineral exploration.

Through its membership of the National Steering Committee of Service-Providers to the

Small-Scale Mining Sector, the CGS helps mining entrepreneurs, particularly those from historically disadvantaged groups, to exploit South Africa's mineral resources in a cost-effective and environmentally friendly way.

The CGS plays a leading role in the SADC and as a result of this co-operation, several geoscience publications covering the region have been produced, describing heavy mineral sand-, diamond-, gold-, bauxite- and dimension-stone deposits in the region. A seismic hazard map of the region, a litho-stratigraphic table comparing the geological formations in the region, and maps of the Kalahari Basin have also been produced. A geological map of the region is in preparation.

In addition to its national responsibilities, the CGS is also active internationally, mainly in Africa. Geological and metallogenic maps of, among others, Angola, the Democratic Republic of Congo, Mozambique, Gabon and Morocco have been produced. The supervision of projects in Mauritania and Mozambique is also underway.

South African Bureau of Standards (SABS)

The SABS was established in 1948 with the purpose of developing, maintaining and disseminating standards in South Africa. Although this core reason has remained unchanged over the years, the mission of the SABS has changed with the years to provide different focus relevant to the times. The SABS currently sees its mission as 'improving the quality of life of all South Africans, through the process of standardisation'.

Standards South Africa (StanSA)

This is the core function of the SABS and it carries the responsibility for the development, maintenance and dissemination of the country's national standards.

Through its main Standards Sales Division in Pretoria, as well as its offices in Durban, Cape Town and Port Elizabeth, all national standards as well as those of the International Electrotechnical Commission, the ISO and a host of other foreign standards are made available to the public.

Regulatory Affairs and Consumer Protection

This division of the the SABS is responsible for the administration of certain national regulations, mainly on behalf of the Department of Trade and Industry. Legal Metrology forms a part of the division and ensures the protection of consumers against incorrect metrological practices such as the sale of underweight or undersized products. A specific function directed towards the provision of conformity-assessment services to the SME sector, and other Presidential imperatives and social responsibility activities is also located in this division.

South African Bureau of Standards Holdings (Pty) Ltd.

All the conformity assessment services of the SABS are located in this company. These include the testing of products, the provision of system and product certification schemes, the inspection of consignments and the training of people in these matters. SABS Holdings is a separate company, which competes in the private sector and charges for the services that it renders, unlike SABS Regulatory Affairs and StanSA which recover their costs from monies allocated for those purposes under the Science budget vote of the Department of Science and Technology.

A corporate function provides overhead services such as finance, HR, legal, marketing and communication, risk management and IT.

Other scientific and research organisations and structures

Biotechnology Partnership for Africa's Development (Biopad)

Biopad was initiated early in 2003 by a community of biotechnologists and professionals as a means to put South Africa among the world leaders in the application of biotechnology.

Sasol

Although the Sasol Group is best known for its

petrol, diesel, kerosene, liquid petroleum gas, power paraffin, illuminating paraffin, fuel oils and gas, it is also a major producer of ethylene, propylene, ammonia, phenols, sulphur, road tar, pitch, creosote, alcohols, ketones, solvent blends, alpha olefins, fertilisers, explosives and waxes.

Sasol Technology's R&D Division is responsible for the R&D function of the Sasol Group.

Continuous R&D in recent years has enabled Sasol to launch two major, more cost-effective technological innovations: the Sasol Advanced Synthol Process and the Sasol Slurry Phase Distillate (SSPD) Process. The SSPD process technology evolved from Sasol's extensive expertise in the field of low-temperature FischerTropsch process technology.

Besides the production of high-quality and more environmentally friendly diesel, the proprietary technology can also manufacture high-quality kerosene and naphtha from natural gas.

Iscor

The technology arm of the minerals and metals company Iscor Limited, ITEC, provides technical and research support for the company.

Areas of operation include minerals beneficiation, new extraction methods, and high-temperature metallurgical processes. ITEC is also involved in environmental control through research into novel waste recycling and the effective use of waste material.

Eskom

Eskom's Technology Services International group is a multidisciplinary industrial laboratory and consulting organisation. It undertakes testing, investigation studies, project management, engineering services and applied research for Eskom and other customers.

National Health Laboratory Service (NHLS)

The NHLS conducts research into the prevention and treatment of human diseases.

The NHLS comprises about 240 laboratories countrywide, including the former South African Institute for Medical Research, the National Institute for Virology, the National Centre for Occupational

Health, all provincial diagnostic pathology laboratories (excluding those in KwaZulu-Natal), and tertiary laboratories used by universities' medical schools. It has approximately 4 000 employees and consists of four divisions: Research, Diagnostic Laboratory Services, Production (serum and laboratory reagents), and Teaching and Training. The NHLS conducts medical research as well as pathology laboratory tests for all provincial hospitals, excluding those in KwaZulu-Natal. Research is conducted on diseases and health dangers that are of specific importance to South Africa.

Bureau for Economic Research

The Bureau for Economic Research at the University of Stellenbosch, Western Cape, is an independent and objective economic research organisation rendering a service to organisations ranging from small one-person businesses to policy-makers at the highest level of government.

National Institute for Tropical Diseases

The National Institute for Tropical Diseases in Tzaneen, Limpopo, is responsible for the ongoing assessment of the malaria-control programmes carried out by various authorities in South Africa.

Control methods are assessed, and recommendations made to the appropriate authorities with regard to equipment, insecticide usage and application. A malaria-reference service is also provided. Tests for malaria are carried out by the Institute, and statistical analysis of data pertaining to the programme is undertaken.

General research areas

Antarctica and islands research

Scientific endeavour has for over 40 years been the primary justification for a human presence in Antarctica. The Antarctic Treaty is one of the world's most successful treaties. It was signed in 1959 and its purpose is to ensure that Antarctica is only used for peaceful purposes. It covers the entire area south of latitude 60° S – 10% of the world's land surface and 10% of its oceans. By mid-2004, 46

countries were signatories to the Treaty, representing 80% of the world's population. South Africa is one of the original 12 signatories to the Antarctic Treaty and plays a leading role in Antarctic matters.

The Department of Environmental Affairs and Tourism provides logistical support to the annual science programme which is conducted in Antarctica and on Marion and Gough islands. The Department, through the South African National Antarctic Programme (SANAP) undertakes a massive logistical exercise every year in its effort to supply and maintain three scientific bases: SANAE IV, Antarctica; Marion Island in the South Indian Ocean; and Gough Island, a British territory in the South Atlantic Ocean.

As a founding member of the Scientific Committee on Antarctic Research, South Africa has contributed on various levels to the international Antarctic community. This has been done through scientific collaborations such as the Southern Hemisphere Auroral Radar Experiment with the UK and the USA and the Seismology Project with Germany.

South Africa hosted, for the first time, the 27th Antarctic Treaty Consultative Meeting in May 2004. Linking the Meeting to the celebration of 10 years of South Africa's democracy, South Africa promoted itself as a platform for increased international scientific co-operation. Modern facilities at SANAE IV and Marion Island, together with increases in scientific funding, provide opportunities for such collaboration.

The scientific research functions of SANAP were transferred from the Department of Environmental Affairs and Tourism to the Department of Science and Technology in 2003.

Mine-safety research

The activities of the Safety in Mines Research Advisory Committee are aimed at the advancement of the safety of workers employed on South African mines. The Committee is a statutory tripartite sub-committee of the Mine Health and Safety Council. It has a permanent research-management office managing the fields of research, namely rock engineering, engineering and mine occupational health.

Energy research

The Chief Directorate: Energy of the Department of Minerals and Energy manages a policy-directed research programme. This includes transport energy, renewable energy and energy for developing areas, coal, electricity, energy efficiency, energy economy, and integrated energy-policy formulation.

Agricultural research

Agricultural research is conducted by the ARC, several universities and various organisations in the private sector. Provinces are responsible for farm management and technological development. These activities are aimed at improving managerial efficiency on farms.

The Directorate: Scientific Research and Development in the Department of Agriculture co-ordinates all agricultural research and development activities.

Biannual meetings are held to debate and agree on research needs, programmes and budgeting. Efforts are made to ensure that the bulk of research serves the needs of small-scale producers.

Research initiatives have been integrated into the various industries in line with the overall objectives of each particular agricultural sector.

Water research

Water research in South Africa is co-ordinated and funded by the Water Research Commission (WRC) in Pretoria. The WRC was established in 1971 through the Water Research Act, 1971 (Act 34 of 1971), following a period of water shortage. It was deemed to be of national importance to generate new knowledge and to promote the country's water research purposefully, owing to the view held that water would be one of South Africa's most limited resources in the 21st century.

Being a water-stressed country, South Africa progressively needs to find innovative ways of managing water resources to ensure that the basic needs of its citizens are met, that social and economic development is not restricted through a lack of or a poor quality of water, and that sustainability of water resources and water-dependent ecosystems is achieved.

The WRC performs the following functions:

- promoting co-ordination, co-operation and communication in the area of water R&D
- establishing water-research needs and priorities
- stimulating and funding water research according to priority
- promoting the effective transfer of information and technology
- enhancing knowledge and capacity-building within the water sector.

The Water Research Act, 1971 provides for the establishment of the Water Research Fund which derives income primarily from levies on water consumption.

In supporting the creation, dissemination and application of knowledge, the WRC focuses on five key strategic areas:

- water-resource management
- water-linked ecosystems
- water use and waste management
- water utilisation in agriculture
- water-centred knowledge.

The WRC also calls for specific mechanisms to address key strategic issues of national importance. These issues are dealt with in four cross-cutting domains:

- water and society
- water and the economy
- water and the environment
- water and health.

The organisations most active in water research are:

- universities (44,3% of the total number of contracts)
- consultants (31,8%)
- the CSIR (7,6%)
- water boards (6,9%)
- the ARC (3,1%)
- universities of technology (5,1%)
- municipalities (1%).

The main areas of research are surface hydrology, groundwater, hydrometeorology, agricultural water utilisation, water pollution, municipal effluents, industrial water and effluents, drinking water, membrane technology, water ecosystems, hydraulics, mine-water management, water policy, developing communities, and the transfer of IT.

The Division: Water, Environment and Forestry Technology (Environmentek) of the CSIR specialises in research into water quality, including technology to meet effluent and water-quality standards, and to establish reclaimed water as an additional water source. Environmentek is a world leader in research into activated sludge processes and the biological monitoring of water to detect potentially toxic substances. It is also involved in research on the effects of afforestation and veld management on the quantity and quality of catchment water-yield.

Environmental research

The Chief Directorate: Environmental Management of the Department of Environmental Affairs and Tourism annually finances several research and monitoring programmes.

The programmes comprise subjects such as waste management and pollution, nature conservation, river management, the coastline and marine environment, and the atmosphere.

Some programmes are conducted in collaboration with the NRF, while others are undertaken on behalf of the Department by the CSIR and universities.

Research on human-environment interaction sponsored by the Department is co-ordinated by the HSRC.

In addition, institutes of the ARC are concerned with environmental research insofar as environmental problems impact on agriculture or are caused by agricultural practices.

The Department's National Environmental Potential Atlas (ENPAT) provides a visual overview of South Africa's environmental resources. The most important advantage of ENPAT is that environmental implications of land-use decisions are available before any actions are initiated. ENPAT-National contains two main data types, namely environmental and population data. The Atlas also identifies possible conflict areas in the utilisation of natural resources.

The South African Weather Service functions under the Department of Environmental Affairs and Tourism.

The Weather Service delivers public-good services, mainly for the protection of life and property,

as well as commercial services to the private sector, as stipulated in the Weather Service Act, 2001 (Act 8 of 2001).

Public-good services are funded by government while commercial services are paid for by the user. Public-good services include weather and climate forecasting, a weather-disaster warning system, services to subsistence farmers and fishers, the provision of information and advice to government, meeting regional and international treaty and agreement obligations, maintaining a national meteorological library, technical and scientific training in meteorology, and undertaking research to improve services.

The Weather Service operates the Global Atmosphere Watch (GAW) station, situated at Cape Point in the Western Cape. The GAW is an initiative of the World Meteorological Organisation and serves as an early warning and forecasting system for changes in the background chemical composition and related physical characteristics of the atmosphere.

Atmospheric-ozone monitoring at Irene, near Pretoria, is maintained throughout the year.

The NRF directs the multidisciplinary Conservation and Management of Ecosystems and Biodiversity Focus Area, primarily in collaboration with universities and museums, to promote and support research on living resources and the terrestrial, freshwater, marine, coastal and atmospheric ecosystems.

Some 170 projects are approved annually, and global issues such as climate change and biological diversity are also included. The sustainable use of natural resources is a priority area, resulting in a growth of projects relying on sociology and the humanities. The NRF also supports a range of environmental research network organisations such as the Arid Zone Ecology Forum, the *Fynbos* Forum, the Indigenous Plant-Use Forum, the South African Network for Coastal and Oceanic Research (SANCOR) and the Savanna Ecology Forum.

Fisheries research

Research into South Africa's fish resources, their conservation and judicious exploitation is carried out by research personnel of the Chief Directorate:

Marine and Coastal Management, a division of the Department of Environmental Affairs and Tourism, and by several universities and NGOs. Research is designed to provide parameters for estimates of stock sizes and sustainable yields for the different fisheries.

Coastal and marine research

The Chief Directorate: Marine and Coastal Management advises on the utilisation of marine living resources and the conservation of marine ecosystems, by conducting and supporting relevant multidisciplinary scientific research and monitoring the marine environment. Sustainable use and the need to preserve future options in the utilisation of marine ecosystems and their resources are guiding objectives in the research and advice provided by the Chief Directorate.

The NRF supports marine and coastal research in partnership with the Department of Environmental Affairs and Tourism, and SANCOR.

Private-sector involvement

South Africa's gold-mining industry works at deeper levels and under more difficult circumstances than any other mining industry in the world. The research on gold-mining conducted by the CSIR's Mining Technology is concerned primarily with ensuring the health and safety of the workforce, and includes the areas of rock engineering and the underground environment.

Mining Technology's coal-mining research takes place on a smaller scale than that of gold mining, because the coal-mining industry can make use of various overseas developments. Areas in which research is undertaken include strata control, mining, maximising extraction of coal, and the underground environment.

Research is also carried out by a large number of industrial companies with facilities to meet their specific needs.

The more important ones are Anglo American Corporation of South Africa (applied metallurgy,



processing of precious metals, base metals and coal), Agricura (synthesis and testing of veterinary remedies, insecticides, herbicides and entomology), Cullinan Holdings (refractories and electrical porcelain), De Beers Industrial Diamond Division (manufacture and application of synthetic diamonds and other super-hard material), Johannesburg Consolidated Investment Company (metallurgy, mineralogy, chemistry and chemical engineering), National Chemical Products (chemistry, micro-

biology and animal nutrition), Metal Box Company of South Africa (corrosion mechanism and microbiology), Tellumat (development of electronic instruments), the Rembrandt Group (development and improvement of tobacco and liquor products), South African Pulp and Paper Industries (wood technology, paper manufacture and water treatment) and Standard Telephones and Cables SA (long-distance transmission of information and lightning protection).

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National Health Laboratory Service

National Research Foundation

South African Bureau of Standards

Water Research Commission

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Social development

The Department of Social Development seeks to build a caring and integrated system of social development services that facilitates human development and improves the quality of life of all South Africans.

It works in partnership with non-governmental organisations (NGOs), faith-based organisations (FBOs), the business sector, organised labour and other role-players in the spirit of *Batho Pele* (People First).

The Department provides implementation support to the provincial departments of Social Development, and monitors and evaluates the range of social-development programmes. Provincial departments are responsible for most of the service delivery.

Some of the direct services provided by the national Department include:

- relief payment to victims of declared disasters
 - registration of non-profit organisations (NPOs)
 - payment of subsidies to national councils
 - poverty-relief projects
 - home- and community-based HIV and AIDS projects
 - a national call centre for social-grant enquiries.
- The Strategic Plan of the Department is informed by the Ten Point Plan, which sets out the priorities to be addressed by the social development sector during the period 2000 to 2005:
- rebuilding family, community and social relations
 - an integrated poverty-eradication strategy



- a comprehensive social security system
- preventing violence against women and children, older persons and other vulnerable groups
- HIV and AIDS
- youth development
- accessibility of social welfare services
- services to people with disabilities
- commitment to co-operative governance
- training, educating, redeploying and employing a new category of workers in social development.

The Department's strategy to transform and enhance social welfare services encompasses the following initiatives:

- the retention strategy for social workers and development of associated social service professions

- the upgrading of salary levels for social work professionals
- the proposed introduction of incentives for professionals working in rural areas
- the development of an appropriate service delivery model
- a policy framework for the granting of financial awards to NGOs that render statutory welfare services.

Legislation

Older Persons Bill

The investigation by the Ministerial Committee on the Abuse, Neglect and Ill-Treatment of Older

Persons revealed an alarming level of these practices. The Cabinet adopted the recommendations of the Committee and the implementation thereof is in progress. The main recommendations of the Committee include:

- significantly improving social-assistance service delivery to older persons
- accelerating the transformation of residential homes for older persons
- increasing the support for community-based care and non-residential services to older persons
- introducing new legislation that complies with the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), and with international conventions on the rights of older persons.

The Older Persons Bill was adopted for submission to Parliament in July 2003.

The main objectives of the Bill are to:

- maintain and promote the status, well-being, safety and security of older persons
- maintain and protect the rights of older persons as recipients of services
- regulate the registration of facilities for older persons
- combat the abuse of older persons.

New child-care legislation

The South African Law Reform Commission (SALRC) finalised its research on the review of the Child Care Act, 1983 (Act 74 of 1983). The SALRC proposed a Draft Children's Bill in January 2003.

Close liaison with the various role-players followed.

On 23 July 2003, the Cabinet approved that the Children's Bill be submitted to Parliament for consideration. The main objectives of the Children's Bill are to:

- make provision for the structure, the services and the means for promoting and monitoring the sound physical, intellectual, emotional and social development of children
- strengthen and develop community structures which can assist in providing care and protection for children
- protect children from maltreatment, abuse, neg-

lect, degradation, discrimination, exploitation and any other physical and moral harm or hazards

- provide care and protection for children who are in need thereof
- give effect to South Africa's obligations concerning the well-being of children in terms of international instruments binding on the country
- promote the protection, development and well-being of children.

The Bill proposes that the age of majority is lowered and provides for parental responsibilities and rights agreements. A chapter to formally regulate surrogate motherhood is also introduced to give effect to an earlier parliamentary investigation into the issue.

Social assistance and security

In 2004, the Social Security Agency Act, 2004 (Act 9 of 2004), and the Social Assistance Act, 2004 (Act 13 of 2004), were signed into law.

These Acts provide for the establishment of the South African Social Security Agency (SASSA). The SASSA is tasked with the management, administration and payment of social grants.

The Social Security Agency Act, 2004, creates a unitary but flexible service-delivery mechanism to ensure that government pays the right grant amount to the right person, at the right time and in a dignified manner.

In May 2004, the Minister of Social Development, Dr Zola Skweyiya, announced the establishment of the SASSA which will pay out more than R50 billion in social grants on an annual basis.

The establishment of the SASSA is part of government's efforts to provide services to the poorest of the poor and to ensure restoration of dignity of the most vulnerable, especially older people, people with disabilities, women and children.

The Social Assistance Act, 2004 creates uniform norms and standards that apply countrywide. It provides for the publishing of regulations on performance management and on adherence to the *Batho Pele* principles of customer service.

The Act provides for the rendering of social assistance to persons, the mechanisms for the rendering of such assistance, the establishment of an

inspectorate for social assistance, and matters connected therewith.

In March 2004, Minister Skweyiya launched the Department's new national facilities to combat fraud and corruption in the social security system. The facilities are in line with government's Integrated Corruption Management Information System, which is being developed to improve the efficiency and the follow-up of the reporting of corruption.

The new facilities consist of:

- a toll-free national security fraud hotline (0800 60 10 11) that operates 24 hours a day, seven days a week
- an e-mail address (*fraud@socdev.gov.za*) and a free-call fax service number (0800 61 10 11).

As part of the Anti-Corruption and Fraud Prevention Strategy, launched in 2001, internal control systems have been improved, and forensic and investigating teams deployed in all provinces.

Social assistance

The regulations for social assistance were amended to relax conditions that impeded easy access to grants and to promote administrative justice. Some of the amendments involve the following:

- The removal of the pensions medical officer for the approval of Disability and Care Dependency grants, and the introduction of panels to assess applicants for these grants, in terms of both medical and social factors.
- The payment of grants, if approved, accrues from the date of application for all grant types except for the Foster Care Grant, in which case accrual begins from the date of the court order.
- The review of grants has been streamlined. Only applicants who declare their means of income at the time of the application are required to have an annual review of their grant. Those who have no means are only required to submit a life certificate on an annual basis. Those who collect their grants through biometrics and have no means are neither required to submit life certificates nor to have their grants reviewed.
- Previously, the Care Dependency Grant was only available to parents and foster parents of chil-

dren. It is now also available to custodians and guardians. Personal income has replaced household income as the means-test indicator, thus increasing the income-exclusion level for applicants.

Payment of social grants

The number of people benefiting from social grants increased from 2,6 million in 1994 to 7,9 million by April 2004.

By February 2004, over 4,4 million children were receiving social grants, with about 4,2 million receiving the Child Support Grant (CSG), 190 000 the Foster Care Grant, and 75 000 the Care Dependency Grant.

Total government expenditure on social grants increased from R10 billion in 1994 to R37,1 billion in 2004. Social grants have been equalised between racial groups and extended to all in need who qualify.

Government aims to register all children eligible for CSGs by 2005. Government made available R3,6 billion during the 2004/05 financial year, which is expected to increase to R6,9 billion in 2005/06 and R9,2 billion in 2006/07.

The Old-Age Pension Grant is the second-largest social grant. The number of beneficiaries increased from 1,8 million in 2000 to more than two million in 2003. Women qualify at the age of 60 years and men at the age of 65.

The Disability Grant is paid to people who have been assessed as permanently or temporarily disabled.

Amounts of grants per month as at 1 April 2004

Grant type	Amount
Old-Age Grant	R740
Disability Grant	R740
War Veterans' Grant	R758
Foster Care Grant	R530
Care Dependency Grant	R740
Child Support Grant	R170
Grant-in-Aid	R160

Over the years, the number of people receiving the Disability Grant has been increasing. By mid-2004, there were over 1,3 million beneficiaries receiving the Disability Grant.

Foster Care grants are paid to caregivers of children who have been placed with them by the courts. Caregivers of children with disabilities up to the age of 18 years are eligible for the Care Dependency Grant. Once the child turns 18 years, he or she is eligible for the Disability Grant.

Other grants provided by the Department of Social Development include the War Veterans' Grant and Grant-in-Aid.

Poverty-Relief Programme

In addition to the provision of social assistance, the Department also manages the Poverty-Relief Programme. This Programme aims to assist communities in a range of developmental projects.

The Programme entrusts State resources to communities to undertake and dictate development for themselves by themselves.

Steady progress is being made with the Poverty-Relief Programme. Over the past five to 10 years, the Department of Social Development has supported more than 3 500 poverty-relief income-generation projects at a cost of R560 million which target mostly unemployed rural women. Most of the projects are located in the Eastern Cape, KwaZulu-Natal and Limpopo.

Over a three-year period, it is estimated that 60 000 people would have earned wages generated through poverty-relief projects. For the coming years, the Department has prioritised the areas of food security, centres for engaging older persons in economic activities, support for community-based initiatives in the area of HIV and AIDS, youth-skills development in the context of urban renewal, the economic empowerment of women, support for initiatives that integrate the capacities of persons with disabilities into the Poverty-Relief Programme, and income-generating projects.

The feeding of children through the Poverty-Relief Programme, particularly orphans and people infected with and affected by HIV and AIDS, is growing.

Food security

The Department's Food Emergency Scheme, introduced by Cabinet in 2002, is aimed at distributing food parcels to the most vulnerable sections of the population.

These include children and child-headed households, people with disabilities, female-headed households with insufficient or no income, and households affected by HIV, AIDS and tuberculosis.

The distribution of food parcels is a temporary measure to assist poor people spending less than R300 per month on food. Most of the people who receive food parcels are identified by NGOs and FBOs. By mid-2004, the Scheme had benefited over 1,5 million people at a cost of R360 million. Each beneficiary household received food parcels worth R300.

Government allocated R1,2 billion towards the Food Emergency Scheme from 2003 to 2006.

The Scheme forms part of government's Integrated Food Security and Nutrition Programme (IFSNP).

The five elements of the IFSNP are the:

- Development of comprehensive food-production and trade schemes to enhance the capacity of communities to produce food for themselves through the setting up of household and communal food gardens.
- Initiation of a community-development scheme aimed at providing employment to local communities through community-based and community-owned Public Works programmes. This involves the setting up of community-based income-generating projects and activities to ensure sustainable food security.
- Development of a nutrition and food programme that focuses primarily on the improvement of nutrition levels in communities, to ensure that every child has at least one nutritious meal a day.
- Development of a fully funded communication strategy to ensure the maintenance of government's communication lines with all of its people.

- Building of a safety net and Food Emergency Scheme to ensure that the poorest families, especially children and child-headed households, have food on the table.

Responding to the impact of HIV and AIDS

The Department of Social Development has developed a social-development framework for an integrated and co-ordinated response to HIV and AIDS.

The framework includes sourcing reliable research and information; the provision of social protection to those infected and affected, especially children; protection of children's rights; provision of services; special programmes such as the Home- and Community-Based Care Programme; the empowerment of women; and the capacitating of officials to deal with HIV and AIDS.

The Department's response to HIV and AIDS is underpinned by working in partnership with other government departments, NGOs, community-based organisations (CBOs), FBOs, the business sector, volunteers and international agencies.

Home-Based/Community-Based Care Programme

The implementation of the Home-Based and Community-Based Care Programme for people with HIV and AIDS has been accelerated in partnership with the provincial departments of Social Development. An increasing number of communities, families and individuals are accessing the services provided through this Programme.

The number of sites for community- and home-based care support increased from six projects in 2001 to 400 in 2003.

The integrated Programme provides life skills for children and the youth, voluntary testing and counselling services, and a range of care and support services focusing on families and children orphaned through the AIDS-related death of their parents. There has been significant progress with regard to the initial implementation of home- and community-based care and support.

Home- and community-based care is directed at people infected with HIV and living with AIDS, as well as children affected by and infected with AIDS. It also focuses on older people, especially those who are frail.

It is estimated that the home- and community-based care sector has about 2 500 full-time caregivers and 20 000 volunteers. Only a quarter of these volunteers receive stipends of any kind.

The Home- and Community-Based Care Services component of the Expanded Public Works Programme will include work-based experience and structured learning for community members to become qualified as community caregivers and child- and youth-care workers.

In 2004, government allocated R70 million to the Department to support and increase the number of home- and community-based care sites.

Services for children

Services provided to children infected with or affected by HIV and AIDS include the provision of food parcels and clothing, counselling, support, provision of day care and after school/drop-in centres, placement of children in foster and/or residential care, and addressing their education and health needs.

The Department spent R48 million during 2002/03 to ensure that children infected with and affected by HIV and AIDS had access to services that included alternative care, social grants, counselling, food security and protection from abuse and other forms of maltreatment.

By February 2004, some 26 900 additional children who were vulnerable owing to HIV and AIDS had been identified. The number of such children identified since the inception of the programme in 2000 stood at more than 75 000.

The HIV and AIDS drop-in centres established by the Department of Social Development received a budget of R16,4 million in 2003/04. Each food parcel these centres provide costs about R300. The drop-in centres were identified through the HIV and AIDS database of home- and community-based care centres. Each province has identified drop-in centres to be contracted to provide cooked

meals to identified beneficiaries. These beneficiaries are classified as people who are not able to cook for themselves, e.g. as in the case of child-headed households.

The Department has developed an integrated and consolidated Five-Year National Social Development Strategic Plan, which is being implemented in partnership with other stakeholders such as the United Nations Children's Fund (UNICEF).

Partnerships

Since 2000, the Department has strengthened its partnership with national and international organisations involved in the fight against HIV and AIDS. The Department chairs the National AIDS Children's Task Team (NACTT), a multisectoral task team focusing on the care and support of children infected with and affected by HIV and AIDS.

United Nations Children's Fund

UNICEF conducted studies on caring for vulnerable children and children orphaned through AIDS-related illnesses, as well as on the cost-effectiveness of six models of care for vulnerable children.

The Department has implemented the results of UNICEF studies in its design of programmes for children. UNICEF has indicated interest in providing further support to the Department in fast-tracking the Home- and Community-Based Care Programme.

Save the Children Fund

This organisation provides secretariat and other assistance to the NACTT and has undertaken research on abused children and children affected by HIV and AIDS. It has compiled a directory of services and children's organisations.

Faith-based organisations and the business sector

The Department has strengthened its partnership with churches and other FBOs, the business sector, volunteer organisations, and individuals to assist with the Poverty-Relief, HIV and AIDS, and social-grant registration programmes.

On 30 January 2004, Minister Skweyiya urged the South African Council of Churches and FBOs to

assist in mobilising committees and monitoring the National Food Emergency Programme in order to benefit the most vulnerable.

Promoting and protecting rights of vulnerable groups

Children and the youth

In addition to providing social assistance to children through the CSG and the Foster Care Grant, the Department facilitates the provision of services to children and the youth through the provincial departments of Social Development and NGOs.

Child abuse and neglect

Fighting child abuse and neglect is a priority of the Department, as is illustrated by the following initiatives:

- **Child-Protection Register:** Provincial meetings were held to obtain commitment from provincial offices to implement the function to the lowest level. The programme was tested and revised during March 2004. The final programme was expected to be introduced to provinces during September 2004 for roll-out to areas where notifications of child abuse are high.
- **Draft Policy Framework and Strategic Plan on the Prevention and Management of Child Abuse, Neglect and Exploitation:** Several consultative workshops were held during 2003/04 on an intersectoral basis to ensure the finalisation of the legislation. The Framework provides for a common vision and framework for all role-players, both inside and outside government. It also provides mechanisms to reduce the fragmentation of services, promotes co-ordination, and highlights the strengthening of partnerships between government, civil society and the general public to promote the safety and well-being of children. The Framework was expected to be submitted to the Cabinet in August 2004.
- **Isolabantwana (Eye of the Child):** The South African National Council for Child Welfare

received donor funding from the Department for the replication of a prevention programme in communities to eliminate child abuse and to promote child protection. The programme aims to provide a safety net for children within a community where services and support could be provided to children at risk on a 24-hour basis, and in areas where resources are limited. Community members contribute to the success of the child-protection services, as they reside in the communities and are familiar with the people, structures and traditions. The programme has been implemented (with a minimum of three sites per province) in all nine provinces according to community needs.

Childline South Africa

Childline offers a toll-free crisis line to children and families across South Africa on a 24-hour basis. The line provides immediate assistance to children and families in crisis who need brief counselling and information.

Services include the 24-hour toll-free helpline, as well as treatment centres for individual, family and play therapy, prevention programmes, community safe-houses, and training and awareness programmes.

Integrated justice system (IJS)

The IJS Project ensures the integration of case management and offenders through four departments, namely the South African Police Service (SAPS), and the departments of Justice and Constitutional Development, of Correctional Services and of Social Development, supported by enabling technologies. A number of projects have been initiated to this end, including the Awaiting-Trial Prisoner Project.

Children awaiting trial in any residential-care facility are a priority of the Department of Social Development. Active participation from the provincial social-service representatives and management teams has yielded positive results. An interdepartmental committee of senior officials monitors the cases of children awaiting trial.

The computerised Child-Protection Register has been developed. Technological improvements in the SAPS Crime Administration System enable the

departments to track children through the System and assist in the monitoring of their cases.

The Court Process Project provides for the electronic management of court processes from arrest to final court appearances. The Project is increasing efficiency and reducing court delays. The Department of Social Development runs six pilot sites.

Women

Social-development services for women are another priority. This derives from the premise and concern that the inequality that exists between men and women in South Africa is deeply entrenched and has characterised South African society for



Child Protection Week, held annually in May, is aimed at ensuring that children are fully able to exercise their constitutional rights and enjoy the dignity of freedom.

The Department of Social Development and its provincial counterparts have implemented measures to prevent and combat abuse, neglect, exploitation and trafficking of children. Special attention is given to children with special needs. These measures include reducing the number of children awaiting trial in police cells and prisons through expanded diversion programmes, establishing more secure care facilities, appropriate placement of children through assessments conducted by probation officers, appropriate sentencing options and continuous monitoring of children in prisons.

By mid-2004, the following had been achieved:

- from a mere 60 000 children registered for the Child Support Grant in 1999, there were over four million of them in 2004
- awareness about the rights of children had increased significantly
- over one million children, especially those living in child-headed households, had been provided with nutritious food since 2002
- shelters for children had been built and more were scheduled to be built
- home- and community-based care support services were more readily accessible to children
- Children's Courts, which are aimed at dealing more effectively and in a child-friendly manner with the crimes perpetrated against children, had been built and would continue to be built
- victim empowerment programmes were being gradually strengthened
- bail conditions and tougher sentencing had been introduced against those who abuse children
- partnerships with civil-society structures working with children were built and consolidated.

many decades. Women are subject to discrimination, exploitation and violence despite the Constitution, which affirms the democratic values of human dignity, equality and freedom. An unprecedented effort is therefore required to ensure that the status of women is elevated to protect their rights and speed up gender equality.

Economic empowerment

The Department established the Flagship Programme: Developmental Programmes for Unemployed Women with Children under Five Years. The Programme provides economic and development opportunities and services to unemployed women with children under the age of five years, living in deep rural areas and previously disadvantaged informal settlements. Sixteen projects create income that is distributed among the participating women.

The various projects include activities such as eating-houses, overnight facilities, car washes, beauty salons, vegetable gardens, garment-making, poultry and egg production, bread-baking, leather works, offal-cleaning, child-minding and paper-and-fabric printing.

A considerable number of women and children are benefiting from the Programme. The Flagship Programme has developed a creative form of early childhood intervention, which provides developmentally appropriate education to children younger than five to increase their chances of healthy growth and development.



The Minister in The Presidency, Dr Essop Pahad, launched the *Disability Awareness Raising Campaign* on 2 April 2004.

The national Campaign, targeted at sensitising the general public and particularly employers and the media on issues of disability, is funded by the Flemish Government and implemented by the Office on the Status of Disabled Persons in The Presidency.

The Campaign seeks to:

- increase public awareness of the socio-economic potential and the human rights and dignity of persons with disabilities
- facilitate persons with disabilities' positive perceptions of themselves
- increase persons with disabilities' awareness of their rights.

People with disabilities

There are more than three million people with disabilities in South Africa. The majority of these are women.

The Office on the Status of Disabled Persons is part of The Presidency and is duplicated in the offices of the Premiers. Together they have co-ordinated work to mainstream disability issues in all government policies and programmes.

The *White Paper on an Integrated National Strategy* provides a policy framework for implementation across the whole of society and through all spheres of government.

By mid-2004, 0,25% of the Public Service was made up of people with disabilities, while the target is to reach 2% by 2005.

The National Skills Development Strategy calls for 4% of all people trained to be people with disabilities.

The national councils supported by the Department of Social Development are the:

- National Council for Persons with Physical Disabilities
- Deaf Federation of South Africa
- South African National Epilepsy League
- South African Federation for Mental Health
- Cancer Association of South Africa.

During 2000/01, the Department reviewed the procedures for assessing applicants for the Disability Grant and proposed amendments to the regulations of the Social Assistance Act, 1992 (Act 20 of 1992). The amendments provide for the use of community-based assessment panels as an alternative to district surgeons, who are not easily accessible to people in rural areas. The Committee of Inquiry into a Comprehensive Social Security System made recommendations to improve social protection for people with disabilities.

Victim-Empowerment Programme (VEP)

The VEP facilitates the establishment and integration of interdepartmental/intersectoral programmes and policies for the support, protection and empow-

erment of victims of crime and violence, with a special focus on women and children.

It also ensures that the implementation of such programmes and policies is monitored and evaluated.

Some 120 projects have been established since the inception of the VEP in 1999. The projects provide trauma support and counselling services to the victims of violence and crime. Some of these projects focus on empowering community workers and professionals with skills and knowledge for the effective delivery of services to such victims.

One such project, which has been provided with technical and financial support through the VEP, is the Stop Abuse Helpline of the Johannesburg Life Line.

Other organisations that are financially supported by the VEP include the National Network on Violence Against Women, the Ilitha Psychological Services NGO in Fort Hare, the Soshanguve Trauma Centre, the University of South Africa's Department of Industrial Psychology, the Themba Lesizwe NGO, and the Walk the Talk Challenge from Durban to Cape Town.

One-stop centres for abused women and children

The VEP is a major component of the joint agreement between the Department of Social Development and the UN Office for Drug Control and Crime Prevention for the establishment of one-stop centres for women and children who are victims of abuse, especially domestic violence.

Anti-Rape Strategy

The Interdepartmental Management Team (IDMT) comprises representatives from the departments of Health, of Safety and Security, of Social Development, and the Sexual Offences and Community Affairs Unit of the National Directorate of Public Prosecutions. The IDMT was tasked by the departments' Ministers to develop an Anti-Rape Strategy for the prevention of sexual violence against women and children.

The Strategy encompasses an approach that enables both prevention of and response to violence, improves effectiveness of the criminal justice

system, increases the reporting rate of sexual assault, and improves the effectiveness of survivor-support programmes.

The SAPS has also established partnerships with several other community-based role-players, including businesses. These links have improved the implementation of crime-prevention initiatives.

Non-profit organisations

The Non-Profit Directorate of the Department of Social Development registers organisations under the NPO Act, 1997 (Act 71 of 1997).

The NPO Directorate is reviewing the NPO Act, 1997.

The primary purpose of the Act is to encourage and support organisations by creating an enabling environment for NPOs to flourish, and setting and maintaining adequate standards of governance, accountability and transparency.

An NPO is defined as a trust, company or association of persons that has been established for public purpose, and of which the income and property are not distributable to its members or office bearers except as reasonable compensation for services rendered.

This includes NGOs, CBOs, FBOs, Public Benefit Organisations, Section 21 companies, trusts and other voluntary organisations.

The registration process to attain NPO status takes two months on average and is free of charge. The benefits of registration include improving the credibility of the sector, as NPOs can account to a public office and receive help in accessing benefits such as tax incentives and funding opportunities.

Statutory bodies

National Development Agency (NDA)

The NDA was transferred from the Ministry of Finance to the Ministry of Social Development in October 2001. It is a statutory funding agency whose primary focus areas are to contribute to the alleviation of poverty and to address its causes. It

also strengthens the capacity of civil-society organisations to combat poverty.

The NDA's primary sources of income are an allocation from the National Revenue Fund and donor funding.

Transfers to the NDA will grow from R103,3 million in 2003/04 to R123 million in 2006/07.

The key strategic objectives of the NDA are to:

- grant funds to civil-society organisations to meet the development needs of poor communities
- strengthen organisations' institutional capacity for long-term sustainability
- proactively source funds for the NDA
- promote consultation, dialogue and the sharing of development experiences, and to debate and influence developmental policy
- develop strategies to collaborate with local community development trusts, foundations, government clusters and civil-society organisations.

Relief boards

The Fund-Raising Act, 1978 (Act 107 of 1978), provides for relief boards to offer social relief to people in distress as a result of disasters or displacement from another country.

In January 2004, President Thabo Mbeki declared six provinces – KwaZulu-Natal, Eastern Cape, Free State, Mpumalanga, Northern Cape and North West – as disaster areas, in terms of the Fund-Raising Act, 1978.

Limpopo was declared a disaster area in 2003. For 2004/05, about R60 million in State aid is expected to be channelled to affected individuals and households in these seven provinces.

A flat rate of R900 was proposed for beneficiaries who comprise:

- vulnerable individuals and households of poverty-stricken families left destitute by the drought
- those with none or limited employment and income-generating opportunities
- persons in farming communities whose livelihoods have been severely affected
- persons and households participating in job-creation projects
- persons and households who rely directly and indirectly on farming.

Central Drug Authority (CDA)

Strategic and business plans have been developed specifically to facilitate the implementation of the South African National Drug Master Plan (NDMP) that was adopted by the Cabinet in 1999. The business plan takes cognisance of the basic proposals and priorities identified in the NDMP to counter the drug problem effectively, e.g. the need to comprehensively mobilise national and provincial departments towards taking account of drug-abuse issues in their activities and budgets, and to reduce the supply of and demand for drugs.

With regard to drug-demand reduction, various initiatives have been undertaken. The launching of an ongoing national anti-drug awareness programme has been negotiated; information sheets have been developed and distributed; and numerous media interviews have been conducted on burning issues such as the decriminalisation of the use of dagga (cannabis).

Directly and indirectly, CDA members have participated in local efforts against drug syndicates, and in the efforts of the Southern African Development Community, the African Union and international agencies in countering the drug problem on the African continent and abroad.

The groundwork has also been laid for the establishment of a national database on drug issues and a national clearing-house, specifically to ensure evidence-led future initiatives.

By March 2003, the CDA was planning to establish a national network of provincial and local drug fora in all nine provinces.

These will ensure good communication and the involvement of all stakeholders, including community members and grassroots organisations.

The National Drug Awareness Strategy, known as *Ke Moja*, aims to reduce drug and alcohol abuse, and gangsterism among young people.

The provincial fora on drug and substance abuse, the national Department and the CDA were expected to expand the *Ke Moja* Campaign to all provinces by the end of 2004.

Acknowledgements

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Sport and recreation

Since 1994, sport has been making a substantial contribution to nation-building and reconciliation in South Africa.

Sport and Recreation South Africa (SRSA) and the South African Sports Commission (SASC) are responsible for policy, provision and facilitation of sport and recreation delivery in the country.

The key objectives of the SRSA are to:

- increase the level of participation in sport and recreational activities
- raise the profile of sport
- maximise the probability of success in major sporting events
- place sport at the forefront of efforts to reduce crime.

The SRSA is directly responsible for:

- Managing the vote for sport and recreation in the national Government.
- Supporting the Minister of Sport and Recreation.
- Co-ordinating and contributing to the drafting of legislation on sport and recreation.
- Interpreting broad government policy, translating government policy into policies for sport and recreation, revising such policy if and when necessary, and monitoring the implementation thereof.
- Aligning sport and recreation policy with the policies of other government departments in the spirit of integrated planning and delivery.
- Providing legal advice to all stakeholders in sport and recreation from a government perspective.



- Subsidising clients of the SRSA in accordance with the Public Finance Management Act, 1999 (Act 1 of 1999), its concomitant regulations, as well as the SRSA funding policy; monitoring the application of such funds; and advising clients on the management of their finances.
- Managing inter- and intra-governmental relations.
- Acknowledging the outstanding contributions of sportspeople to the South African society on behalf of the President, through the Presidential Sports Awards.
- Procuring resources from abroad for sport and recreation, through the appropriate structures in National Treasury.

- Communicating sport and recreation-related matters from a government perspective.
- Co-ordinating and monitoring the creation and upgrading of sport and recreation infrastructure through the Building for Sport and Recreation Project (BSRP). Projects have been identified in line with the Integrated Sustainable Rural Development Programme and the Urban Renewal Strategy.

The main focus of the Project is the construction of outdoor and indoor facilities and the rehabilitation and upgrading of existing facilities. Key elements of this Project are the provision of training in facility management, and the implementation of sustainable maintenance projects.

The majority of the projects are located in rural poverty nodes.

By the end of the 2003/04 financial year, government had invested R500 million in basic outdoor and indoor sports facilities throughout the country in disadvantaged communities. A further R140 million was allocated to such facilities in 2004/05. Since 2001, government has built more than 250 basic, multi-purpose facilities and has established some 250 community sports councils. More than 10 500 temporary jobs were created over a three-year period.

Funding for upgrading existing facilities and creating new ones through the Poverty Relief, Infrastructure Investment and Job Summit funds that spanned the three years from 2001 to 2004, continued in 2004/05. The allocation for 2004/05 allowed the SRSA to undertake projects in the areas where the 2010 Soccer World Cup matches are planned, to benefit the poor in those urban areas. The projects are, however, not restricted to soccer or to these areas alone.

Funding for the BSRP increased from R89,1 million in 2002/03 to R129,8 million in 2003/04. In 2004/05, it was increased to R137,2 million, which included R5 million for sport promotion and facility-management training.

From 2005/06, the allocation will become part of the Municipal Infrastructure Grant which is located in the Department of Provincial and Local Government, while the SRSA will continue with its policy and monitoring role. In accordance with a contract concluded with the SRSA, local authorities own the facilities once they have been completed and are responsible for their maintenance.

The SASC assists with the creation of sports councils in the communities where facilities are built, and empowers individuals to manage and run activities at the venues.

Sport and recreation benefit from the proceeds of the National Lottery, subject to the Lotteries Act, 2000 (Act 10 of 2000). The Distribution Agency for Sport and Recreation was established to create and consolidate thriving, sustainable, mass-based sport and recreational structures and programmes, especially in disadvantaged rural communities.

Sports Tourism Project

The primary motivation of the Sports Tourism Project is to exploit the substantial benefits that the tourism industry presents for job creation in South Africa.

Tourism is widely recognised as a major growth sector internationally and it is estimated that 30% of all tourism comprises sports tourism.

A survey conducted by Standard Bank has found that tourism outstripped gold earnings as a revenue generator for South Africa.

The SRSA hopes to enhance the sustainability of the Project through:

- promoting 'home-grown' events such as the Comrades Marathon, Dusi Canoe Marathon, Argus Cycle Tour, Midmar Mile (swimming), Berg and Breede river canoe marathons and the Two Oceans Marathon, which attract large numbers of international participants and spectators
- working closely with South African Tourism and the Department of Environmental Affairs and Tourism to promote more attractive tourist packages for spectators who want to accompany touring sports teams to South Africa
- assisting agencies, in line with a major events strategy and the hosting and bidding regulations, to attract major international sports events to South Africa
- marketing South Africa's sport and recreation facilities, such as golf courses and beaches, abroad.

Young Champions Project

The Project is a joint effort of the SRSA, the SASC, the South African Police Service, provincial and local departments responsible for sport and recreation, the Office of the Public Prosecutor, the Department of Justice and Constitutional Development, and national and provincial sports federations.

It forms part of the SRSA's commitment to playing a role in implementing a People's Contract for Moral Regeneration, by encouraging the youth, especially those in crime nodes, to take part in sport.

South African Sports Commission

The SASC Act, 1998 (Act 109 of 1998), provides for a commission to administer sport and recreation under the guidance of the Minister of Sport and Recreation. In terms of the Act, the Commission must respect the autonomy of sport and recreational organisations while acting in an advisory capacity to the Minister. It also co-ordinates the provision of facilities and community centres via a national facility plan, in consultation with the relevant authorities.

The Commission started operating on 1 April 2000. The vision of the SASC is to lead South Africa to sporting excellence. The responsibilities of the SASC include:

- improving the quality of international events hosted by South Africa
- enhancing the bidding for and hosting of international events
- assisting federations and organisations that have been granted permission to host international events
- establishing internal dispute-handling mechanisms with national federations
- identifying talented athletes to ensure that South African teams are fully representative
- providing life-skills development and training
- providing information, and financial and logistical resources
- identifying priority sports on which the country's resources will be focused.

Recognition of sport and recreational bodies

The SASC has drafted regulations to administer the recognition of sport and recreational bodies, as contemplated in terms of the proposed National Sport and Recreation Amendment Bill.

The Bill will:

- amend the National Sport and Recreation Act, 1998 (Act 110 of 1998),
- provide for the registration of all women in sport and recreation with the SASC

- provide for penalties for sport and recreational bodies that do not obtain prior approval from the SASC before participating abroad
- provide for the ring-fencing by sport and recreational bodies of a percentage of all income derived from the sale of television rights, for development
- empower the Minister to intervene in disputes
- provide for the submission by all sport and recreational bodies of statistics of their total membership to the SASC.

Hosting of and bidding for major international sports events

The SRSA and SASC have drafted regulations and administer and control the hosting of and bidding for major international sports events. A city and/or national federation that intends to bid for and host such an event is compelled to obtain written authorisation from the Minister beforehand.

National colours

The SASC has drafted regulations to administer the awarding of national colours.

In pursuance of its vision, the SASC seeks to create a nation of world-class sportsmen and women by improving opportunities for all South Africans. It also works in partnership with stakeholders by striving to meet their human-resource and infrastructure needs.



South Africa will host the 2010 Soccer World Cup.

An economic-impact study predicts that 2,72 million tickets will be sold, generating revenue to the tune of R4,6 billion.

Capital expenditure on the upgrades of stadiums and other infrastructure will amount to R2,3 billion and the event will lead to direct expenditure of R12,7 billion while contributing R21,3 billion to the country's Gross Domestic Product. Some 159 000 new employment opportunities will be created and some R7,2 billion will be paid to government in taxes.

Staging the Soccer World Cup in South Africa in 2010 will create significant direct and indirect economic benefits for the country.

The SASC and the National Colours Board award colours to athletes who wish to participate in sporting events at national and international level.

High-Performance Programme (HPP)

The HPP is committed to the establishment, co-ordination and application of a world-class scientific and technological resource base, with skills, facilities and equipment to provide services to athletes and coaches.

The first initiative taken was the establishment of a network of accredited institutes based at tertiary-education institutions. These institutes are capable of delivering professional services to sportspeople in the areas of nutrition, psychology, vision, physiotherapy, medicine and exercise science.

Between 600 and 800 elite athletes benefit from the HPP each year.

The following scientific services are provided to elite athletes nominated to be part of the HPP:

- physical evaluations
- sports-psychology assessments
- sports-nutrition assessments
- sports-medicine screenings
- sports-physiotherapy interventions
- sports-vision assessments
- sports technology
- scientific and medical support.

High-performance workshop

At the high-performance workshop held in March 2004, the 2003 testing cycle was reviewed in detail and the particulars of the new cycle finalised.

It was agreed that the HPP would offer scientific and medical services to the following priority sporting codes and organisations in the 2004/05 testing cycle: athletics, bowls, boxing, Disability Sport South Africa (DISSA), netball, rowing and swimming. A total of 87 athletes were expected to benefit.

International Council of Sport Science and Physical Education (ICSSPE)

During 2003/04, the SASC subscribed as a member to the ICSSPE.

The Council is concerned with the promotion and dissemination of knowledge in the field of sport science and physical education and its practical application in cultural and educational contexts.

Dispute-Resolution Centre

The SASC established the Dispute-Resolution Centre in April 2001 in response to the national federations' need for fast, economical and private dispute-resolution mechanisms.

The Centre has, together with dispute-resolution experts, designed a set of rules that provide for strict, fair and expeditious hearings. These rules may be used when the Centre for Arbitration, under the aegis of the Arbitration Foundation for Southern Africa, refers a matter.

Mass participation projects

The SASC defines recreation as a freely chosen, enjoyable activity which involves movement of the body and may be described as sport, exercise, fitness, dance or physical outdoor activity.

The SASC's recreation focus for 2003 – 2005 will be on the following activities: aerobics, Youth At Risk, general gymnastics/gymnaestrade, fun walks and corporate recreation.

Aerobics

The SASC piloted a very successful aerobics project in Gauteng, the North West and the Northern Cape in June 2003. The aim of the project is to involve more people in healthy physical activities, especially those from historically disadvantaged areas.

Youth at Risk

The North West adopted the Youth at Risk Project which was piloted by the SASC in KwaZulu-Natal in the first quarter of 2003. The North West presented its Youth At Risk activities in December 2003.

The Department of Correctional Services has implemented SASC projects to assist them with their rehabilitation programmes. Negotiations are ongoing to formalise co-operation between the Department of Correctional Services and the SASC.

Junior Dipapadi

Junior *Dipapadi* aims to provide all children between the ages of three and 14 years with the opportunity to participate in sport and recreation. Children are introduced to a variety of sports codes through play at beginner level. The project is divided into three subcomponents:

Super Start

The Super Start Programme recognises the play and movement experience for children between three and six years of age. It promotes participation in enjoyable physical activity at an early age, to encourage learning and social integration and enhance self-image. Skills such as balance, co-ordination and rhythm are developed.

Playsport

Playsport is a fundamental motor-skills programme for primary-school children. It focuses on the acquisition of basic skills, providing teachers with the resources and strategies to address the motor skills of throwing, kicking, striking, locomotion, ball control, trapping and tracking.

Modified Sport

Modified Sport is a co-ordinated way of adapting adult sport for children so that they can develop skills, experience success, and enjoy their introduction to sport. This means changing playing conditions, equipment and rules to suit the needs of young people.

The rules, equipment and dimensions of playing fields are modified to make it attractive for young people to participate in sport.

The cornerstones of this phase are mass participation, safety and fair play, as well as skills development.

A Modified Sport Festival for handball and other junior sport activities was held in KwaZulu-Natal at the Zwelithini Stadium on 30 October 2003.

A project to promote Super Start, Playsport and Modified Sport in at least two nodal areas per province was launched by the SASC in co-operation with the Directorate: Enrichment of the Department of Education. Other partners in this venture are the

SRSA and the United School Sport Association of South Africa (USSASA).

Indigenous games

The Indigenous Games Project promotes and popularises pastime activities that appeal to vast sectors of the South African community, especially in rural areas. The eight games played are: *morabaraba*, *intonga*, *diketo*, *kgati*, *dibeke*, *jukskei*, *ncuva* and *kho-kho*.

The second Indigenous Games Festival was held in Bloemfontein, Free State, in September 2004.

Education and training

Basic and Advanced Sport and Recreation Administration

This programme has been successfully deployed and 945 leaders and administrators trained.

The training forms part of the Skills Programme for Administrators, while the Advanced Sport and Recreation forms part of the Skills Programme for Sport and Recreation Managers.

The Education and Training subunit commenced with the development of a training module on Financial Management for National Federations that was piloted in 2004.

Skills development programme

The SASC has created a learning path for sports administrators, managers, coaches, technical officials and indigenous games leaders.

The SASC skills programmes form clusters of unit standards that provide learners with potential part-time or full-time work opportunities.

In January 2004, the SASC submitted the following four skills programmes to the Tourism, Hospitality and Sport Education and Training Authority for approval:

- Skills programme for sport and recreation leaders at National Qualifications Framework (NQF) Level 4.
- Skills programme for sport and recreation administrators at NQF Level 4.
- Skills programme for sport and recreation managers at NQF Level 5. Specialisation takes place

in the areas of team management, event and facility management, life skills for athletes and disability sport.

- Skills programme for sport coaches at NQF Level 5.

Training in community development for 1 497 members of local sports councils and volunteers took place in all the provinces during 2003/04. Some 202 individuals received training in advanced facility management.

Provincial Academies of Sport (PASs)

The PAS Project was launched on 25 June 2003. The PASs are based at the following institutions:

- Eastern Cape: University of Port Elizabeth
- Western Cape: provincial Department of Sport and Recreation (Cape Town)
- Free State: Phakisa Golf Course (Bloemfontein)
- Gauteng: provincial Department of Sport and Recreation (Johannesburg)
- Limpopo: provincial Department of Sport and Recreation (Polokwane)
- KwaZulu-Natal: University of Durban Westville
- Mpumalanga: Tshwane University of Technology (Witbank Campus)
- Northern Cape: provincial Department of Sport and Recreation (Kimberley)
- North West: University of North West.

The Eastern Cape and North West PASs have also established satellite offices.

The PASs received R1 million from the Sport and Recreation Distribution Agency in 2003/04.

Services

The following services were rendered by the PAS in 2003/04:

Sport science and medical support

The PASs provided scientific and medical support to about 900 athletes with disabilities from 10 sporting codes.

Life skills

Twenty-four life skills courses were conducted at six PASs, with more than 500 athletes benefiting.

Coaching

The PASs worked closely with coaches from their priority sports to assist them in the preparation of athletes. Some of the PASs facilitated meetings with the head coaches in their province to share expertise and experience.

Training camps

Seven PASs organised a total of 27 training camps for 11 sporting codes.

Education and training

In 2003/04, the PASs organised about 64 training courses benefiting about 1 000 sports administrators, managers, coaches and technical officials.

The training courses included generic coach education, basic and advanced sport and recreation administration, team management, and facilitators' training.

The PASs also rendered support with the identification of talent, intervention plans for individual athletes, performance squads and logistical support for identified athletes.

Some 1 670 athletes, 741 coaches and 956 sports officials received support services from the PASs during 2003/04.

Transformation in sport

Sports Transformation Charter

The Sports Transformation Charter guides all macro-bodies, national and provincial federations, and clubs on the need to transform sport.

The Charter is complemented by performance agreements that national federations enter into with the Minister of Sport and Recreation. The main focus of the Charter and the performance agreement is to:

The 2004 South African Games took place from 22 to 26 March 2004 at the Absa Stadium in Buffalo City in the Eastern Cape.

A total of 5 000 athletes from all nine of the country's provinces competed in 13 different sporting codes.



- increase participation levels in sport and recreation
- make sport and recreation accessible to all South Africans
- ensure that provincial and national teams reflect South African society
- ensure that all sport and recreation bodies meet their affirmative-action objectives
- promote greater involvement of marginalised groups, such as women, people with disabilities, people living in rural communities and the youth, in sport and recreation.

Provincial workshops were held in 2004. The Charter was expected to be finalised before the end of 2004.

Ministerial Task Team into High-Performance Sport

A Ministerial Task Team was appointed in December 2000 by the Minister of Sport and Recreation to investigate high-performance sport.

The consolidated Task Team Report, which was finalised in early 2002, envisaged a new Department of Sport and Recreation responsible for (mass) participation and a Confederation of South African Sport responsible for high-performance sport.

In 2003, the Cabinet approved the recommendations from the Report as well as the establishment of a National Sports Academy.

To manage the implementation of the Report's recommendations, a steering committee was appointed. It comprised two representatives from each of the seven umbrella bodies, namely SRSA, the SASC, the National Olympic Committee of South Africa (NOCSA), DISSA, the South African Commonwealth Games Association, the South African Students Sports Union and the USSASA.

At its first meeting in March 2004, the Steering Committee identified the key performance areas that could impact on the implementation of the recommendations. Five subcommittees were appointed to address these areas.

The target date for the finalisation and implementation of the Steering Committee's work is April 2005.

National Sports Academy

The National Sports Academy was expected to be launched in 2004/05. The Academy will aim to improve sports performance and bring South Africa on par with other sporting nations by creating opportunities for talented athletes to exploit their potential to the full.

The short-term focus of the National Sports Academy is the supply of a one-stop, world-class training and support environment for identified sport that offer the opportunity for elite athletes to prepare for the Olympic and Paralympic Games.

The Academy's work will be complemented by a mass participation project aimed at identifying talented athletes. It will primarily be aimed at providing large numbers of young people with opportunities to participate in constructive sport and recreation activities.

Sporting accolades

South African Sports Awards

The SASC, the South African Broadcasting Corporation, and the South African Goods Agents and Manufacturers Association hosted the inaugural South African Sports Awards on 25 November 2004.

The categories included: Bonitas Sports Star of the Year, South African Sportsman of the Year, South African Sportswoman of the Year, South African Sports Team of the Year, South African Disabled Sportsman of the Year, South African Disabled Sportswoman of the Year, and South African Disabled Sports Team of the Year.

The Newcomer of the Year, Personality of the Year, South African Coach of the Year and Sports Volunteer of the Year were nominated and judged by the respective 112 sports federations affiliated to the SASC, and the sports media.

Natalie du Toit was voted Sports Star of the Year while Roland Schoeman and Hestrie Cloete walked away with the Sportsman and Sportswoman of the Year awards.

Presidential Sports Awards

Swimmer Natalie du Toit, who impressed with her performance at the 2002 Commonwealth Games in Manchester, England, was among those honoured by President Thabo Mbeki with a gold medal during the 2003 Presidential Sports Awards.

Other gold-medal recipients included golfers Ernie Els and Retief Goosen, high jumper Hestrie Cloete, and athlete Malcolm Pringle.

A total of 47 sport stars were honoured during the ceremony.

Silver-medal winners included cricketers Makhaya Ntini and Herschelle Gibbs, rugby player Joe van Niekerk, surfing star Travis Logie, and swimmers Scott Field, Nathan Oliver and Christiaan du Plessis.

Eighteen disabled athletes were honoured during the 2003 Presidential Sports Awards – two received gold medals, while the others received 16 out of the 28 silver medals.

The Order of Ikhamanga

President Thabo Mbeki bestowed the Order of Ikhamanga (gold class) to the 2010 Soccer World Cup Bid Committee in October 2004 for securing South Africa the right to host the sport event.

Natalie du Toit also received the Order in gold.

Sports organisations

National Olympic Committee of South Africa

NOCSA's core business, in terms of the Olympic Charter, is to ensure the commendable participation of South African athletes in the Olympic Games and the execution of its high-performance mandate.

This comprises talent-identification capacity-building (Operation Excellence Programme) and fast-tracking delivery.

NOCSA's objectives are to:

- develop and protect the Olympic Movement in South Africa in accordance with the Olympic Charter
- propagate the fundamental principles of Olympism in South Africa within the framework of sports activity, and contribute to the diffusion of Olympism in the teaching programmes of Physical Education in schools, universities and other educational institutions
- support and encourage the promotion of sports ethics and demonstrate a responsible concern for environmental issues
- stage events in keeping with the goals of the Olympic Movement
- represent South Africa at the Olympic Games and at regional, continental or world multisports competitions patronised and/or sanctioned by the International Olympic Committee (IOC)
- encourage the development of high-performance sport as well as sport for all
- help in the training of sport administrators, officials and coaches
- take action against any form of discrimination and violence in sport and against the use of substances and procedures prohibited by the IOC or international federations
- accelerate the development of sport in South Africa so as to effect demographic representation.

Some 51 national federations fall under the NOCSA umbrella body, 28 of which represent summer Olympic sports. Three are winter Olympic sports.

NOCSA sent some 160 athletes from 19 sporting codes to compete in the Olympic Games in Athens, Greece, in August 2004.

The sporting codes that took part were archery, athletics, badminton, beach volleyball, boxing, canoeing, cycling, diving, fencing, gymnastics, hockey, judo, rowing, sailing, shooting, swimming, taekwondo, triathlon and wrestling.



In November 2004, South African motorsport entered a new chapter with the launch of a local A1 Grand Prix team.

President Thabo Mbeki unveiled South Africa's first A1 car at Vodaworld, Midrand.

In September 2005, A1 Grand Prix will run a winter championship that is expected to involve at least 23 countries in at least 10 races.

South African Sports Confederation and Olympics Committee (SASCOC)

In November 2004, the Minister of Sports and Recreation, Rev. Makhenkesi Stofile, presided over the General Assembly of the SASCOC, when the Constitution of the new sports body was adopted. The meeting consisted of an entire complement of sports federations of the country, from football to baseball, archery to athletics, and swimming to master sport.

Disability Sport South Africa

DISSA aims to promote, manage, administer and co-ordinate the competitive and recreational participation in sports activities by disabled South Africans.

It is responsible for the selection and funding of South African national teams attending the Paralympic Games or any world championships recognised by the International Paralympic Committee (IPC). It is the South African member of the IPC.

The strategic objectives of DISSA include:

- ensuring increased opportunities for participation by promoting the inclusion of the disabled community in sports federations, sponsors and other stakeholders
- supporting athletes, coaches and officials through the Sports Information and Science Agency (SISA), the Athlete Support Programme and other support mechanisms
- creating opportunities through mass-participation programmes for coaches, athletes, technical officials, classifiers and volunteers
- achieving a competitive advantage through the effective use of knowledge, technology and research.

DISSA's programmes are broadly defined in terms of talent identification and high performance.

DISSA aims to provide athletes with an opportunity to achieve consistent success in major international competitions, in co-operation with the able-bodied and hearing federations at national level.

The delivery of DISSA's sports-development programmes is achieved through:

- effective and efficient distribution of funding, both for capital and revenue programmes, with straightforward application procedures and thorough monitoring and evaluation of projects
- support for the education and training of volunteers, coaches, technical officials, classifiers and administrators
- an effective communication and liaison programme
- investment of State funds in a wide range of efficient support services, delivered either in-house or by external contractors
- the desire to create an excellent organisation with a commitment towards continuous improvement and innovation.

Its current affiliates are the South African Sports Association for the Physically Disabled, the South African Association for the Intellectually Impaired (SASA-II) and the South African Deaf Sports Federation. While not yet affiliated, a process is underway for Special Olympics and SASA-II to become a single organisation with a range of programmes catering for athletes with an intellectual disability.

DISSA enjoys contact with the national sports federations and is committed towards supporting their development as the responsible bodies for all athletes, including those with disabilities. Through the Lottery's revenue schemes, sport-governing bodies are able to submit proposals aimed at enhancing their performance programmes and benefiting key individuals.

DISSA encourages the business sector to become involved in its projects on a partnership



The Fourth Annual Presidential Golf

Challenge was held at the Paarl Golf Estate in the Western Cape on 7 February 2004 to raise funds for charities focusing on providing bursaries to students from historically disadvantaged backgrounds and those organisations addressing HIV and AIDS.

The Thabo Mbeki Education Fund is the chosen beneficiary of the Challenge.

Since its inception, the event has donated close to R400 000 to the Thabo Mbeki Education Fund.

The Fund has supported some 1 000 students since its inception and produced 150 graduates. Some 70 students benefited from the Fund in 2003.

basis. It co-ordinates the activities of seven disability groups, namely amputees; people with cerebral palsy; *les autres*, the visually impaired; people who have sustained spinal cord injuries; the deaf (with 55 decibel hearing or less in their better ear) and the intellectually disabled (the 50 to 70 IQ range according to the World Health Organisation's definition).

DISSA's affiliates cater for 28 different sports codes across the nine provinces. This includes competition at senior and junior level.

Boxing South Africa

Boxing South Africa was established in terms of the South African Boxing Act, 2001 (Act 11 of 2001), and is partly funded with public money.

Its function is to promote boxing and protect the interests of boxers and officials. Its main purposes are to:

- consider applications for licences from all stakeholders in professional boxing
- sanction fights
- implement the regulations pertaining to boxing
- promote the interests of all stakeholders in boxing.

Boxing South Africa's new academy was launched in August 2003.

The Boxing Academy was kickstarted using part of the R27 million invested in boxing by cellular service-provider Vodacom. The Academy is spearheaded by the SISA, in conjunction with the University of Pretoria's High-Performance Centre.

The first phase of implementation started in August 2003, with nine hand-picked promoters from across the country honing their promotional skills in courses at the High-Performance Centre.

The Academy offers boxers high performance, physical fitness, athletics, and life skills.

Twenty-five boxers, competing on local and international level, received national colours at a function in Boksburg in January 2004.

Boxing South Africa's inaugural annual awards were awarded at the same function.

South Africa's professional boxing setup consists of 17 weight divisions.

South African Institute for Drug-Free Sport (SAIDS)

The SAIDS is a public entity established by the SAIDS Act, 1997 (Act 14 of 1997), to promote participation in sport free from the use of prohibited substances or methods intended to artificially enhance performance, thereby rendering impermissible doping practices which are contrary to the principles of fair play and medical ethics, in the interest of the health and well-being of sportspeople.

The SAIDS is the only recognised body in the country permitted to authorise and enforce national anti-doping policy. It reports directly to the Minister of Sport and Recreation.

The Institute has 50 certified Doping Control Officers (DCOs) who have been trained to the highest international standards, and who are based throughout South Africa. It has 70 trained chaperones nationally who assist the DCOs.

The SAIDS is one of very few national anti-doping agencies worldwide to achieve ISO 9001:2000 Certification in compliance with the International Standard for Doping Control. This is the internationally recognised benchmark for quality assurance and excellence, and represents global best practice in doping control in sport.

South African swimmer Natalie Du Toit was a nominee for the 2004 Laureus World Sports Awards.

Du Toit, who lost her left leg after a motorcycle accident in 2001, was nominated for the Laureus World Sportsperson of the Year with a Disability Category.

Du Toit has an impressive list of accolades.

In 2002, she qualified for the 800 m able-bodied freestyle final at the Commonwealth Games in Manchester – becoming the first athlete with a disability in the history of the Games to qualify for a final of an able-bodied event.

In 2003, competing against able-bodied swimmers, Du Toit won gold in the 800 m freestyle event at the All-Africa Games. In the same year, she also claimed silver in the 800 m freestyle and bronze in the 400 m freestyle event at the Afro-Asian Games.

South African golfer Gary Player received a Lifetime Achievement Award at the 2003 Laureus Sport Awards.

The Institute's key focus areas are:

- A comprehensive and effective drug-testing programme for South African athletes competing at regional, national and international level in 54 sport disciplines.
- The provision of accessible education and information resources and services to all its target groups. The SAIDS provides a hotline information service manned by qualified pharmacists and a website with up-to-date information on anti-doping issues. It provides an average of four workshops and seminars a month for athletes, sports federations, sports coaches, school learners and educators, and members of the medical and pharmaceutical professions. In an effort to reach the vast target market of school learners, and with the assistance of Lottery funds, the SAIDS collaborated with the South African National Council on Alcoholism and Drug Dependence and conducted a series of comprehensive Drugs in Sport workshops across the country.
- Sports drugs are now also included in the Department of Education's National Policy on the Management of Drug Abuse by Learners in Public and Independent Schools and Further Education and Training Institutions.
- Research in sociological issues with respect to the knowledge, attitude and use of performance-enhancing drugs among South African sportspeople, for the purpose of planning and implementing effective drug testing and education programmes.
- Participation in the global effort to combat drugs in sport, and collaboration with its counterparts throughout the world to achieve international harmonisation and improvement of standards and practice in anti-doping. The SAIDS serves on the Executive Committee of the Association of National Anti-Doping Agencies. South Africa is a member of the International Anti-Doping Arrangement.

The African Regional Office of the World Doping Agency (WADA) was opened in Cape Town in November 2003. The Office's main objectives are to ensure that Africa participates in the activities of WADA, that Africa's interests are communicated to the rest of the world, and that athletes on the African

continent can compete on an equal footing with their global counterparts with regard to the World Anti-Doping Code adopted in March 2003.

Recreation

The result of co-operation between Recreation South Africa, the South African National Recreation Council and the SRSA, is the South African National Games and Leisure Activities (SANGALA) Programme. The Programme was launched in February 1996 to involve South Africans in healthy recreational activities in the nation-building process.

SANGALA consists of the following:

- Community, which targets the broad community irrespective of age or status.
- Training, which specialises in the training of community recreational leaders.
- Corporate, which is aimed at middle and senior management in both the private and public sectors.
- Senior, which encourages physical activity among senior citizens. More than 200 000 senior citizens participate annually in this project.
- Street, which is a life-skills project for homeless children.
- RecRehab, which is a project for the rehabilitation of the youth and women in prisons, and trains leaders to present recreational activities in prison. More than 1 000 prisoners participate in activities countrywide.

Provincial recreation councils are responsible for networking with recreational service-providers to ensure participation at grassroots level.

The emphasis of recreation delivery is on provincial and local levels, where people participate in a variety of recreational activities, including indigenous games.



South African boxing referee Stan Christodoulou was inducted into the International Boxing Hall of Fame at a ceremony in New York in the United States of America in June 2004.

Christodoulou was unanimously chosen by the international boxing historians and writers' guild.

He was inducted alongside 15 other boxing greats.

2004 sports highlights

Athletics

International Association of Athletics Federations Golden League

In August 2004, Hestrie Cloete won the high-jump at the Zurich Weltklasse TDK Golden League in Zurich, Switzerland, with a height of 2,04 m, equalling the highest jump of the year in the world.

Boating

Fourth International Dragon Boat Federation Club Crew World Championships

The Victoria and Alfred Waterfront in Cape Town hosted the fourth International Dragon Boat Federation Club Crew World Championships from 15 – 18 April 2004.

Paddlers from 13 countries including China, Hong Kong, Switzerland, Canada, New Zealand and the United Kingdom participated.

Cycling

Malaysian Tour de Langkawi

South Africa cycled its way to success at the Tour de Langkawi in Malaysia in February 2004.

Several South Africans were among the top finishers – Ryan Cox of the Barloworld team was second, his teammate Tiaan Kannemeyer came fourth, while Nicholaas White of the South African team ended fifth, and David George of the Barloworld team finished eighth. The Barloworld team won the team competition which formed part of the Tour – a first for South African cycling.

Golf

Heineken Classic

South Africa's Ernie Els captured his third consecutive win in the Heineken Classic tournament at the Royal Melbourne golf course in Melbourne, Australia, in February 2004.

His victory included a course record 12-under-par 60 in the opening round and a Professional Golfers' Association European tour record for the lowest 36-hole score following a second round 66. Els won the event with a tournament record-tying 20-under-268 total, one stroke better than Adam Scott. The win was Els' 49th career win.

Deutsche Bank-SAP Tournament

Trevor Immelman claimed his second European Tour title for 2004 when he birdied the 72nd hole in the Deutsche Bank-SAP Tournament Players Championship at the St Leon-Rot Golf Club in Germany in May.

Immelman's 17-under-par 271 total after a closing seven-under-par 65, left him a stroke better than defending champion Padraig Harrington from Ireland. It was the biggest win of Immelman's career.

Memorial Tournament

Ernie Els won the Memorial Tournament by four strokes in Dublin, Ohio, in June.

United States (US) Open

Retief Goosen won the 104th US Open in Southampton, in June in a dramatic battle with Masters champion Phil Mickelson.

Goosen closed with a one-over-71 to beat Mickelson by two shots.

Goosen also won the US Open in 2001.

European Open

Retief Goosen snatched the European Open title from England's Lee Westwood, and the Australians Richard Green and Peter O'Malley, at the K Club in Dublin, Ireland, in July.

He beat them by five strokes.

As a result of his win, so soon after winning the US Open, he went back to the top of the European Order of Merit he won in 2001 and 2002 before handing it to compatriot Ernie Els in 2003.

World Gold Championships (WGC)

American Express Championship

Ernie Els won the \$7-million WGC American Express Championship in early October at Kilkenny, Ireland.

He won with a single shot, beating Denmark's Thomas Bjørn.

World Match Play Championship

Ernie Els won the World Match Play Championship for a record sixth time when he beat Lee Westwood 2 and 1 in the 36-hole final at Wentworth in Surrey, England, in October 2004.

It was the perfect birthday gift for Els, who turned 35 on the day of his win.

Tour Championship

In November 2004, Retief Goosen won the Tour Championship by four strokes.

Marathons

Boston Marathon

Paralympic athlete, Ernst van Dyk clinched his fourth consecutive Boston Marathon title in the Men's Wheelchair Race in world-record time in April 2004.

He clocked 1:18:27 to shatter the world record previously held by Heinz Frei by one minute and 47 seconds.

Seoul International Marathon

Defending champion Gert Thys won the Seoul International Marathon in March 2004.

The 32-year-old Thys won the \$50 000 race by covering the event in downtown Seoul, South Korea, in 2:07:06.

Thys took the lead at the 35-km mark ahead of a front-running group led by South Korea's Lee Bong-Ju, the 2001 Boston Marathon winner, and Kenya's William Kipsang, the 2003 Amsterdam winner.

New York Marathon

In November 2004, Hendrick Ramaala became the second South African to win the prestigious New York Marathon. He won in a time of two hours, nine minutes and 28 seconds.

Mountaineering

By conquering Mount (Mt) Kilimanjaro in February 2004, Sean Wisedale did what only 78 climbers before him had done – climb the highest mountain

on each of the seven continents. Wisedale became the first South African to conquer all seven summits.

Wisedale also climbed Mt Aconcagua in South America, Mt Everest in Asia, Mt McKinley in North America, Mt Vinson in Antarctica, Mt Elbrus in Europe, and Carstensz Pyramid in Australasia.

Mt Kilimanjaro is the highest freestanding mountain on Earth at 5 895 m.

Rugby

Tri-Nations

South Africa regained its Tri-Nations title after five years in August 2004 at the Absa Stadium in Durban, when they beat Australia 23-19.

South Africa also beat Australia to the title in 1998.

Soccer

Bafana Bafana made use of their territorial advantage at the FNB Stadium in July 2004 when they beat Burkina Faso 2-0 in a 2006 World Cup and African Cup of Nations qualifier.

In September 2004, Bafana Bafana beat the 2004 African champions, Tunisia, 2-0.

South Africa recorded a vital 1-0 win in their 2006 World Cup and African Cup of Nations qualifier against Uganda in Kampala in October 2004, moving to the top of a congested Group B with nine points from five games.

Nelson Mandela Challenge

In November 2004, Bafana Bafana beat Nigeria 2-1 at Ellis Park in Johannesburg.

2004 Olympic Games

One hundred and sixty athletes represented South Africa at the Olympic Games in Athens, Greece, in August 2004. Team South Africa brought home six medals, improving on the tally of five at the Sydney Games in 2000.

One of South Africa's golden moments was undoubtedly the gold won by the swimming four-some Roland Schoeman, Lyndon Ferns, Ryk Neethling and Darian Townsend.

Not only did the team shatter the world record in a time of 3:13.17, but they became the first South African male relay team to win the 4x100 m freestyle event at the Olympics.

Roland Schoeman went on to win a silver and a bronze in the 100 m and 50 m freestyle events respectively.

Only Penny Heyns (two swimming golds in 1996 and a bronze in 2000) and Charles Winslow (two tennis golds in 1912 and a bronze in 1920) before him have managed to win three Olympic medals for South Africa. Schoeman joins that list as the first to achieve the feat at one Olympic Games.

Team South Africa's success in the water continued with Donovan Cech and Ramon Di Clemente giving everything to capture bronze in the men's coxless pairs – South Africa's first-ever rowing Olympic medal.

On land, Mbulaeni Mulaudzi clinched silver in the 800 m for men.

High-jump favourite, Hestrie Cloete, managed to win silver after clearing 2,02 m.

2004 Paralympic Games

The South African Paralympic Team demonstrated unsurpassed determination, friendship and sportsmanship during the 2004 Paralympic Games held in Athens, Greece.

South Africa finished 13th on the medal table, winning 35 medals in total – including 15 golds – three down on the total scooped at Sydney, but two up on the gold medals won in 2000.

The medallists were as follows:

Gold

- Natalie du Toit (100 m butterfly, 100 m freestyle, 200 m individual medley, 400 m freestyle and 50 m freestyle)
- Fanie Lombaard (shot put and discus)
- Malcolm Pringle (800 m)
- Oscar Pistorius (200 m)
- Teboho Mokgalagadi (100 m and 200 m)
- Nicholas Newman (javelin)
- Zanele Situ (javelin)
- Tadgh Slattery (100 m breaststroke)
- Michael Louwrens (shot put).

Silver

- Scott Field (100 m butterfly, 400 m freestyle and 100 m freestyle)
- Ernst van Dyk (1 500 m and 800 m wheelchair)
- Nathan Meyer (200 m)
- Hilton Langenhoven (long jump)
- Philipa Johnson (equestrian dressage and individual dressage)
- Natalie du Toit (100 m backstroke)
- Fabian Michaels (javelin)
- Fanie Lombaard (javelin)
- Malcolm Pringle (400 m).

Bronze

- Bev Mashinini (javelin)
- Ernst van Dyk (5 000 m wheelchair)
- Duane Strydom (discus)
- Oscar Pistorius (100 m)
- Adriaan Nel (cycling time trial 5 km)
- Ilse Hayes (400 m)
- Scott Field (50 m freestyle).

Acknowledgements

Beeld

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news24.com

Standard Bank

Star

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South African Sports Commission

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Tourism

South Africa is a tourist paradise — offering scenic beauty, diverse wildlife, a kaleidoscope of cultures and heritages, and endless opportunities to explore the outdoors through sport and adventure activities.

South Africa is a popular tourism destination, with arrivals growing from 640 000 in 1994 to more than 6,5 million in 2003.

Tourism is South Africa's fastest-growing industry and contributes about 7,1% of the Gross Domestic Product (GDP).

Tourism employs an estimated 3% of South Africa's workforce, and is regarded as potentially the largest provider of jobs and earner of foreign exchange. It is projected that in 2010 the South

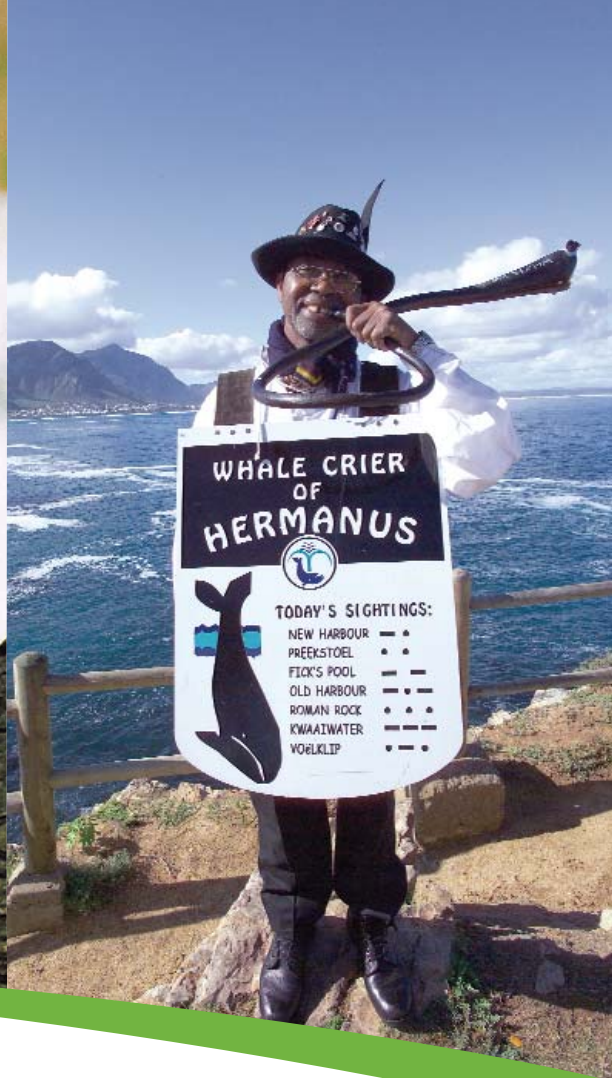
African tourism economy will employ more than 1,2 million people (directly and indirectly).

Tourism in South Africa supports more than 6 500 accommodation establishments.

The fastest-growing segment of tourism in South Africa is ecological tourism (ecotourism), which includes nature photography, birdwatching, botanical studies, snorkelling, hiking and mountaineering.

Community tourism is becoming increasingly popular, with tourists wanting to experience South Africa in the many rural villages and townships across the country. (See chapter 5: *Arts and culture*.)

According to South African Tourism, business tourism, which includes conference tourism, is the



key to further growth in the sector. It injects some R20 billion annually into South Africa's economy.

Business tourism also sustains almost 260 000 jobs in the country, and pays out an estimated R6 billion in salaries and R4 billion in taxes every year.

Tourism policy

At national level, the Tourism Branch in the Department of Environmental Affairs and Tourism leads and directs tourism-policy formulation and implementation towards national tourism growth. It works in partnership with South African Tourism, the provincial tourism authorities, the tourism industry

and other relevant stakeholders. It aims to ensure and accelerate the practical delivery of tourism benefits to the broad spectrum of South Africans, while maintaining sustainability and quality of life.

The *White Paper on Tourism* provides a policy framework for tourism development, and entails, among others:

- empowerment for capacity-building
- a tourism-infrastructure investigations programme
- aggressively marketing South Africa as a tourism destination in international markets
- a domestic tourism and travel campaign.

The Tourism Forum was established in December 1998 as an advisory body to the Minister of

Environmental Affairs and Tourism. It aims to ensure growth and development of the tourism sector.

Raising general awareness about the opportunities for domestic travel continues to be a priority. The aim is to encourage South Africans to travel within their country, make tourism products accessible to all, and facilitate the development of a culture of tourism, encouraging South Africans to create a safe and welcoming environment for visitors.

With this as its main theme, the second Annual National Tourism Conference was held in December 2003. Over 250 delegates, representing a wide spectrum of tourism stakeholders, attended the Conference, which culminated in the signing of the Thaba Nchu Declaration. This is a collective statement from delegates, illustrating their commitment to make tourism work for a prosperous South Africa.

Transformation of ownership patterns in the tourism industry remains a key challenge.

Poverty-relief funding

The Department of Environmental Affairs and Tourism's poverty-relief projects promote the development of community-owned tourism products and the establishment of tourism infrastructure, including roads, information centres and tourism signage.

These poverty-relief projects are categorised into product development, infrastructure development, capacity-building and training, the establishment of small, medium and micro-enterprises (SMMEs), and business-development projects.

Marketing

Welcome Campaign

The *Welcome Campaign* encourages all South Africans to embrace tourism and share South Africa's rich natural and cultural heritage. The Campaign is run as a national general-awareness campaign,

through roadshows and community-outreach programmes.

Another facet of the Campaign is Tourism Month. This annual promotion, held in September, aims to promote a culture of tourism among all South Africans.

SA Host

SA Host, a national customer-service training programme, was introduced in December 2001. The programme aims to develop and promote a culture of customer service in South Africa by creating awareness of the importance of the individual's role in delivering superior customer service in their place of work and their community.

The programme was originally developed in Canada and has been successfully run in 14 countries.

Successful workshop participants become South African hosts and are awarded a certificate and a lapel pin identifying them as people who are committed to excellent service and are ambassadors for their community and South Africa.

The objectives of SA Host programmes are to:

- improve service-delivery standards through training
- change attitudes towards visitors by creating an awareness of the value of the visitor industry to the country and the role played by every resident
- elevate national pride.

The Department of Environmental Affairs and Tourism has provided funding to develop seven regional trainers. These trainers will represent SA Host in the regions where it has no representation.

International tourism

The Cabinet approved the International Tourism Growth Strategy in June 2003. The Strategy includes an analysis of core markets and their segments and also focuses on a marketing strategy, visa arrangements, security and local transport infrastructure.

Priority markets have been identified in Europe, Asia and Africa.

The Strategy is not only about increasing arrivals, but is also underpinned by other core principles, such as:



South African Tourism spent R468 million in 2004 to market the country as the most preferred destination in the world, to retain existing markets, and to grow the country's share of the global tourism market to 2%.

- increasing the length of time tourists spend in South Africa
- increasing the spending of tourists
- ensuring that tourists travel throughout the country, and not just in a few provinces
- facilitating transformation and Black Economic Empowerment (BEE) in the local tourism industry.

South Africa has also made its mark as a world Meetings, Incentives, Conferences and Exhibitions (MICE) destination.

South African Tourism has leveraged the opportunities afforded by a number of high-profile events, including the International Cricket Council World Cup in 2003.

South African Tourism's e-business platform was launched in 2002, with the number of website hits increasing from 12 000 at first, to more than two million per day. The programme has been expanded to include the development of a national database of over 30 000 products, indicative of the growth of this industry.

South African Tourism launched the *Woza 2004* Campaign in February 2004. This deal-driven consumer Campaign is aimed at encouraging German travellers to visit South Africa in large groups, particularly during the low tourist season. It also aims to increase awareness about South Africa and entrenches the country as an affordable, year-round, preferred tourist destination.

The *Woza* Campaign offered two value-for-money packages that included return flights to South Africa, airport taxes, world-class accommodation at some of the country's leading quality-graded establishments, and hotel and airport transfers.

The *Woza* Bus, a customised branded bus designed by South African Tourism to promote South Africa as a preferred travel destination in Germany, set off from Berlin on a national six-city tour on 22 October 2004.

The Bus – key to promoting the *Woza 2005* Campaign – travelled through Berlin, Hamburg, Oberhausen, Wertheim, Frankfurt and Munich.

An online campaign, launched on 21 October 2004, had a micro site dedicated to the *Woza* Campaign. The 'Tell A Friend' initiative supported by

banner advertising on some of Germany's most popular websites also formed an integral part of the online activity.

South African Tourism launched the *My South African Story* Campaign in the United States of America (USA) in February 2004 with attractive price-driven packages to further encourage travel.

The *Sunsation* Campaign also continued in 2004. A joint promotion with South African Airways (SAA), the Campaign offered two value-for-money packages aimed at clearly defined British market segments. The Campaign ran from April to September 2004.

South African Tourism launched its first-ever French deal-driven consumer campaign in March 2004.

The *Call of South Africa* Campaign was aimed at senior explorers and international travellers. It featured two packages for travel during August 2004.

Another initiative of South African Tourism to market the country as an international destination, is a three-dimensional Imax film.

The film will be shown as part of a R460-million marketing effort in some 20 countries that have been identified as target markets.

The campaign will include touch screens in airports worldwide, as well as in the offices of travel agents and tour operators. These will show information aimed specifically at target markets in each country. DVDs will also be handed out to airline passengers.

Domestic tourism growth

The Department of Environmental Affairs and Tourism, in conjunction with South African Tourism, launched the Domestic Tourism Growth Strategy at the Tourism *Indaba* in Durban in May 2004.

The domestic tourism market in South Africa was valued at R47 billion in 2002/03.

The total number of trips undertaken in the domestic market in 2002/03 was 49,3 million.

The objectives of the Strategy are to contribute to and increase GDP growth, create jobs and transform the tourism industry through:

- increasing expenditure (more trips, longer stay, higher average trip expenditure)
- reducing seasonality (encouraging year-round travel)
- improving the geographic spread of tourism (more destinations and activities)
- increasing volumes (convert, grow and develop).

A study conducted by South African Tourism and the Department, as part of developing the Strategy, found that nearly two-thirds of trips were conducted to visit friends and relatives. Although holiday travel accounts for only 16% of trips, it accounts for 44% of all expenditure. Therefore, by focusing on holiday travel, the overall value of the domestic tourism market will be increased.

Some 64% of local people who travel reside in KwaZulu-Natal, Gauteng and the Eastern Cape. These three provinces similarly receive 60% of the domestic tourist trade.

Some 60% of domestic travel is undertaken in the province in which people live (intra-provincial travel), while only 40% of trips taken are to another province (interprovincial travel).

To support the growth of the domestic industry, the following will be implemented from a national government perspective:

- greater promotion of the Domestic Tourism Brand
- promotion of a set of experiences that relate to South African consumers
- distribution of appropriate information in specific places
- facilitation of the development of co-operative product packages
- development of marketing and distribution channels
- promotion of repeat visitation.

Tourism Enterprise Programme (TEP)

The Department of Environmental Affairs and Tourism, the Business Trust and Ebony Consulting International launched the R129-million TEP in 2000 to promote growth in the tourism industry.

The primary objective of the Programme is to develop skills capacity and the participation of 75% of historically disadvantaged enterprises within the tourism economy.

The TEP aims to encourage and facilitate the growth and expansion of small and medium enterprises within the tourism economy, resulting in job creation and income-generating opportunities.

By February 2004, a public-private partnership with the TEP had created more than 10 000 jobs and provided assistance to a total of 1 731 tourism enterprises, of which about 1 200 were BEE companies.

The increase in turnover of enterprises assisted by the TEP since its inception exceeded R585 million.

Amounts of R10 million, R12 million and R15 million have been allocated to the TEP over the medium term.

Human resource development (HRD)

Tourism HRD is considered one of the pillars of the development of a new responsible tourism culture in South Africa.

The Department has supported the full introduction of Travel and Tourism and Hospitality studies as a subject in schools. Travel and Tourism was introduced in 2000 in all schools wanting to offer the subject from Grades 10 to 12.

Tourism and Hospitality Education and Training Authority (THETA)

The THETA comprises the following chambers:

- Hospitality
- Conservation and Tourist Guiding
- Sport, Recreation and Fitness
- Tourism and Travel Services
- Gaming and Lotteries.

South Africa hosted the 2004 Hotel and Tourism World Africa Conference in Sandton, Johannesburg, in June 2004.

The Conference focused on a global and regional overview of development in the hotel and tourism industry, the involvement and responsibility of government regarding the industry, as well as the importance of a good transport infrastructure.



Every chamber has its own committee that helps the THETA to identify industry needs. The Tourism Learnership Project (TLP) is a multimillion Rand partnership between the Business Trust, THETA and the Department of Labour.

The TLP aims to raise the standards of South Africa's tourism industry by ensuring the development of useful, transferable and accredited skills for use in the sector. The TLP's three core objectives are to:

- accelerate the development of national qualifications for all primary subsectors of the tourism sector
- ensure the availability of national qualifications, which will trigger increased investment in training by employers
- develop systems and support the training of unemployed people through learnerships that provide them with the necessary skills to find jobs.

By March 2004, the TLP had achieved the following:

- 29 tourism national qualifications had been registered on the National Qualifications Framework
- 975 facilitators, mentors and coaches had been trained
- 975 assessors and 73 moderators had been trained
- 6 995 employees had undergone 12 268 tourism-sector skills training programmes
- 3 029 employees and 6 113 unemployed learners had been registered for learnerships
- 12 546 participants had undergone the SA Host training programme.

South African Tourism Institute (SATI)

The SATI was established with the assistance of the Spanish Government, which provided some R13 million for the project.

The SATI has initiated a number of projects that create a supportive learning environment for teachers, high-school learners and employees in the tourism industry.

The SATI focuses on teacher-development programmes aimed at enhancing the delivery quality of the Travel and Tourism and Hospitality subjects.

The project started with 14 schools and 800 learners in 1996. By 2004, more than 600 schools and 94 000 learners had participated in the project.

There is also emphasis on capacity-building of Department of Education officials and educators.

A loan and bursary scheme established for higher education had benefited 150 students by mid-2004, with almost 90% of awards going to the historically disadvantaged. This scheme is operated by the National Student Financial Aid Scheme.

In 2004, the SATI launched an informative pack on tourism and hospitality careers. Available to schools and the tourism industry, it contains videos, presentations, leaflets and notes on these careers.

An SATI resource centre has been established, containing electronic and physical resources on many aspects of tourism and its related industries. The centre is open to the public. Other developmental projects are also underway that include working with tourism role-players to develop levels of customer service and staff training.

Black Economic Empowerment

The Department has embarked on a legislative reform process to reflect the guidelines set out in the *White Paper on Tourism*.

The Tourism Transformation Strategy was approved by the Cabinet in November 2001. More emphasis is being placed on developing Black-owned businesses within the tourism industry, by raising the proportion of government expenditure going to these businesses from 30% in 2001/02 to 50% in 2004/05.

A database of Black-owned tourism enterprises was compiled to assist government departments with meeting affirmative-procurement targets.

A public-private tourism transformation forum to promote BEE was established with representatives from the departments of Environmental Affairs and Tourism, of Trade and Industry and of Labour, the Tourism Business Council of South Africa (TBCSA), the Development Bank of Southern Africa and the Industrial Development Corporation.

In July 2004, the Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk,

announced the start of a process to develop a BEE scorecard for tourism.

The process is a joint effort between the Department of Environmental Affairs and Tourism and the TBCSA. A study commissioned by the Department in 2003 found that an estimated 6% of tourism entities listed on the JSE Securities Exchange had BEE ownership.

The management and control of these companies was, on average, 81% White male, 15% Black male, and only 2% Black women. Once developed, the scorecard will comprise a clear set of targets for transformation in the tourism industry. Targets will be set for ownership, management and control, employment equity, skills development, affirmative procurement, enterprise development and social development.

Hints for the tourist

Every traveller to South Africa must be in possession of a valid passport and, where necessary, a visa.

The Immigration Act, 2002 (Act 13 of 2002), stipulates that all visitors to South Africa are required to have a minimum of one blank page (both back and front) in their passport to enable the entry visa to be issued.



South Africa scooped several awards in the 2004 World's Best Awards Survey conducted by the international travel magazine *Travel & Leisure*.

It had five of the 10 highest-rated properties in the world in the World Best Hotels Category.

It took the top three tour operator and safari outfitter spots, and weighed in with the fifth highest-rated city in the world.

Cape Town was voted the Best City in Africa and the Middle East, and the fifth-Best City overall, for the second year running.

The Singita Private Game Reserve in Sabi Sands on the edge of the Kruger National Park was voted the Best Hotel in the World – the second time a South African property had won this honour.

The other four hotels in *Travel & Leisure's* Top 10 are Londolozi Private Game Reserve in Mpumalanga (fourth), Bushman's Kloof Wilderness Reserve in the Western Cape (fifth), Mala Mala Game Reserve in Mpumalanga (seventh), and Phinda Private Game Reserve in KwaZulu-Natal (eighth).

If there is insufficient space in the passport, entry will be denied.

Enquiries can be directed to South African diplomatic representatives abroad or to the Department of Home Affairs in Pretoria. Visas are issued free of charge. Visitors who intend travelling to South Africa's neighbouring countries and back into South Africa are advised to apply for multiple-entry visas. Passport-holders of certain countries are exempt from visa requirements. Tourists must satisfy immigration officers that they have the means to support themselves during their stay and that they are in possession of return or onward tickets. They must also have valid international health certificates.

Visitors from the yellow-fever belt in Africa and the USA as well as those who travel through or disembark in these areas, have to be inoculated against the disease.

Malaria is endemic to parts of KwaZulu-Natal, Mpumalanga and Limpopo. It is essential to take precautions when visiting these areas.

Foreign tourists visiting South Africa can have their Value-Added Tax (VAT) refunded, provided the value of the items purchased exceeds R20.

VAT is refunded on departure at the point of exit.

South Africa's transport infrastructure – airlines, railroads, roads, luxury touring buses (coaches) and motor cars – is such that tourists can travel comfortably and quickly from their port of entry to any part of the country. A number of international airlines, including SAA, operate regular scheduled flights to and from South Africa. Several domestic airlines operate in the country. There are also mainline trains to all parts of the country. (See chapter 22: *Transport*.)

A brochure entitled *Helpful Hints to Make Your Stay Enjoyable and Safe* is distributed to tourists at international airports.

South African Tourism's state-of-the-art global call centre in Johannesburg offers information on travelling to South Africa.

Operated 24 hours a day, the centre offers information in Dutch, English, French, German and Italian. Mandarin was expected to be added in November 2004, and there are plans to include Spanish and Portuguese in the near future.

The centre is expected to process at least 5 000 telephonic enquiries per month, as well as respond to e-mail and fax enquiries.

Accommodation

The tourist accommodation industry in South Africa provides a wide spectrum of accommodation, from formal hotels to informal holiday flats and cottages, game lodges and reserves, guest-houses, youth hostels and bed-and-breakfast establishments.

A variety of promotional material on South Africa is available. Comprehensive guides and maps cover all the regions and aspects of interest to tourists, including accommodation. Various useful tourism websites can be found on the Internet.

The Tourism Grading Council of South Africa (TGCSA) inspects the standards in the hospitality and accommodation industry.

This voluntary grading system, which was launched in 2001, uses internationally recognised star insignia to rate accommodation establishments initially, and will be extended to include relevant businesses in classified sectors of the tourism industry. Once graded, establishments will be encouraged to utilise the star system for marketing and advertising purposes.

Since its inception in 2001, the TGCSA has been directly responsible for an additional R76,5 million being invested in hotels, lodges, guest-houses, and bed-and-breakfast and self-catering establishments.

Grading assessors undergo training to receive the National Certificate in Tourism Grading. The awarding of such a qualification is a world-first. Assessors are then accredited with the THETA and registered with the TGCSA before being recommended to the industry. Larger group hotels with their own internal assessors will also be accredited with the THETA. Independent auditors conduct random audits. These auditors also assist in ensuring that the assessors adhere to a Code of Conduct.

Star grading is the only system recognised by government and the TBCSA.

National grading criteria are expected to be introduced for the MICE, caravan and camping, and food and beverage sectors.

South Africa will be one of the first countries in the world to have national grading criteria for the MICE venues sector.

According to Backpacker Tourism of South Africa, South Africa is the second most popular destination among international backpackers, after Australia.

Tourist safety

South African Tourism has launched several initiatives aimed at ensuring the safety of travellers to the country.

These include a partnership initiative with the oil company Engen and the Tourism Information and Safety Call Line, 083 123 2345, which provides tourists with information on what to do in an emergency and where to locate services.

The Department of Environmental Affairs and Tourism has established the National Tourism Safety Network, a multistakeholder forum comprising provincial representatives, the South African Police Service, metro police, organised local government, community policing structures, South African Tourism and other key stakeholders.

The forum has developed the Tourism Safety Communications Strategy and redrafted the National Tourism Safety Tips.

Tourism in the provinces

Western Cape

The Western Cape lies at the southern tip of the African continent. Considered one of the most beau-



The Tourist Guide of the Year and Emerging Tourist Guide of the Year Awards recognise and encourage tour-guiding excellence.

Among the criteria for selection is the ability to speak at least three South African languages, active tourist guiding in less visited areas like townships, and formal registration of the guide. In 2004, the winner of the Emerging Tourist Guide Award was Mr Jimmy Selane from the Eastern Cape, while the winner of the Tourist Guide of the Year Award was Mr Faizal Ganga from Western Cape. The two winners were expected to attend the World Federation of Tourist Guides Convention in January 2005 in Australia.

tiful regions in Africa, it is also the place where two oceans meet and the home of the famous *fynbos* vegetation.

The paternal presence of Table Mountain, the pristine coastline with its white sandy beaches, the magnificent countryside with its bountiful rivers, vleis and dams, fauna and flora, together with the warm summer climate and friendly community, makes the Western Cape perfect for any vacation.

Cape Metropole

Tourist life in the city of **Cape Town** centres around the Victoria & Alfred (V&A) Waterfront, a working harbour offering everything from upmarket shopping malls, arts and craft markets, theatres and live music, to museums.

Other major attractions in the city include the Bo-Kaap Museum, the Castle of Good Hope, the Company's Garden, the District Six Museum, flea markets, the Grand Parade, the Houses of Parliament, the South African Cultural History Museum and the South African National Gallery. Also worth a visit are historical buildings in the Bo-Kaap and District Six.

The Gold of Africa Museum established by Anglo Gold is home to a celebrated collection of more than 350 gold artefacts.



The Tourism Grading Council of South Africa (TGCSA) and Tourism Enterprise Programme (TEP) have teamed up to train 100 additional star-grading assessors in preparation for the FIFA 2010 World Cup.

By October 2004, the TGCSA had 43 accredited star-grading assessors throughout the country.

The need to train additional assessors was necessitated by a steady growth in the number of accommodation establishments joining the National Star-Grading Scheme and plans to extend grading to other tourism sectors such as conference venues and restaurants ahead of the 2010 World Cup.

By September 2004, 2 409 accommodation establishments had been voluntarily graded, representing 55% of all hotel rooms and 66% of all bed-and-breakfast and guest-house establishments.

During the same period, 85% of backpacker and youth hostels, and 16% of game reserves and lodges, had been graded.

Air flips and trips are available, as well as many boat and yacht trips from Table Bay Harbour, including trips to Robben Island (proclaimed a World Heritage Site and also the place where former President Nelson Mandela was imprisoned for a number of years).

The Nelson Mandela Gateway to Robben Island is situated in the Clock Tower Precinct at the V&A Waterfront. The Gateway houses interactive multimedia exhibitions, an auditorium, boardrooms, the Robben Island Museum and a restaurant.

Jazz is big in Cape Town. From traditional blues through progressive jazz to African-influenced jazz, every taste is catered for at a number of restaurants, jazz cafés, cigar bars, pubs and at some of the wine farms. The top jazz event in the Western Cape is the annual North Sea Jazz Festival.

Table Mountain is a popular site for visitors and provides the majestic backdrop to the vibrant and friendly Mother City. It can be reached by an ultra-modern cableway. The Mountain forms part of the Table Mountain National Park.

Newlands is home to the Kirstenbosch National Botanical Garden. In summer, various open-air concerts are held here.

The South African Rugby Museum reflects the history of the sport back to 1891.

The Rhodes Memorial is situated at **Rondebosch** on the slopes of Table Mountain. It was built of granite from the Mountain as a tribute to the memory of Cecil John Rhodes, Prime Minister of the Cape from 1890 to 1896.

The University of Cape Town is worth a visit for its historic Middle Campus and many buildings designed by Sir Herbert Baker.

At **Cape Point**, part of the Table Mountain National Park, there are many drives, walks, picnic spots and a licensed restaurant. Care has been taken to protect the environmental integrity of this 22 100-hectare (ha) reserve of indigenous flora and fauna.

Simon's Town's naval atmosphere and Historic Mile are major attractions in the area. A statue of the famous dog and sailor's friend, Able Seaman Just Nuisance, stands at Jubilee Square.

Other attractions include the South African Naval Museum and the Warrior Toy Museum. One of only

two mainland African-penguin breeding colonies in the world can be found at Boulders Beach.

Hout Bay is well-known for its colourful working harbour. Seafood outlets, round-the-bay trips to the nearby seal colony, shell and gift shops, and a famous harbourfront emporium attract many visitors. Duiker Island, opposite The Sentinel, is a seal and sea-bird sanctuary. The World of Birds Wildlife Sanctuary is one of the largest bird parks in the world and provides a home for some 3 000 birds.

In **Oostenberg**, visitors can enjoy some fine wine and flower farms, such as Zevenwacht Wine Estate with its graceful Cape Dutch homestead. Tygerberg Zoo boasts a collection of exotic animals. Endless stretches of quiet beaches provide popular surfing and windsurfing spots. Big Bay in **Bloubergstrand** is a surfer's paradise and host to an international windsurfing event. Rietvlei Nature Reserve is a unique wetland area, boasting over 110 bird species, including pelicans and flamingos.

Canal Walk Century City is the largest shopping centre in Africa, with close to 400 shops and home to the largest movie complex in South Africa.

Tygerberg is a vibrant and fast-growing area with a well-developed business centre, numerous sports fields, an international indoor cycle track, well-kept golf courses and a racecourse.

New Year in Cape Town is a festive affair, as the Cape minstrels take to the streets with their upbeat music and fancy costumes.

Garden Route

This area features the pont at **Malgas**, which is the only remaining pont in the country, ferrying vehicles and livestock across the Breede River. Whale-watching attracts tourists at **Witsand** and **Port Beaufort** from June to November.

The Grootvadersbosch Nature Reserve outside **Heidelberg** comprises the popular Bushbuck Trail, a wilderness trail and two mountain-bike trails.

Riversdale is one of South Africa's most important *fynbos*-export areas. Other attractions include the Julius Gordon Africana Museum.

At the historical Strandveld Architectural Heritage Site at **Still Bay**, visitors can watch tame eels being

fed. Ancient fish-traps can be seen at Morris Point and the harbour.

At the aloe factories at **Albertinia**, aloe juices are extracted for medicine and high-quality skin-care products.

Nearby, bungee-jumping on the Gourits River Gorge, hiking, mountain-biking and angling are popular pastimes.

At **Mossel Bay**, the Point, a well-liked area for surfers, also features a natural pool formed by rock – a popular swimming place at low tide. The St Blaize trail starts here and it is the ideal spot to watch the whales and dolphins at play in season.

The harbour at Mossel Bay is one of the most modern commercial and recreational harbours on the southern Cape coastline. The Information Centre at PetroSA informs visitors about the production of synthetic fuels from Mossel Bay's offshore gas fields. Other attractions include the Atteguas Kloof Pass, Anglo-Boer/South African War blockhouses and the Bartolomeu Dias complex.

Great Brak River offers a historic village with many opportunities for whale and dolphin watching along the extensive coast.

George is at the heart of the Garden Route and the mecca of golf in the southern Cape, as it is home to the renowned Fancourt Country Club and Golf Estate and various other acclaimed golf courses. Board the Outeniqua Choo-Tjoe on its daily trip along the coastline between George and Knysna (except Sundays) at the Outeniqua Transport Museum.

Visitors can also board the Power Van here, and enjoy a glimpse of the Garden Route Botanical Garden.

The George Museum, with its theme of timber history, offers ongoing exhibitions. The Montagu and Voortrekker passes are national monuments, providing spectacular views of the Outeniqua Nature Reserve, which offers several hiking trails.

The George Airport, the Outeniqua Pass, the railway line and the N2 offer excellent access and make George the ideal hub from which to explore the Garden Route and Little Karoo.

Victoria Bay and **Wilderness** are popular for their unspoilt beaches. Wilderness is the western gateway to the southern Cape lakes area. It's a

nature lover's paradise, best known for its beaches, lakes, placid lagoon and lush indigenous forests. Birdwatchers flock to the Langvlei and Rondevlei bird sanctuaries in the Wilderness National Park, which host over 230 different bird species.

Sedgefield borders Swartvlei Lagoon, the largest natural inland saltwater lake in South Africa. Activities include beach horse-riding, hiking, angling and birdwatching.

Knysna nestles on the banks of an estuary, guarded by The Heads (two huge sandstone cliffs) surrounded by indigenous forests, tranquil lakes and golden beaches.

This natural wonderland is home to the largest and smallest of creatures, from the Knysna sea-horse to the Knysna elephants, rare delicate butterflies and the endemic Knysna loerie, a colourful forest bird. Over 200 species can be found in the abundant *fynbos* and forest settings.

Knysna is also famous for its delectable home-grown oysters, enjoyed with locally brewed beer in quaint pubs and restaurants. An eclectic mix of art galleries showcases the diversity of talent in the area. The area also offers lagoon cruises, forest hikes, golf and adventure sports.

Plettenberg Bay is adventure country, offering boat-based whale watching, black-water tubing, hiking, and forest and cycling trails.

The Keurbooms River Nature Reserve at Plettenberg Bay offers a canoeing trail, while the Robberg Nature Reserve is a treasure trove of land, marine, geological and archaeological wealth.

The highest commercial bungee jump in the world of 21,6 m can be found at the Bloukrans River Bridge.

Little Karoo

The Little Karoo has a spectacular landscape fashioned almost entirely by water, with vegetation ranging from lush greenery in the fertile river valleys to short, rugged Karoo plants in the veld. Gorges follow rivers that cut through towering mountains, while breathtakingly steep passes cross imposing terrain. The region is also home to the largest bird in the world – the ostrich. The Little Karoo is rich in culture and history.

Excellent wines and port are produced in the **Calitzdorp** and **De Rust** areas.

Oudtshoorn, the world's ostrich-feather capital, is the region's main town. The Swartberg Nature Reserve and Pass with its gravel roads, are also worth a visit. The *Klein Karoo Nasionale Kunstefees* is held in the town annually. Some 29 km from Oudtshoorn lie the remarkable Cango Caves, a series of spectacular subterranean limestone caverns. Bearing evidence of early San habitation, the 30-Cave wonderland boasts magnificent dripstone formations.

Amalienstein and **Zoar** are historic mission stations midway between Ladismith and Calitzdorp. Visitors can go on donkey-cart and hiking trails through orchards and vineyards, while the Seweweekspoort is ideal for mountain-biking, hiking, and protea and *fynbos* admirers.

Calitzdorp boasts four wine estates, three of which are open to the public. The spring water of the Calitzdorp Spa is rich in minerals and is reputed to have medicinal properties. The Gamka Mountain Reserve is home to the rare and endangered Cape mountain zebra.

De Rust lies at the southern entrance to Meiringspoort. The Meiringspoort Gorge extends 20 km through the Swartberg Mountain Range. Halfway through, a beautiful 69 m-high waterfall can be seen. Wine farms in the area are open to the public.

Ladismith is home to the Towerkop Cheese Factory. There are various hiking, mountain-biking and 4x4 trails in the area. The Anysberg, Klein Karoo and Towerkop nature reserves can also be visited.

Uniondale, on the main route between George and Graaff-Reinet, features the largest water-wheel in the country, the Old Watermill. Uniondale Poort is a scenic drive linking Uniondale with Avontuur in the Langkloof Valley.

At **Vanwyksdorp**, visitors can see how *fynbos* is dried and packed for the export market. Donkey-cart rides take visitors to Anglo-Boer/South African War grave sites.

Central Karoo

The Central Karoo, a fascinating semi-desert area,

lies in the heart of one the world's most unique and interesting arid zones.

This ancient, fossil-rich land, which is five times the size of Great Britain, is also home to the richest desert flora in the world.

In the Central Karoo, visitors will also find the largest variety of succulents found anywhere on Earth.

Beaufort West, the oldest town in the Central Karoo, is often referred to as the 'Oasis of the Karoo'.

Awards presented to heart-transplant pioneer, the late Prof. Chris Barnard, a son of this town, are on display in the local museum.

A township route introduces visitors to the Xhosa culture in the area, and at the Karoo National Park on the doorstep of the town, visitors can get closer to the flora and game of the Karoo. A challenging 4x4 route takes visitors to the escarpment and new areas of ecological discovery. The Park is also home to a huge range of game as well as the highly endangered riverine rabbit.

Matjiesfontein, a national monument, offers tourists a peek into yesteryear and the opportunity to overnight in Victorian splendour. The village houses a small railway museum, a private motor museum and the largest privately owned museum in South Africa.

Experience the vastness of the Great Karoo in **Murraysburg**, an ecotourist and hunter's paradise.

Laingsburg, a tiny village almost totally wiped out by floods a century after it was established, is the best place to study the geology of the region.

Prince Albert is a well-preserved town which nestles at the foot of the Swartberg mountains. It is the ideal place to sample the great variety of Karoo cuisine, see examples of local architecture dating back to the early 1800s and enjoy several scenic drives. The Fransie Pienaar Museum introduces visitors to the cultural history of the area. It has a fossil room and an exhibit covering the old gold rush to this area in the 19th century. The Museum has a licence to distil and sell *witblits* (white lightening). Prince Albert is the closest town by road to Gamkaskloof.

The Hell, a little valley in the heart of the Swartberg mountains, was the home of one of the

world's most isolated communities for almost 150 years. Today, Gamkaskloof is a nature reserve and national monument managed by Cape Nature Conservation. It has overnight facilities and can be accessed by a 57-km long (but two-hour drive), winding road which starts at the peak of the Swartberg Pass.

Cape Winelands

The Cape Winelands, including the former Breede River Valley, are situated in close proximity to Cape Town.

The Cape Winelands are a rural enchantment of dramatic mountains, rolling farmlands and peaceful vineyards.

The Cape Winelands are home to Route 62, the world's longest wine route.

Stellenbosch, the oldest town in South Africa, is also known as the *Eikestad* (city of oaks). Various historical walks delight visitors. The town is a gracious blend of old Cape Dutch, Georgian and Victorian architecture. Dorp Street consists of one of the longest rows of old buildings in the country. The Stellenbosch Village Museum consists of four homesteads and gardens ranging from the late 17th to the middle 19th centuries.

The Spier Summer Arts Festival also livens up sultry summer nights from November to March at the Spier Wine Estate near Stellenbosch. The Stellenbosch Wine Route comprises over 100 wine estates most of which offer cellar tours.

The Freedom Monument at Pniel, which was built in 1992, commemorates the freed slaves who were the first settlers at the mission station, which was established in 1843.

Franschhoek has become known as the gourmet capital of the Cape. Originally known as Oliphants-hoek, it was named after the arrival of



South Africa's Blue Train is one of the world's most luxurious railway services. The Train runs between Cape Town and Pretoria, to Hoedspruit in Mpumalanga, and along a section of the Garden Route between Cape Town and Port Elizabeth. A trip to the Victoria Falls in Zimbabwe is also offered.

Huguenots who were predominantly French. The Huguenot Monument was built in 1944 to commemorate the 250th anniversary of their arrival in 1688.

Visitors can also enjoy various hiking trails and historical walks, as well as the *Vignerons de Franschhoek* wine route.

Paarl lies between the second-largest granite rock in the world and the Du Toit's Kloof mountains, and is famous for its architectural treasures found along a 1-km stretch of the Main Street featuring, among others, Cape Dutch and Victorian architecture.

The area's *fynbos* vegetation supports a number of South Western Cape endemics, such as the Cape sugarbird and the orange-breasted sunbird.

The *Afrikaanse Taalmonument* is situated on the slopes of the Paarl Mountain, while the *Afrikaanse Taalmuseum* is in the centre of the town.

The town of **Wellington** lies in a picturesque valley, with the majestic Hawequa mountains on its eastern boarder. Apart from three renowned co-operative wineries, one can visit a number of prestigious wine cellars situated on historic Huguenot farms with Cape Dutch homesteads.

Flower lovers will enjoy the chrysanthemum show in May, the longest running such show in South Africa. More than 90% of South Africa's vine-cutting nurseries are found in Wellington. The town is also the home of South Africa's dried-fruit industry.

Experience life as the pioneers lived in years gone by at the Kleinplasje Living Open Air Museum. The KWW Brandy Cellar, the largest of its kind in the world, offers cellar tours and brandy tasting.

Tulbagh is famous for its heritage, historical homesteads and magnificent country living. Church Street, home to 32 national monuments, constitutes the largest concentration of national monuments in one street in South Africa.

Ceres, named after the Roman goddess of fruitfulness, is the largest deciduous fruit-producing region in South Africa. Tours are offered at various fruit farms. The area also boasts several 4x4 trails, horse-riding, mountain-biking and abseiling.

The **Hex River Valley** is the largest producer of table grapes in Africa. Visitors can pick their own grapes at harvest time and can sample the variety

of export-quality produce. The well-known Hex River 4x4 trail and the Ochre San rock art trails are a must for nature lovers.

De Doorns is situated in the heart of the Hex River Valley, the largest producer of table grapes in southern Africa.

Situated on the Breede River, **Bonnievale** features several cheese factories. For the adventurous outdoor enthusiast there are canoe trips, birdwatching and riverboating.

Known as The Valley of Wine and Roses, **Robertson** is one of the most beautiful areas in South Africa. Surrounded by vineyards, orchards, delectable fruit and radiant roses, Robertson produces connoisseur-quality wines and is also known for its thoroughbred horses.

Renowned for its muscadel wines, **Montagu** is the gateway to the Klein Karoo and is set in a fertile valley. Relax in the healing waters of the Avalon Springs or visit the waterfowl breeding camp, the largest of its kind in the Western Cape.

The area also offers several hiking trails, game-viewing drives, guided cultural tours and excellent rock climbs.

The picturesque village of **Gouda** is renowned for the Parrotts Den Pub, a living museum in the Gouda Hotel.

McGregor has a wealth of fascinating white-washed, thatched cottages and well-preserved Victorian houses, making it one of the best-preserved examples of mid-19th century architecture in the Western Cape.

Prince Alfred Hamlet is the gateway to the Gydo Pass, known for its scenic views. This quaint village lies in an important deciduous-fruit farming area.

Hidden amidst vineyards and wine estates lies the picturesque town of **Rawsonville**, renowned for its array of award-winning wines. Tourists can enjoy an afternoon drive along the awe-inspiring Slanghoek Valley, with its lush vineyards and breathtaking views, or relax in the warm-water mineral springs at Goudini Spa.

West Coast

The West Coast is a region of extreme beauty and contrast. The solitary coast's scenic beauty is chal-

lenged only by rich culinary experiences of mussels, oysters, calamari, crayfish and abalone in season or linefish pulled from the Benguela Current's cold waters. The area is a birdwatcher's paradise. In addition, every year migrating whales visit the coastal waters from July.

Within the first two months of the first good winter rains, wild flowers on the West Coast explode in a brilliant array of colour.

The Swartland region is known for its undulating wheat fields, vineyards, wineries and outdoor activities. Further north, visitors encounter the fertile Olifants River Valley and the vast plains of the Knersvlakte with its wealth of indigenous succulent plants.

The town of **Darling** draws visitors to its country museum and art gallery, annual wild flower and orchid shows, basket factory and wine cellars. The entertainment venue *Evita se Perron* is situated at the old Darling Railway Station and offers top entertainment from local entertainers.

Malmesbury is the biggest town in the Swartland. Major attractions include Bokomo Mills, the Malmesbury Museum, the Sugarbird glazed fruit factory and the historical walk-about.

The Riebeek Valley is known for its scenic beauty. The area has become a popular haven for well-known artists of various disciplines. Wines and olives can be tasted at various cellars.

Elands Bay is a popular holiday resort and surfer's paradise. Khoi and San rock art can be viewed at Elands Bay Caves.

Moorreesburg and **Koringberg** are major wheat-distributing towns. Tourists can visit the Wheat Industry Museum, one of only three in the world. Birdwatching, hiking, 4x4 routes, clay-pigeon shooting, mountain-bike trails, canoeing and water-skiing at Misverstand are popular activities.

Yzerfontein is famous for its unspoilt beaches, *fyntbos*, beautiful views and whale watching. Another major attraction is the historical lime furnaces.

Langebaan is a popular holiday destination. The West Coast National Park, an internationally renowned wetland which houses about 60 000 waterbirds and waders, attracts thousands of visitors each year. The Park is also the site where the

oldest anatomically modern fossilised human footprints were discovered.

The Langebaan Lagoon forms part of the Park and is zoned for specific activities. The Postberg section of the Park, across the Lagoon, is famous for its wild flowers, blooming mainly during August and September.

Cape Columbine at **Paternoster** is the last manned lighthouse built on the South African coast. The Columbine Nature Reserve is home to many seabird species.

Saldanha is a watersport enthusiast's paradise. Other attractions include Doc's Cave, a landmark on the scenic breakwater drive, and the Hoedjieskoppie Nature Reserve. There are various hiking trails in the SAS Saldanha Nature Reserve.

St Helena Bay is best known for the Vasco Da Gama Monument and Museum. Fishing (snoek in season), hiking, bird and whale-watching opportunities also draw many visitors.

Vredenburg, the business centre of the area, offers, among others, shopping opportunities, cine-



Southern Africa has become one of the most popular big-game hunting regions in the world. It offers a great variety to trophy hunters, including the Big Five, namely elephant, white rhino, lion, leopard and buffalo, as well as 26 species of antelope.

The hunting proclamations of the various provinces differ and are promulgated annually. The hunting season is normally during the winter months, from May to the end of July.

Most species may be hunted legally by non-landowners during the hunting season, provided they have the written consent of the landowner and a valid hunting permit issued by the appropriate conservation authority.

Trophy hunting by overseas clients is subject to uniform legislation throughout South Africa, and all hunters are required to be accompanied by registered professional hunters and have their hunts arranged by approved hunting outfitters.

All nine provinces provide schedules of ordinary, protected and specially protected game. Ordinary game may be hunted under licence during an open season. Protected game may be hunted only under permit and licence, the fee depending on the species. Specially protected game, which includes grysbok, klipspringer, red hartebeest, giraffe, black rhinoceros, pangolin and antbear, may not be hunted at all.

mas and a golf course with a bird hide where various species can be viewed.

Lambert's Bay is a traditional fishing village with Bird Island as a tourist attraction. It is a breeding ground for African penguins, Cape cormorants and other sea birds. Visitors can also watch southern right whales from July to November.

Piketberg offers arts and crafts, fauna and flora, wine culture and recreation. The Goedverwacht and Wittewater Moravian mission stations are situated close to Piketberg.

Porterville is famous for its Disa Route (best in January and February). The Groot Winterhoek Mountain Peak in the Groot Winterhoek Wilderness Area is the second-highest in the Western Cape. The Dasklip Pass is popular with hang-gliders.

At **Velddrif/Laaiplek**, visitors can indulge in some *bokkom* (a West Coast salted-fish delicacy) at factories along the Berg River. Tourists can also visit the salt-processing factory or the West Coast Art Gallery in town.

The citrus area in the Olifants River Valley is the third-largest in South Africa. The wine route from Citrusdal to Lutzville boasts a selection of internationally acclaimed wines. The world-renowned *rooibos* tea is also produced here.

Citrusdal is famous for its citrus products and wines. The Citrusdal Museum depicts the pioneering days of the early colonists.

The Goede Hoop Citrus Co-op is the largest single packing facility in South Africa.

The annual Citrusdal Outdoor Calabash features, among others, 4x4 outings, lectures and visits to rock-art sites, and an arts and crafts market.

The Sandveldhuisie is a recently built example of a typical Sandveld dwelling. There are several recognised mountain-biking, walking, hiking and canoeing trails and a sky-diving club. The Cederberg Wilderness Area features the elephant's foot plant, the rare snow protea, and the best examples of San rock art in the Western Cape.

Visitors to **Clanwilliam** can visit the *rooibos* and *velskoen* factories and the grave of the well-known South African poet Louis Leipoldt. Various historical buildings can also be viewed. The Clanwilliam and

Bulshoek dams are popular among watersport enthusiasts.

At **Wupperthal**, at the foot of the Cederberg mountains, is the oldest Rhenish Mission Station. Proceeds from 4x4 trails in the area go to community coffers for new hiking trails and building more overnight huts and guest-houses.

Vredendal is the centre of the Lower Olifants River Valley. Major attractions include marble-processing and manufacturing, industrial mines (dolomite and limestone), the KWV Grape Juice Concentrate Plant and Distillery, and the South African Dried Fruit Co-op. The town is also home to the Vredendal Wine Cellar, the largest co-operative wine cellar under one roof in the southern hemisphere.

The picturesque town of **Doringbaai** with its attractive lighthouse is popular for its seafood.

Strandfontein, situated about 8 km north of Doring Bay, is essentially a holiday and retirement resort. It offers a breathtaking view of the ocean.

Klawer was named after the wild clover growing in the area. During the flower season, the area is a kaleidoscope of colour. There are hiking trails and river-rafting along the Doring River.

Lutzville and **Koekenaap** are synonymous with wine and flowers in season.

Visitors can also view the Sishen-Saldanha Railway Bridge. Where the railway line spans the Olifants River, it is divided into 23 sections, each 45 m long. The 14 100-ton deck was pushed into position over teflon sheets with hydraulic jacks from the bridgehead. It is the longest bridge in the world built using this method.

Vanrhynsdorp houses the largest succulent nursery in South Africa. The Latsky Radio Museum houses a collection of old valve radios, some dating back to 1924. Birdwatching, mountain-biking, day walks, and hiking and 4x4 trails abound. The Troe-Troe and Rietpoort mission stations are a must-see for historians.

Overberg

In the most southernly region of Africa, only one hour east of Cape Town, lies a fertile area surrounded by mountains and sea, called the Overberg.

The **Hangklip-Kleinmond** area comprises **Kleinmond, Betty's Bay, Pringle Bay** and **Rooiels**. It is a popular holiday region, ideal for whale watching, and includes the Kleinmond Coastal Nature Reserve and the Harold Porter Botanical Garden.

The Penguin Reserve at Stoney Point, **Betty's Bay**, is one of two breeding colonies of the jackass penguin on the African continent.

South Africa's first international biosphere reserve, the Kogelberg Biosphere Reserve, was proclaimed by the United Nations Educational, Scientific and Cultural Organisation in 1999. It runs along the coast from Gordon's Bay to the Bot River Vlei, stretching 2 km out to sea, and inland to the Groenlandberg, the mountains near Grabouw.

Hermanus is a popular holiday resort, famous for the best land-based whale watching in the world.

Stanford is one of the few villages in South Africa where the market square has been retained. The central core of the village has been proclaimed a national conservation area.

Gansbaai is known for its excellent rock and boat angling, diving, shark-cage diving and whale watching. The Danger Point Lighthouse, named as such because of the ships that have been wrecked and lives that have been lost on this dangerous coast, is open to the public.

De Kelders is the only freshwater cave on the African coast. Spectacular views of southern right whales can be enjoyed from the cliffs at De Kelders and along the coast to Pearly Beach. Also popular are white-shark tours, diving safaris and fishing trips.

Elim was founded by German missionaries in 1824, with its only inhabitants being members of the Moravian Church. Visitors are welcome to attend services. The Old Watermill (1833) has been restored and declared a national monument.

Popular sites in **Napier** include the Militaria Museum and Rose Boats and Toy Museum. The Shipwreck Museum in **Bredasdorp**, founded in 1975, specialises in shipwrecks found along the South African coastline.

De Mond Nature Reserve boasts rare bird species including the Damara tern and giant tern.

The Geelkop Nature Reserve derives its name from the mass of yellow flowering plants, particu-

larly leucadendrons, which cover the hill during spring.

The lighthouse at **L'Agulhas**, which forms part of the Agulhas National Park, is the country's second-oldest working lighthouse. It celebrated its 150th anniversary in 1999.

The Agulhas National Park is home to a rich and diverse plant population, which includes more than 110 *Red Data Book* species, including the endangered Cape platanna and microfrog, and rare coastal birds such as the African oystercatcher. The Darmara fern finds the area ideal for breeding.

At **Cape Agulhas**, the southernmost tip of the continent, the waters are cleaved into the Indian and Atlantic oceans.

Struisbaai has the longest white coastline in the southern hemisphere.

Arniston was named Waenhuiskrans by the local fishers in honour of the huge sea cave capable of housing several ox-wagons. For outsiders it was named after the Arniston, a ship wrecked here in 1815. The Waenhuiskrans Cave can be explored at low tide.

The De Hoop Nature Reserve on the way to Swellendam includes an internationally renowned wetland and bird sanctuary. It is a winter retreat for the southern right whale and the Western Cape's only Cape griffen vulture colony.

The red Bredasdorp lily and many species of protea and Erica are found in the Heuningberg Nature Reserve.

Swellendam is well-known for its youngberries and eclectic architecture. The Drostdy Museum consists of a group of buildings containing a huge selection of period furniture. The Bontebok National Park, about 7 km from Swellendam, provides sanctuary to, among others, the threatened bontebok.

Known for its world-class wine, **Barrydale** offers the visitor fruit and fresh air in abundance.

Situated on the N2, about 160 km from Cape Town, **Riviersonderend** offers beautiful mountain and river scenery, a nine-hole golf course and sightings of the blue crane.

Caledon is famous for its natural mineral waters, hot springs and wild-flower shows. Southern Associated Maltsters is the only malt producer for

the South African lager beer industry and the largest in the southern hemisphere.

Genadendal is the oldest Moravian village in Africa, with church buildings and a school dating back to 1738. The Genadendal Mission and Museum Complex documents the first mission station in South Africa.

The Theewaterskloof Dam outside **Villiersdorp** is the seventh-largest dam in the country. The Villiersdorp Wild Flower Garden and Nature Reserve boasts an indigenous herb garden and a reference library.

The **Grabouw/Elgin** district produces about 60% of South Africa's total apple exports. The Valley is also renowned for cultivating fresh chrysanthemums, roses and proteas. The Elgin Apple Museum is one of only two in the world. Sir Lowry's Pass offers spectacular views of False Bay from Gordon's Bay to Cape Point.

Northern Cape

Characterised by its vast expanses of space and silence, blazing summer sunshine and interesting and friendly people, the Northern Cape is a province rich with culture.

Diamond fields

The Big Hole in **Kimberley** is the largest hand-dug excavation in the world. The Kimberley Tram Service dates from the beginning of the century and still transports passengers from the City Hall to the Mine Museum.

Underground mine tours are a big attraction, as are the famous ghost tours, during which many historical buildings are seen from a different perspective. Hand and mechanical diamond-digging by private diggers can be viewed by appointment.

The McGregor Museum houses invaluable collections of the archaeological finds in the area, as well as San art works. The house where Sol Plaatje (African National Congress founding member and human-rights activist) lived in Kimberley, boasts a library of Plaatje's and other Black South African writers' works and several displays, including a portrayal of Black involvement in the Anglo-Boer/South African War.

A township tour to **Galeshewe** provides a fresh perspective on South Africa's socio-historical realities. Pan African Congress founder Robert Sobukwe's house is worth a visit.

The Magersfontein Battlefield outside Kimberley with its original trenches and other defences intact, is the site of the Boers' crushing defeat of the English during the siege of Kimberley.

A cultural centre at Wildebeestkuil outside Kimberley features !Xun and Khwe artwork for sale and a tour of rock engravings by these indigenous people.

A short distance from Kimberley is the mining town **Barkley West**, which, due to its proximity to the Vaal River, is a favourite spot for many water-sport enthusiasts and anglers.

Tucked along the Vaal River near Barkley West lies the Vaalbos National Park. The Park is not only home to large raptors, but is also a breeding centre for endangered African herbivores such as rhino, roan, sable and disease-free buffalo.

Kalahari

At **Black Rock**, visitors are afforded the opportunity to view a worked-out manganese mine.

Danielskuil lies at the foot of the Kuruman hills. The Tswana people occupied it before it became home to the Griquas. The Boesmansgat on the farm Mount Carmel outside Danielskuil is a unique natural sinkhole – the second-deepest and largest of its kind in the world.

Known as the 'Oasis of the Kalahari', **Kuruman** is blessed with a permanent and abundant source of water. Its water flows from Gasegonyana (Tswana for 'the little water calabash') – commonly called the 'Eye of Kuruman'.

Moffat's Mission in Kuruman is a tranquil place featuring the house of missionary Robert Moffat, the church he built, and several other buildings. Moffat translated the Bible into Setswana – the first African language in which the Bible was made accessible.

The printing press on which he printed the first 2 000 copies can still be viewed. The church seats 800 people and is still in use. David Livingstone married Moffat's daughter and started many famous travels from this mission station.

The Wonderwerk Cave at Kuruman features extensive San paintings that may be viewed by appointment.

The Kalahari Raptor Centre cares for injured birds and many of these majestic birds can be seen at close quarters. Another marvel is the Witsand Nature Reserve situated about 80 km south-west of **Postmasburg**, which features a 100-m high dune of brilliant white sand. It stretches for about 9 km and is about 2 km wide.

Green Kalahari

The roaring sands on the farm Doornaar near Groblershoop is an interesting site. These white dunes, surrounded by typically red Kalahari dunes, are said to 'roar' when the wind blows.

Eleven water wheels are still used today along the hand-built irrigation canals at **Kakamas**. The Orange River Wine Cellar Co-op Rockery Route runs between Keimoes and Kakamas.

Kanoneiland is a settlement on the biggest island in the Orange River.

At **Keimoes**, the Orange River flows at its widest. The Tierberg Nature Reserve offers spectacular views of the Keimoes Valley and the many islands in the Orange River. The original irrigation canal system is still in use. The Orange River Wine Cellar Co-op's largest cellar is situated here.

Kenhardt is the oldest town in the Lower Orange River area. The Quiver Tree Forest and Kokerboom Hiking Trail, consisting of between 4 000 and 5 000 quiver trees, is within easy driving distance of the town.

Upington is the commercial, educational and social centre of the Green Kalahari, owing its prosperity to agriculture and its irrigated lands along the Orange River. A camel-and-rider statue in front of the town's police station pays tribute to the 'mounties', who patrolled the harsh desert territory on camels.

The South African Dried Fruit Co-operative is the second-largest and one of the most modern of its kind in the world. Tours of the plant are offered and freshly packed dried fruit is sold.

The Orange River displays its impressive power at the Augrabies Falls, also known as the Place of

Great Noise. Visitors can hire canoes to ensure closer contact with the natural heritage surrounding the world's sixth-largest waterfall.

The Kgalagadi Transfrontier Park comprises half-a-million hectares of sparsely vegetated, red sand dunes and dry riverbeds within South Africa's borders. Straddling the Green Kalahari and Botswana, the Park is a two million ha sanctuary for antelope, gemsbok, springbok, blue wildebeest, red hartebeest, eland, the Kalahari lion, leopard, cheetah and smaller game, including mongoose, porcupine and honey badger.

Fifty-eight mammal, 55 reptile, countless insect and a host of plant species share the desert and dry savannah, while 260 species of bird, including at least 20 species of raptor, share the endless skies.

Namaqualand

The indigenous people of the Namaqualand are the Namas. They speak their own language and can still be found in the Richtersveld. Their traditional Nama reed huts still abound in **Leliefontein**, **Nourivier** and **Steinkopf**.

The Namaqualand annually puts on a spectacular show in spring. A floral splendour covers vast tracts of desert. The flowers sprout and survive for a brief period before they wilt and disappear just as suddenly in the face of blistering heat and dry conditions.

The small town of **Garies** is the centre for those setting out to enjoy spring's show of exuberance in the Kamiesberg.

After diamonds were discovered along the West Coast in 1925, **Alexander Bay** was known for its mining activities. The town is no longer a high-security area and no permits are needed to enter. The Alluvial Diamond Mine paints a picture of the history of the area. The town also features the world's largest desert lichenfield with some 26 species.

At **Hondeklip Bay**, visitors can dive for crayfish and watch the local fishermen conduct their trade.

Established as a small-vessel harbour and railway junction in 1954 for the copper-mining industry, **Port Nolloth** is a centre for the small-scale diamond recovery and crayfish industries. It is the only holiday resort on the Diamond Coast. Fish and crayfish can be bought from the local factory when in season.

Set in a narrow valley bisecting the granite domes of the Klein Koperberge lies **Springbok**.

South of Springbok, near Kamieskroon, lies the Skilpad Wild Flower Reserve, which captures the full grandeur of the flower season. The 1 000 ha Reserve operates only during the flower season.

The Goegap Nature Reserve comprises 15 004 ha of typically granite, rocky hills and sandy flats. The Reserve also offers a 4x4, and several hiking and mountain-biking trails.

The Namaqualand is also home to the world's largest mountain desert park, the Richtersveld National Park.

Upper (Bo-Karoo)

One of the Northern Cape's most beautiful towns, Colesberg, is flanked by the Towerberg.

The town features one of the country's last working horsemills. An Anglo-Boer/South African War Tour is also on offer. A weekend tour includes a visit to the Norvalspont prisoner-of-war camp and cemetery. Colesberg has bred many of the country's top merino sheep. It is also renowned for producing high-quality racehorses.

De Aar is the most important railway junction in South Africa. The author Olive Schreiner lived in the town for many years. Visitors can dine in her house, which has since been converted into a restaurant.

Hanover is known for its handmade shoes and articles, made mostly from sheepskin and leather.

The diamond, the Star of South Africa, was discovered at **Hopetown**. The town, which is steeped in history, also features an Old Toll House and Block House dating from the Anglo-Boer/South African War.

At **Wonderdraai** near **Prieska**, visitors can visit the horseshoe-shaped island formed by the flow of the Orange River. It seems as if the River turns to flow uphill.

Vanderkloof was built to house people building the Vanderkloof Dam. Today, it is a flourishing holiday resort. Visitors can enjoy waterskiing, boardsailing, boating and swimming, or visit the Eskom Hydroelectric Power Station situated within the Dam's wall.

Victoria West is home to the Apollo Theatre, South Africa's last operational art deco movie theatre from

the 1950s. The Theatre comes alive each September with the Apollo Film Festival.

The Victoria West Nature Reserve is the habitat of the rare riverine rabbit.

Hantam Karoo

Near the small town of **Brandvlei** lies Verneukpan, where Sir Malcolm Campbell unsuccessfully attempted to break the world land-speed record in 1929.

Carnarvon is well-known for its corbelled domed-roofed houses built of flat stones because of the lack of wood. The floors of these interesting houses were smeared and coloured with a rich red mixture of fat and oxblood, polished with smooth stone.

The mountain tortoises at the Carnarvon Nature Reserve each respond to their name and fetch a tit-bit from visitors when called.

A few kilometres outside **Fraserburg** lies the Gansfontein Palaeosurface. Discovered in 1968, it comprises several trackways of large, four-footed, five-toed mammalian reptiles. The prints are estimated to be some 190 million years old.

Sutherland, birthplace of well-known Afrikaans author and poet N.P. van Wyk Louw is known for its brilliant night skies and cold, biting winters.

The *sterboom* (star tree), which blossoms in September, is found only in Sutherland.

The Southern African Large Telescope at Sutherland will boast a science-education centre based in Sutherland and a visitor's centre adjacent to the Telescope sites on the mountainside. Observation telescopes will be availed to the public on open nights.

Free State

The Free State lies in the heart of South Africa with the Kingdom of **Lesotho** nestling in the hollow of its bean-like shape. Between the Vaal River in the north and the Orange River in the south, this immense rolling prairie stretches as far as the eye can see. This central region is characterised by endless rolling prairies of wheat, sunflower and maize fields, and forms the principle bread basket of South Africa.

Motheo

The *Eerste Raadsaal* (First Parliament Building) was built in 1849 as a school. It is **Bloemfontein's** oldest surviving building still in its original condition and is still in use as the seat of the Provincial Legislature.

The National Afrikaans Literary Museum and Research Centre has a repository of works by prominent Afrikaans authors. Exhibits in the Afrikaans Music Museum and the Theatre Museum (part of the Centre) include old musical instruments, sheet music, costumes, photographs and furniture.

The National Museum is notable for its wide collection of fossils, cultural-historical exhibits and archaeological displays, including the Florisbad skull, which was discovered in the 1930s at the Florisbad spring, about 50 km north of Bloemfontein.

The National Women's Memorial is a sandstone obelisk, 36,5 m high, which commemorates the women and children who died in concentration camps during the Anglo-Boer/South African War from 1899 to 1902. Visitors are afforded a glimpse into life in the concentration and prisoner-of-war camps. The research library contains an extensive collection of Africana.

The Old Presidency dates back to 1885 and was the official residence of three Presidents of the former Republic of the Orange Free State. It houses a museum depicting their respective terms of office, and a cultural centre for art exhibitions, theatrical productions and musical events.

With its King's Park Rose Garden containing more than 4 000 rose bushes, Bloemfontein has rightfully earned the nickname 'City of Roses'. Bloemfontein hosts an annual rose festival.

The Observatory Theatre in Bloemfontein's game reserve is a unique attraction.

Bloemfontein has a busy cultural and social events calendar. One of the annual events not to be missed is the Manguang African Cultural Festival, popularly known as the Macufe Arts Festival, in September.

The Sand du Plessis Theatre and Art Gallery at Oliewenhuis are also worth visiting.

Botshabelo (Place of Refuge) is 45 km from Bloemfontein on the N8 road to Lesotho, and is

believed to be the largest township settlement in the Free State – and the second-largest in South Africa after Soweto.

Nearby, the town of Thaba Nchu is the site for luxury hotels and a casino, with the Maria Moroka Nature Reserve surrounding Thaba Nchu Sun and the Setlogelo Dam.

Xhariep

Bethulie used to be a London Missionary Society station. The original mission buildings still stand.

The Pellissier House Museum depicts the history of events in the area.

The Gariep Dam, more than 100 km long and 15 km wide, is part of the Orange River Water Scheme, the largest inland expanse of water in South Africa.

Situated between the Dam and Bethulie lies the Gariep Dam Nature Reserve. On the southern side of the Dam lies the Oviston Nature Reserve.

Philippolis, the oldest town in the Free State, was founded as a London Missionary Society station in 1824 and was the first mission station in the province.

Trompsburg is the hub of the Free State Merino sheep-farming industry.

The Tussen-die-Riviere Nature Reserve reputedly supports more game than any other sanctuary in the Free State. It is reserved for hunters in autumn and winter.

A fountain near **Koffiefontein** was a favourite outspan for transport riders in the 19th century. In June 1870, one of these transport riders picked up a diamond near the fountain. This prompted the usual diamond rush and by 1882 Koffiefontein was a booming town with four mining companies.

Thabo Mofutsanyana

With its beautiful snow-capped mountains providing a backdrop to numerous romantic hide-aways, this untouched, pristine area with its breathtaking scenery possesses a grandeur of majestic proportion.

The Basotho Cultural Village in the QwaQwa National Park is a living museum where visitors can witness the Sotho traditions and lifestyle in the chief's kraal.

Clocolan is known for its cherry trees, with its blossoms providing a spectacular sight in spring. San rock paintings and engravings are found in the area.

Clarens is often described as The Jewel of the Free State, owing to the spectacular scenery. San paintings are found on farms in the area. Close by, the Highlands Route meanders along the foothills of the Maluti mountains. One can also explore the magnificent mountain scenery by bike.

Ficksburg is known for its cherry and asparagus farms. A cherry festival is held annually in November. The town is a gateway to the Mountain Kingdom of Lesotho.

The Golden Gate Highlands National Park is known for its beautiful scenery and is a very popular holiday destination. A vulture restaurant enables visitors to observe these scavengers closely. San paintings can also be viewed.

The Highlands Route follows the Lesotho border via **Ladybrand** and ends at **Zastron** in the south. San caves and rock art are some of the main features of the Route.

The birdwatching mecca of Seekoeivlei Nature Reserve near **Memel** constitutes a wetland with Ramsar status, and is surrounded with private game and holiday farms.

Lejweleputswa region

Bethlehem lies on the banks of the Jordaan River and was founded by the Voortrekkers during the 1840s. The museum in Miller Street depicts the history of the area. The banks of the Jordaan River form part of the Pretoriuskloof Nature Reserve – a sanctuary for birds and small game.

Van Reenen's Pass winds through the Drakensberg, and was originally used by migrating herds of zebra, hartebeest, blesbok and wildebeest. The Llandaff Oratory in the nearby village of **Van Reenen** is believed to be the smallest Roman Catholic Church in the world.

At **Harrismith**, there are various memorials in honour of those who fought in the Anglo-Boer/South African War and World War I. Of particular interest is a memorial for the Scots Guards and Grenadier Guards. Platberg, the 2 394 m 'flat mountain', is the

town's landmark. A well-known race, claimed by some to be the toughest in the country, is run annually up, along and back down the mountain. Sterkfontein Dam is ideal for water sports and fishing.

The Riemland Museum in **Heilbron** depicts the heritage and agricultural activities of the region.

The QwaQwa district is a traditional home to the Basotho people. Karakul carpets, mohair, wall hangings, copper, glassware and brass are made and sold at **Phuthaditjhaba**. The Metsi Matsho and Fika Patso dams are renowned for trout fishing.

Welkom is known for its gold mines. It is also the only city in the country that makes use of traffic circles instead of traffic lights.

The world's deepest wine cellar is at the St Helena Mine which is 857 m below the Earth's surface.

Bothaville is regarded as the centre of the Free State Maize Route. The NAMPO Harvest Farm and Festival attracts more than 20 000 visitors each year and is the second-largest private agricultural show centre in the world. Bothaville is also the host of the annual Food and *Witblits* Festival, drawing visitors from all over South Africa.

Winburg is the oldest town and first capital of the former Republic of the Orange Free State. The Voortrekker Museum, using life-size models, depicts the daily routine of the *trekkers*. A concentration camp cemetery is situated close by.

Sasolburg originated in 1954 with the establishment of Sasol, the synthetic fuel producer.

Parys is a popular holiday destination.

Eastern Cape

The main feature of the Eastern Cape is its astonishing coastline. With its wide open sandy beaches, secluded lagoons and towering cliffs, the Indian Ocean coastline provides the province with a rich natural tourist attraction, which is also a paradise for watersports enthusiasts.

Added to the diverse coastal experiences are more than 60 State-owned game reserves and more than 30 private game farms, which collectively cover an area greater than the Kruger National Park.

Amatole Mountain region

The Amatola mountains are famous for their scenery and history, and stretch from **Adelaide** in the east to **Stutterheim** in the west. With its lush forests and ancient battlefields, it is an area steeped in Xhosa culture and early settler history.

The thick forests of the Amatas are a haven for the endangered Cape parrot, and the first dinosaur to be identified in South Africa, 'The Blinkwater Monster' was discovered near **Fort Beaufort**.

Outdoor enthusiasts enjoy **Cathcart**, where trout-fishing, hiking, riding and birdwatching are among the attractions.

The Amatole Hiking Trail is a well-known scenic but strenuous trail.

The coastal city of **Port Elizabeth**, which has earned the name of 'Friendly City', is a superb holiday destination, offering a diverse mix of eco-attractions. The Isuzu National Sailing Week is held annually in April in the waters of Algoa Bay.

There are various scuba-diving sites. Visitors can visit Bay World with its oceanarium and snake park, and many splendid museums. Other attractions include national parks and game reserves; the traditional healing village, Kaya Lendaba; birdwatching; air tours; canoeing; various mountain-bike and horse-riding trails; and organised outdoor excursions.

Tourists can also go on the Donkin Heritage Trail, take a ride on the famous Apple Express and go hiking along the site of ancient shipwrecks along the Sacramento Trail.

Wild Coast

Since Portuguese mariners first pioneered the sea route around the Cape to India, this notorious coast has claimed countless ships.

Southern right and humpback whales and their calves are regularly spotted from the high dunes, usually between May and November, while common and bottlenose dolphins are often seen close to shore.

The whole region, once known as the Transkei homeland, is the home of a major section of the Xhosa-speaking southern Nguni (or Pondo) tribes. Brightly coloured examples of their beadwork, together with traditional pottery and basketry can be

bought from roadside vendors and at some trading posts.

Visitors to the rural village of Qunu can see the childhood home of former President Mandela, while in the city of Umtata, the Nelson Mandela Museum tells the story of this great figure.

Coffee Bay is popular among surfers, anglers and shell collectors. The new alignment of the N2 national route along the Wild Coast, and the establishment of the Pondoland National Park will open up investment opportunities.

Near **Coffee Bay** to the south, is the prominent rock formation, called the Hole in the Wall.

The local Xhosa call this place *Izi Kheleni*, which means 'Place of The Thunder'. During high tide, the waves move through the hole in such a way that the concussion can be heard throughout the valley.

Karoo

The vast plains of the Karoo have an air of grandeur and its many picturesque towns are steeped in history.

The Owl House in **Nieu-Bethesda** displays the creative talent of the late Helen Martins. Statues of mermaids, wise men, camels and churches create a wonderland in the garden. Everything in it was built with broken bottles, bits of mirror and cement.

More than 200 houses in **Graaff-Reinet** have been restored to their original Victorian appearance, and proclaimed national monuments. The Old Library Museum houses the Lex Bremner Fossil Collection of Karoo reptile fossils and a collection of Khoi and San art reproductions. Urquhart House has a popular genealogical research centre.

Some 30 km south-west of Graaff-Reinet is the Kalkkop Crater, a gigantic circular impact. Kalkkop is of major scientific importance and is the third crater to be recognised in southern Africa.

To the north-west of Graaff-Reinet lies the Valley of Desolation. A steep and narrow road leads into the mountains that surround the Valley.

The Valley of Desolation is a national monument within the Karoo Nature Reserve, and was formed millions of years ago by weathering erosion.

The first evidence of the presence of dinosaurs in South African can be viewed at **Maclear**.

The Mountain Zebra National Park is a haven for the Cape mountain zebra species which at one time inhabited most of the Cape.

The Park saved these animals from extinction and today their population stands at about 350.

Other species found in the Park include antelope, eland, African wildcat, bat eared wolf, and more than 200 bird species such as the pale-winged starling, booted eagle and the blue crane.

The N6 Route

The Route runs from Bloemfontein to East London. Popular attractions include the slopes of the Tiffindell Ski Resort and the streams filled with trout, as well as the many caves adorned with ancient rock art.

Several historic towns can be found in the region, including **Barkly East, Rhodes, Lady Grey, Elliot, Aliwal North, Burgersdorp** and **Queenstown**.

Sunshine Coast

The Sunshine Coast comprises miles of unspoilt sun-drenched beaches.

Port Alfred lies at the mouth of the Kowie River. Coastal hills are home to the Oribi – a small territorial buck that was recently near extinction.

Inland, **Grahamstown** is sometimes referred to as the City of Saints, because of the more than 40 churches found in the town. The National Arts Festival is held annually. Every year during this time, Grahamstown is transformed into a dedicated arts venue where performers, visual artists, audiences, writers and craftspeople fuse in a celebration of creative energy.

Other attractions include various museums and historical buildings, the oldest post-box in South Africa, botanical gardens, the cathedrals of St Michael and St George, nature reserves and hiking trails.

Situated north-east of Grahamstown, the Great Fish River Reserve consists primarily of valley bushveld habitat and is surrounded by both tribal land and commercial game reserves and farms.

The Reserve boasts abundant wildlife such as white rhino, giraffe, waterbuck, Cape buffalo, hippo, kudu, springbok and eland.

There are several historic forts and remains from the legendary frontier wars located in the area.

East London, South Africa's only river port city, was originally established as a supply port to serve the military headquarters at King William's Town. The city's own waterfront development, Latimer's Landing, is situated on the banks of the Buffalo River. The East London Aquarium houses approximately 400 different species of marine and freshwater animals.

The East London Museum depicts the natural environment and rich heritage of the region. Best known for the prehistoric coelacanth, the Museum also displays reconstructions of the extinct dodo of Mauritius, along with the only extant dodo egg in the world.

The Greater Addo Elephant National Park nurtures some 400 elephants; one of the largest concentrations of elephant to be found in the world. Plans are underway to expand the Park to incorporate a marine reserve from the Sunday River Mouth to Cape Pardone, including off-shore islands. It will feature the Big Five as well as southern right whales and great white sharks.

The Baviaanskloof Wilderness Area is the largest of the inland protected areas and provides opportunities to visit spectacular *fynbos*-covered mountains on foot or in off-road vehicles.

Tsitsikamma

This region, stretching from **Plettenberg Bay** to **Jeffreys Bay**, is renowned for its dense forests, majestic mountains and deep river gorges. It forms the eastern end of the Garden Route.

The word *tsitsikamma* is derived from the Hottentot words *tse-tsesa* meaning clear and *gami* meaning water.

South Africa's first marine park, the Tsitsikamma National Park, extends along a rocky coastline of 50 km, and 3 km out to sea.

Inland, adventure seekers will find deep gorges and temperate evergreen forests criss-crossed by six hiking trails, including the five-day Otter Trail. The varied wildlife includes dolphins and whales, caracal, genet, chacma baboon, dassie and mon-goose.

Another popular adventure is a black-water tubing experience on the Storms River.

Prominent bird species in the area are the African black oystercatcher, the orange-breasted sunbird, the Nerina trogon and the colourful Knysna loerie. A lucky few may catch a glimpse of the rare Cape clawless otter, after which the Otter Trail is named.

Limpopo

The Limpopo is a land of dramatic contrasts characterised by hot savanna plains and mist-clad mountains, age-old indigenous forests and cycads alongside latter-day plantations, ancient mountain fortresses and the luxury of contemporary infrastructure and modern-day facilities.

Steeped in history, the Limpopo celebrates a rich cultural heritage and at many archaeological sites the mysteries of the past and ancient peoples are still being unearthed. The present tranquillity of the province belies a turbulent past, to which many monuments and museums attest.

Much of the land, particularly in the Kruger National Park and other game and nature reserves is unspoilt, providing sanctuary to large numbers of game.

Waterberg

The Nylsvley Nature Reserve boasts one of the greatest concentrations of waterfowl and bushveld birds in South Africa. More than 400 species frequent the area.

The **Mokopane** vicinity has several nature reserves. The Arend Dieperink Museum has a fine cultural-historical collection and the Makapan Caves are notable for their fossils. The Caves are being developed into an archaeological site.

The Makapansgat Caves and limeworks near Mokopane represent an archaeological site of global importance.

The **Thabazimbi** district has a large concentration of private game reserves and is one of the fastest-growing ecotourism areas in the country. The Marakele National Park is home to some rare yellowwood and cedar trees and the world's largest colony of Cape vultures. It is a leader in the conservation of the black rhino outside of the Kruger

National Park and the KwaZulu-Natal parks.

Bela-Bela is known for its hot springs. There are a number of game reserves and leisure resorts in the area.

The Waterberg Range is rich in indigenous trees, streams, springs, wetlands and bird life. Cliffs known as the Palace of the Vultures harbour a large breeding colony of Cape vultures. **Modimolle** is the main town in this region.

Capricorn district

The Bakone Malapa Open-Air Museum outside **Polokwane** is a traditional Northern Sotho kraal. Men and women practise traditional skills such as making baskets, clay pots, furniture and utensils, and preparing hides.

Zion City at Moria near Polokwane is the headquarters of the Zion Christian Church, which attracts more than a million pilgrims every Easter.

Polokwane itself hosts a great variety of museums and art galleries.

Vhembe district

The Mapungubwe Archaeological Site, situated 80 km west of **Musina**, lies within the boundaries of the Mapungubwe National Park, (formerly known as Vhembe/Dongola National Park). It is one of the richest of its kind in Africa and is a World Heritage Site. Excavations in the 1930s uncovered a royal graveyard, which included a number of golden artefacts.

The Schoemansdal Voortrekker Town and Museum, west of **Makhado** (formerly known as Louis Trichardt), is built on the site of an original *Voortrekker* village and depicts their lifestyle between 1848 and 1852.

Also worth visiting is the Big Tree in the Mutale Municipality, which is the largest known baobab in southern Africa; the Tshatshingo potholes; the mystical lake of Dzivhafundudzi; and the holy forest and waterfalls at Phiphidi.

Mopani district

The Modjadji Nature Reserve, north of **Tzaneen**, is named after the legendary Rain Queen, Modjadji, who is believed to have settled in the area early in the 16th century. The Reserve encompasses the

world's largest concentration of the cycad species *Encephalartos transvenosus*, also known as the Modjadji palm.

The Hans Merensky Nature Reserve and Mineral Spa on the southern banks of the Great Letaba River supports a large variety of game.

At the Tsonga Kraal Open-Air Museum, arts, crafts and traditional huts reflect the Tsonga lifestyle of 100 years ago.

The Kruger National Park (northern section) is one of South Africa's biggest tourist attractions. The Park is home to a huge number and wide variety of amphibians, reptiles and birds, and 147 mammal species, including the Big Five.

Thulamela, in the northern part of the Kruger National Park, was opened to guided groups in June 1997. This followed seven years of archaeological excavations, which brought to light the skeletons of two ancient royals and a multitude of artefacts, including gold bangles, beads and a double gong.

Bohlabela district

On the way to the Kruger National Park, visitors can enjoy the wildlife experiences at **Manyeleti**, the home of the Big Five. Adventurers can try out mountain-climbing at the Mangwazi Nature Reserve and enjoy the hiking trail at the Mapulaneng Trail at Zoeknag.

The Inyaka Dam at **Bushbuckridge** is also worth a visit.

North West

The North West is blessed with several cultural villages that entertain and enrich.

A number of excellent game reserves have been established including the Pilanesberg National Park, known as the Jewel of the North West. It is set in a crater on an extinct volcano and is home to the Big Five.

Central district

The Historic Route of **Mafikeng** includes an Anglo-Boer/South African War siege site, the Molema House where Sol Plaatje lived while writing his *Mafikeng Diary*, and the Mafikeng Museum.

The Lichtenburg Game Breeding Centre and the Botsalano Game Reserve are well worth a visit.

The Groot Marico region is known as *mampoe* country and visitors can embark on a *mampoe* and tobacco route. The Kortkloof Cultural Village is dedicated to the Tswana people.

Other attractions include the Wondergat, the Bosbult Monument which commemorates a battle during the Anglo-Boer/South African War, the Kaditshwene Iron Age Village Ruins, and various hiking trails.

Eastern district

The Hartbeespoort Dam is a popular spot for week-end outings, breakfast runs and yachting. The Hartbeespoort Reptile and Animal Park is situated on the banks of the Dam.

Cultural experiences in the area include the popular Mapoch and Gaabo Motho cultural villages as well as the Ring Wagon Inn.

The De Wildt Cheetah Breeding and Research Centre specialises in the breeding of cheetah and other endangered wildlife species. Other places of interests include the Borakalalo Game Reserve, the Margaret Roberts Herb Farm and the Phaladingwe Nature Trail.

The Vredefort Dome is a crater, 40 km across, caused by the collision of a meteorite with the Earth many years ago. It features unique fauna and flora. A variety of hiking and mountain-bike trails are on offer.

Bophirima district

The Taung Skull Site and the Blue Pools are renowned for the Taung skull found in the Buxton quarries. This region is popular with adventure-seekers – especially the 4x4 routes and hunting farms.

Rustenburg district

The Pilanesberg National Park supports more than 7 000 head of game, and 350 bird species.

The Madikwe Game Reserve is home to a big game-relocation programme. Over 10 000 animals of 27 major species have been reintroduced under Operation Phoenix. A hot-air balloon ride, day and night game drives, and bushwalks are available. Sun City and the Palace of the Lost City are very

popular tourist attractions offering gambling, golf, extravaganza shows, watersport and an artificial sea.

There are various hiking trails in the region. The Heritage Route starts at the Sterkfontein Caves World Heritage Site and ends at Pilanesberg.

Southern district

The OPM Prozesky Bird Sanctuary in **Potchefstroom** has over 200 bird species and is situated adjacent to the Mooi River. The Oudorp Hiking Trail takes visitors through the old part of **Klerksdorp** where 12 *Voortrekker* families settled.

Other attractions in the region include the Potchefstroom Lakeside Resort, the Faan Meintjies Nature Reserve in Klerksdorp, mine tours at **Orkney**, the Diggers Route at **Wolmaransstad** and the Bloemhof Dam Nature Reserve.

Mpumalanga

Mpumalanga – ‘The Place Where The Sun Rises’ – epitomises every traveller’s dream of the true African experience. Located in the north-eastern part of South Africa, the province is bordered by Mozambique to the east and the Kingdom of Swaziland to the south and east.

The climate and topography vary from cool highland grasslands at 1 600 m above sea level, through the middleveld and Escarpment, to the subtropical Lowveld towards the Kruger National Park and many private game reserves. Scenic beauty, climate and wildlife, voted the most attractive features of South Africa, are found in abundance in the province.

Attractions range from game viewing and bird watching to scenic drives across the valleys and peaks of the vast Drakensberg Escarpment, and include agritourism, industrial and adventure tourism and cultural experiences. Historical sites and villages, old wagon routes and monuments mark events and characters who passed this way in search of adventure and wealth.

The cultural heritage of the province is varied and exciting. The Ndebele beadwork and house-painting in the north-west, the arts and crafts of the Lowveld and the different traditional villages all over the province offer a unique insight into the history of the people.

Nelspruit

Nelspruit is the capital of Mpumalanga and the commercial and administrative hub of the Lowveld. The Nelspruit Historical Trail is an hour-long route stretching from the Promenade Centre to the Civic Centre.

The Blue Train runs between Pretoria and Nelspruit from May to September on a trip called the Lowveld Experience. Rovos Rail’s trains also visit Nelspruit.

The Green Heritage Hiking Trail in the Nelspruit Nature Reserve is one of several walks in the Reserve and one of many in the region.

Not to be missed is the Lowveld Botanical Garden, as well as the Reptile Park, the Sudwala Caves, PR Owen Dinosaur Park, and the artists’ village of **White River**.

Panorama

Barberton features many reminders of the early gold-rush era. Museums include Belhaven, Fernlea House and Stopforth House. The only known verdite deposits in the world are found in the rocks of the Barberton district. An annual Diggers Festival is held in September.

The Blyderivierspoort Nature Reserve near **Graskop** is characterised by striking rock formations and a rich diversity of plants. Within the Reserve, the Bourke’s Luck Potholes were formed by river erosion and the action of flood water.

The spectacular Blyde River Canyon is a 26 km-long gorge carved out of the face of the Escarpment, and is one of the natural wonders of Africa. The Canyon is the third-largest in the world but the only green canyon, and hosts three rivers which feed the Blydepoort Dam at **Swadini**. God’s Window provides a magnificent view of miles of thickly forested mountains, the green Lowveld and the Canyon. The Blyderivierspoort Hiking Trail is one of the most popular in the country. A number of other hiking trails are also available.

The southern section of the Kruger National Park, which is a major tourist attraction, falls within this region.

Kaapsehoop is a quaint historical village known for the wild horses that frequent the district. Blue

swallows are regular visitors from September to April.

The **Lydenburg** Museum is situated in the Gustav Klingbiel Reserve, which is the site of archaeological ruins from the Later Iron Age. The Lydenburg Heads were discovered in this area.

Sabie is the centre of the largest man-made forest in South Africa.

The Cultural Historical Forestry Museum depicts various aspects of the country's forestry industry. The Bridal Veil, Horseshoe and Lone Creek waterfalls just outside **Sabie** are worth a visit.

The Mac Mac Pools and Falls outside Sabie are also worth a visit. The 69 km Prospector's Trail starts at the Mac Mac Forest Station and leads to Bourke's Luck Potholes.

At the Montrose Falls in **Schoemanskloof**, the Crocodile River cascades 12 m into a series of rock pools. It is also the starting point of the annual Lowveld Crocodile Canoe Marathon, held in February.

Pilgrim's Rest is a living museum and a replica of the early gold-mining town. The Alanglade House Museum offers guided tours of the former mine-manager's house, while the Diggings Museum just outside the town arranges guided tours of gold-panning activities. This area was the setting for *Jack of the Bushveld*, the novel by Sir Percy Fitzpatrick about the experiences of a man and his dog as they share adventures in the world of African gold-mining. The Dredzen Shop Museum consists of a store stocked with a range of items in use nearly a century ago. The Pilgrim's Rest Festival is held annually in December.

Mount Sheba Nature Reserve, south of Pilgrim's Rest, is best known for its indigenous forest – one of few left in the region.

Highlands Meander

The Highlands Meander is a mecca for fly-fishers. It is in the placid and pristine waters of this region that one can find various stocks of fish, with trout as the major drawcard. The Meander offers a myriad of activities.

At the Verloren Vlei and Steenkampsberg nature reserves (**Dullstroom**), one can get a rare glimpse

of the three endangered crane species (the blue, wattled and crowned cranes).

The Loskop Dam Nature Reserve offers game watching, boating and fishing.

A large number of hiking trails are available, such as the Elandskrans Trail, which includes a 30-minute train ride between **Waterval-Boven** and **Waterval-Onder**.

Cultural Heartland

It is in this Cultural Heartland that one can immerse oneself in the true cultural heritage of Mpumalanga. Here, one can learn about the proud and welcoming amaNdebele people, revered for the striking geometric patterns on their houses and clothing.

This region also has illuminating historical sites like Botshabelo Historical Village.

Cosmos Country

Cosmos Country covers parts of what is known as the energy belt of Mpumalanga, which is home to a number of power stations. This region also boasts the world's largest underground coal-mining complex and the Sasol plant renowned for its technology of extracting oil from coal.

The carpet of cosmos flowers that blossoms in late summer lures visitors to this region.

Wild Frontier

Various archaeological discoveries dating back almost three billion years ago were made in the imposing mountains of this region.

Visitors to this region have a rare glimpse of the inimitable San paintings embossed in some rocks.

The region also holds rich historical sentiments centered around the monument of Samora Machel constructed in the village of **Mbuzini**. Due to the location of this region, visitors have the opportunity to visit Swaziland and Mozambique in a short space of time.

Grass and Wetlands

Grass and Wetlands is indeed a paradise, with a variety of bird species to see. This region stretches across the deep valleys and mountains of the east where thermal springs bubble to the surface.

There are 270 pans and lakes within a 20 km radius of Lake Chrissie. In this region, visitors can take part in the unusual 'frogging expedition' or simply gaze at the stars during 'star-gazing weekends'.

Gauteng

Gauteng, the 'Place of Gold', is the economic powerhouse of South Africa. It is characterised by a cosmopolitan, multicultural mix of people from all walks of life. The province's unique cultural and social legacy is evident by the many excellent museums, theatres, cultural precincts and craft markets.

The Vaal Dam, which supplies water to most of Gauteng's residents, covers some 300 km² and is a popular venue for watersport. Numerous resorts line the shore. The Dam also attracts a great diversity of birds.

Vanderbijlpark was built during the late 1940s by the Iron and Steel Corporation to accommodate its employees.

The Sterkfontein Caves near **Krugersdorp** are the site of the discovery of the skull of the famous Mrs Ples (now believed to be Mr Ples), an estimated 2,5 million-year-old hominid fossil, and Little Foot, an almost complete hominid skeleton some 3,3 million years old.

The Caves comprise a series of caverns with many stalactites and stalagmites and a huge underground lake. Guided tours are available. The Wonder Cave, about two billion years old, is one of South Africa's most impressive natural assets. In 1999, Sterkfontein and its environs were declared a World Heritage Site.

The Krugersdorp Game Reserve provides sanctuary for several game species, including four of the Big Five. The African Fauna and Bird Park houses various species of wildlife and birds.

The South African National Railway and Steam Museum at Randfontein Estates Gold Mine outside Krugersdorp houses some of the country's old steam locomotives, a diesel-electric locomotive, and more than 50 vintage passenger coaches. Train rides are offered once a month.

A team of Lippizaner stallions performs every Sunday at the South African National Horsemanship Centre, in **Kyalami**, near Johannesburg.

Visitors to **Roodepoort** can go on walks and trails through the Kloofendal Nature Reserve, or enjoy a picnic or show at the popular Kloofendal Amphi-theatre. The Walter Sisulu National Botanical Garden (formerly known as the Witwatersrand National Botanical Garden) boasts a 70 m-high waterfall.

Forty kilometres north of Pretoria lies a ring of hills a kilometre in diameter and 100 m high. These hills are the walls of an impact crater left by an asteroid that hit there some 200 000 years ago. The Tswaing Meteorite Crater is similar in size to the well-known Barringer meteor crater in Arizona, USA. The Crater walls at Tswaing were originally about twice as high as they are today.

There is a museum adjacent to the Crater. A path leads from the museum to the Crater, along the rim, and down to the central lake. The Crater is covered with indigenous trees and bushes and attracts a variety of bird life.

The old mining town of **Cullinan** developed around the Premier Diamond Mine and many turn-of-the-century houses still stand. The Mine has produced some of the world's most famous diamonds, including the Cullinan, the world's largest at 3 106 carats.

Johannesburg

The Adler Museum of the History of Medicine depicts the history of medicine, dentistry and pharmacy in South Africa. The Pharmacy Museum in Melrose houses a large variety of medicines, including more than 670 traditional medicines that have been collected throughout southern Africa.

There is also a display of old prescription books and dictionaries used by pharmacists.

The Nelson Mandela Bridge is a landmark gateway into Newtown, also known as the arts precinct of Johannesburg. The 295 m-long, cable-stayed bridge can accommodate over 3 000 vehicles per hour.

Museum Africa in Newtown tells the story of life in South Africa from the Stone Age to the Nuclear Age and beyond. The Museum is located in the old fruit-and-vegetable building next to the Market Theatre.

The Market Theatre Complex comprises three theatres, an art gallery, restaurants and pubs.

A bronze statue of the resistance activist, Mahatma Gandhi, can be seen in the city centre.

Lesedi Cultural Village in the Swartkops Hills north of Johannesburg gives visitors the opportunity to meet families of different tribes. Visitors can spend the night with a family of their choice.

The Phumanegna Zulu Kraal is home to traditional Zulu people living and working there.

The Melville Koppies in Johannesburg was once the site of a Stone Age African village and iron-smelting works. Flora includes 80% of the species recorded on the Witwatersrand. It is open to the public from September to April.

Gold Reef City is a reconstruction of Johannesburg during the gold-rush era.

The Apartheid Museum near Gold Reef City tells the story of the legacy of Apartheid through exhibitions consisting of film footage, photographs, text panels and artefacts.

Constitution Hill opened to the public in March 2004. It features the impressive building housing South Africa's Constitutional Court, and offers visitors the chance to view the Fort, the so-called Native Gaol, the Women's Gaol and the Awaiting Trial Block. Inmates imprisoned at these facilities included Mahatma Gandhi, Albert Luthuli, as well as the only woman to be executed in South Africa's history, Daisy de Melker.

At Santarama Miniland and Entertainment World visitors can explore models of South Africa's most popular beacons, such as Robben Island, Johannesburg International Airport, East London Harbour, the

Castle of Good Hope in Cape Town, and the Union Buildings in Pretoria.

The South African Museum of Military History houses an impressive collection of weaponry and uniforms from the two world wars. The South African Transport Museum (**Heidelberg**) relates to all aspects of South Africa's transport services.

A large, well-established park surrounds Zoo Lake, which is frequented by breeding bird colonies. Other attractions include jazz concerts, rowing boats for hire, a tea garden and a restaurant.

Soweto is a popular tourist destination. It is estimated that some 1 000 foreign tourists visit Soweto every day.

The two-bedroom house where former President Mandela lived before his incarceration has been declared a national monument and converted into a museum.

The Walter Sisulu Square in Kliptown (Soweto) is the place where the Freedom Charter was signed.

No tour of Soweto would be complete without a visit to the Hector Petersen Museum, which commemorates the people who died following the student uprising of 16 June 1976. The Museum was named after the young boy, who was the first person to be shot dead by police on that day.

Guest-houses and bed-and-breakfast establishments are a fast-growing phenomenon in Soweto.

Ms Neo Mamashela and Ms Ellen Mabiletsa are two Soweto residents who are reaping the rewards and gaining recognition for successfully converting their living space into guest-houses.

They were announced the winners of the 2004 Automobile Association Travel Guide Awards for Best Traditional Township Accommodation and Best Modern Township Accommodation respectively.

Pretoria

Many historical buildings can be seen in the city, which is known for its jacaranda trees.

Church Square is centred around a statue of Paul Kruger, President of the former *Zuid-Afrikaansche Republiek*, and includes buildings such as the *Old Raadsaal* and the Palace of Justice.

The Kruger House Museum contains the personal belongings of President Kruger. Melrose House is a



The Gauteng Tourism Authority launched the first-ever guide for mobility-impaired travellers in April 2004.

It is published by the Automobile Association Travel Guides in conjunction with Bophelo Tours and Safaris.

The full-colour, 40-page *Gauteng Access Guide* lists 96 accommodation establishments in Gauteng that cater for wheelchair travellers.

The Guide uses a standard set of symbols indicating which facilities are available at every establishment.

beautiful example of Victorian architecture. The Peace Treaty of Vereeniging, which ended the Anglo-Boer/South African War, was signed here in 1902.

Demonstrations at the Pioneer Open-Air Museum include milking cows, making butter and candles, baking bread and grinding coffee beans.

Other museums include the Police Museum, the Science and Technology Museum, the Coert Steynberg Museum and the Transvaal Museum of Natural History.

The Voortrekker Monument also houses a museum and commemorates the Great Trek. Some 260 steps lead to the dome, where spectacular views of the city can be enjoyed.

Fort Schanskop has been refurbished and boasts a 375-seat amphitheatre.

The Union Buildings were designed by Sir Herbert Baker and completed in 1913. They were the setting for the presidential inauguration of Nelson Mandela in 1994, and those of Thabo Mbeki on 16 June 1999 and 27 April 2004.

The Sammy Marks Museum just outside Pretoria dates from 1885. Rooms in the house are filled with Victorian paintings, furniture, silver and porcelain. There is a tea garden and restaurant on the premises.

The General Smuts House Museum in Irene, south-east of Pretoria, contains the original furnishings of the Smuts family. A popular arts and craft market is held here on certain Saturdays.

The Rietvlei Nature Reserve is notable for its 73 grass types, 147 different herbs, a large number of game and over 140 bird species.

The Mapoch Ndebele Village, north of Pretoria, is being restored by its residents and the National Cultural History Museum. To develop the project into a viable, living tourist village, the 50 families staying there have undergone tourist-guide and business training. It is the first living cultural village in South Africa owned and managed by its residents.

In September 2000, the Department of Environmental Affairs and Tourism, together with the Mamelodi Heritage Forum, launched the Mamelodi Heritage Route.

The Willem Prinsloo Agricultural Museum outside Pretoria centres around a farmstead dating from

1880. Traditional farming activities are demonstrated, and annual events include a prickly-pear festival, a *mampoer* festival and the Agricultural Museum Show.

KwaZulu-Natal

Also known as the Zulu Kingdom, KwaZulu-Natal is a many-splendoured interaction of natural wonders, ultra-modern facilities, fascinating cultural imprints and reminders of a dynamic history in a breathtakingly beautiful and varied setting.

Durban and surroundings

Tourist Junction, in Durban's historical station building, provides access to tourist information and accommodation bookings for Ezemvelo KwaZulu-Natal Wildlife and South African National Parks.

The Golden Mile skirts the main beaches of the Indian Ocean. Attractions include an amusement centre, paddling pools, paved walkways and fountains.

The uShaka Island marine theme park, oceanarium, dolphinarium and oceanographic research institute on Durban's Point opened in May 2004. This is the new home of a wide variety of sea life, including sharks, dolphins and seals.

There is a snorkelling trail and a tubing river around the park.

At the wide Umgeni River mouth, Blue Lagoon Beach is Durban's most popular fishing spot while beyond the River, the La Lucia and Beachwood Mangroves nature reserves offer long, tranquil walks along empty sands.

The Durban area has more than 50 reserves, developed parks and specialised gardens, the most renowned being the Municipal Botanical Garden.

The Fitzsimons Snake Park offers lectures and venom-milking demonstrations.

MiniTown is a model city depicting Durban's best-known buildings.

Museums include the Natural History Museum, the Natural Science Museum, the Old House Museum and the Old Fort.

The Shree Ambalavaanar Alayam Temple (The Second River Temple) in **Cato Manor** was the first Hindu temple on the African continent. It is a national monument.

The Juma Musjid Mosque is the largest mosque in the southern hemisphere. Daily tours are available.

Annual events in and around the city include the popular Comrades Marathon between Durban and Pietermaritzburg, an international surfing competition, the Duzi canoe marathon, the Midmar Mile swimming event, and the July Handicap horse-race.

Umhlanga Rocks, just north of Durban, is notable for its ski-boating facilities. The annual Ski Boat Festival takes place in April. The Natal Sharks Board offers shark dissections and interesting displays. Guided tours of the Hawaan Forest are on offer. Hawaan is the last relic of coastal forest in the region and contains rare indigenous trees.

The Umgeni River Bird Park overlooks the Umgeni River and ranks among the world's best. Many varieties of birds, indigenous and exotic, inhabit walk-in aviaries.

The Millennium Town at the end of the Bluff houses the maritime offices which control the entry of ships into and out of the busiest port in Africa.

East Griqualand

East Griqualand is an area filled with astounding beauty and colourful, living history. The capital of East Griqualand, **Kokstad**, lies in the Umzimhlava River basin between Mount Currie and the Ngele mountains.

The original Town Hall – built in 1910 – is a national monument, now serving as the local library. The former library – built in 1907 – is also a national monument, and houses the Kokstad Museum.

The Weza State Forest runs through indigenous forests and commercial plantations. There are several antelope species and a huge variety of birds in the forest.

East Griqualand is home to the southern-most portion of the Drakensberg World Heritage Site, plus the impressive Swartberg, Bokkiesberg, Cedarberg and Ngele mountain ranges.

The Mountain Lake Nature Reserve is a National Heritage Site comprising rolling grasslands and pristine wetlands. When full, the lake boasts 30 ha of deep, trout-filled splendour with 80 bird species and panoramic views of the Drakensberg mountain range.

Between **Kokstad** and **Matatiele**, the hamlet of **Cedarville** provides tranquil canoe-borne excursions on its surrounding, water-filled hollows. Also nearby, the carp-abundant Umzimvubu River is an ever-popular recreation ground for locals and visitors alike.

Steam-train journeys can be undertaken between **Swartberg** and **Creighton**.

The steam train also operates more frequently and will soon offer trips to **Ixopo** and beyond.

Dolphin Coast (North Coast)

The coastline between the Umdloti and the Tugela rivers is aptly called the Dolphin Coast, as Indian Ocean bottlenose dolphins can be seen here all year round. The larger humpback dolphins are also found here, but are rarely seen.

Many of the first Indian immigrants settled here, and the area's markets, mosques and temples bring an authentic eastern flavour to the region.

Tongaat is an area where sugar was first planted in 1854. The town's Indian ambience is accentuated by two prominent Hindu temples – the Juggernath Puri and Vishwaroop temples.

Other coastal towns on the Dolphin Coast include **Shaka's Rock**, **Salt Rock**, **Ballito**, **Verulam**, **Stanger**, **Darnall** and **Umdloti**.



South Africa's Premier Travel Tourism Trade Show, the Tourism *Indaba*, took place from 8 – 11 May 2004 at the International Convention Centre in Durban, KwaZulu-Natal.

The theme was *South Africa: A 10/10 Destination*. The *Indaba* has grown in status, quality and diversity to become one of the continent's most valuable icons as well as one of the world's top three 'must-visit' travel and trade shows.

Special features of the 2004 Tourism *Indaba* included a specially designed Global Brand Village and the launch of the Domestic Tourism Growth Strategy.

The Masakala Traditional Guest-House in Matatiela scooped the Fair Trade in Tourism South Africa Award during the *Indaba*.

The Award is awarded to community projects that contribute to making South Africa a number-one tourist destination. The Masakala Guest-House was set up as one of the Alfred Nzo Municipality's poverty-alleviation programmes.

Zululand and the Elephant Coast

Cultural tourism is inextricably linked to economic upliftment in Zululand, and historically disadvantaged communities are applying their traditional skills to meet visitors' interests.

Zululand's north-east quadrant – between Mozambique, Swaziland and the warm Indian Ocean – has its own unique tale to tell. This is the Elephant Coast or Maputaland, named after the mid-17th century king who established dominion here some 200 years before Shaka consolidated his Zulu empire to the south. The Tembe Elephant Park in the far north is home to herds of the massive African elephant.

The Hluhluwe-Umfolozi Park is one of the largest game parks in South Africa and hosts the Big Five as well as the elusive cheetah and wild dog.

The eMakhosini Valley, birthplace of King Shaka, is the venue for a new tourism- and economic-development project. Known as eMakhosini, 'The Valley of Zulu Kings', the joint public-private sector project aims to preserve the culture and history of the Zulu people.

The eMakhosini Memorial Site, where seven Zulu kings are buried, was unveiled in May 2003.

Ulundi lies at the hub of the old Zulu Kingdom. The KwaZulu Cultural Museum houses interesting displays relating to Zulu history and archaeology. The beehive huts and the layout of the original Zulu village have been reproduced.

Umgungundlovu used to be the royal capital of King Dingaan and is being reconstructed. A tour provides the opportunity to observe Zulu building techniques and experience the social life of the Zulu people.

Authentic Zulu villages such as Shakaland, Kwabhekithunga Kraal, Damazulu and Stewart's Farm offer accommodation and the opportunity to experience traditional Zulu culture.

The Greater St Lucia Wetland Park, the province's second World Heritage Site, has some of the highest forested dunes in the world. **St Lucia** and its surroundings comprise a wetland of global importance and boast five separate ecosystems. It is a fishing and birdwatching paradise, and boat trips on the lake offer opportunities for crocodile and hippo sightings.

Kosi Bay, in the far north, is a system of four lakes ranging from freshwater to saline that feed into the ocean.

The Kosi Bay Nature Reserve is part of the Coastal Forest Reserve between Mozambique and **Sodwana Bay**. The adjacent Indian Ocean provides exciting snorkelling and fishing opportunities. On offer is a four-day guided walking trail around the estuarine system.

Mkuze is a small trade and transport centre. The Mkuze River cuts through the Ubombo mountains before serving as a boundary for Zululand's popular Mkuze Game Reserve.

Lake Sibaya is South Africa's largest natural freshwater lake, covering some 77 km². Birdwatching and walks through the coastal forest are popular pastimes.

Sibaya Lake Lodge, the first South African eco-tourism development jointly owned by private enterprise and the local community, was officially launched in September 1999.

The coral reef in the Sodwana Bay National Park attracts hundreds of scuba-divers throughout the year, and in summer, power-boaters arrive for some of the best marlin-fishing in the world.

South Coast

The Banana Express is a narrow-gauge steam train running between **Port Shepstone** and **Paddock** and back (39 km) twice a week. A shorter route is also available.

Amanzimtoti is popular for its safe swimming beaches and various other activities and attractions.

The Hibiscus Coast stretches between Umkomas and the Wild Coast. **Margate** is the largest resort town along this Coast, and is very popular during the holidays. The Hibiscus Festival is held in July.

The Oribi Gorge Nature Reserve encompasses forest, rivers, rapids and ravines. Prolific bird life, including five kingfisher species and seven eagle species, inhabits the Reserve, along with a variety of mammals. There is also a 140 m abseil and gorge swing for adrenalin junkies.

Port Edward is known for its safe swimming and good fishing opportunities. Nearby, the Umthamvuna

Nature Reserve is noted for its beautiful scenery, bird life and many rare plant species.

The Shell Museum at **Shelly Beach** is well worth a visit.

Other popular coastal towns include **Port Shepstone, Ramsgate, St Michael's-on-Sea, Uvongo** and **Scottburgh**.

Sardine fever strikes the South Coast around the end of June every year, with people flocking to the beaches and anglers waiting for the game fish to arrive.

Pietermaritzburg and the Midlands

Pietermaritzburg boasts various museums, including the Voortrekker Museum, the Natal Museum and the Natal Steam Railway Museum, which offers steam-train rides on the second Sunday of every month. The Tatham Art Gallery is also extremely popular.

The Albert Falls Public Resort Nature Reserve and the Albert Falls Dam provide opportunities for sailing, canoeing and fishing.

Birdwatching, horse-riding and hiking are also popular pastimes.

The Howick Falls are situated in the Valley Nature Reserve, where the river tumbles down 100 m in a single fall. Several climbing routes have recently been completed.

The Midlands Meander is a scenic drive between **Hilton** and **Mooi River** with about 70 ports of call *en route*, ranging from art studios, potters and painters, to herb gardens and cheese-makers.

Midmar Dam is zoned for yachting and power-boating. The 1 000 ha Midmar Game Park is inhabited by rhino, zebra, a wide variety of antelope species, and waterfowl. The popular Midmar Mile swim attracts thousands of swimmers every year.

Drakensberg

The Drakensberg mountain range forms the north-western border of KwaZulu-Natal. The whole area is a bird sanctuary, and the endangered lammergeier (or bearded vulture) can be spotted. The highest concentration of walks and trails in South Africa is found here.

The Ukhahlamba-Drakensberg Park was declared a World Heritage Site in 2001 and consists of almost the entire range of the Drakensberg mountain range from Bushman's Neck in the south to the Royal Natal National Park in the north. Peaks soar to over 3 000 m and are often snow-covered in winter. The Park is administered by Ezemvelo KwaZulu-Natal Wildlife. Their trout hatcheries are located in the Kamberg Reserve area.

The Lotheni Nature Reserve is notable for its trout-fishing facilities (angling permits are required). Relics of the area's history have been preserved in the Settler Museum.

The Himeville Nature Reserve has two lakes stocked with trout. The Swamp Nature Reserve close by attracts a variety of waterfowl, including the rare wattled crane.

The **Ndedema Gorge** is located in the Mdedelelo Wilderness Area near **Cathedral Peak** and contains examples of Khoi and San art.

Sani Pass is the only road across the high escarpment between KwaZulu-Natal and the Kingdom of Lesotho. The Giant's Cup Hiking Trail, starting at the foot of the Pass, is described as one of South Africa's finest. Giant's Castle Game Reserve is especially known for its more than 5 000 San paintings. The Bushman Site Museum is well worth a visit.

The Royal Natal National Park offers many scenic highlights, including the Amphitheatre, Mont-aux-Sources and the Tugela Falls.

Battlefields

The KwaZulu-Natal Battlefields Route has the highest concentration of battlefields and related military sites in South Africa. The Battlefields Route starts at Estcourt and winds north through Colenso and Ladysmith to Newcastle and Volksrust, and eastwards to Utrecht, Glencoe, Dundee, Nqutu, Paulpietersburg, Vryheid, Babanango and Ulundi.

All the towns along the Route have their unique charm and range of attractions: arts and crafts, scenic hiking trails, farm resorts, Zulu culture and roadside stalls. Game viewing, natural hot springs, horse trails and watersport can also be enjoyed.

The Chelmsford Nature Reserve near **Newcastle** is a birdwatcher's paradise.

Powerboating and carp-fishing are added attractions. Game includes springbok, zebra, rhino and blesbok. Other interesting places to visit are Majuba Hill and O'Neill's Cottage.

The Ladysmith Siege Museum provides insight into the battles of Colenso, Spioenkop, Vaalkrans and Tugela Heights. Guided tours to nearby battlefields such as Wagon Hill are arranged by museum staff. Other attractions in **Ladysmith** include the Statue of Gandhi, the All Saints Church, the Soofi

Mosque and the Spioenkop Dam and Nature Reserve.

Near **Dundee**, tourists can visit various battlefields, including Blood River, Isandlwana, Rorke's Drift and Talana. The Talana Museum depicts various facets of the coal industry, as well as local Zulu, Boer and British history.

Rorke's Drift was the setting for one of the most famous battles of the War. The main attraction is the Rorke's Drift Battle Museum.

Acknowledgements

BuaNews

Business Day

Business Report

Department of Environmental Affairs and Tourism

South African National Parks

South African Tourism

South African Tourism Institute

Western Cape Provincial Government

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Transport

The Department of Transport aims to establish a national transport system that enables the provision of efficient, affordable and fully integrated infrastructure and services, that best meet the needs of transport users and promote economic and social development, while being environmentally and economically sustainable.

The other key objectives include:

- facilitating access and affordability of public transport to the commuting public
- planning, developing and maintaining transport infrastructure to improve mobility and quality of life and contribute to economic development
- promoting sector and enterprise reforms to create a reliable, safe and competitive transport system.

Transport contributes between 7% and 13% to South Africa's Gross Domestic Product (GDP).

Policy

The Department is working to improve and expand infrastructure, and through subsidies, reduce the costs of public transport.

Transport policy is built on the framework set out by the Moving South Africa Strategy (1999) and the National Land Transport Transition Act, 2000 (Act 22 of 2000).

These established the vision of an efficient public transport system through the use of targeted subsidies, and the provision of a high-quality, compre-



hensive transport infrastructure.

The Department is allocated a budget of over R6 billion, which is set to increase progressively over the Medium Term Expenditure Framework period.

A seamless logistics system

A critical area of focus is a seamless logistics system, characterised by an efficient flow of freight that promotes the economy's competitiveness. It is expected that the transport system will be restructured to ensure that logistics don't act as a restraint on economic growth, employment and sustainable development. The removal of blockages within the ports and rail systems is regarded a priority.

An integrated approach will be adopted to use the transport system as a catalyst to stimulate new development corridors in various regions of the nine provinces.

The development of strategic corridors will serve as a guide as to where transport infrastructure will be located in future. The development of these corridors will be interlinked with nodal and Spatial Development Initiatives (SDIs) to prevent areas outside of the corridors being delinked from the rest of the economy.

An example is the Kei Rail Project, which involves the upgrading and development of new facilities along the Umtata-Amabele railway line in the Eastern Cape.

Public-transport subsidies

Transport subsidies are potentially important tools for improving efficiency, access and equity. In the past, they have been targeted loosely and implemented selectively. The Department of Transport is trying to channel subsidies to those with the greatest need to maximise economic and social gains.

The allocation of subsidies for commuter rail and buses is done in a transparent manner to foster equality of access to transport through the affordability of basic services in socio-economically depressed areas. More than 60% of commuters use minibus taxis. Of the estimated two million migrant workers in South Africa, about 850 000 use subsidised public transport.

The Department, through the provincial departments of Transport, awards contracts by tender to bus operators for the provision of public-transport services.

By mid-2004, there were 34 interim, two negotiated and 58 tendered contracts involving about 7 500 buses. On average, passengers receive R198 in subsidies per month, which equals 6,7% of the average household income. Government was expected to spend more than R2,1 billion on bus subsidies in the 2004/05 financial year.

The tender processes aim to achieve the Department's objectives of a safe and effective public transport system while meeting other transformation objectives.

A minimum of 30% of all contracted services should be set aside for companies with 50% historically disadvantaged individuals, while the remaining 70% should have an equity ownership of 35%.

Black Economic Empowerment (BEE)

By mid-2004, the development of the Transport Sector BEE Charter was in the final stages of negotiations in eight subsector working groups, namely aviation, maritime, road freight, buses, freight forwarding, rail, the public sector and the taxi industry.

The Charter sets targets for small, medium and micro-enterprises (SMMEs), women, and people with disabilities.

The aim is to transfer ownership of enterprises throughout the industry value chain to Black people and to increase their participation at all levels – employment, management, procurement and the development of new enterprises.

Non-motorised transport

The promotion of non-motorised transport primarily aims to increase transport mobility and accessibility, mainly in rural areas.

The Non-Motorised Transport (NMT) Programme in the Kgalagadi and Botlhabela Presidential rural nodes has four subcomponents:

- The promotion of ownership and usage of various rural-transport operations (e.g. human/animal-drawn carts) in low-income rural areas and at local project level.
- The creation and/or improvement of appropriate, safe on- and off-the-road rural-transport infrastructure
- Alleviating rural poverty by promoting the economic as well as the strong industrial dimension of NMT project operations and infrastructure (e.g. SMMEs). This will be achieved by exploiting local expertise to the maximum in running and sustaining the Programme.
- Impact assessment and programme evaluation.

The main objective of this component is to make meaningful contributions to the Rural Transport Strategy.

Transport safety

Increased emphasis is placed on safety issues in all transport modes. The Road to Safety Strategy, the transportation of dangerous goods by road, the establishment of the Maritime Rescue Centre, the setting-up of the Railway Safety Regulator, and the Road-Traffic Management Corporation (RTMC) are examples.

New Partnership for Africa's Development (NEPAD)

From a transport point of view, key issues in creating an effectively co-ordinated African response to global market challenges are market access, mobility and systems integration.

The Department is contributing actively to the practical realisation of NEPAD and the Southern African Development Community (SADC) development goals in several major areas, by promoting:

- efficient and effective maritime transport services
- rail-systems integration
- road-systems development and infrastructure maintenance.

Agencies

The Department of Transport has established four bodies to move certain elements of government's operational activities to commercial agencies. They are the South African National Roads Agency Ltd (SANRAL), the South African Maritime Safety Authority (SAMSA), the Cross-Border Road Transport Agency (CBRTA) and the South African Civil Aviation Authority (SACAA).

South African National Roads Agency Ltd

The SANRAL is an independent, statutory company responsible for the design, construction, management and maintenance of South Africa's national road network, including toll and non-toll roads.

The SANRAL's responsibilities are to:

- strategically plan, design, construct, operate, rehabilitate and maintain South Africa's national roads
- deliver and maintain a world-class primary road network
- generate revenue from the development and management of its assets
- undertake research and development to enhance the quality of the country's roads
- upon request of the Minister of Transport and in agreement with a foreign country, provide, operate and maintain roads in that country.

South African Maritime Safety Authority

The SAMSA is a statutory body that reports to the Minister of Transport. Its responsibilities include the promotion of safety of life and property at sea, the

prevention of sea pollution by pollutants emanating from ships, and the co-ordination of overall technical operations. It also develops policy on legal issues, foreign relations, marine pollution and certain specific safety matters.

The SAMSA's main functions are to:

- provide shipping competence and pollution services in a regional context
- manage marine incidents, casualties and wrecks, and participate in search-and-rescue missions
- control standby tugs and pollution stores
- maintain seafarers according to standards of training and staffing criteria
- provide a shipping-administration support service
- manage the registration of ships
- manage a coastal patrol service
- manage vessel traffic, including navigation aids
- provide lighthouse services.

Funding comes from, among other sources, levies on ships calling at South African ports, direct user charges, and government service fees.

Cross-Border Road Transport Agency

The CBRTA regulates and controls cross-border passenger, freight and road transport. It also facilitates the establishment of co-operative and consultative relationships and structures between public and private-sector institutions, with an interest in cross-border road transport.

The CBRTA is also involved in the collection, processing and dissemination of relevant information; the provision of training and capacity-building; and the promotion of entrepreneurship, with the focus on SMMEs with an interest in cross-border road transport.

The functions of the Agency include:

- advising the Minister of Transport on cross-border transport matters and assisting in the process of negotiating and renegotiating cross-border road-transport agreements on request
- regulating the road-transport industry's access to the cross-border road-transport market
- facilitating ongoing co-operative and consultative relationships and structures between the public

and private sectors in support of cross-border road-transport operations

- undertaking road-transport law enforcement.

The main source of income for the CBRTA is fees charged for cross-border permits.

South African Civil Aviation Authority

The SACAA is charged with promoting, regulating and enforcing civil-aviation safety and security.

The SACAA has proved to be a leader in the aviation regulatory sector in the SADC region. It has hosted dozens of regional meetings and conferences since 1994, and is the driving seat of efforts to harmonise aviation regulations in the region and improve the level of aviation surveillance.

In 2003, South Africa was elected as a member of the International Civil Aviation Organisation (ICAO) Council and to establish a South African office at the ICAO headquarters in Montreal, Canada.

The SACAA became fully self-funded in 2003. This necessitated an increase in all revenue streams on 1 April 2003 since no fee increases had been effected over the preceding five years.

Revenue is generated from user fees charged for direct services rendered.

Transnet Limited

Transnet Limited, a public company of which the South African Government is the sole shareholder, was established on 1 April 1990.



In October 2004, the Minister of Public Enterprises, Mr Alec Erwin, announced that the National Ports Authority would remain within Transnet, with a strengthened regulator and with the intention of moving it to a public company.

The South African Airways was expected to be moved off the Transnet balance sheet.

About R37 billion will be invested over the next five years in the first phase to expand port and rail infrastructure.

The capital market requirements for this Capex programme and the servicing of existing debt is expected to range between R2,5 billion and R8 billion.

The company is recognised as a dominant player in the southern African transport infrastructure. Its activities are not restricted to southern Africa but extend beyond its borders into Africa and the rest of the world.

It handles 176 million tons (Mt) of rail freight per year, 2,8 Mt road freight and 194 Mt of freight through the harbours, while 13,8 million litres (ML) are pumped through its petrol pipelines annually.

The company, through South African Airways (SAA), transports 6,1 million domestic, regional and international passengers per year. In March 2004, Transnet announced that it would recapitalise SAA for R6,1 billion to strengthen the national airline's financial position.

Transnet Limited consists of eight main divisions, a number of subsidiaries, and related businesses:

- Spoornet focuses on the transportation of freight, containers and mainline passengers by rail
- the National Ports Authority (NPA) focuses on the provision of total port infrastructure and marine-related services, the management of port activities in a landlord capacity, and the regulation of the port systems
- South African Port Operations (SAPO) focuses on port-terminal and cargo operations in commercially viable business units
- Petronet focuses on the transportation of petroleum products and gas through a high-pressure long-distance pipeline network
- Propnet manages a profitable property-development portfolio, and handles the management and investment function of Transnet's vast property portfolio
- Metrorail is a commuter rail transport business
- Transtel is the telecommunications unit of Transnet
- Transwerk is involved in engineering activities and is one of South Africa's leading manufacturers and refurbishers of railway rolling stock.

Road transport

National roads

In terms of the National Roads Act, 1998 (Act 7 of 1998), government is responsible for overall policy,

while road-building and maintenance is the responsibility of the SANRAL.

The Department of Transport continues to improve the road network, ensuring that it is well-maintained and safe. A new National Roads Plan is being developed, indicating the importance of roads to the economy.

The South African road network comprises some 754 600 km of roads and streets.

Responsibility for the network is carried by the Department with the SANRAL, the nine provinces, and local authorities.

A new proposed road-classification system has been developed to integrate the 29% of unclassified roads into the entire road system. Unclassified roads are predominantly access roads in rural communities and roads in settlements on the urban periphery.

The various categories include:

- 9 600 km of surfaced national toll and non-toll roads
- 56 000 km of surfaced provincial roads
- 300 000 km of gravel provincial roads
- 168 000 km of surfaced and unsurfaced urban roads
- 221 000 km of unclassified roads.

The Cabinet approved a five-year road-infrastructure strategy to prevent the further deterioration of the country's road network.

The Minister of Finance, Mr Trevor Manuel, announced at the tabling of the Medium Term Budget Policy Statement in November 2003, that R20 million would be allocated to the Department of Transport for urgent road repairs at a number of border posts.

Provincial roads

The planning, construction and maintenance of roads and bridges, other than those falling under the SANRAL or local governments, is the responsibility of provincial governments. The national Department of Transport is always ready to assist provincial and local governments to improve and develop the state of their roads.

It is estimated that the funding required to address the backlog for rural roads is R56 billion for all provincial roads, and R8 billion for roads under the SANRAL.

Provincial budgets for infrastructure and road development increased by 7,5% from R4,7 billion in 2002/03 to R5,1 billion in 2003/04.

Spatial Development Initiatives

SDIs are recognised as an effective means of stimulating economic growth by exploiting the existing economic potential within an area. The Department's involvement in this project is focused on infrastructure provision, BEE, skills transfer and the creation of sustainable jobs.

The SDI programme uses public resources – particularly project planning, scoping and logistical co-ordination skills – to leverage private-sector involvement.

The SDI areas are Lubombo, West Coast, Fish River, Maputo Development Corridor, Wild Coast, Platinum, Phalaborwa and Richards Bay.

Municipal roads

The construction and maintenance of most roads and streets within the municipal boundaries of cities and towns is the responsibility of the municipality concerned.

Toll roads

Toll roads cover some 2 400 km and are serviced by 32 toll plazas, including concessioned roads.

The viability of every toll road is determined over a 30-year period to assess the private-sector funding.

The performance of all toll roads is within the forecast, and in many cases roads perform better than forecast. It is envisaged that all new major toll-road projects will be financed through the Build, Operate and Transfer principle. This allows greater private-sector involvement in the financing, building, operation and maintenance of toll projects. When the concession period expires, the facility is transferred back to the State at no cost.

Road-traffic signs

A revised road-traffic-sign system, which closely conforms to international standards, has been phased in since November 1993.

The revised system involves changes to the colours of some of the regulatory and all of the warning signs, changes in design parameters, the modernisation of text and symbols, and the addition of new signs, signals and markings. Many of the new signs make use of symbols rather than text to eliminate language problems and reduce observation time.

Credit-card format (CCF) licences

The CCF licence is valid for a period of five years, whereafter licence holders have to apply for a replacement.

The production of CCF driving licences commenced on 1 March 1998. More than 6,5 million cards were produced during the first production period of five years, which was extended for 13 months until 31 March 2004.

The CCF licence contains more than 20 different security features, one of which is the encrypted two-dimensional bar code which complies with international standards.

A locally developed device was accepted for final testing in 2003. Fifty Card Verification Devices (CVDs), were distributed to traffic officers in Gauteng and KwaZulu-Natal during November 2003 for practical field testing.

By October 2004, a further 950 devices were distributed to traffic officers in all nine provinces.

The total contract value over the full period is about R650 million, with the first production period amounting to about R350 million.

The CVD has been successfully used by provinces, particularly at roadblocks.

Public transport

In terms of the Constitution of South Africa, 1996 (Act 108 of 1996), legislative and executive powers in respect of public transport are a provincial competency. National government, however, is responsible for policy-formulation, monitoring and strategic implementation. The Department of Transport continues to administer subsidies for buses and other subsidised forms of public transport.

National Transport Register

The establishment of the National Transport Register is a requirement of the National Land Transport Transition Act, 2000.

The purpose of the Register is to integrate the land-transport systems, i.e. the Subsidy Management System (SUMS), the Land-Transport Permit System (LTPS) and the Registration Administration System (RAS).

The LTPS facilitates the issuing of public road-carrier permits, to regulate entry into the road-carrier markets.

The objective is to facilitate the processing of permit applications and enable the local road transportation boards (provincial permit boards) to provide an efficient service to the industry. In achieving this goal, the LTPS supports the boards with:

- registering applications
- generating and verifying advertisements
- capturing objections and appeals
- generating agendas
- verifying vehicle information
- generating permits and permit transfers.

The RAS facilitates the registration of minibus-taxi associations with the Provincial Registrar to formalise the industry. They support the Registrar with:

- registering members and associations

A Record of Decision has been issued for the N2 Wild Coast Toll Road, which will link Durban and East London via Lusikisiki and Port St Johns. The Road also marks the boundary of the Pondoland Park, which is earmarked as a prime ecotourism attraction.

The N2 is expected to bring substantial investment to the Wild Coast. Further benefits include:

- R4,8 billion in gross investment during construction
- the creation of about 16 000 jobs
- R229 million in wages during and after construction
- R172 million in revenue investment in local industry, agriculture and forestry
- R114 million investment in the local retail industry
- R57,2 million for service-providers
- R1,7 billion projected value of new business activated after construction
- some 1,4 million tourists expected per year
- some 780 projected new developments.

- registering vehicle particulars of members
- registering corridor particulars of associations
- management reporting.

The SUMS manages claims from provincial departments and payments thereof for bus contracts.

Urban transport

Metropolitan transport advisory boards govern urban areas which have been declared metropolitan transport areas. Both short- and long-term programmes for adequate transportation development are drawn up by the core city of each area and are revised and adjusted annually.

Nine such core areas exist, namely Johannesburg, Cape Town, Pretoria, Durban, Pietermaritzburg, Port Elizabeth, the East Rand, Bloemfontein and East London.

The planning of transport for metropolitan and major urban areas must be done in accordance with a growth-management plan, and travel modes should not compete with one another. In urban areas, passenger road-transport services are provided by local governments, private bus companies which operate scheduled bus services between peripheral areas and city centres, and minibus taxis.

The Department will support provincial departments of Transport and Public Works in the construction of intermodal facilities and in their efforts to achieve integration between bus and taxi operations.

The minibus-taxi industry has shown phenomenal growth during the last few years, leading to a decrease in the market share of the bus and train as modes of transport.

Motor vehicles

On 31 December 2001, there were some 6,9 million registered vehicles in South Africa, more than 3,98 million of which were motor vehicles. The number of private motor vehicles grows at a rate of 1,7% per year.

Minibus taxis

There are close to 127 000 minibus taxis in South Africa, which provide 65% of the 2,5 billion annual passenger trips in urban areas, and a high percentage of rural and intercity transport.

The South African National Taxi Council (SANTACO) is the umbrella body for all provincial taxi organisations and strives to regulate, formalise and stabilise the industry. The Council acts as a mediator in disputes between taxi organisations and plays a role in eliminating the causes of conflict within the industry.

In May 1999, the Government signed an Memorandum of Understanding (MoU) with SANTACO, paving the way for the replacement of the industry's ageing fleet and its absorption into South Africa's formal economy.

The MoU commits SANTACO to act against violent elements in the industry, participate in the regulation of the industry by ensuring its members have legal operations, and implement a programme of acceptable labour practices. Government, in turn, is bound by the MoU to find an acceptable solution to the industry's recapitalisation crisis, legalise illegal operations within agreed parameters, and provide taxi operators with extensive training.

Taxi Recapitalisation Programme

The Taxi Recapitalisation Programme aims to replace the current ageing taxi fleet with new, safer and purpose-built minibus taxis.

Government announced in October 2004 that it would roll out its revised Taxi Recapitalisation Programme at a cost of approximately R7,7 billion over seven years, starting at the beginning of the 2005/06 financial year.

The Programme includes the introduction of specifications for the new taxi vehicles through regulation by the Minister of Transport, with a focus on the safety aspects of the vehicles.

This will allow taxi operators to acquire vehicles from any manufacturer who complies with the set requirements.

Government will also introduce a once-off scrapping allowance of R50 000 per scrapped vehicle to legal operators.

To complement the safety specifications, government will introduce thresholds or bands for vehicle seating capacity, instead of requiring that the new taxi vehicles should take between 18 and 35 passengers.

Bus transport

A network of public and privately owned passenger bus services links the major centres of South Africa and also serves commuters in the deep rural areas. The Cabinet has approved measures intended to improve public-transport safety. These include the intensification of law enforcement, lowering the maximum speed limit for buses and minibus taxis to 100 km/h, and a fitness-testing programme for passenges.

International models being explored emphasise the need for a formal safety fitness-rating methodology. A vehicle operator will receive a safety rating when an accredited or authorised safety specialist conducts an on-site review of the operator's compliance with applicable safety and hazardous material regulations.

In terms of the formal compliance review, the operator will then be awarded one of three ratings: satisfactory, conditional or unsatisfactory.

To meet safety-fitness standards, the carrier will have to demonstrate that it has adequate safety-management controls in place to reduce the risks associated with:

- inadequate levels of financial responsibility
- inadequate inspection, repair and maintenance of vehicles
- Professional Driver's Permit standard violations
- the use of unqualified and fatigued drivers
- improper use of motor vehicles
- unsafe vehicles operating on highways
- failure to maintain collision registers and copies of collision reports
- motor-vehicle crashes
- driving and parking violations
- the violation of hazardous material regulations.

The operator of a vehicle that has received an unsatisfactory safety rating will have a specified period of time from the effective date of rating notice to improve the safety rating to conditional or satisfactory.

If these improvements do not occur, the carrier will be prohibited from operating commercial motor vehicles or transporting passengers for reward.

The Department of Transport has been working closely with the South African Bureau of Standards

(SABS) to ensure that the emergency exits of buses and taxis meet required standards and allow passengers to escape without difficulty in emergencies.

The Department has requested the SABS to pay specific attention to the relevant safety standards.

This includes the ability of young children and the aged to break through emergency windows.

The SABS has also been requested to look at the locations of all emergency exits and the education of passengers on how to use them.

The Department has intensified its education campaign on how to use emergency exits and is engaging manufacturers in ensuring that more visible and reflective material is used to identify emergency exits.

Cross-border transport

Multilateral

The SADC Protocol on Transport, Communications and Meteorology provides a comprehensive framework for regional integration across the entire spectrum of the transport, communications and meteorology sectors. The general objective is to promote the provision of efficient, cost-effective and fully integrated infrastructure and operations in these fields.

The Protocol also specifically addresses road transport, and aims to facilitate the unimpeded flow of goods and passengers between and across the territories of SADC member states. It aims to promote the adoption of a harmonised policy, which lays down general operational conditions for carriers.

Cross-border transport within the Southern African Customs Union (SACU) is undertaken in terms of the SACU MoU. The Memorandum facilitates transport between member countries through, among others, the use of the single-permit system.

The MoU provides the framework for co-operation between the signatory countries, which has resulted in the establishment of technical working groups for traffic standards, road-user charges and passenger transport.

The activities of the passenger-transport working group led to the establishment of Joint Route Management Committees (JRMCS) for certain

cross-border passenger routes within the SACU. The JRMCS comprise representatives from the public and private sectors of the countries concerned, and are aimed at jointly managing the routes in consultation with all stakeholders.

Bilateral

Bilateral agreements serve to facilitate and encourage cross-border road transport in support of regional trade.

The Maputo Development Corridor between South Africa and Mozambique is a good example.

The two governments also signed agreements dealing with road freight and passenger transport between the two countries, which will facilitate the movement of goods and people by road and eliminate bureaucratic proceedings at border posts.

The project also includes the upgrading and modernisation of the railway line between the two countries and of Maputo Harbour, at a cost of about R150 million.

On 29 September 2003, South Africa, Namibia and Botswana signed an MoU on the development and management of the Trans-Kalahari Corridor (TKC).

The TKC was formally established in 1998 following the completion of the Trans-Kgalagadi Highway in Botswana. The TKC links the three southern African countries by road.

One of the benefits of the TKC is that it links the hinterlands of Botswana, Namibia and South Africa (especially Gauteng) with the Port of Walvis Bay. This Port is the western seaboard port in southern Africa and closest to shipping routes to and from markets in the Americas and Europe.

The development of the TKC has the potential of significantly reducing transaction costs for SADC exporters and importers. This is expected to enable economic operators to become increasingly internationally competitive by enhancing their ability to exploit the benefits of preferential trade agreements with the United States of America (USA) and the European Union.

Domestic

The CBRTA fosters investment in the cross-border

road-transport industry and provides high-quality cross-border freight and passenger road-transport services at reasonable prices. The Agency works on a cost-recovery basis and any profits from cross-border permit fees are ploughed back into the system through a price reduction on permits in the following financial year. It also encourages small-business development in the industry.

Goods transport

In South Africa alone, road accounts for the movement of some 650 Mt of freight traffic per year, compared with about 180 Mt by rail.

The total throughput, inclusive of local production and imports, in the whole of the South African economy that requires logistics interventions amounted to 745 Mt in 2003.

This was divided between 49% for mining, 45% for manufacturing and 6% for agriculture. It is estimated that it cost R135 billion in 2003 in transport costs to move that quantity, where 62% of the total cost was attributable to long-haul road transport, 22% to road distribution, 8% each to rail and air, and 1% to pipeline and water modes. It is estimated that logistical costs to the South African economy are in the region of 14,7% of GDP, with transport representing some 75% of that cost.

The Department is working with provincial counterparts and major stakeholders on the Overload-Control Infrastructure Programme, which deals with reckless overloading. The Programme is based on the construction of a strategic network of traffic-control centres and fixed weigh stations on major roads, supported by mobile weigh stations on alternative roads in the main freight corridors.

As part of the Department's freight-transport strategic intervention of promoting a modal shift from road to rail, joint-venture projects with the Eastern Cape and KwaZulu-Natal departments of Transport have been embarked upon to revive rail lines that have been classified as low- and light-density lines.

Road-traffic safety

South Africa's road-vehicle collision and fatality rates compare poorly with those of most other

countries. Every year, about 10 000 people are killed and 150 000 injured in about 500 000 accidents. The cost of road-traffic accidents is estimated at more than R13 billion a year.

Greater road-safety awareness has been generated through the activities of the *Arrive Alive* Campaign, which is part of the Road to Safety Strategy (2001 – 2005).

The Strategy involves the creation of the RTMC that will be responsible for vehicle registration, traffic-information systems, public communication and traffic-law enforcement.

The RTMC Act, 1999 (Act 20 of 1999), provides for the establishment of the RTMC to:

- enhance the overall quality of road-traffic management and service provision
- strengthen co-operation and co-ordination between the national, provincial and local spheres of government in the management of road traffic
- maximise the effectiveness of provincial and local government efforts, particularly in road-traffic law enforcement
- create business opportunities, particularly for the historically disadvantaged sectors, to supplement public-sector capacity
- guide and sustain the expansion of private-sector investment in road-traffic management.

The RTMC is a partnership between the three spheres of government to strengthen government's collective capacity for road-traffic management. The process for adjudicating road-traffic offences has been reformed and is now administrative, rather than judicial.

The Road Traffic Infringement Agency will serve as the collection agency for outstanding traffic fines and adjudicate contested traffic offences. This is a more efficient and effective system for administering traffic offences.

The Constitution authorises provinces to exercise legislative and executive powers pertaining to road-traffic safety, while the promotion thereof is primarily the responsibility of the Department of Transport.

The Road Traffic Safety Board (RTSB) endorses and acts as guardian of the Road Traffic Management Strategy (RTMS); assists in the identification, formulation and prioritisation of projects; monitors

progress; and gives direction in the implementation of the RTMS.

The RTSB is made up of members of all three spheres of government as well as traffic stakeholders in the private sector. The Ministers of Education, of Health, of Justice and Constitutional Development, of Provincial and Local Government, of Safety and Security and of Transport serve on the Board.

Three Acts provide for the national co-ordination of regulation and law enforcement, the registration and licensing of motor vehicles, and the training and appointment of traffic officers. These are the RTMC Act, 1999; the National Road-Traffic Amendment Act, 1999 (Act 21 of 1999); and the Administrative Adjudication of Road-Traffic Offences Amendment Act, 1999 (Act 22 of 1999).

The Administrative Adjudication of Road-Traffic Offences Amendment Act, 1999 provides for a more efficient system of collecting traffic fines and for the introduction of a points demerit system, linked to the CCF driver's licence.

In terms of the Act, a motorist's driver's licence will be suspended when he/she has 12 penalty points against his/her name. For every point over and above 12, the motorist's licence will be suspended for three months.

Points can easily be accumulated, for example, four penalty points each are given for exceeding the speed limit by 50%, driving an unregistered vehicle, refusing to undergo a blood or breathalyser test, or driving a vehicle without registration plates. The use of hand-held cellphones in vehicles is not allowed and non-compliance could cost a motorist two points.

When a licence is suspended for a third time, it will be cancelled and the motorist will again have to undergo a driver's test. In more serious cases, a court may forbid a motorist to drive on a public road ever again. However, the system in no way detracts from the accused's constitutional right to a fair trial. The points demerit system is to be implemented in phases.

Arrive Alive

Government's *Arrive Alive* Road-Safety Campaign aims to:

- reduce the number of road-traffic accidents in general, and fatalities in particular, by 5%, compared with the same period the previous year
- improve road-user compliance with traffic laws
- forge an improved working relationship between traffic authorities in the various spheres of government.

South Africa's rate of pedestrian fatalities is unacceptably high. Factors that have exaggerated the problem in South Africa include lack of infrastructure such as adequate pavements or road-crossing facilities, lack of education in road usage, a traffic mix with vehicles and pedestrians sharing the road, poor town and transport planning of facilities such as schools and community halls, and an absence of law enforcement.

The Department launched the *Niyabonwa* (You Are Seen) Campaign in November 2004.

The Campaign aims to reduce pedestrian deaths by encouraging pedestrians to ensure that they are visible to motorists.

Road-safety awareness education is being gradually integrated into the mainstream school curriculum as a set of basic life skills that can be continuously expanded and deepened over time.

Pupils at pre-school level through to Grade 9 are being exposed to systematic, practical road-safety education within the framework of the 'life-skills' component of their curriculum.

Project E-Force was implemented as a pilot project from mid-November 2003, using advanced technology – including driver's licence CVDs – to increase the productivity of traffic officers and reduce traffic offences.

Road-traffic control

The Department of Transport is responsible for co-ordinating and harmonising traffic control (law enforcement) in South Africa. This is done in conjunction with the provinces, which have legislative and executive powers in this regard.

The aim is to enhance traffic quality, promote voluntary compliance of road users with rules and regulations, reduce the incidence of traffic offences, prevent accidents, ensure effective adjudication, and implement improved management.

An important facet of the Department's work is the development of a standardised management system for traffic control at micro level, to assist traffic authorities in managing their internal and external environments optimally, and to achieve the highest levels of traffic quality, subject to the limited availability of resources.

The traffic-management model has been implemented by about 100 provincial and local traffic authorities.

Road-traffic law enforcement is the responsibility of the respective local and provincial traffic authorities as well as metro police services in metropolitan areas. Vehicles are allocated to shifts and specifically designated tasks, e.g. road patrols. In some provinces, two officers are allocated to a vehicle, while in other provinces, one officer may be allocated to a vehicle. The time of day also plays a role, e.g. night operations require at least two officers per vehicle for security reasons.

Roadblocks are held on a continuous basis by provincial and local traffic authorities. Roadblocks take many forms, from formal joint roadblocks with the South African Police Service (SAPS), the South African National Defence Force (SANDF) and other role-players, to standard driver and vehicle roadside



The Motor Industry Development Programme (MIDP) has been in operation for a number of years and provides the basis for government policies toward the automotive sector.

It seeks to rationalise the number of models assembled locally, and to increase exports of fully assembled vehicles and components.

There are eight local producers of light motor vehicles in South Africa, four of which are located in Gauteng. There are also 11 producers of medium and heavy vehicles in the country. In total, the industry produced 787 100 vehicles in 2000.

The sale of motor vehicles and parts is expected to grow at an average rate of 12,5% and contribute more to Gross Geographic Product than fabricated metal products by 2007.

The MIDP is expected to undergo a review in 2005, as part of an ongoing effort by government, in close consultation with industry stakeholders, to ensure that the MIDP continues to promote the development of the auto industry to meet the industry's objective of enhancing its global competitiveness.

checks, run by traffic officers to check on driving licences, alcohol usage by drivers, vehicle licences, tyres, lights, brakes, outstanding fines, etc.

To strengthen the regulation of freight transport, Operation Juggernaut was launched in November 2003 to focus and co-ordinate road-traffic law enforcement on heavy freight and passenger transport vehicles.

The screening of more than 450 000 vehicles, the issuing of over 200 000 offence notices, and the suspension of over 2 000 vehicles also contributed to the overall reduction of fatalities in December 2003.

At least 4 000 traffic officers have been trained in the enforcement of the regulations and standards for transporting dangerous goods.

Road Accident Fund (RAF)

The RAF compensates victims of motor-vehicle accidents for bodily injuries and/or loss of financial support caused by the death of a breadwinner, in terms of the provisions of the RAF Act, 1996 (Act 56 of 1996). The Fund derives its income from a special tax levied on petrol and diesel sold in South Africa.

On 18 February 2004, the Minister of Finance announced that the RAF levy would be raised by five cents per litre with effect from 7 April 2004.

However, some sectors of the economy – agriculture, forestry, sea fisheries, coastal shipping, off-shore mining, rail freight and mining – were granted concessions from the RAF diesel levy. This concession is administered as a refund through the Value-Added Tax system by the South African Revenue Service.



The eighth International Symposium on Heavy-Vehicle Weights and Dimensions was held in South Africa in March 2004.

The theme of the Symposium, an intercontinental forum for researchers, policy-makers and industry leaders in the field of freight transportation by road, was *Loads, Roads and the Information Highway*.

The issues discussed included safety, maintenance, efficiency, vehicle configuration and components, economic and operational issues, standards and regulations, emissions, fuels, life cycle and recycling, as well as the effect of heavy vehicles on pavements.

The RAF is in regular contact with National Treasury and the Department of Transport on proposed increases dependent upon the number of claims received. Recent trends have seen a mismatch between the Fund's revenue from the levy and the amount required to settle all the claims lodged.

Steps to improve the cashflow of the RAF include assisting the Department of Transport in road-safety initiatives to reduce the number of accidents in the country. Since 2001, the RAF has been vigorously fighting fraud and corruption bedevilling the system.

Forensic investigation partnerships with the SAPS and other law-enforcement agencies have resulted in the arrest of hundreds of people.

All new employees are subjected to background record checks prior to appointment to reduce and eliminate fraud and theft. Identified employees dealing and handling sensitive information are also required to undergo security vetting processes so as to protect public funds and prevent corruption.

In 2003, the RAF introduced Tip-Offs Anonymous, which allows members of the public to report fraudulent behaviour and service-providers who approach them and try to convince them to defraud the RAF.

The RAF has also embarked on a campaign to inform all South Africans of their right to compensation, and to encourage them to claim directly without using attorneys as intermediaries.

As part of the RAF's settlement obligations, it issues undertakings to claimants for future medical costs. In 1999, the RAF launched the Patient Outreach Unit which involves the deployment of medically qualified case managers throughout the country at various branches of the RAF as well as in satellite offices.

By June 2004, the RAF was planning to establish 12 new information offices to educate the public about the RAF, assist claimants to lodge claims directly and update claimants on the status of their claims.

These case managers manage the treatment of victims of road accidents in a holistic manner and assist them in administering their undertakings. Part

of this holistic approach has also seen this Unit, under the auspices of the chief executive officer of the RAF, liaising with the Disabled People of South Africa, which led to this Unit employing many physically challenged individuals.

Rail transport

The Department of Transport has embarked on a comprehensive recapitalisation programme to improve rail safety and revive rail transport as a viable public-transport alternative.

Over the past few years, government has contributed some R884 million to the remodelling and refurbishment of rail commuter stations. The private sector provided investment to the tune of about R1,6 billion in more than 120 projects on land and properties adjacent to and surrounding rail commuter stations.

By mid-2004, a lot of work had been done to refurbish the railway line and certain bridges that had fallen into disrepair, and renew fencing along tracks.

In 2002, the Department of Transport, the South African Rail Commuter Corporation (SARCC) and Metrorail developed a new two-pronged Safety and Security Strategy for the rail commuter system.

The Strategy has been implemented as a pilot project in the entire Western Cape Metropolitan rail network since October 2002 with very positive results.

On the technical and institutional side, the Strategy involves alarms and helicopter surveillance capability for the co-ordination of safety and security actions. Improved co-ordination between rail security efforts and SAPS interventions is a priority and forms an integral part of the Strategy.

Based on the assessment of the pilot project, the Strategy is expected to be rolled out to other metropolitan rail commuter networks across the country.

The second element of the Strategy is that of engaging communities along the rail corridors to protect rail assets, by promoting the concept of 'community ownership'. The system draws the community to assist rail security personnel and the

SAPS in proactively identifying and neutralising criminal elements.

The National Railway Safety Regulator Act, 2002 (Act 16 of 2002), is the enabling legislation for the setting up of an independent Railway Safety Regulator, reporting and accountable to the Minister of Transport.

The Regulator oversees safety by means of conducting audits and inspections; undertaking occurrence investigations; analysing occurrence statistics, operator-safety plans and accident reports; and issuing notices to operators to cease an activity or to improve an unsafe activity. Failure to respond to a notice could result in the operator, including the top management and even the board, being prosecuted.

Spoornet

Spoornet is a division of Transnet, a commercialised business with the State as shareholder.

Spoornet has seven transport divisions providing transport services in all transport modes.

Spoornet's special focus businesses include *Shosholoz Meyl*, LuxRail (Blue Train and Premier Classe), LinkRail and Spoornet International Rail.

The revision of the public-transport subsidy system is expected to underpin the merger of Metrorail, *Shosholoz Meyl* and the SARCC to report to the Department of Transport, and allow Spoornet to concentrate on freight.

Spoornet represents the Group's rail transport interests and is the largest of the Transnet divisions in revenue, size and employee numbers.

Spoornet's core business lies in Freight Logistics Solutions, designed for customers in numerous industry-based business segments, mining, and heavy and light manufacturing sectors.

Spoornet is the largest railroad and heavy haulier in southern Africa, with an annual turnover of R9 billion generated by the transportation of 180 Mt of freight.

Spoornet maintains an extensive rail network across South Africa and connects with rail networks in the sub-Saharan region.

Spoornet's future investment in infrastructure will be focused on renewal and, where appropriate,

capacity expansion. Significant parts of infrastructure, namely signalling and electrification infrastructure, are reaching the end of their design lifespans. Renewal is expected to concentrate on the application of new, cheaper and more effective technologies.

Planned investment expenditure for the next 15 years is about R1 billion per annum to address the estimated backlog of R15 billion.

Spoornet is expected to spend more than R14 billion over the next five years to revamp and upgrade ageing assets and infrastructure.

Spoornet consists of five business units, each with its own core business focus, namely:

General Freight Lines

As the largest component of Spoornet's operations, General Freight Lines has an annual volume throughput of almost 88 Mt, servicing the mining, heavy and light manufacturing industries. The heavy-haul lines comprise coal (Coal Line) and iron ore (Ore Line).

Coal Line

Spoornet's Coal Line provides world-class transportation of South Africa's export coal, from the Mpumalanga coalfields to the Richards Bay Coal Terminal. Starting at Mpumalanga's 44 coal-rich mines, the 580-km line descends from the Highveld

through to rural KwaZulu-Natal and culminates at the coastal town of Richards Bay.

The line consists of 37 concrete-lined tunnels, running a total distance of 44 km through geological formations, and 137 bridges.

Coal exports constitute an integral part of the South African export industry. South Africa is second only to Australia in terms of tons of coal exported. South Africa is the world leader in terms of steam-coal exports.

Coal Line was formed in 1997 through the ring-fencing of the rail operation over the coal-export line, and augmenting the structure with a business component and other support functions. This initiative ensured that South Africa remains at the forefront of the world steam-coal export market.

Ore Line

Ore Line is responsible for the transportation of iron ore over the 861-km railway line from Sishen to Saldanha. Ore Line is the sole conveyor of South Africa's export iron ore and maintains an impressive 6% of global market share.

The mammoth task of constructing the 861-km railway line started in June 1973. The Olifants River Bridge of over 1 000 m was the longest of 82 bridges that had to be built, and the last 106 km had to be sculptured out of the windswept Atlantic coastline.

Ore Line is dedicated to the movement of iron ore from the mines in the far Northern Cape to the steel industries in the Western Cape, and for the export of the ore through the Port of Saldanha Bay.

Shosholozza Meyl

Shosholozza Meyl provides an affordable inter-city passenger service between major destinations in South Africa.

Shosholozza Meyl operates on 15 routes over a network of 6 398 km and a total of 6 500 trains run annually. Cape Town connects passengers to East London, Durban and Pretoria. Services also connect main centres in South Africa with Maputo in Mozambique.

About three million passengers travel along these routes annually. Commuters and traders are the

Facts on Spoornet for 2003/04

Freight wagons (active)	88 000
Locomotives	2 410
Track kilometers (km)	30 400
Route km	20 041
Freight tonnage	180,6 million tons
Net ton km	106,8 billion ton km
Passenger coaches	2 097
Number passengers – <i>Shosholozza Meyl</i>	3,08 million
Number passengers – The Blue Train	5 740
Turnover	R13,1 billion
Employees	34 771

Source: Spoornet

main users while the remainder is made up of operators (contract trains) and tourists.

Shosholozza Meyl ensures access for any person or enterprise that wishes to charter a train. Significant time and effort are spent on the design of the train service to fit each client's needs and requirements. The type of coaches that can be hired varies from traditional sleeper coaches to lounge cars, dining cars, and open-plan coaches that can be used for parties or lecture rooms.

For the more selective traveller, *Shosholozza Meyl* offers a new class of travel called Premier Classe on the route between Pretoria/Johannesburg and Cape Town. It consists of two sleeping coaches and one dining/lounge car for the exclusive use of these guests. The sleeping coaches and air-conditioned lounge/dining car can accommodate up to 20 people.

LuxRail

LuxRail's primary focus is the operation of the prestigious Blue Train, which caters for a growing international tourist market. For over half a century, South Africa's Blue Train has enjoyed an international reputation as one of the world's premier luxury rail cruise and travelling experiences.

The Blue Train travels from Pretoria to Cape Town, the Victoria Falls and Hoedspruit, and on the famous Garden Route between Port Elizabeth and Cape Town.

LinkRail

LinkRail comprises low- and light-density railway lines within South Africa. These lines typically convey small and infrequent loads and serve as a connecting service between the rural hinterland and main corridors.

Social-investment activities

Spoornet contributes to the social fabric of South Africans. Notable social-investment activities include the following: AIDS awareness; the *Mr ChooChoo Safety Education* Campaign; the Spoornet Rugby Excellence Programme; and Saturday schools for Spoornet employees' children, which improve their performance in Mathematics and Science, and offer supplementary courses such as study skills, career

guidance and computer literacy. These classes support the national school curriculum.

Spoornet's role in Africa

Spoornet maintains an extensive rail network across South Africa and connects with rail networks in the sub-Saharan region.

Spoornet is proud of its reputation for technological leadership internationally as well as in Africa, where it is active in more than 18 countries. As one of the most strategically important transport logistics companies in South Africa, Spoornet realises its responsibility for providing rail infrastructure that will support the South African and African economy.

This objective is to be achieved through the creation of strategic partnerships and alliances with relevant rail entities.

Spoornet International Rail, a business unit established in 1997, pursues and achieves Spoornet's growth and expansion objectives beyond the borders of South Africa while contributing to the ideals and objectives of NEPAD.

The company is continually seeking areas for development to implement specific strategies for Africa's logistic focus to support NEPAD. Harnessing the momentum and vision birthed by NEPAD, Spoornet provides its railway consulting, locomotive leasing, railway trucks leasing and commodities transportation expertise to enhance the African Renaissance.



Sub-Saharan Africa boasts about 83% of all Africa's railways, and South Africa's share of the African total is some 35% and 42% of sub-Saharan Africa.

South Africa accounts for about 47% of the total number of locomotives of all types in sub-Saharan Africa and 32% of the African total. South Africa's dominance of electric locomotives is nearly complete, with about 96% of sub-Saharan locomotives and 92% of the continent's total number of electric locomotives.

South Africa's dominance of the African freight wagon fleet is 62% of the total African fleet and 74% of the sub-Saharan total. The amount of rail freight tonnes moved occurs mostly in the South African system, with about 71% of the African total and some 91% of sub-Saharan traffic.

The business unit has leasing agreements with, among others, Swaziland, Mozambique, Zimbabwe, Tanzania, Sudan, the Democratic Republic of Congo, Cameroon and several South African mining groups.

Metrorail

Metrorail, a division of Transnet, is tasked with the operation of the SARCC's assets to provide an efficient commuter service. Metrorail services urban areas only. It operates in the Witwatersrand area, Pretoria, the Western Cape, Durban, Port Elizabeth and East London.

Together with the SARCC, major safety projects have been identified, and significant portions of the R355-million capital fund will be spent on refurbishing or renewing safety-critical signalling installations. The investment in the refurbishment of rolling stock is continuing, and the increased infrastructural investment, as announced by the Ministers of Finance and of Transport, should also see improvements in other parts of the railway infrastructure.

Metrorail is responsible for some 17% of all public transport in South Africa, which amounts

to transporting about two million people daily. It serves 473 stations with 2 400 train services. Operating assets to the value of R69 million are managed on behalf of the State.

These include mobile ticket-selling points, customer-care programmes for all frontline staff, station upgrades, and a zone-fare structure.

South African Rail Commuter Corporation

The SARCC was established in 1990 to provide commuter rail service in South Africa.

It falls directly under the Department of Transport but has its own autonomous board of control. It owns all commuter rail infrastructure and its rolling stock is valued at R1,8 billion. Its main sources of revenue are subsidies to cover operational losses and capital expenditure.

The Corporation received a R1 678,84-million operational subsidy and R665-million capital subsidy in 2003/04. The SARCC operates two major businesses – Rail Commuter Services and Property Management.

Rail Commuter Services is operated as a social responsibility programme requiring considerable government subsidisation. The assets that were transferred to the SARCC included property with a net potential of R2 000 million in the main metropolitan areas.

The Corporation's role as concessionaire is to establish and monitor service standards, safety and security levels, and operating efficiencies. More than two million people use the commuter rail service daily.

In 2003/04, the SARCC infrastructure and assets comprised 319 stations, some 2 240 km of electrified single rail track and 4 564 coaches.

The SARCC has 478 commuter train stations nationally.

Intersite

Faced with managing a property portfolio of more than 374 stations worth some R2,6 billion, the SARCC formed a property-management company in 1992, called Intersite Property Management Services, to perform this task on its behalf. Intersite



Construction of the Gauteng Rapid Rail Link is expected to commence in early 2005.

Gautrain will run along some 80 km of rail connecting Johannesburg, Pretoria and Johannesburg International Airport (JIA).

The project is estimated to cost over R7 billion and will employ more than 18 000 people over the next 20 years.

It will also create business activities worth about R3,6 billion per year, resulting in an increase of between 0,7% and 1% in the province's growth over the implementation phase.

The Gautrain is expected to ease traffic congestion and air pollution.

The trip from Johannesburg to Pretoria will take 35 minutes and the trip from Sandton to the JIA about 15 minutes.

The train will cruise at 160 km per hour and will operate 18 hours a day. The minimum frequency between Johannesburg and Pretoria will initially be six trains per hour in each direction.

There will be four underground stations, eight surface stations, and some 14 km of underground track, in some places up to 80 m below the surface.

aims to develop railway stations into transport nodes that link taxi, bus and rail services in an integrated public-transport system.

Since 1992, Intersite has completed a number of station upgrades at a cost of R533,7 million while a further R186,3 million has been invested in Metrorail operational assets. Several intermodal transport facilities were also completed.

The objectives of interchange developments are to create an intermodal road/rail/bus/taxi transport environment for the commuting public, to enhance commuter rail stations and precincts, and to support government initiatives to integrate all modes of transport.

Money earned from the commercial aspects of Intersite's developments is ploughed back to reduce the subsidy provided by government.

The SARCC is implementing an active programme to improve the state of commuter rail rolling stock.

During the 2003/04 financial year, 362 coaches were overhauled at a cost of R526 million.

Civil aviation

Since 1994, the number of South African air-traffic movements has increased by nearly 150% to reach about 600 000 annual movements, moving about 20 million passengers during 2003. About 75% of these movements were domestic and the rest were international.

These represent some 50% of all air-traffic movements in the SADC region. By mid-2004, there were about 8 000 aircraft on the South African register, and over 14 000 licensed personnel including air-traffic controllers, pilots, cabin crew and flight engineers.

The number of airlines operating in South African airspace has increased from nine in 1994 to more than 50 in 2004. Some 21 air-traffic control centres support operations covering some 145 licensed airports with paved runways and over 580 aerodromes with unpaved runways.

Airports

The Cabinet approved the *Green Paper on National Policy on Airports and Airspace Management* in

February 1998. The document lays down principles for the development of airports, and calls for the sustainability of public-owned airports to be assessed and for action to be taken where necessary.

The Green Paper establishes criteria, ranging from economic activity to the implementation of air-traffic control, that should be used to determine which airports could be named as possible international airports.

International airports are those airports where the necessary facilities and services exist to accommodate international flights. The international airports are Johannesburg (JIA), Cape Town, Durban, Bloemfontein, Port Elizabeth, Pilanesberg, Lanseria, Gateway (Polokwane), Kruger Mpumalanga and Upington.

The Airports Company of South Africa (ACSA), which was officially established on 23 July 1993, owns and operates South Africa's nine principal airports, including the three major international airports in Johannesburg, Cape Town and Durban.

ACSA's three core activities are:

- airport services, including providing and maintaining runways, taxiways and aprons; terminal facilities; and security, fire and rescue services
- retail activities, including the provision of space within terminals to appropriate retailers, and other sites to operations such as car-hire firms, banks and advertisers
- property activities, including the development of airport infrastructure, retail and office premises, and car-parking facilities, as well as functioning as commercial landlords.

The ACSA recorded a 4,3% rise in domestic passengers from 2001 to 2002, and a 6% rise from 2002 to 2003. It is expected to set aside R300 million over the next five years to upgrade the national airport network.

In 2003/04, the ACSA's total revenue was expected to reach R1,8 billion, rising to an anticipated R2,5 billion in 2006/07.

Over the medium term, the company was expected to realise a surplus of between R619 million in 2004/05 and R765,4 million in 2006/07.

The ACSA has invested more than R1,9 billion in infrastructure investment to develop the JIA.

The R750-million domestic terminal at the JIA was opened in March 2003. This is the largest terminal in Africa and will increase the Airport's total capacity to more than 18 million passengers annually. The JIA is ACSA's success story and accounts for over half of the throughput of all ACSA airports.

The JIA has experienced remarkable growth with passenger traffic increasing from 6,4 million people to 13 million between 1993 and 2003.

The JIA's daily average passenger numbers have grown to 36 000.

Over 400 aircraft arrive and depart from the Airport each day.

In December 2003, the total number of international passengers was 8,4% higher than for December 2002, and the total number of regional passengers was 10,4% higher.

The JIA handles an average of 270 000 pieces of passenger baggage a month. By February 2004, the JIA was served by over 46 airlines offering travel to destinations in 45 countries.

The Johannesburg International Trade Bureau (JITB), a joint venture between the ACSA, the International Trade Bureau and the National African Federated Chamber of Commerce, was expected to be completed in 2005.

The JITB will offer 2 200 m² of permanent exhibition space to over 120 of South Africa's premier exporters, with unparalleled access to international business visitors.

The Bureau will also feature a business information library, an exhibitor information desk, meeting rooms and consultation areas.

Cape Town International Airport (CTIA) now boasts a world-class international terminal with capacity for up to five million passengers a year.

The ACSA has committed R1 billion to the upgrading and development of the CTIA, including extensions to existing terminal buildings, the construction of parkades, two new satellite terminals, and an expanded runway system.

The CTIA's new R120-million international departures terminal, officially opened in February 2003, boasts a total area of 21 000 m² – of which 2 360 m² is retail space. The terminal is capable of accommodating up to 1 300 passengers in peak

hours, or a million passengers a year, which is three times the capacity of the previous departures terminal.

The terminal building at Durban International Airport (DIA) has been upgraded with the reconfiguration of the international and domestic terminal into an arrivals and departures terminal. Parking facilities have also been revamped and upgraded. The DIA handles 2,5 million passengers a year with an annual turnover of R134 million, R45 million of which represents retained earnings.

The R1,6-billion Dube Trade Port and King Shaka International Airport are expected to be operational by 2009. By mid-2004, National Treasury was in the final stages of registering the King Shaka International Airport and freight terminal as a public-private partnership.

The Port Elizabeth Airport's new terminal was officially opened in May 2004. The number of arriving and departing passengers moving through Port Elizabeth has increased over the past few years, with just under a million people moving through the Airport during 2003/04.

The ACSA will spend about R14 million on Bloemfontein Airport for a terminal revamp, the upgrade of fire-fighting equipment, as well as runway rehabilitation; while the East London Airport will receive R23 million for a new instrument-landing system (ILS) and fire-fighting equipment.

Kimberley and George airports will each receive R6 million for terminal refurbishment, replacement and upgrade of equipment, and R17 million for terminal upgrade, an ILS and equipment replacement.

Given its strong although seasonal freight traffic, about R14 million has been budgeted for cargo-apron extension, fire fighting and general equipment replacement, while R21 million has been set aside for strengthening of the runway, terminal extension and equipment improvement at Pilanesberg International Airport.

Air-Traffic Navigation Service (ATNS)

The ATNS is responsible for the efficient running of South Africa's air-traffic control systems and the maintenance of navigation equipment, which

includes the deployment of air-traffic controllers and aviation technical staff.

It provides extensive air-traffic information services and related aeronautical support services in the major airspace and at 21 airports throughout South Africa.

The company college is a well-established facility that is used by a large number of African countries for air-traffic services training and for technical training for equipment support.

The ATNS does not receive government transfers and derives its funding from its operations.

Air-traffic service fees contributed 90% to total revenue earned in 2003/04, while revenue from the air-traffic satellite communication system in the SADC region contributed 5% during the same period.

The balance of revenue is earned from technical maintenance services, aeronautical information services, and the provision of training in air-traffic control.

Starting in 2004, the ATNS aims to achieve a return on capital employed of 11,1% over a five-year period, with medium-term targets of 6,1%, 6,9% and 8,2%.

The company expects to improve service-delivery targets, reduce pilot and controller workloads, and enhance the efficiency of the system by implementing the South African Advanced Air Traffic System.

A joint operations centre at the JIA is the nerve centre of all airport communications and operations.

From here, all activities related to maintenance and building management are co-ordinated. The centre serves as a control office, crisis control centre for emergencies, and an Information Technology (IT) centre.

Airlines

SAA is by far the largest air carrier in Africa, with the JIA being the busiest airport in Africa. Nearly 75% of air traffic in Africa takes place in the region.

SAA, British Airways (BA)/Comair, SA Express, SA Airlink and Interair operate scheduled air services within South Africa and the Indian Ocean islands. In addition to serving Africa, SAA operates services to Europe, Latin America and the Far East.

Scheduled international air services are also provided by Air Afrique, Air Austral, Air Botswana, Air France, Air Gabon, Air Madagascar, Air Malawi, Air Mauritius, Air Namibia, Air Portugal, Air Seychelles, Air Tanzania, Air Zimbabwe, Airlink Swaziland, Alliance Express, BA, Cameroon Airlines, Delta Airlines, El Al, Egyptair, Emirates, Ethiopian Airlines, Ghana Airways, Iberia, KLM, Kenya Airways, LAM, LTU, Lufthansa, MK Airlines, Malaysia Airlines, Martinair Holland, North-West Airlines, Olympic Airways, Quantas, Royal Air Maroc, Saudi Arabian Airlines, Singapore Airlines, Swissair, Taag, Thai International, Turkish Airlines, Uganda Airlines, United Airlines, Varig, Virgin Atlantic, Yemenia, Zambian Air Services and Zambian Skyways.

Aviation safety and security

South Africa complies with the ICAO-recommended practices on aviation security.

South Africa is also participating in the development and establishment of an Upper Airspace Control Centre for the SADC. This initiative proposes that a single centre hosted by an SADC state will provide air-navigation services to all aircraft flying above 24 500 feet.

The ATNS is working on upgrading ageing radar display and processing systems at the JIA. The upgrade will expand control centres countrywide and incorporate 'automatic sequencing' of traffic into Johannesburg and Cape Town. This will ensure separation and consistent flow of arrivals, which in turn will enhance efficiency and reduce costs for air-



By December 2003, South African

Airways was the only airline which operated:

- 272 flights a week between Johannesburg and Cape Town
- 234 flights a week between Johannesburg and Durban
- 96 flights a week between Europe and South Africa
- 34 flights a week between the United States of America and South Africa
- 36 flights a week between Asia Pacific and South Africa
- 202 return flights a week between Johannesburg and major African cities.

lines. The total cost of the project, which was due for completion in 2004, is R228 million.

Emphasis is being placed on improved international access to and from South Africa by air, the expansion of the bilateral air-services framework, the implementation of the Yamoussoukro Declaration, effective monitoring of airline activities, and the efficient licensing and regulation of domestic and international air services. Other aims include promoting:

- safer skies: this involves ensuring that adequate safety and upper-air space-control regimes are in place across the continent, supported by efficient air-traffic and navigational services and systematic human resource development programmes
- efficient and effective aviation networks: this involves regulating as necessary to make air transport more affordable, creating regional hubs and air-carrier alliances, and supporting one another to establish a high-quality African air-ports network.

Ports

Commercial ports play a crucial role in South Africa's transport, logistics and socio-economic development. Approximately 98% of South Africa's exports are conveyed by sea.

South Africa's seven commercial seaports are managed and controlled by the NPA, a division of Transnet Limited. The NPA was established in August 2001 out of the restructuring of Portnet to enhance the efficiency of South Africa's seaports in the evolving maritime climate of the 21st century, a vital function in sustaining the growth of the national economy.

The new structure, comprising the NPA and the SAPO as separate entities, is specifically designed to separate operational and landlord functions to optimise the benefits and potential of public/private-sector partnerships, while at the same time retaining State ownership of this essential part of the national infrastructure.

The NPA is responsible for the maintenance and development of port infrastructure and is the biggest

port authority in southern Africa, controlling seven of the 16 biggest ports in this region, namely Richards Bay, Durban, East London, Port Elizabeth, Mossel Bay, Cape Town and Saldanha.

By July 2004, the eighth commercial port, the Port of Ngqura, was being built by the NPA at a total cost of R2 600 million. The project is expected to be fully operational by the end of 2005. The Port is situated at the Coega River mouth about 20 km from Port Elizabeth. Destined to be the deepest container terminal in Africa, the Port is one of the biggest government-sponsored infrastructure developments in South Africa.

The Port will have the capacity to handle the new generation of deep-sea vessels. The adjacent Coega Industrial Development Zone (IDZ) is expected to complement the Port and provide vast areas of land for industrial developments including automotive, electronics, commercial, metal and agri-industrial industries, among others.

On 16 September 2003, the Minister of Transport tabled the NPA Bill in the National Assembly. Specific objectives of the Bill are to:

- provide for the establishment of the NPA to own, manage, and control ports on behalf of the State
- provide for the transfer of ports, land and other rights and obligations from Transnet to the Authority
- provide for the establishment of the Ports Regulator
- ensure equity in the access of port facilities in a non-discriminating manner
- authorise the NPA to enter into various forms of contracts, including concessions
- provide for the licensing of port services and facilities
- authorise the charging of fees
- amend other laws that have a bearing on the activities of the ports.

The Bill has its origin in the *White Paper on National Commercial Ports Policy*, adopted by the Cabinet in March 2002.

The aim of the White Paper is to ensure affordable, internationally competitive, efficient and safe port services, based on the application of commercial rules in a transparent and competitive environ-

ment, and applied consistently across the transport system.

The White Paper proposes that, in order to ensure that South African ports continue to contribute to international competitiveness, the separation of the port-authority and port-operations components will provide impetus to ongoing efforts to upgrade facilities and equipment.

By far the largest, best-equipped and most efficient network of ports on the African continent, South Africa's seven commercial ports have a significant role to play. They are not only conduits for the imports and exports of South Africa and neighbouring countries, but also serve as hubs for traffic emanating from and destined for the east and west African coasts.

A R4,3-billion investment has been set aside for use by the NPA in addressing infrastructural backlog, its primary responsibilities being landlord and maritime services.

Landlord Services

Landlord Services plays an important role in ensuring the planning, development and optimal use of port property and infrastructure, as well as ensuring a safe, secure and healthy port environment.

This arm of the business focuses on the needs of cargo owners and terminal operators – from project conception to terminal design, assessment of environmental factors, and the concluding stages whereby a lease is signed with the terminal operator through which the cargo will pass.

Maritime Services

Maritime Services includes improving efficiency in shipping services, the dredging of navigational waterways, and ensuring a safe shipping environment by means of vessel-tracing services, pilotage and lighthouse services.

The ports provide:

- pilotage, tug and berthing services
- bulk-handling installations to handle dry and liquid bulk, complemented by storage facilities
- container-handling facilities
- multi-purpose terminals for the handling of breakbulk and containers

- access to rail and road links
- ship-repair facilities
- feeder services.

Lighthouse Services

Lighthouse Services operates 45 lighthouses along the South African coastline.

The NPA has vessel-traffic systems in all ports, which ensure improved safety of navigation within the port and port limits, and enhance the service provided to the port user.

Marine Services

Marine Services operates 24 large tugs, eight work boats, four pilot boats and 14 launches in the seven commercial ports of South Africa. Twenty-four-hour services are provided at the ports of Durban and Richards Bay.

Deepwater ports

The Port of Richards Bay, although a young port by international standards, and initially built for bulk exports, has rapidly developed and diversified into other cargo-handling forms. The Port is South Africa's leading port in terms of dry bulk volumes, and is capable of handling a diverse group of commodities from steel to forest products.

With increased traffic to and from the Far East and Australia, an upgrade was essential. More than R500 million has been allocated to reduce vessel turnaround time, improve quality control, upgrade terminal-handling equipment, and increase storage capacity. The Port handles in excess of 80 Mt per year, representing 55% of South Africa's seaborne cargo trade.

It also offers easy access to South Africa's national rail network with substantial growth capacity in the rail network link.

For industrial investors, there is an abundance of prime industrial land, both immediately adjacent to the Port and further inland. The Port hosts five cargo-handling terminals, of which three are privately operated and two are operated by SAPO. The privately operated terminals are the Richards Bay Coal Terminal; Island View Storage, which handles bulk liquids and liquified gases; and Fedmis, which exports phosphoric acid.

Saldanha Port is a deep-water port and is the largest natural port in southern Africa. The Port is unique in that it has a purpose-built railroad serving a bulk-handling facility, which is connected to a dedicated jetty for the shipment of iron ore.

Saldanha also serves as a major crude-oil importation and transshipment port.

About R600 million is being spent on upgrading and expanding Saldanha Bay's steel and iron-ore handling facilities. This includes acquiring new equipment and increasing workspace efficiency.

Hub ports

The Port of Durban is a full-service general cargo and container port. It is the busiest port in southern Africa and is also the most conveniently situated port for the industrialised Durban/Pinetown and Gauteng areas and cross-border traffic.

As South Africa's premier cargo and container port, the Port of Durban handles over 55 Mt of cargo per year. Durban has abundant shipping opportunities, both in terms of frequency and destinations served.

It is especially effective as a hub port for cargo to and from the Far East, Europe and the Americas, serving South Africa as well as west and east African countries. The Port is the premier port for a wide range of commodities, including coal, mineral ores, granite, chemicals, petrochemicals, steel, forest products, citrus products, sugar and grain.

The Port handles more than 1,2 million containers per year, with an increase of 6% to 7% each year.

On 31 July 2003, the Durban Container Terminal (DCT) handled 2 555 container vehicles through its gates – the highest number handled in a 24-hour period in the history of the DCT.

The Port of Cape Town is a full-service general-cargo port. It is renowned for its deciduous fruit and frozen-products exports. The fishing industry based at the Port of Cape Town is of major proportion.

The Port of Cape Town is strategically positioned and ideally situated to serve as a hub for cargoes between Europe, the Americas, Africa, Asia and Oceania. The Port provides a complex network of services to its clients and a favourable environment

for all stakeholders, so as to maximise the benefit to the local and national economy.

Integrated intermodal cargo systems, ship repair, bunkering facilities and the reefer trade are all examples of these services.

The Port of East London is situated at the mouth of the Buffalo River on the east coast of South Africa, and is the only commercial river port on the South African coastline.

With a well-developed infrastructure, the Port has become one of the major motor-vehicle export and import terminals in South Africa.

Multi-purpose ports

The Port of Port Elizabeth, with its proximity to heavily industrialised and intensively farmed areas, has facilities for the handling of all commodities – bulk, general and container cargo.

Being at the centre of the country's motor-vehicle-manufacturing industry, the Port imports large volumes of containerised components and raw material for this industry. The bulk of exports comprises agricultural products. Apart from agricultural produce, manganese ore, motor-vehicle-industry-related products and steel are exported.

The Port of Mossel Bay, primarily serving the fishing and oil industries, also offers limited commercial cargo activity.

This Port is the only South African port that operates two offshore mooring points within port limits. Both mooring points are utilised for the transport of refined petroleum products.

The NPA is building the modern deepwater port while the Coega Development Corporation is developing the entire land-side infrastructure for the Coega IDZ.

The area is already well-served by existing transport networks and a skilled labour force.

Pipelines

Petronet owns, maintains and operates a network of 3 000 km of high-pressure petroleum and gas pipelines. During 2002/03, Petronet transported 15,3 billion litres of fuel from coastal and inland refineries to the main business centres in Gauteng

and surrounding areas, and some 466 million m³ of gas from Secunda to KwaZulu-Natal. Petronet's customers are the major oil companies in South Africa.

Maritime affairs

Maritime administration, legislation and shipping

Marine transport encompasses all forms of transport by sea, intermodal links and inland ports. It caters to a large degree for the freight market, and in the South African context offers no significant passenger-carrying ability.

South Africa's maritime administration and legislation is the responsibility of the Department of Transport, and is controlled on its behalf by SAMSA in terms of the SAMSA Act, 1998 (Act 5 of 1998).

The broad aim of the SAMSA is to maintain the safety of life and property at sea within South Africa's area of maritime jurisdiction and to ensure the prevention of sea pollution by oil and other substances emanating from ships.

The Department of Environmental Affairs and Tourism is responsible for the combating of pollution, and has specific means at its disposal, such as the *Kuswag* coast watch vessels, with which to perform this function.

The SAMSA is responsible for the introduction and maintenance of international standards set by the International Maritime Organisation in London, with respect to:

- ship construction
- maritime training and training curricula
- watch-keeping
- certification of seafarers
- manning and operation of local and foreign ships
- maritime search-and-rescue
- marine communication and radio navigation aids
- pollution prevention.

The SAMSA has an operations unit, a policy unit and a corporate support division to handle all financial, human resource and IT issues.

Other functions include the registration of ships, the establishment of a coastal patrol service, and the management of marine casualties and wrecks.

The SAMSA is steadily improving its capacity to monitor safety standards on foreign vessels. A considerable number of ships calling at South Africa's seven major ports were inspected and those not in compliance with international safety standards were detained until the deficiencies were corrected.

In February 2004, the Department released the Proposed Maritime Agenda 2010 Strategy, which, among other objectives, seeks to promote and facilitate safe, secure, environmentally sound, efficient and sustainable maritime transport.

The South African Marine Corporation (Safmarine), Unicorn Lines and Griffin Shipping are South Africa's predominant shipping lines. Their fleets of container, oil tanker, general cargo and bulk cargo vessels operate not only between South African ports, but also as cross-traders to other parts of the world.

Training

The South African Maritime Training Academy at Simonstown in the Western Cape, provides advanced training to the broader maritime sector, including the merchant navy, harbour-craft operations, the fishing industry and the South African Navy.

The South African Merchant Navy Academy, General Botha, established at Granger Bay, is integrated with the Cape Peninsula University of Technology (formerly called Cape Technikon), with a similar training facility at the Durban Institute of



Cape Town has won the bid to host the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) Conference in March 2010.

The Conference is expected to attract some 400 delegates from over 40 countries, and will focus on related environmental issues and the preservation of historic lighthouses.

This will be the first time since the IALA was established in 1957 that one of its conferences – which takes place every four years – will be held in Africa. South Africa is the only African representative on the IALA Council.

Running parallel to the Conference will be a three-day Aids to Navigation Trade Exhibition, showcasing the latest developments in navigation-aid technology.

Technology (formerly called Natal Technikon). Deck and engineering students and officers complete their academic training at the Cape Peninsula University of Technology and the Durban Institute of Technology, while lower classes of certificates are offered at the Training Centre for Seamen, situated in the Duncan Dock area in Cape Town.

This training institution also caters for deck, engine-room and catering department ratings.

The SAMSA is responsible for setting all standards of training certification and watch-keeping on behalf of the Department of Transport, while the Maritime Education and Training Board is responsible for the accreditation of all maritime courses.

Other maritime training organisations offer a wide range of courses that have been developed within the South African maritime industry. These are situated mainly in the ports of Cape Town and Durban and, to a lesser degree, Port Elizabeth.

Search-and-rescue services

The Department of Transport is responsible for the provision of a search-and-rescue function in South Africa. The search-and-rescue programme has been in existence since 1948.

The South African Search-and-Rescue Organisation (SASAR) provides South Africa with a world-class search-and-rescue capability.

The SASAR is a voluntary organisation functioning under the auspices of the Department of Transport.

Its main function is to search for, assist, and, if necessary, rescue survivors of aircraft accidents or forced landings, vessels in distress, and accidents at sea. It is also charged with co-ordinating the resources made available to the Department by various government departments, voluntary organisations, and private aircraft and shipping companies for search-and-rescue purposes. The executive committee of the SASAR, in conjunction with the relevant officials of the Department, is responsible for formulating policy and procedures.

The Department of Transport, the SANDF, Telkom, Portnet, SAMSA, SACAA, ATNS, SAPS, the Independent Communications Authority of South Africa, SAA and the Department of Provincial and Local Government are members of the SASAR and contribute their services and/or facilities.

Voluntary organisations such as the 4x4 Rescue Club, Mountain Club of South Africa, Hamnet and the National Sea Rescue Institute are also members of the SASAR.

The South African Maritime and Aeronautical Search-and-Rescue Act, 2002 (Act 44 of 2002), is being implemented.

Maritime safety

South Africa has been identified as a focal point for a regional search-and-rescue centre. During 2003/04, the Department of Transport set aside R3,5 million for the establishment of a dedicated Maritime Rescue Co-ordination Centre. The process is at an advanced stage.

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Addendum

Abbreviations

A

ABC –	Agricultural Business Chamber
ABET –	Adult Basic Education and Training
Absa –	Amalgamated Banks of South Africa
ACAP –	Agreement on the Conservation of Albatrosses and Petrels
ACP –	African-Caribbean-Pacific
ACR –	Army Conventional Reserve
ACS –	Agricultural Credit Scheme
ACSA –	Airports Company of South Africa
ACT –	Arts and Culture Trust
ADS –	Approved Destination Status
AEC –	African Economic Community
AFIS –	Automated Fingerprint Information System
AFU –	Asset Forfeiture Unit
AGOA –	African Growth and Opportunity Act
AICs –	African Independent Churches
AICT –	Advanced Institute for Information and Communications Technology
ALTx –	Alternative Exchange
AMCOST –	African Ministers' Council on Science and Technology
AP –	Associated Press
AMP –	African Mining Partnership
AMPS –	All Media Products Survey
APRM –	African Peer Review Mechanism
ARC –	Agricultural Research Council
Armcor –	Armaments Corporation of South Africa
ARV –	antiretroviral
ASA –	Advertising Standards Authority
ASEAN –	Association of South-East Asian Nations
ASOM –	Association of Marketers
ATEE –	Assessment, Technology and Education Evaluation
ATNS –	Air-Traffic Navigation Service
ATR –	Army Territorial Reserve
ATU –	African Telecoms Union
AU –	African Union

B

BA –	British Airways
BASA –	Business Arts South Africa
BBSP –	Black Business Supplier Programme
BCLME –	Benguela Current Large Marine Ecosystem
BED –	Business and Entrepreneurial Development

BEE –	Black Economic Empowerment
BENEFIT –	Benguela Fisheries Interaction and Training
BESA –	Bond Exchange of South Africa
BFI –	Bridges to the Future Initiative
Biopad –	Biotechnology Partnership for Africa's Development
BLNS –	Botswana, Lesotho, Namibia and Swaziland
BMCC –	Broadcasting Monitoring Complaints Committee
BNC –	Binational Commission
BRAIN –	Business Referral and Information Network
BRICs –	Biotechnology Regional Innovation Centres
BSRP –	Building for Sport and Recreation Project
BTT –	Board of Tariffs and Trade

C

CAADP –	Comprehensive African Agricultural Development Programme
Caricom –	Caribbean Community
CBE –	Council for the Built Environment
CBOs –	community-based organisations
CBPWP –	Community-Based Public Works Programme
CBRTA –	Cross-Border Road Transport Agency
CC –	Constitutional Court
CCD –	Convention to Combat Desertification
CCF –	Credit-card format
CCP –	Cape Conversion Process
CDA –	Central Drug Authority
CDM –	Clean Development Mechanism
CDWs –	Community Development Workers
CEE –	Commission for Employment Equity
CEED –	Chairs of Entrepreneurship and Enterprise Development
CEF –	Central Energy Fund
CEIRD –	CoEs in Industrial Research and Development
CEM –	Council of Education Ministers
CEO –	Chief Executive Officer
CETA –	Construction Education and Training Authority
CFCs –	chlorofluorocarbons
CGE –	Commission on Gender Equality
CGS –	Council for Geoscience
CHE –	Council on Higher Education
CIDB –	Construction Industry Development Board
CIDP –	Construction Industry Development Programme
CIP –	Critical Infrastructure Programme

CIPRO – Companies and Intellectual Property
 Registration Office
 CITES – Convention on International Trade in
 Endangered Species
 CJS – criminal justice system
 CMAs – catchment management agencies
 CoEs – Centres of Excellence
 COP – Conference of the Parties
 COSAB – Council of South African Banks
 COSSE – SADC Committee of Stock Exchanges
 CPD – Continuing Professional Development
 CPI – Consumer Price Inflation
 CPIX – Consumer Price Index excluding
 mortgage costs
 CPOs – Citizens Post Offices
 CPP – Court Process Project
 CPSI – Centre for Public Service Innovation
 CRC – Criminal Record Centre
 CREATE SA – Creative Education and Training Enterprise
 South Africa
 CSDP – South African Central Securities Depository
 Participants
 CSG – Child Support Grant
 CSIR – Council for Scientific and Industrial Research
 CSP – Customised Sector Programmes
 CSSDCA – Conference on Security, Stability,
 Development and Co-operation in Africa
 CVDs – Card Verification Devices
 CWSS – Community Water Supply and Sanitation
 CYFD – Child, Youth and Family Development

D

D&G – Democracy and Governance
 DBSA – Development Bank of Southern Africa
 DCOs – Doping Control Officers
 DCT – Durban Container Terminal
 DFID – Department for International Development
 DIA – Durban International Airport
 DISSA – Disability Sport South Africa
 DIU – Departmental Investigation Unit
 DMO – Destination Marketing Organisation
 DNR – Direct Normal Radiation
 DNS – Digital Nervous System
 DOTs – document-tracking system
 DOTs – Directly Observed Treatment Short Course
 DPPs – Directors of Public Prosecutions
 DRC – Democratic Republic of Congo
 DRS – Deeds Registration System
 DSO – Directorate: Special Operations
 DWA – Doppler wave form analysis

E

EC – European Commission
 ECC – Employment Conditions Commission

ECD – Early Childhood Development
 ECDP – Emerging Contractor Development
 Programme
 ECOSOCC – Economic, Social and Cultural Council
 EDI – electricity distribution industry
 EDL – Essential Drug List
 EE – Eskom Enterprises
 EEPR – Employment and Economic Policy Research
 EEZ – Exclusive Economic Zone
 EFA – Education For All
 EIAs – Environmental Impact Assessments
 EIDD – Enterprise and Industry Development
 Division
 EIPs – Environmental Implementation Plans
 ELRC – Education Labour Relations Council
 ENPAT – National Environmental Potential Atlas
 EPWP – Expanded Public Works Programme
 ESF – Equitable Shares Formula
 ESI – Electricity Supply Industry
 EU – European Union

F

FAIS – Financial Advisory and Intermediary Services
 FAO – Food and Agricultural Organisation
 FAS – Financial Administration System
 FAS – Foetal Alcohol Syndrome
 FATF – Financial Action Task Force
 FBOs – faith-based organisations
 FBW – Free Basic Water
 FCTC – Framework Convention on Tobacco Control
 FDI – Foreign Direct Investment
 FET – Further Education and Training
 FETC – Further Education and Training Certificate
 FFC – Financial and Fiscal Commission
 FIC – Financial Intelligence Centre
 FIG – Foreign Investment Grant
 FM – Frequency Modulation
 FMD – foot-and-mouth disease
 FNB – First National Bank
 FOSAD – Forum of South African Directors-General
 FPMC – National Food Pricing Monitoring Committee
 FSB – Financial Services Board
 FSC – Forest Stewardship Council
 FTA – free trade agreement
 FTFA – Food and Trees for Africa
 FXI – Freedom of Expression Institute

G

G&A – Governance and Administration
 GAW – Global Atmosphere Watch
 GBADS – ground-based air defence systems
 GCIS – Government Communications
 GDP – Gross Domestic Product
 GDPR – Gross Domestic Product per Region

GDS – Growth and Development Summit
 GEF – Global Environment Facility
 GET – General Education and Training
 GGP – Gross Geographical Product
 GHG – greenhouse gas
 GIS – Agricultural Georeferenced Information System
 GITO – Government Information Technology Officers
 GLTP – Great Limpopo Transfrontier Park
 GM – Genetically Modified
 GMOs – Genetically Modified Organisms
 GPT – General Preferential Tariff
 GRAP – Generally Recognised Accounting Practice
 GSP – General System of Preferences
 GSWLP – Greater St Lucia Wetlands Park
 GWh – gigawatt-hour

H

ha – hectare
 HartRAO – Hartebeesthoek Radio Astronomy Observatory
 HDIs – historically disadvantaged individuals
 HE – Higher Education
 HEDCOM – Heads of Education Departments Committee
 HEQC – HE Quality Committee
 HG – Higher Grade
 HMO – Hermanus Magnetic Observatory
 HPCSA – Health Professions Council of South Africa
 HPP – High-Performance Programme
 HRD – human resource development
 HSIC – Heads of State and Government Implementation Committee
 HSRC – Human Sciences Research Council

I

IAAF – International Association of Athletics Federations
 IBA – Independent Broadcasting Authority
 IBSA – India-Brazil-South Africa
 ICAO – International Civil Aviation Organisation
 ICASA – Independent Communications Authority of South Africa
 ICC – International Criminal Court
 ICD – Independent Complaints Directorate
 ICSSPE – International Council of Sport Science and Physical Education
 ICT – Information and Communications Technology
 ID – Identity Document
 IDASA – Institute for Democracy in South Africa
 IDC – Industrial Development Corporation
 IDMP – Integrated Management Development Programme
 IDMT – Interdepartmental Management Team

IDP – Integrated Development Plan
 IDZ – Industrial Development Zone
 IEC – Independent Electoral Commission
 IECs – Integrated Energy Centres
 IF – Innovation Fund
 IFSNP – Integrated Food Security and Nutrition Programme
 IHERI-AB – Institut Des Hautes et de la Recherche Islamique
 IHSA – Institute of Housing of South Africa
 IJS – Integrated Justice System
 IKS – Indigenous Knowledge Systems
 ILS – instrument landing system
 IMC – International Marketing Council
 IMCI – Integrated Management of Childhood Illnesses
 IMF – International Monetary Fund
 IMS – Integrated Manufacturing Strategy
 INP – Integrated Nutrition Programme
 INEP – Integrated National Electrification Programme
 IOC – International Olympic Committee
 IOR-ARC – Indian Ocean Rim Association for Regional Co-operation
 IPC – International Paralympic Committee
 IPCA – International Prison Chaplaincy Association
 IPP – Independent Power Producer
 IPPC – International Plant Protection Convention
 IPSP – Integrated Provincial Support Programme
 IRRD – Integrated Rural and Regional Development
 ISL – International Science Liaison
 ISO – International Organisation for Standardisation
 ISPs – Internal strategic perspectives
 ISPs – Internet service-providers
 ISRDP – Integrated Sustainable Rural Development Programme
 ISRDS – Integrated Sustainable Rural Development Strategy
 ISSA – Institute for Satellite and Software Applications
 ISSET-SETA – Information Systems Electronic and Telecom Technologies Sector Education and Training Authority
 IT – Information Technology
 IST – Innovation, Science and Technology
 ITAC – International Trade Administration Commission
 ITED – International Trade and Economic Development
 ITU – International Telecommunications Union
 IUCN – World Conservation Union

J

JBC – Joint Bilateral Commission (for Co-operation)

JCC – Joint Commission of Co-operation
 JCPS – Justice, Crime Prevention and Security
 JIA – Johannesburg International Airport
 JITB – Johannesburg International Trade Bureau
 JMC – Joint Ministerial Commission
 JPA – Joint Parliamentary Activities
 JPC – Joint Permanent Commission
 JPCC – Joint Permanent Commission for Co-operation
 JPI – Johannesburg Plan of Implementation
 JRMCS – Joint Route Management Committees
 JSC – Judicial Service Commission
 JSCD – Joint Standing Committee on Defence
 JSE – Johannesburg Securities Exchange

K

km – kilometre
 KM – Knowledge Management

L

l – litre
 LABS – Laboratory for Accelerator-Based Sciences
 LBC – Large Business Centre
 LED – local economic development
 LHWP – Lesotho Highlands Water Project
 LIASA – Library Association of South Africa
 LIS – Library and Information Services
 LRAD – Land Redistribution for Agricultural Development
 LREF – Land Reform Empowerment Facility
 LTPS – Land Transport Permit System

M

M³ – million cubic metres
 m – metre
 MAPPP-SETA – Media, Advertising, Publishing, Printing and Packaging Sector Education and Training Authority
 MBA – Master of Business Administration
 MCA – MultiChoice Africa
 MCC – Medicines Control Council
 MCLI – Maputo Corridor Logistics Initiative
 MDDA – Media Development and Diversity Agency
 MDIs – Network of African Management Development Institutes
 MEC – Member of the Executive Council
 MERCOSUR – South American Common Market
 MFMA – Municipal Finance Management Act
 MFR – Micro Finance Regulatory Council
 MFSA – Marketing Federation of South Africa
 MHIC – Mental Health Information Centre
 MHSC – Mine Health and Safety Council
 MHSI – Mine Health and Safety Inspectorate

MICE – Meetings, Incentives, Conferences and Exhibitions
 MIDP – Motor Industry Development Programme
 MIG – Municipal Infrastructure Grant
 MZ – million litres
 MMM – MultiMarket Model
 MMSD – Mineral and Mining for Sustainable Development
 MoU – Memorandum of Understanding
 MPAs – Marine protected areas
 MPC – Monetary Policy Committee
 MPCCs – Multi-Purpose Community Centres
 MPRDA – Minerals and Petroleum Resources Development Act
 MQA – Mining Qualifications Authority
 MRC – Medical Research Council
 MRLs – Maximum Residue Limits
 MRMC – Major Radiation Medicine Centre
 MRS – Micro-Economic Reform Strategy
 MST – Marketable Securities Tax
 mt – metric ton
 MTN – Mobile Telephone Network
 MTO – Mountain-to-Ocean
 MW – medium wave
 MW – megawatts
 MTEF – Medium Term Expenditure Framework
 MYIP – Multi-Year Implementation Plan

N

NAC – National Arts Council of South Africa
 NACF – National Anti-Corruption Forum
 NACHRET – National Centre for Human-Rights Education and Training
 NACI – National Advisory Council on Innovation
 NACTT – National AIDS Children's Task Team
 NAFU – National African Farmers' Union
 NAFVSA – National Film, Video and Sound Archives
 NAIL – New Africa Investments Limited
 NAMAC – National Manufacturing Advisory Centres
 NAMC – National Agricultural Marketing Council
 NAMF – New Africa Mining Fund
 NARF – National Agricultural Research Forum
 NBFET – National Board for Further Education and Training
 NBI – National Botanical Institute
 NBS – National Biotechnology Strategy
 NCACC – National Conventional Arms Control Committee
 NCCS – National Crime Combating Strategy
 NCHM – National Cultural History Museum
 NCOH – National Centre for Occupational Health
 NCOP – National Council of Provinces
 NDA – National Development Agency
 NDMP – South African National Drug Master Plan
 NDPP – National Director of Public Prosecutions

NECSA – South African Nuclear Energy Corporation
 NEDLAC – National Economic Development and Labour Council
 NEF – National Empowerment Fund
 NEMISA – National Electronic Media Institute of South Africa
 NEPAD – New Partnership for Africa's Development
 NER – National Electricity Regulator
 NERI – National Energy Research Institute
 NFAC – National Forests Advisory Council
 NFVF – National Film and Video Foundation
 NG – Nederduitsch Gereformeerde
 NGOs – Non-governmental organisations
 NHBRC – National Home-Builders Registration Council
 NHC – National Heritage Council
 NHS – National Health System
 NHFC – National Housing Finance Corporation
 NHLS – National Health Laboratory Service
 NIA – National Intelligence Agency
 NICD – National Institute for Communicable Diseases
 NIPP – National Industrial Participation Programme
 NIRP – National Integrated Resource Plan
 NIV – National Institute for Virology
 NLP – National LandCare Programme
 NLPF – National Language Policy Framework
 NLR – National Loans Register
 NLS – National Language Service
 NLUs – National Lexicography Units
 NMPS – National Mining Promotion System
 NMT – Non-Motorised Transport
 NNR – National Nuclear Regulator
 NOCSA – National Olympic Committee of South Africa
 NPA – National Prosecuting Authority
 NPA – National Ports Authority
 NPLs – non-performing loans
 NPOs – non-profit organisations
 NPS – National Prosecuting Services
 NPWP – National Public Works Programme
 NQF – National Qualifications Framework
 NRF – National Research Foundation
 NSA – National Skills Authority
 NSDS – National Skills Development Strategy
 NSF – National Skills Fund
 NSFAS – National Student Financial Aid Scheme
 NSI – National System of Innovation
 NSNP – National School Nutrition Programme
 NUFCOR – Nuclear Fuels Corporation
 NURCHA – National Urban Reconstruction and Housing Agency
 NYC – National Youth Commission

O

OAG – Office of the Auditor-General
 OAU – Organisation of African Unity

OBE – Outcomes-Based Education
 OBP – Onderstepoort Biological Products
 ODA – Overseas Development Assistance
 ODS – ozone-depleting substances
 OHS – Occupational health and safety
 OIE – Office International des Épizooties
 ONUB – UN Operation in Burundi
 OPA – Online Publishers' Association
 OPSC – Office of the Public Service Commission
 OSI – Open Society Institute

P

PanSALB – Pan South African Language Board
 PAP – Pan-African Parliament
 PAS – Provincial Academies of Sport
 PASA – Petroleum Agency SA
 PBMR – Pebble Bed Modular Reactor
 PetroSA – Petroleum, Gas and Oil Corporation of South Africa
 PFM – Participatory Forest Management
 PFMA – Public Finance Management Act
 PGMs – Platinum-Group Metals
 PHC – Primary Healthcare
 PHP – People's Housing Process
 PHPT – People's Housing Partnership Trust
 PIC – Public Investment Commissioner
 PIMS – Planning and Implementation Management Support
 PIPs – properties in possession
 PITs – Public Internet Terminals
 PLROs – Provincial Land Reform Offices
 PMTCT – preventing mother-to-child transmission
 PPPs – Public Private Partnerships
 PRC – People's Republic of China
 PSC – Peace and Security Council
 PSC – Public Service Commission
 PSCBC – Public Service Co-ordinating Bargaining Council
 PTDs – person-training days
 PUB – Public Understanding of Biotechnology
 PUSET – Public Understanding of Science, Engineering and Technology
 PV – photovoltaic

R

R&D – research and development
 RAC – Regional Advisory Committee
 RAF – Road Accident Fund
 RAS – Registration Administration System
 RCD – Research Capacity Development
 RDP – Reconstruction and Development Programme
 RECs – regional economic communities
 REDs – regional electricity distributors

RERA – Regional Electricity Regulators' Association
 RFSTP – Regional Food Security Training Programme
 RHLF – Rural Housing Loan Fund
 RHP – River Health Programme
 RISA – Research and Innovation and Support Agency
 RNCS – Revised National Curriculum Statement
 RTMS – Road Traffic Management Strategy
 RTSB – Road Traffic Safety Board

S

S&T – science and technology
 SAA – South African Airways
 SAAF – South African Air Force
 SAAO – South African Astronomical Observatory
 SAASTA – South African Agency for Science and Technology
 SAB – South African Breweries
 SABC – South African Broadcasting Corporation
 SABI – South African Biodiversity Initiative
 SABIF – South African Bioinformatics Facility
 SABS – South African Bureau of Standards
 SACC – South African Council of Churches
 SACCA – South African Civil Aviation Authority
 SACE – South African Council for Educators
 SAJU – Southern African Customs Union
 SADC – Southern African Development Community
 SAEON – South African Environmental Observation Network
 SAFCERT – South African Certifications Council
 SAFCOL – South African Forestry Company Limited
 SAFEX – South African Futures Exchange
 SAGBVHI – South African Gender-Based Violence and Health Initiative
 SAGNC – South African Geographical Names Council
 SAHA – Social Aspects of HIV and AIDS and Health
 SAHRA – South African Heritage Resources Agency
 SAHRC – South African Human Rights Commission
 SAIAB – South African Institute for Aquatic Biodiversity
 SAIDS – South African Institute for Drug-Free Sport
 SAIMR – South African Institute for Medical Research
 SALGA – South African Local Government Association
 SALRC – South African Law Reform Commission
 SALT – South African Large Telescope
 SAMDI – South African Management Development Institute
 SAMHS – South African Military Health Service
 SAMM – Surveys, Analysis, Mapping and Modelling
 SAMOS – South African Multiple Option Settlement
 SAMSA – South African Maritime Safety Authority
 SANAC – South African National AIDS Council
 SANAI – South African Academy of Intelligence
 SANAP – South African National Antarctic Programme
 SANBI – South African National Biodiversity Institute

SANC – South African Nursing Council
 SANCOR – South African Network for Coastal and Oceanic Research
 SANDF – South African National Defence Force
 SANEF – South African National Editors' Forum
 SANGALA – South African National Games and Leisure Activities
 SANLI – South African National Literacy Initiative
 SANParks – South African National Parks
 SANRAL – South African National Roads Agency Ltd
 SAPA – South African Press Association
 SAPIP – South African Pesticide Initiative Programme
 SAPS – South African Police Service
 SANTACO – South African National Taxi Council
 SAPCA – South African Pest Control Association
 SAPO – South African Port Operations
 SAPO – South African Post Office
 SAPP – Southern African Power Pool
 SAQA – South African Qualifications Authority
 SARCC – South African Rail Commuter Corporation
 SARS – South African Revenue Service
 SASAR – South African Search-and-Rescue Organisation
 SASC – South African Sports Commission
 SASS – South African Secret Service
 SASSA – South African Social Security Agency
 SATI – South African Tourism Institute
 SAUJ – South African Union of Journalists
 SAURA – South African Utility Regulators' Association
 SAWEN – South African Women Entrepreneurs Network
 SAWIMA – South African Women in Mining Association
 SCI – Social Cohesion and Integration
 SDI – Spatial Development Initiative
 SDIP – Service-Delivery Improvement Programme
 SET – Science, engineering and technology
 SETAs – Sector Education and Training Authorities
 SFF – Strategic Fuel Fund
 SFM – sustainable forest management
 SFWS – Strategic Framework for Water Services
 SGB – Housing Standard Generation Body
 SHF – Social Housing Foundation
 SHI – Social Health Insurance
 SHIs – social housing institutions
 SIP – Strategic Investment Programme
 SISA – Sports Information and Science Agency
 SITA – State Information Technology Agency
 SIU – Special Investigating Unit
 SKA – South African Square Kilometre Array
 SMEs – small and medium-sized enterprises
 SMEDP – Small Medium Enterprise Development Programme
 SMMEs – small, medium and micro enterprises
 SMS – Senior Management Service
 SNO – Second National Operator
 SOEs – State-Owned Enterprises

SPAs – strategic partnership agreements
 SPF – Sector Partnership Fund
 SQF – SiyaQhubeka Forests
 SRI Index – Socially Responsible Investment Index
 SRSA – Sport and Recreation South Africa
 SSP – Skills Support Programme
 SSPD – Sasol Slurry Phase Distillate
 STAC – Science and Technology Agreements Committee
 STIs – sexually transmitted infections
 StanSA – Standards South Africa
 Stats SA – Statistics South Africa
 Strips – Separate Trading of Registered Interest and Principal Securities
 SUMS – Subsidy-Management System

T

t – ton
 TAC – Total Allowable Catch
 TAE – Total Applied Effort
 TB – tuberculosis
 TBCSA – Tourism Business Council of South Africa
 TDCA – Trade Development and Co-operation Agreement
 TEP – Tourism Enterprise Programme
 TFCA – Transfrontier Conservation Areas
 TGCSA – Tourism Grading Council of South Africa
 THETA – Tourism and Hospitality Education and Training Authority
 THRIP – Technology and Human Resource for Industry Programme
 TICAD – International Conference on Africa Development
 TISA – Trade and Investment South Africa
 TISSA – Telephone Interpreting Service of South Africa
 TKC – Trans-Kalahari Corridor
 TLP – Tourism Learnership Project
 TNO – Third Licence Operator
 TRC – Truth and Reconciliation Commission
 TTC – Technology Transfer Centre
 TURF – Territorial User Rights Fishery
 TWIB – Technology for Women in Business

U

UAE – United Arab Emirates
 UAVs – Unmanned Aerial Vehicles
 UIF – Unemployment Insurance Fund
 UK – United Kingdom

UN – United Nations
 UNCED – United Nations Conference on Environment and Development
 UNCTAD – United Nations Conference on Trade and Development
 UNDP – United Nations Development Programme
 UNFCCC – United Nations Framework Convention on Climate Change
 UNGA – UN General Assembly
 UNICEF – United Nations Children's Fund
 UNISA – University of South Africa
 UPU – Universal Postal Union
 URP – Urban Renewal Programme
 USA – Universal Service Agency
 USA – United States of America
 USOs – universal service obligations
 USSASA – United School Sport Association of South Africa
 USSR – Union of Soviet Socialist Republics
 UST – Uncertified Securities Tax
 UUDP – Urban Upgrading and Development

V

VAT – Value-Added Tax
 VCT – voluntary counselling and testing
 VEP – Victim-Empowerment Programme
 VLBI – very long baseline interferometry

W

WADA – World Doping Agency
 WEF – World Economic Forum
 WEPS – Wholesale Electricity Pricing System
 WGC – World Golf Championships
 WHO – World Health Organisation
 WRC – Water Research Commission
 WSSD – World Summit on Sustainable Development
 WTO – World Trade Organisation
 WTO-SPS – World Trade Organisation Agreement on the Application of Sanitary and Phytosanitary Measures
 WUAs – Water-User Associations
 WWF – World Wildlife Fund

Z

ZCC – Zion Christian Church
 ZPCSA – Zone of Peace and Co-operation in the South Atlantic

Contact information as at 15 November 2004

National government departments and organisational components

Agriculture

Website: www.nda.agric.za
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Pretoria 0001
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Arts and Culture

Website: www.dac.gov.za
Private Bag X897
Pretoria 0001
Tel: (012) 337-8000
Fax: (012) 323-8308

Communications

Website: www.doc.gov.za
Private Bag X860
Pretoria 0001
Tel: (012) 427-8000
Fax: (012) 427-8016

Correctional Services

Website: www.dcs.gov.za
Private Bag X136
Pretoria 0001
Tel: (012) 307-2000
Fax: (012) 328-6149

Defence

Website: www.mil.za
Private Bag X910
Pretoria 0001
Tel: (012) 355-6200
Fax: (012) 347-7445

Education

Website: www.education.gov.za
Private Bag X895
Pretoria 0001
Tel: (012) 312-5911
Fax: (012) 325-6260

Environmental Affairs and Tourism

Website: www.environment.gov.za
Private Bag X447
Pretoria 0001
Tel: (012) 310-3911
Fax: (012) 322-2682

Foreign Affairs

Website: www.dfa.gov.za
Private Bag X152
Pretoria 0001
Tel: (012) 351-1000
Fax: (012) 351-0253

Government Communications (GCIS)

Website: www.gcis.gov.za
Private Bag X745
Pretoria 0001
Tel: (012) 314-2911
Fax: (012) 323-3831

Health

Website: www.doh.gov.za
Private Bag X828
Pretoria 0001
Tel: (012) 312-0000
Fax: (012) 312-0911

Home Affairs

Website: www.home-affairs.gov.za
Private Bag X114
Pretoria 0001
Tel: (012) 810-8911
Fax: (012) 810-7136

Housing

Website: www.housing.gov.za
Private Bag X644
Pretoria 0001
Tel: (012) 421-1311
Fax: (012) 341-8512/2998

Independent Complaints Directorate

Website: www.icd.gov.za
Private Bag X941
Pretoria 0001
Tel: (012) 392-0400
Fax: (012) 320-3116

Justice and Constitutional Development

Website: www.doj.gov.za
Private Bag X81
Pretoria 0001
Tel: (012) 315-1111
Fax: (012) 315-1112

Labour

Website: www.labour.gov.za
Private Bag X117

Pretoria 0001

Tel: (012) 309-4000
Fax: (012) 309-4082/320-2059

Land Affairs

Website: <http://land.pww.gov.za>
Private Bag X833
Pretoria 0001
Tel: (012) 312-8911
Fax: (012) 312-8066

Minerals and Energy

Website: www.dme.gov.za
Private Bag X59
Pretoria 0001
Tel: (012) 317-8000
Fax: (012) 322-3416

National Intelligence Agency

Website: www.nia.org.za
Private Bag X87
Pretoria 0001
Tel: (012) 427-4000
Fax: (012) 427-4651

National Treasury

Website: www.treasury.gov.za
Private Bag X115
Pretoria 0001
Tel: (012) 315-5111
Fax: (012) 315-5234

The Presidency

Website: www.gov.za/president/index.html
Private Bag X1000
Pretoria 0001
Tel: (012) 300-5200
Fax: (012) 323-8246
and
Private Bag X1000
Cape Town 8000
Tel: (021) 464-2100
Fax: (021) 462-2838

Provincial and Local Government

Website: www.dplg.gov.za
Private Bag X804
Pretoria 0001
Tel: (012) 334-0600
Fax: (012) 334-0603

Public Enterprises

Website: www.dpe.gov.za
Private Bag X15
Hatfield 0028
Tel: (012) 431-1000
Fax: (012) 431-0139

Public Service and Administration

Website: www.dpsa.gov.za
Private Bag X916
Pretoria 0001
Tel: (012) 314-7911
Fax: (012) 323-2386/324-5616

Public Service Commission

Website: www.psc.gov.za
Private Bag X121
Pretoria 0001
Tel: (012) 328-7690
Fax: (012) 325-8344

Public Works

Website: www.publicworks.gov.za
Private Bag X65
Pretoria 0001
Tel: (012) 337-2000
Fax: (012) 323-2856

Science and Technology

Website: www.dst.gov.za
Private Bag X894
Pretoria 0001
Tel: (012) 317-4300
Fax: (012) 317-4636

Secretariat for Safety and Security

Website: www.gov.za/ss/
Private Bag X922
Pretoria 0001
Tel: (012) 393-2500
Fax: (012) 393-2536/2557

Social Development

Website: www.socdev.gov.za
Private Bag X901
Pretoria 0001
Tel: (012) 312-7500
Fax: (012) 312-7470

South African Management Development Institute

Website: www.samdi.gov.za
Private Bag X759
Pretoria 0001
Tel: (012) 314-7911
Fax: (012) 321-1810

South African Police Service

Website: www.saps.gov.za
Private Bag X94
Pretoria 0001
Tel: (012) 393-5488/9
Fax: (012) 393-5520

South African Revenue Service

Website: www.sars.gov.za
Private Bag X923
Pretoria 0001
Tel: (012) 422-4000
Fax: (012) 422-6848

South African Secret Service

Website: www.sass.gov.za
Private Bag X5
Elarduspark 0047
Tel: (012) 427-6110
Fax: (012) 427-6428

Sport and Recreation

Website: www.srsa.gov.za
Private Bag X896
Pretoria 0001
Tel: (012) 334-3100
Fax: (012) 326-4026

Statistics South Africa

Website: www.statssa.gov.za
Private Bag X44
Pretoria 0001
Tel: (012) 310-8911
Fax: (012) 310-8500/8495

Trade and Industry

Website: www.thedti.gov.za
Private Bag X84
Pretoria 0001
Tel: 0861 843 384 (Call Centre)
Tel: (012) 394-1590
Fax: (012) 394-1473

Transport

Website: www.transport.gov.za
Private Bag X193
Pretoria 0001
Tel: (012) 309-3000
Fax: (012) 328-5926

Water Affairs and Forestry

Website: www.dwaf.gov.za
Private Bag X313
Pretoria 0001
Tel: (012) 336-7500
Fax: (012) 336-8850

Parliamentary information**National Assembly**

Website: www.parliament.gov.za
PO Box 15
Cape Town 8000
Tel: (021) 403-2364/6
Fax: (021) 403-2371

National Council of Provinces

Website: www.parliament.gov.za
PO Box 15
Cape Town 8000
Tel: (021) 403-2110/5/3221
Fax: (021) 461-9460

Provincial governments**Eastern Cape**

Website: www.ecprov.gov.za
Private Bag X0047
Bisho 5605
Tel: (040) 609-6379
Fax: (040) 635-1166

Free State

Website: www.fs.gov.za
PO Box 20538
Bloemfontein 9301
Tel: (051) 405-5799
Fax: (051) 405-4803

Gauteng

Website: www.gpg.gov.za
Private Bag X61
Marshalltown 2107
Tel: (011) 355-6000
Fax: (011) 836-9334

KwaZulu-Natal

Website: www.kwazulunatal.gov.za
PO Box 412
Pietermaritzburg 3200
Tel: (033) 395-2978/9
Fax: (033) 342-7368

Limpopo

Website: www.limpopo.gov.za
Private Bag X9483
Polokwane 0700
Tel: (015) 287-6000
Fax: (015) 295-3427

Mpumalanga

Website: www.mpumalanga.gov.za
Private Bag X11291
Nelspruit 1200
Tel: (013) 766-2641
Fax: (013) 766-2494

Northern Cape

Website: www.northern-cape.gov.za
Private Bag X5042
Kimberley 8300
Tel: (053) 830-8600
Fax: (053) 839-8215

North West

Website: www.nwpgg.gov.za
Private Bag X65
Mafikeng 2735
Tel: (018) 387-3000
Fax: (018) 387-3008

Western Cape

Website: www.capegateway.gov.za
PO Box 659
Cape Town 8000
Tel: (021) 483-4705/6
Fax: (021) 483-3421

Government structures and organisational components**Agricultural Research Council**

Website: www.arc.agric.za
PO Box 8783
Pretoria 0001
Tel: (012) 427-9700
Fax: (012) 342-2231

Airports Company South Africa

Website: www.airports.co.za
PO Box 75480
Gardenview 2047
Tel: (011) 723-1400
Fax: (011) 453-9354

Armaments Corporation of South Africa

Website: www.armscor.co.za
Private Bag X337
Pretoria 0001
Tel: (012) 428-1911
Fax: (012) 428-5635

Central Energy Fund

Website: www.cef.org.za
PO Box 786141
Sandton 2146
Tel: (011) 535-7000
Fax: (011) 784-0472

Commission for Conciliation, Mediation and Arbitration

Website: www.ccma.org.za
Private Bag X94
Marshalltown 2107
Tel: (011) 377-6650
Fax: (011) 834-7386/7351

Commission on Gender Equality

Website: www.cge.org.za
PO Box 32175
Braamfontein 2017
Tel: (011) 403-7182
Fax: (011) 403-7188

Commission on the Restitution of Land Rights

Website: <http://land.pwv.gov.za/restitution>
Private Bag X833
Pretoria 0001
Tel: (012) 312-9244
Fax: (012) 321-0428

Commission on the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities

c/o Department of Provincial and Local Government
Private Bag X804
Pretoria 0001
Tel: (012) 334-0891
Fax: (012) 334-0614

Competition Commission

Website: www.compcom.co.za
Private Bag X23
Lynnwood Ridge 0040
Tel: (012) 394-3200
Fax: (012) 394-4200

Constitutional Court

Website: www.concourt.gov.za
Private Bag X1
Braamfontein 2017
Tel: (011) 403-8032
Fax: (011) 403-6524

Council for Geoscience

Website: www.geoscience.org.za
Private Bag X112
Pretoria 0001
Tel: (012) 841-1911
Fax: (012) 841-1203/21

Council for Scientific and Industrial Research

Website: www.csir.co.za
PO Box 395
Pretoria 0001
Tel: (012) 841-2911
Fax: (012) 349-1153

Council on Higher Education

Website: www.che.org.za
PO Box 13354
Tramshed 0126
Tel: (012) 392-9100
Fax: (012) 392-9110

Denel (Pty) Ltd

Website: www.denel.co.za
PO Box 8322
Centurion 0046
Tel: (012) 428-0823
Fax: (012) 428-0989

Development Bank of Southern Africa

Website: www.dbsa.org
PO Box 1234
Halfway House 1685
Tel: (011) 313-3911
Fax: (011) 313-3086

Directorate: Special Operations and Serious Economic Offences

Private Bag X752
Pretoria 0001
Tel: (012) 845-6000
Fax: (012) 845-7130

Eskom

Website: www.eskom.co.za
PO Box 1091
Johannesburg 2000
Tel: (011) 800-8111
Fax: (011) 800-4299

Film and Publication Board

Website: www.fpb.gov.za
Private Bag X2205
Houghton 2041
Tel: (011) 483-0971
Fax: (011) 483-1084

Financial Intelligence Centre

Website: www.fic.gov.za
Private Bag X115
Pretoria 0001
Tel: (012) 315-5427
Fax: (012) 315-5828

Financial and Fiscal Commission

Website:
www.financialandfiscal.co.za
Private Bag X69
Halfway House 1685
Tel: (011) 315-7100
Fax: (011) 207-2344

Financial Services Board

Website: www.fsb.co.za
PO Box 35655
Menlo Park 0102
Tel: (012) 428-8000
Toll-free: 0800 110443/202087
Fax: (012) 347-0221

Government Printing Works

Private Bag X85
Pretoria 0001
Tel: (012) 334-4500
Fax: (012) 323-0009

Human Sciences Research Council

Website: www.hsrc.ac.za
Private Bag X41
Pretoria 0001
Tel: (012) 302-2999
Fax: (012) 302-2002

Independent Communications Authority of South Africa

Website: www.icasa.org.za
Private Bag X10002
Sandton 2146
Tel: (011) 321-8200
Fax: (011) 444 1919

Independent Development Trust

Website: www.idt.org.za
PO Box 73000
Lynnwood Ridge 0043
Tel: (012) 845-2000
Fax: (012) 348-1089

Independent Electoral Commission

Website: www.elections.org.za
PO Box 7943
Pretoria 0001
Tel: (012) 428-5700
Fax: (012) 341-5292

Industrial Development Corporation

Website: www.idc.co.za
PO Box 784055
Sandton 2146
Tel: (011) 269-3000
Fax: (011) 269-3116

International Marketing Council

Website: www.imc.org.za
PO Box 3207
Houghton 2198
Tel: (011) 483-0122
Fax: (011) 483-0124

Judicial Service Commission

Private Bag X258
Bloemfontein 9300
Tel: (051) 447-2769
Fax: (051) 447-0836

Khula Enterprise Finance

Website: www.khula.org.za
PO Box 28423
Sunnyside 0132
Tel: (012) 394-5560
Fax: (012) 394-6560

Land Bank and Agricultural Bank of South Africa (Land Bank)

Website: www.landbank.co.za
PO Box 375
Pretoria 0001
Tel: (012) 312-3999

Land Claims Court

Website:
www.law.wits.ac.za/lcc/index.html
Private Bag X10060
Randburg 2125
Tel: (011) 781-2291
Fax: (011) 781-2218

Media Development and Diversity Agency

Website: www.mdda.org.za
PO Box 42846
Fordsburg 2033
Tel: (011) 492-2003
Fax: (011) 492-1198

Mintek

Website: www.mintek.co.za
Private Bag X3015
Randburg 2125
Tel: (011) 709-4111
Fax: (011) 793-2413

Municipal Demarcation Board

Website: www.demarcation.org.za
Private Bag X28
Hatfield 0028
Tel: (012) 342-2481/2
Fax: (012) 342-2480

National Advisory Council on Innovation

Website: www.naci.org.za
PO Box 1758
Pretoria 0001
Tel: (012) 392-9352
Fax: (012) 392-9353

National Agricultural Marketing Council

Website: www.namc.co.za
Private Bag X935
Pretoria 0001
Tel: (012) 341-1115
Fax: (012) 341-1811/1911

National Archives of South Africa

Website:
www.national.archives.gov.za
Private Bag X236
Pretoria 0001
Tel: (012) 323-5300
Fax: (012) 323-5287

National Arts Council of South Africa

Website: www.nac.org.za
PO Box 500
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Fax: (011) 838-6363

National Crime Prevention Strategy

Private Bag X922
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Fax: (012) 393-2538

National Development Agency

Website: www.nda.org.za
PO Box 31959
Braamfontein 2017
Tel: (011) 403-6650
Fax: (011) 403-2514/5

National Director of Public Prosecutions

Website: www.ndpp.gov.za
PO Box 752
Pretoria 0001
Tel: (012) 317-5000
Fax: (012) 321-0968

National Economic Development and Labour Council

Website: www.nedlac.org.za
PO Box 1775
Saxonwold 2132
Tel: (011) 328-4200
Fax: (011) 447-2089/6053

National Electricity Regulator

Website: www.ner.org.za
PO Box 40343
Arcadia 0007
Tel: (012) 401-4600
Fax: (012) 401-4700

National Empowerment Fund

Website: www.nefcorp.co.za
PO Box 31
Melrose Arch
Melrose North 2076
Tel: (011) 772-8000
Fax: (011) 772-8100

National Gambling Board

Website: www.ngb.org.za
Private Bag X27
Hatfield 0028
Tel: (012) 394-3800
Fax: (012) 394-0831

National Homebuilders' Registration Council

Website: www.nhbrc.org.za

PO Box 461
Randburg 2125
Tel: (011) 348-5700
Fax: (011) 789-2902

National House of Traditional Leaders

Private Bag X804
Pretoria 0001
Tel: (012) 301-1054
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National Housing Finance Corporation

Website: www.nhfc.co.za
PO Box 31376
Braamfontein 2017
Tel: (011) 644-9800
Fax: (011) 484-6406

National Lotteries Board

Website: www.nlb.org.za
PO Box 1556
Brooklyn Square 0075
Tel: (012) 394-3440
Fax: (012) 394-4440

National Nuclear Regulator

Website: www.nnr.co.za
PO Box 7106
Centurion 0046
Tel: (012) 674-7100
Fax: (012) 663-5513

National Programme of Action for Children in South Africa

Website: www.children.gov.za
The Presidency
Private Bag X1000
Pretoria 0001
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Fax: (012) 321-4566

National Prosecuting Authority

Website: www.npa.gov.za
Private Bag X752
Pretoria 0001
Tel: (012) 845-6000
Fax: (012) 843-3111

National Research Foundation

Website: www.nrf.ac.za
PO Box 2600
Pretoria 0001
Tel: (012) 481-4000
Fax: (012) 349-1179

National Youth Commission

Website: www.nyc.gov.za
Private Bag X938
Pretoria 0001
Tel: (012) 309-7800
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Ntsika Enterprise Promotion Agency

Website: www.ntsika.org.za
PO Box 56714
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Office of the Auditor-General

Website: www.agsa.co.za
PO Box 446
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Tel: (012) 426-8000
Fax: (012) 426-8371

Pan South African Language Board

Website: www.pansalb.org.za
Private Bag X08
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Tel: (012) 341-9638
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Public Investment Commission

Private Bag X187
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Tel: (012) 369-3300
Fax: (012) 348-3852

Office of the Public Protector

Website: www.polity.org.za/govt/pubprote/index.html
Private Bag X677
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Petroleum Oil and Gas Corporation of South Africa (Pty) Ltd

Website: www.petrosa.com
Private Bag X1
Waterfront, Cape Town 8002
Tel: (021) 417-3000
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Rand Water

Website: www.randwater.co.za
PO Box 1127
Johannesburg 2000
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South African Airways

Website: www.saa.co.za or
www.flysaa.com
Private Bag X13
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Tel: (011) 978-1000/2500
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South African Bureau of Standards

Website: www.sabs.co.za
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Tel: (012) 428-7911
Fax: (012) 344-1568

South African Civil Aviation Authority

Website: www.caa.co.za
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South African Diamond Board

PO Box 16001
Doomfontein 2023
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South African Council for Educators

Website: www.sace.org.za
Private Bag X127
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South African Forestry Company Ltd

PO Box 1771
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Tel: (012) 481-3500
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South African Human Rights Commission

Website: www.sahrc.org.za
Private Bag X2700
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Tel: (011) 484-8300
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South African Law Commission

Website: www.law.wits.ac.za/salc/salc.htm
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South African Local Government Association

Website: www.salga.net
PO Box 2094
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South African National Parks

Website: www.sanparks.org
PO Box 787
Pretoria 0001
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South African National Road Agency

Website: www.nra.co.za
PO Box 415
Pretoria 0001
Tel: (012) 426-6000
Fax: (012) 362-2116/2101/2117

South African Nuclear Energy Corporation

Website: www.necsa.co.za
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South African Post Office Ltd

Website: www.sapo.co.za
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South African Qualifications Authority

Website: www.saga.org.za
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South African Rail Commuter Corporation

Website: www.sarcc.co.za
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South African Reserve Bank

Website: www.resbank.co.za
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South African Sports Commission

Website: www.sasc.org.za
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South African Tourism

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PO Box 893
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State Information Technology Agency (Pty) Ltd

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State Tender Board

Website: www.treasury.gov.za
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Technology for Women in Business

Website: www.twib.co.za
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Telkom SA Ltd

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**Trade and Investment
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Website: www.tisaglobal.com
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Transnet Ltd

Website: www.transnet.co.za
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**Truth and Reconciliation
Commission**

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Water Research Commission

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Sandrift MPCC
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Fax: (051) 611-1003

Tombo MPCC
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Botshabelo MPCC
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Faranani MPCC
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Mamelodi MPCC
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Mamelodi West
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Vaal/Sebokeng MPCC
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Vanderbijlpark 1900
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Shop 49
Nafcoc Shopping Centre
Section F Soshanguve
Telefax: (012) 799-5005

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Kempton Park 1632
Tel: (011) 920-1120

Zithobeni MPCC
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Dukuza MPCC
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Tugela Ferry 3010
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Atok 0749
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Kgautswane MPCC
PO Box 9
Ohrigstad 1122
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Leboeng MPCC
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Vaalwater MPCC
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Kgolomodumo MPCC
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Fax: (051) 753-0386

Galeshewe MPCC
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Kimberley 8300
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Pescodina MPCC
62 Sparrow Street
Pescodina
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4065B Mathibestad

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George/Tembalethu MPCC
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George Central 6530
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Gugas Thebe MPCC
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Langa Cape Town 7455
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Hartebeeskraal/Atlantis MPCC
1 Nottingham Street Atlantis
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Langebaan MPCC
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Langebaan 7537
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Fax: (022) 772-2271

Masibambane/Vanrhynsdorp
MPCC
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Vanrhynsdorp 8170
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Waboomskraal MPCC
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Fax: (044) 886-0052

Unobuntu MPCC
Breede Valley Municipality
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Republic of)**

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Angola (Republic of)

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Argentina (Republic of)

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Brazil (Federative Republic of)

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Water affairs and forestry

The Department of Water Affairs and Forestry's core function is to ensure that all South Africans have equitable access to water and sanitation, and that the country's water resources and forests are managed in a sustainable matter.

Hydrological conditions

South Africa is located in a predominantly semi-arid part of the world. The climate varies from desert and semi-desert in the west to sub-humid along the eastern coastal area, with an average rainfall for the country of about 450 mm per year, well below the

world average of about 860 mm per year, while evaporation is comparatively high.

The country's water resources are, in global terms, scarce and extremely limited. The total flow of all the rivers in the country combined amounts to about 49 200 million cubic metres (m³) per year, less than half of that of the Zambezi River, the closest large river to South Africa. Groundwater plays a pivotal role, especially in rural water supplies. However, due to the predominantly hard-rock nature of the South African geology, few major groundwater aquifers exist that could be utilised on a large scale.



Owing to the poor spatial distribution of rainfall, the natural availability of water across the country is also highly uneven. This is compounded by the strong seasonality of rainfall over virtually the entire country, as well as the high within-season variability of rainfall, and consequently of run-off.

As a result, stream flow in South African rivers is at relatively low levels for most of the time, with sporadic high flows occurring – characteristics which limit the proportion of stream flow that can be relied upon to be available for use, and which also have implications for water-related disasters such as floods and droughts.

To aggravate the situation, most urban and industrial development, as well as some dense rural settle-

ments, have been established in remote locations away from large watercourses. As a result, the requirements for water already far exceed its natural availability in several river basins. Widely spread and often large-scale transfers of water across catchments have, therefore, been implemented in South Africa.

To facilitate the management of water resources, the country has been divided into 19 catchment-based water-management areas. Eleven water-management areas share international rivers.

Water-resource development and management in South Africa have, over the years, continuously evolved to meet the needs of a growing population and a vibrant economy, within the constraints

imposed by nature. These developments have largely been made possible by recognising water as a national asset, thereby allowing its transportation from where it is available to where the greatest overall benefits for the nation can be achieved.

Sufficient water resources have been developed and are available to ensure that all current requirements for water can reasonably be met, without impairing the socio-economic development of the country.

Surface and groundwater is naturally of poor quality, which limits its utilisation. Where feasible, special management techniques may be applied to improve water quality to appropriate standards for particular uses.

Major dams of South Africa		
Dam	Full supply capacity (10 ⁶ m ³)	River
Gariep	5 341	Orange
Vanderkloof	3 171	Orange
Sterkfontein	2 616	Nuwejaarspruit
Nuwejaarspruit Vaal	2 603	Vaal
Pongolapoort	2 445	Pongolo
Bloemhof	1 264	Vaal
Theewaterskloof	480	Sonderend
Heyshope	451	Assegai
Woodstock	380	Tugela
Loskop	361	Olifants
Grootdraai	354	Vaal
Kalkfontein	318	Riet
Goedertrouw	304	Mhlatuze
Albert Falls	288	Mgeni
Brandvlei	284	Brandvlei
Spioenkop	277	Tugela
Umtata	253	Mtata
Driekoppies	250	Lotati
Inanda	241	Mgeni
Hartbeespoort	212	Crocodile
Erferis	207	Groot Vet
Rhenosterkop	204	Elands
Molatedi	200	Groot Marico
Ntshingwayo	198	Ngagane
Zaaihoek	192	Slang
Midmar	175	Mgeni

Source: Department of Water Affairs and Forestry

Measures are to be introduced to ensure the most beneficial and efficient utilisation of water in the country from a social and economic perspective.

Provided that the water resources of South Africa are judiciously managed and wisely allocated and utilised, sufficient water of appropriate quality will be available to sustain a strong economy, high social standards and healthy aquatic ecosystems for many generations.

South Africa is mainly dependent on surface water resources for most of the urban, industrial and irrigation water supplies in the country. In general, the surface water resources are highly developed over most of South Africa. Groundwater, while also extensively utilised, particularly in the rural and more arid areas, is limited due to the geology of the country, much of which is hard rock. Large porous aquifers occur only in a few areas.

In the northern parts of the country, both surface and groundwater resources are nearly fully developed and utilised. Some overexploitation occurs in localised areas, with little undeveloped resource potential remaining. The reverse applies to the well-watered south-eastern region of the country where there are still significant undeveloped and little-used resources.

The total mean annual run-off of water in South Africa under natural (undeveloped) conditions is estimated at a little over 49 200 million m³ per year, which includes about 4 800 million m³ per year of water originating from Lesotho, and about 700 million m³ per year originating from Swaziland, which naturally drain into South Africa. Agricultural irrigation represents close to 60% of the total water requirements in the country, while urban requirements constitute about 25% as the second-largest user sector. The remaining 15% is shared by the other four sectors (all standardised to 98% assurance of supply).

The total net abstraction of water from surface water resources amounts to about 9 800 million m³ per year for the whole of South Africa, after allowing for the re-use of return flows. This represents about 20% of the total mean annual run-off of 49 200 million m³ per year (all standardised to 98% assurance of supply). A further 8% is estimated to be lost

through evaporation from storage and conveyance along rivers, and 6% through land-use activities. As a national average, about 66% of the natural river flow (mean annual run-off) therefore still remains in the country's rivers.

Water-resource management, development and water services

The focus of the Department is to provide access to water to within 200 m of every South African household. By November 2004, 10 million people had access to a clean water supply.

The past few years have seen a number of achievements in the management of water resources in South Africa and the implementation of the National Water Act, 1998 (Act 36 of 1998).

By mid-2004, the Department was in the process of substantial restructuring, which is expected to be completed in eight to 10 years' time. The restructuring process includes:

- establishing catchment-management agencies (CMAs) to perform water-resource management functions currently performed by the Department's regional offices
- transferring the management of commercial plantations and indigenous forests to appropriate agencies and institutions
- transferring water-services delivery and operations to water-services authorities.

In the past, the Department has been an important financier of water infrastructure as well as operational and maintenance costs.

This responsibility will increasingly shift away from the Department and will be assumed by the Municipal Infrastructure Grant (MIG), the local government equitable share, and the Capacity-Building Grant. The Department of Water and Forestry's role will then be to ensure that water and sanitation projects are sustainable and that the agencies that manage these services can maintain and expand access to these resources.

The Department will remain focused on the phased implementation of the National Water Act, 1998, with a particular emphasis on implementing a new organisational structure, which includes:

- establishing, for the first time, the National Water Resource Strategy, which will set out the procedures, guidelines and overall strategy for managing water resources
- developing and testing a strategy for compulsory water-use licensing to facilitate equitable access to water resources for historically disadvantaged individuals (HDIs)
- enhancing water-use efficiency
- ensuring compliance with dam-safety regulations and enhancing public safety at water-resource installations
- investigating and implementing appropriate institutional arrangements for the optimal management of the interdepartmental Working for Water Programme
- building national capacity to monitor the state of water resources, so that accurate information is used in decision-making about the use and management thereof
- investigating the creation of a National Water Resource Infrastructure Agency to manage and develop national infrastructure.

Monitoring water resources

The oldest flow-gauging station still in operation in South Africa is on the Pienaars River near Pretoria. It celebrated a century of monitoring in August 2004.

River flow is being monitored at 1 200 flow gauging stations. In addition, some 260 major reservoirs are being monitored. The evaporation and rainfall station network consists of 360 stations.

A new initiative to monitor precipitation in mountainous areas has been launched. Twenty-one rainfall stations are operational in the mountains of the Western Cape and five stations are operational in the Mpumalanga Escarpment. Observations are relayed through the cellular short message system and the data is updated daily on the website of the Department of Water Affairs and Forestry (www.dwaf.gov.za).

Water levels are being monitored at about 1 000 observation boreholes across South Africa. Particular attention is given to monitoring in dolomitic areas. In addition, a small network of rain gauges is in operation to monitor rainwater quality.

By mid-2004, a special network focusing on groundwater levels (part of the Natural/Ambient Conditions Network) and rainfall was being designed. Rainfall quality is of importance to obtain chloride content in the precipitation to support the chloride balance assessment for estimation of groundwater recharge. The tritium and stable isotopes content of the precipitation is also monitored to support recharge estimation and groundwater flow path investigations.

The importance of qualitative information on South Africa's water resources led to an increasing drive towards the creation of a national water-quality monitoring network.

One of the current water-quality monitoring programmes is the National Aquatic Ecosystem Bio-monitoring Programme or, in short, the River Health Programme (RHP).

A key objective of the RHP is to generate and disseminate information on river health in order to ensure the ecologically sound management of the

country's rivers, and inform and educate South Africans about the health status of rivers. The RHP primarily uses biological indicators (e.g. fish communities, riparian vegetation and aquatic invertebrate fauna) to assess the health of river systems.

This Programme is operational in all water-management areas focusing on rivers, but will be linked to wetlands/estuaries within the next five years to give a holistic picture of the resources' condition.

Preliminary findings of the RHP indicate that 9% of South Africa's rivers (based on biological indices) are in a very good natural state, while 30% are in a good state, 33% fair and 28% in a poor state. The main driving forces (stressors) on river health are water abstractions that are not based on reserve studies, the destruction of riparian vegetation, and invasion by alien species. With continued water-resource monitoring, trends will be identified, and management intervention success (or failure) can be measured.

Funding

Expenditure by the Department of Water Affairs and Forestry grew rapidly between 2000/01 and 2003/04, increasing from R3 billion to R4,6 billion. This represents an annual average increase of 15,1%. The increase in 2003/04 was due to transfer costs related to the transfer of water-services schemes to local authorities, with additional transitory costs being incurred in relation to the preparation, planning and implementation of the transfer; an increase in expenditure on the sanitation programme; and the writing off of water-user association debt.

During 2003/04, once-off additional allocations were made for the Department's restructuring, flood damages, drought relief and the writing off of loans.

In terms of the Division of Revenue Act, 2004 (Act 5 of 2004), funds for water supply and sanitation investment, previously managed by the Department of Water Affairs and Forestry, will now be allocated to local government.

The funds will be transferred through the MIG, which is administered by the Department of Provincial and Local Government. The water services budget of the Department of Water Affairs and



In April 2004, government announced the beginning of a six-year programme to provide clean water and sanitation facilities to the 2 800 rural schools in KwaZulu-Natal.

This will be done by installing 40 playground roundabout play pumps at these schools.

The Department of Water Affairs and Forestry and Roundabout Outdoor raised funds from donors for the initial 20 play pumps, with the provincial Department of Education pledging R20 million. The KwaZulu-Natal water utility, Umgeni Water, was also involved.

This kind of project first became a reality in 2000 with the signing of a partnership agreement between the South African Government, Roundabout Outdoor and the United States' Kaiser Family Foundation.

In 2001, the first play pumps were installed in 40 rural villages throughout the country.

Tapping the energy of children at play, the pumps can generate 1 400 litres of water per hour at a depth of 40 m, and are effective to a depth of 100 m, making them more effective than typical hand-pump installations.

Forestry was thus reduced from R2 608 million to R1 334 million.

Water for all

According to the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), it is every person's right to have access to clean water.

Community Water Supply and Sanitation (CWSS) Programme

The Department of Water Affairs and Forestry's CWSS Programme was initiated in 1994 to achieve the constitutional objective of ensuring that all South Africans have access to sufficient water and a healthy living environment, with the focus on rural areas.

In 1994, the new Government inherited a backlog of 14 million people without clean, safe water while 21 million people did not have access to adequate sanitation. By November 2004, five million people still lacked access to clean safe water while 16 million lacked access to adequate sanitation.

Government is on target to eradicate the backlog in water infrastructure and sanitation facilities by 2008 and 2010, respectively.

It has long exceeded the target set by the Millennium Assembly of the United Nations in 2000, which declared that by 2015 the number of the world's population without access to basic water must be reduced by 50%.

The Department continues to collaborate with the departments of Health and of Education to improve sanitation in schools and clinics. Some R40 million will be spent on clinic-sanitation programmes and R150 million on school sanitation.

Municipal Infrastructure Grant

To eradicate backlogs in access to water and sanitation by 2008 and 2010 respectively, future funding for water and sanitation is expected to increase.

The MIG intends to facilitate and ensure more effective and integrated service delivery.

Working through local government, the Department of Water Affairs and Forestry will seek to ensure that funds are made available through the

MIG to eradicate the backlog of water supply for the remaining five million rural people who have no access to formal infrastructure.

Similarly, there will be a focus on the promotion of improved sanitation for the 14 million South Africans who do not yet enjoy such amenities.

Policy and legislation

Free Basic Water (FBW) Policy

The FBW Policy was officially launched in July 2001.

By March 2004, some 155 of the 170 water-service authorities claimed to be providing FBW. The total number of people receiving FBW at that stage was some 30,5 million.

Under the FBW Policy, each household receives up to 6 000 litres (l) of clean water per month. The target for 2003/04 was 70% of the population, while the actual percentage of the total population served by March 2004 was 65,6% – a slight shortfall.

National Water Resource Strategy

In September 2004, Cabinet approved the National Water Resource Strategy, which will ensure that South Africa uses its limited water resources to achieve a better life for all.

With its adoption of this Strategy, South Africa reached one of the first targets set in the Johannesburg Plan of Action, adopted at the 2002 World Summit on Sustainable Development, namely to develop national water-resource management plans.

The Strategy outlines how the water resources of South Africa will be protected, used, developed, conserved, managed and controlled in accordance



National Water Week 2004 was celebrated from 22 to 28 March under the theme *Water Washing Away Poverty*. The purpose of Water Week 2004 was to celebrate the success of government's water-delivery programme.

Major events that took place during the Week included the Women in Water Awards Ceremony on 19 March, the Johannesburg Water Festival on 23 March, and the *Baswa le Meetse* (Youth in Water) Awards Ceremony on 26 March.

with the requirements of the National Water Policy (1997) and the National Water Act, 1998.

The Strategy contains estimates of present and future water availability, present and future water requirements, and proposes actions to be taken to achieve a sustainable balance between water availability and requirements.

While the actions proposed include the construction of new storage dams and transmission infrastructure to the value of R21 billion over the next 20 years, most attention will be paid to arrangements for the careful management, use and protection of water resources.

Water Services Act, 1997

The Water Services Act, 1997 (Act 108 of 1997), aims to:

- ensure and define the right of access to basic water supply and basic sanitation services
- set out the rights and duties of consumers and those who are responsible for providing services
- allow the Minister of Water Affairs and Forestry to set national standards (including norms and standards for tariffs) to ensure sufficient, continuous, affordable and fair water services
- promote the effective and sustainable use of financial and natural resources
- regulate contracts for the fair and transparent provision of water services
- create effective and financially viable statutory institutions to assist local government to fulfil its obligations under the Act.



In November 2004, a workshop was held in Pretoria to look into ways of using space technology to manage water resources in Africa.

The three-day workshop brought together experts from Europe, Canada, the United States of America and 150 others from more than 20 African countries, to put the Space for Water Initiative into action.

It was the second Committee on Earth Observation Satellites workshop focusing on 'Tiger', a specific action launched by the world space agencies in response to water needs identified during the World Summit on Sustainable Development in 2002.

The long-term aim of 'Tiger' is to provide sustainable access to satellite data for all stakeholders in water-resource management in Africa.

The Water Services Act, 1997 requires the production by water-service authorities (the designated municipalities) of Water-Service Development Plans, within the framework of Integrated Development Plans, required by municipal legislation.

The Water Services Act, 1997 provides a comprehensive framework for the oversight and regulation of the water boards, established as a family of regional public utilities under the authority of the Minister of Water Affairs and Forestry. It also provides a framework for the collection and publication of information about water services, which may come to be one of the more powerful regulatory tools available to national government.

The Department has initiated a process to review and amend the Act to ensure that it is aligned with the Strategic Framework for Water Services (SFWS) approved by Cabinet in September 2003. In the process, all other sector legislation will also be looked at to ensure alignment of all legislation within the sector.

National Water Act, 1998

The National Water Act, 1998 provides for:

- integrated management of surface water and groundwater
- sustainable use of surface and groundwater
- devolution of surface and groundwater to catchment and local level
- government to play a support role through functions such as promoting awareness, information provision and capacity-building.

The Act aims to control the use of water resources, protect them from being impacted on or exploited and polluted, and ensure that every person has equitable access to them.

The Act gives the Department of Water Affairs and Forestry the tools to gather the information that it needs to optimally manage the country's water resources. The registration of water-use is one of these tools.

All water users instructed to register have the statutory obligation to do so. There are strict penalties, prescribed in the Act, for those who do not comply.

All water users who do not receive their water from a service-provider, local authority, water board, irrigation board, government water scheme or other bulk supplier, and who are using water for irrigation, mining purposes, industrial use, feedlots or in terms of a general authorisation, must register.

This includes the use of surface and ground-water.

Other uses of water that must be registered include:

- Diversion of rivers and streams.
- Discharge of waste or water containing waste.
- Storage. This includes any person or body storing water for any purpose (including irrigation, domestic supply, industrial use, mining, aquaculture, fishing, water sport, aesthetic value, gardening, landscaping, golfing, etc.) from surface run-off, groundwater or fountain flow in excess of 10 000 m³ or where the water area at full supply level exceeds one hectare (ha) in total on land owned or occupied by that person or body and is not in possession of a permit or permission.
- Stream-flow reduction activities (afforestation). All afforestation for commercial purposes, including communal forestry for commercial gain, that took place prior to 1972, must be registered. Forest owners who have permits issued under forestry legislation need not register.
- Local authorities and other bulk suppliers with their own water sources and purification works.
- Controlled activities such as irrigating with waste, power generation with water, atmospheric modification or recharging an aquifer.

An assessment of the environmental requirements of the rivers and streams concerned is conducted before a licence can be issued.

The implementation of the National Pricing Strategy for Raw Water began in 2002 to ensure that, as far as possible, the costs of the management of water resources and water-supply infrastructure are borne by water users.

The majority of water users are paying the water-resource charge or cost for which they are accordingly billed. However, there is still a considerable underrecovery of costs.

Action has been taken against a number of illegal water users across South Africa in response to growing concern about an apparent increase in the rate of illegal water-use in some catchment areas.

During 2002/03, the Water-Use Authorisation and Registration Management System was augmented with a billing facility. Some 52 000 invoices were sent to water users, resulting in the collection of R46 million from the Water-Resource Management Charge.

At the end of 2003/04, the National Register of Water Use included more than 63 987 water users.

Strategic Framework for Water Services

The SFWS was approved by Cabinet in September 2003.

The SFWS is what was previously referred to as the *White Paper on Water Services*. It consolidates all policy changes since 1994 and puts forward a framework for its implementation.

The document is a comprehensive strategic framework for the water-services sector as a whole.

The key challenges highlighted in the introduction to the SFWS are inequality, the provision of basic services, the provision of higher levels of service and the sustainable provision of services (including sustainability of the institutions responsible).

The key policy themes in the SFWS are:

- Eliminating the backlog in basic services provision.
- Providing higher levels of service. Water services-authorities are strongly encouraged to provide intermediate and higher levels of service (for



The 2020 Vision for Water

Programme seeks to empower the youth with knowledge and water-management skills, and in turn enable them to participate in the Integrated Water-Resource Management and other environmental programmes.

The Programme demonstrates the Department of Water Affairs and Forestry's commitment to Outcomes-Based Education.

example, water on-site) wherever it is practical and provided it is financially viable and sustainable to do so. In addition to government funding, water-services authorities should put in place appropriate financing mechanisms to make this possible. This means that, where higher levels of service are provided by water-services authorities, households will be expected to pay a greater proportion of the total cost of service provision to ensure that service provision is financially sustainable.

- Free basic (water supply and sanitation) services should be addressed as a national policy.
- Credit control. In the first instance, and after following due process, domestic water connections must first be restricted and not disconnected, ensuring that at least a basic supply of water is available. Domestic consumers may only be disconnected if the system is tampered with or the integrity of the system and therefore public health is compromised.
- Institutional reform of water-services providers. The future role of water boards is addressed in this process. The process recognises that constitutional responsibility for water-services provision rests with water-services authorities. The reform is a 'bottom-up' process, but relies on national leadership and oversight. A national institutional reform strategy based on the policies and principles set out in the SFWS will be developed as a matter of priority.
- Decentralised fiscal framework. The decentralisation of funding via the MIG, equitable share and Capacity-Building Grant forms the foundation for the financial framework. These are the primary national mechanisms for redistribution.
- A long-term vision for regulation. The distinction between local (the water-services authority) and national regulation is defined. In response to strong demands from all key role-players in the sector, the long-term vision is to investigate an independent regulatory function with strong emphasis on economic regulation. However, in the short and medium term, the Department of Water Affairs and Forestry will be the national regulator of water services.

Water-resource management

Water-resource management in South Africa has undergone major revision along with the reform of water policy and legislation. The National Water Act, 1998 provides the principles for water-resource management. The objective of this policy is to manage water resources in an integrated manner to ensure a healthy, stable water-resource base to meet the current and future needs of South Africa.

Water-management institutions

The National Water Act, 1998 sets out the framework for the management of water resources in South Africa. This framework provides for the establishment of water-management institutions, which include CMAs and Water-User Associations (WUAs).

Catchment management agencies

CMAs aim to ensure equitable, efficient and sustainable water-resource management. They are required to establish governing boards, which are responsible for integrated water-resource management and the development of a Catchment Management Strategy.

The boards have to represent the various sectors of society within that specific water-management area and will consist of water users, potential water users, local and provincial government, and environmental interest groups.

The Department aims to establish CMAs in all 19 water-management areas across South Africa, as required by the National Water Act, 1998.

The first CMA at Umkomati in Mpumalanga was established on 30 March 2004.

Three other CMAs were also set to be established in 2004/05 in the Umvoti/Mzimkhulu (KwaZulu-Natal), Breede (Western Cape) and Crocodile West/Marico (North West) water-management areas.

The Department will devolve administration to the local water users and communities, accompanied by vigorous capacity-building, so that historically excluded communities can participate in water management. Some R28 million was budgeted for this purpose in 2004/05.

Internal strategic perspectives (ISPs) have been developed for all 19 water-management areas.

These are the forerunners of the Catchment Management Strategies that will be prepared by the CMAs when they are established. They describe the water availability and water requirements in each area, and outline the approaches to be adopted for managing water resources. In particular, they provide general principles for the CMAs to authorise water-use. These ISPs were expected to be finalised and published in 2004.

Water boards

Water boards have been established as service-providers that report to the Minister of Water Affairs and Forestry. These boards manage water services within their supply areas and provide potable water at cost-effective prices.

By March 2003, some 15 water boards were in operation.

Irrigation boards and Water-User Associations

In 2003/04, subsidies to the value of R28,4 million were awarded to water irrigation boards and WUAs. These were increased to R30 million in the 2004/05 financial year.

The Department of Water Affairs and Forestry, in partnership with the Department of Agriculture, has developed a strategy to create opportunities for poor farmers on irrigation schemes, by providing them with access to water for high-value crops.

Water is available to irrigate 12 000 ha in the Eastern Cape, Free State and Northern Cape.

The Department of Water Affairs and Forestry is working with the national and provincial departments of Agriculture to implement schemes to utilise these allocations.

Financial assistance is provided to emerging farmers for water infrastructure as well as operational and maintenance costs. Some 458 farmers received financial support from the Department of Water Affairs and Forestry in 2003/04.

Some R28 400 million was budgeted in 2004/05 to assist another 4 500 historically disadvantaged households.

All irrigation boards were in the process of being transformed into WUAs to fall under the ambit of the National Water Act, 1998.

Working for Water Programme

Alien plants have invaded over 10 million ha of South Africa – or 8% of the land – and their number is projected to double in as little as 15 years. These plants threaten the country's rich biodiversity by competing for water, light, space and nutrients –

Natural mean annual run-off and ecological reserve (million m/a)

Water-management area	Natural mean annual run-off ⁽¹⁾	Ecological reserve ^(1,2)
Limpopo	985	156
Luvuvhu/Letaba	1 185	224
Crocodile West and Marico	855	165
Olifants	2 042	460
Inkomati ⁽³⁾	3 539	1 008
Usutu to Mhlathuze ⁽⁴⁾	4 780	1 192
Thukela	3 799	859
Upper Vaal	2 423	299
Middle Vaal	888	109
Lower Vaal	368	48
Mvoti to Umzimkulu	4 798	1 160
Mzimvubu to Keiskamma	7 241	1 122
Upper Orange	6 981	1 349
Lower Orange ⁽⁵⁾	502	69
Fish to Tsitsikamma	2 154	243
Gouritz	1 679	325
Olifants/Doring	1 108	156
Breede	2 472	384
Berg	1 429	217
Total for country	49 228	9 544

1) Quantities refer to the water-management area under consideration only, thus water that originates or is required in that water-management area.

2) Total volume given, based on preliminary estimates, impact on yield being a portion of this.

3) Includes Komati catchment in Swaziland (mean annual run-off = 517 million m/a).

4) Includes Pongola catchment in Swaziland (mean annual run-off = 213 million m/a).

5) Includes contributions from Sengu and Caledon rivers in Lesotho (mean annual run-off = 4 765 million m/a).

Source: Department of Water Affairs and Forestry

to the detriment of indigenous flora and water reserves.

The Programme is a labour-intensive initiative to clear invasive alien plants.

The Working for Water Programme is a multidepartmental initiative led by the departments of Water Affairs and Forestry, of Environmental Affairs and Tourism, and of Agriculture. It started in 1995 with a budget of R25 million and has grown into one of government's key poverty-relief-fund initiatives.

Over the last nine years, more than a million ha of invasive alien plants have been cleared, which has yielded an estimated release of 48 – 56 million m³ of additional water for alternative uses annually.

This has created jobs for and trained some 20 000 previously unemployed people.

The Programme has spearheaded a massive catchment rehabilitation programme of 303 clearing sites, in addition to work on aquatic weeds and the use of biological control agents, and has established programmes in eight fire-prone regions of South Africa.

Flood and drought management

In terms of the South African Disaster Management Policy, there is a major shift in focus from reactive to preventive disaster-management. This will inevitably move the South African flood-management focus from structural to non-structural, such as attaching special value to floodplain zoning and flood warnings.



In October 2004, Cabinet approved the construction of a R2,1-billion water project that will pump water from the Vaal Dam to link with existing water supply networks near Secunda in Mpumalanga.

This project will ensure water supply for Eskom's power generation, Sasol's synthetic fuel industry and other urban and industrial users until 2030.

The project forms part of the Department of Water Affairs' investment programme, as outlined in the National Water Resource Strategy, to ensure that economic infrastructure keeps up with the demands of the growing economy.

The project is expected to create hundreds of jobs.

In response to serious drought affecting many parts of the country in December 2003/January 2004, government announced the distribution of emergency assistance to help municipalities to maintain domestic water supplies.

An amount of R109 055 million was distributed to 36 municipalities in eight provinces in December 2003.

Where possible, the funds were used to provide emergency water resources, which could later be used as a permanent source of supply. Some funds were also used to cart water by tanker to severely affected communities where local sources were inadequate.

The worst-affected provinces were Limpopo (which received R32 924 million), KwaZulu-Natal (R21,6 million) and Mpumalanga (R15 989 million).

As a precautionary measure, some R40 million was held back to be allocated in the rainfall season as needs changed. The use of the funds was monitored by the regional offices of the Department of Water Affairs and Forestry.

Dams and water schemes

The Department of Water Affairs and Forestry recently undertook a number of new infrastructure projects while more projects were being initiated in 2004/05.

Departmental policy ensures that water-demand-management programmes are implemented before embarking on new infrastructure development.

Planning studies and an environmental-impact assessment have been compiled on the proposed Skuifraam Dam on the Berg River near Franschhoek in the Western Cape. The Dam was also reviewed against the World Commission on Dams' Guidelines, with satisfactory results. The construction contract was awarded in June 2004.

The Levuvhu Water Scheme will eventually provide drinking water to more than a million people in Limpopo.

The storing of water up to the rising completion level commenced in February 2004. Thereby, the water supply to the recently completed Xikundu Water Supply Works became ensured.

The construction of the Water Treatment Works at Nandoni started in October 2003 and is expected to be completed in 2006/07.

The construction of the Nandoni Dam started in May 1998 and was expected to be completed in March 2005.

The total cost of the project will amount to more than R900 million. The Scheme will stabilise the water flow in the Levhuvhu River for irrigation and environmental flow requirements and will also alleviate the water shortages in the Kruger National Park.

The Olifants River will be developed to cope with the increasing water demand generated by platinum-mining developments in Limpopo and Mpumalanga.

This development will enable considerable mining expansion and will bring about local employment, much-needed economic growth and other benefits. It will also create the opportunity for water-services providers such as municipalities to supply water to many communities.

During the first phase of the Olifants Project, the Flag Boshielo Dam, situated on the Olifants River near Marble Hall in Mpumalanga, will be raised by five metres at an estimated cost of R234 million.

The construction of the Dam commenced in June 2004. Impounding of additional water will commence at the end of 2005 and will be completed in March 2006.

This will increase the Dam's present storage capacity from 100 million m³ to 188 million m³, allowing 72 million m³ of water to be used annually, compared with the present 56 million m³ per year.

In the interim, the additional water to be secured by raising the Flag Boshielo Dam will be made available to new mining ventures in the Lebalelo supply area.

This will enable water entitlements, currently leased on a temporary basis by these mining ventures, to be returned to the small farmers, whose irrigation schemes are now being rehabilitated.

During the second phase of the Olifants Project, a large dam at De Hoop – 30 km south of Steelpoort town, on the Steelpoort River, a tributary of the Olifants River – will be built.

The main part will, however, consist of long pipelines and associated pump stations, which provide water to the existing Olifants-Sand Transfer Scheme, which in turn, supplies water to Polokwane.

Other planned pipelines include:

- a branch pipeline to Jane Furse and Nebo Plateau
- a pipeline from Flag Boshielo Dam to Pruizen, near Mokopane.

The yield of the Dam will be at least 50 million m³, depending on the final planning.

The cost of the scheme will be more than R3 000 million.

Lakes and pans

Except for Lake Fundudzi, which was formed by a huge landslide in the Soutpansberg in Limpopo, there are no true inland lakes in the country.

Coastal lakes are found at Wilderness on the Cape south coast, and at St Lucia, Sibaya and Kosi Bay on the KwaZulu-Natal coast. Although they are seldom without water, Lake Chrissie and Lake Banagher near Ermelo in Mpumalanga differ little from the innumerable pans to be found in a wide belt from the Northern Cape through the western Free State to the North West.

Groundwater resources

Groundwater, despite its relatively small contribution to bulk water supply (13%), represents an important and strategic water resource in South Africa.

Owing to the lack of perennial streams in the semi-desert to desert parts, two-thirds of South Africa's surface area is largely dependent on groundwater. Although irrigation is the largest user, the supply to more than 300 towns and smaller settlements is also extremely important. Through government's commitment to meeting the basic water needs of communities, groundwater has become a strategic resource for village water supply in the wetter parts of the country, because of its cost-effectiveness in a widely scattered small-scale-user situation.

Underground water sources also contribute to river flow. This requires reserving a significant part of groundwater resources for the protection of

aquatic ecosystems in terms of the National Water Act, 1998. The maximum quantity of groundwater that can be developed economically is estimated at about 6 000 million m³ a year.

Regional and international co-operation and initiatives

South Africa has signed co-operative agreements with a number of countries in the southern African region with which it shares water resources, such as:

- Mozambique and Botswana (Limpopo Dam)
- Botswana, Lesotho and Zimbabwe (Orange River)
- Lesotho Highlands – a New Partnership for Africa's Development (NEPAD) flagship programme
- Swaziland and Mozambique (Komati).

These co-operative agreements improve South Africa's bilateral and multilateral relations in the African Union. All the countries involved benefit, while sharing development costs.

The African Ministers' Council for Water was established in December 2003. It has become a platform for the Ministers of Water on the continent to share their experiences on all matters relating to water.

Forestry

Indigenous forests are indispensable to the country's heritage, beauty, wildlife and environment, while commercial forests provide jobs and economic opportunities for many people especially in rural areas. Forestry represents a massive investment in the country and plays an important role in the Integrated Rural Development Programme.

South Africa has developed one of the largest planted forests in the world. Production from these plantations amounted to more than 16,6 million m³, valued at almost R3,3 billion in 2002. Together with

the processed products, the total industry turnover was about R13,8 billion in 2002, including R8,6 billion worth of wood-pulp.

More than 9,4 million tons (Mt) of pulpwood, mining timber, matchwood and charcoal, and almost five million m³ of sawlogs, veneer and poles, were sold in this period.

Collectively, the forestry and forestry products sector employs about 151 000 people.

An equivalent of about 60 000 full-time staff are employed in the primary sector (growing and harvesting), while the remainder are employed in the processing industries (sawmilling, pulp and paper, mining timber and poles, and board products).

The organised forest industry claims that each job created within the sector results in four others in supporting industries, through the multiplier effect. The sector thus contributes about 600 000 jobs to the economy.

About half of the more than 1 700 indigenous tree and shrub species found in South Africa grow along the south and east coasts and on the southern and south-eastern slopes of inland mountains. The other half are spread over the interior plateaux.

The yellowwood tree (*Podocarpus*) is South Africa's national tree. Yellowwood trees can grow to a height of more than 40 m with a girth of 8 m, and can live up to 800 years. The Big Tree near the Storms River Bridge (46 m), the King Edward VII in the Knysna Forest (46 m) and the Eastern Monarch in the Amatola Mountains (44 m) are the best-known giants.

National Arbour Week is celebrated annually at the beginning of September to encourage the greening of South Africa. Two different Trees of the Year are nominated annually: a common variety and a scarcer, possibly endangered, species. The 2004 Trees of the Year were the white seringa/mountain seringa (*Kirkia acuminata*) and the witsering/bergsering (*K. wilmsii*).

Activities during national Arbour Week included the launch of the Siyathuthuka Project in Soweto on 31 August and the Arbour City Awards in Botshabelo (Free State) on 3 September 2004. *Trees are our Heritage* was the theme for Arbour Week 2004.

Managing the forests

The overall goal of the Department is to promote a thriving forestry sector, to be utilised for the lasting benefit of the nation, and developed and managed to protect the environment.

The Department of Water Affairs and Forestry is pursuing a reform programme in the forestry sector which will eventually see the Government leasing all State-owned forest land to private-sector operators.

The Department has made good progress in transferring government's commercial plantations to private management.

Of the 140 000 ha managed by the Department in 1994, more than 100 000 ha have been transferred.

Following the restructuring of plantation forests in the Eastern Cape and KwaZulu-Natal, the management consortia have been paying lease rentals for the use of the land. Some R40 million held in trust will be paid to the communities concerned as soon as they establish structures to get the benefits to the right people.

The Department's policy in terms of indigenous forests is to delegate or assign management responsibility to appropriate agencies. In this regard, good progress is being made with the transfer of forests to the South African National Parks (SANParks) and other agencies. The delegation of 97 000 ha of the Knysna forests to SANParks is almost finalised.

In the Western Cape, the Department is negotiating with Western Cape Nature Conservation to take responsibility for some 761 900 ha of mountainous areas west of the Touws River, which are managed under forest legislation, for other conservation purposes.

In the Eastern Cape, the Department is negotiating to assign 413 000 ha of natural forests to the province. In Mpumalanga, the Department is working with the Department of Environmental Affairs and Tourism, the provincial Department of Agriculture, Conservation and Environment, and the Mpumalanga Parks Board to assign some 15 600 ha of natural forest and commercial plantations to the proposed Blyde Canyon National Park.

The Department's Forestry component is organised into the following subprogrammes:

- Plantation Restructuring develops and supports policies to ensure the sustainable development



In August 2004, the Department of Water Affairs and Forestry released a new national list of tree species declared protected. This protection is afforded in terms of the National Forests Act, 1998 (Act 84 of 1998).

Tree species listed as protected may not be cut, disturbed or damaged or their products transported or sold without a licence. Listing certain species as protected is not primarily aimed at preventing the use of a tree species, but rather at ensuring sustainable use through licensing-control measures.

The list of protected tree species include camel thorn (*Acacia erioloba*); grey camel thorn (*Acacia haematoxylon*); pepperbark (*Warburgia salutaris*); marula tree (*Sclerocarya birrea*); baobab (*Adonsonia digitata*); pod mahogany (*Azelia quanzensis*); torchwood (*Belanites subsp. maughanii*); powder-puff tree (*Barringtonia recemosa*); shepherd's tree (*Boscia albitrunca*); msasa (*Brachystegia spiciformis*); matumi (*Breonadia salicina*); black mangrove (*Bruguiera gymnorhiza*); Swazi onionwood (*Cassipourea swaziensis*); bushman's tea (*Catha edulis*); Indian mangrove (*Ceriops tagal*); false tamboti (*Cleistanthus schlechteri* var. *schlechteri*); Pondo weeping thorn (*Colubrina notholoni*); leadwood (*Comretum imberbe*); assegai (*Curtisia dentata*); Bushveld saffron (*Elaeodendron transvaalensis*); Bushveld red balloon (*Erythrophysa transvaalensis*); ebony guarri (*Eucleapseudebenus*); swamp fig (*Ficus trichopoda*); silver tree (*Leucadendron argenteum*); Tonga mangrove (*Lumnitzera racemosa* var. *racemosa*); Pondo bushman's tea (*Lydenburgia abottii*); Sekhukhuni bushman's tea (*Lydenburgia cassinoides*); coastal red milkwood (*Mimusops caffra*); Lebombo wattie (*Newtonia hildebrandtii* var. *hildebrandtii*); stinkwood (*Ocotea bullata*); Gariep resin tree (*Ozoroa namaquensis*); Apple-leaf (*Philenoptera violacea*); cheesewood (*Pittosporum viridiflorum*); Breede River yellowwood (*Podocarpus elongatus*); Outeniqua yellowwood (*Podocarpus falcatus*); henkel's yellowwood (*Podocarpus henkelii*); real yellowwood (*Podocarpus latifolius*); saddleback sugarbush (*Protea comptonii*); serpentine sugarbush (*Protea curvata*); red stinkwood (*Prunus africana*); wild teak (*Pterocarpus angolensis*); red mangrove (*Rhizophora mucronata*); marula (*Sclerocarya birrea* subsp. *caffra*); violet tree (*Securidaca longependunculata*); white milkwood (*Sideroxylon ierme* subsp. *inerme*); Pondo fish poison pea (*Tephrosia podoensis*); pepper-bark tree (*Warburgia salutaris*); Clanwilliam cedar (*Widdringtonia cedarbergensis*); and Willowmore cedar (*Widdringtonia schwarzii*).

and management of plantation forestry to achieve equitable economic and social benefits, particularly in rural areas

- Indigenous Forest Restructuring develops and promotes policies to support the sustainable development and management of indigenous forests to optimise their social, economic and environmental benefits
- Forestry Oversight develops policies in support of sustainable forest management (SFM), oversees the sector and ensures that policy at all levels of government is coherent
- African Forestry Liaison promotes sustainable forest management in Africa in support of NEPAD
- Community Forestry develops and promotes policies to empower communities and disadvantaged groups to make use of tree and forest resources to support sustainable livelihoods
- Forestry Management Support provides efficient general administration and management support
- Plantation Management supports the sustainable development and management of plantation forestry at regional level to achieve equitable economic benefits, particularly in rural areas
- Indigenous Forest Management supports the sustainable development and management of indigenous forests to optimise their social, economic and environmental benefits
- Forestry Governance supports SFM in South Africa by overseeing the community forestry sector
- Community Empowerment helps disadvantaged communities and groups to make use of tree and forest resources to support sustainable livelihoods
- Forestry Support Services provides support services for regional forestry activities in management, human resources, finance and general administration.

South African Forestry Company Limited (SAFCOL)

SAFCOL, a wholly-owned State enterprise, was formed in 1992 and acquired the Department of Water Affairs and Forestry's forestry assets and related business with effect from 1 April 1993.

SAFCOL's objectives were to enhance the development of the local forestry industry and to optimise the State's forestry assets through running the business according to accepted commercial management practices and SFM principles.

At the time of its creation, SAFCOL managed 256 000 ha of world-class softwood sawlog plantations, and six small sawmills and pole-treating plants. Its annual roundwood production of 3,3 million m³ represented a significant contribution to the industry's total output and provided the sawmilling industry with 75% of its fibre requirements.

In 2003, the SAFCOL group of companies reported a net profit before tax of R140,1 million. The Company declared a dividend of R50 million which was paid to shareholders in December 2003.

The Company had no government guarantee as at 30 June 2003, but it did have an agreement with the Department of Water Affairs and Forestry to receive a transfer payment of R14 million per year for four years, with the last payment due on 1 April 2005.

The purpose of this transfer payment is to cover the funding shortfalls resulting from SAFCOL's taking over the loss-making operations of the Department of Water Affairs and Forestry in 2001, and also to cover certain residual liabilities associated with the Cape Conversion Process and the rehabilitation of exit areas in the vicinity of the Greater St Lucia Wetland Park.

A special restructuring dividend is payable to government as the sole shareholder of SAFCOL upon successful completion of each transaction.

The restructuring process also has further benefits for government and the people of South Africa in the form of annual lease rental payments of about R20 million, which is generated from the land leases, as well as various socio-economic undertakings that the successful bidders for the various packages have committed to as part of the restructuring transactions. Finally, the shareholding of each of the successful bidders includes significant Black ownership, varying between 10% and 50% of the bidding vehicles.

The decision by government to restructure its forestry assets, not only those managed by the

Department of Water Affairs and Forestry, but also those managed by SAFCOL, has had a marked impact on the company and the local industry.

Once the process is complete, SAFCOL will warehouse the minority interests in the privatised entities on behalf of government, its shareholder.

Progress in the restructuring of the commercial forestry assets of the State in 2002/03 centred around three significant forestry assets, namely Komatiland Forests (Pty) Ltd, Mountain-to-Ocean Forests (Pty) Ltd and Amatola Forestry Company (Pty) Ltd. These are three of the four special-purpose vehicles formed to assist in the restructuring process; the other one being SiyaQhubeka Forests (Pty) Ltd.

Industry and exports

The industry was a net exporter to the value of over R4,8 billion in 2003, more than 97% of which was in the form of converted value-added products. This trade surplus represented 30,1% of the country's entire trade surplus of R16,1 billion in 2003.

The forest-products industry ranks among the top exporting industries in the country, having contributed 3,63% to the total exports and 1,97% of total imports in 2003.

Capital investment in the industry amounted to some R21 billion in 2003. Investment totalled R16,3 billion in 2001 and R9,7 billion in 1999.

The value of forest-product exports has grown significantly over the past decade, from R2,3 billion in 1992 to R9,9 billion in 2003, a growth of 324%. In real terms (taking inflation into account), this growth was 93% or a compounded real growth of 6,2% per year over that period. As imports did not increase to the same extent as exports, the net trade balance in foreign trade in forest products increased even more, by 427% in nominal terms (141% in real terms) to R4,9 billion in 2003.

In 2003, paper exports were the most important (R3,585 billion or 36% of the total), followed by solid wood products (R3,312 billion or 33% of the total), pulp (R2,831 billion or 29% of the total), and other products (R0,311 billion or 3% of the total). Woodchip exports, which are exported mainly to Japan, accounted for 58% (R1,909 billion) of the total solid wood products exports.

Stringent environmental codes of practice are implemented in all plantation and processing activities. The Chief Directorate: Forestry of the Department of Water Affairs and Forestry promotes optimal development of forestry and arboriculture in South Africa.

The National Forests Advisory Council (NFAC) was established in terms of the National Forests Act, 1998 (Act 84 of 1998). It advises the Minister of Water Affairs and Forestry on all aspects of forestry in the country. The NFAC is actively involved in developing local criteria, indicators and standards for SFM and makes recommendations on how public access to State-owned forests can be improved.

Sustainable forest management

The commercial forestry industry in South Africa is committed to practising SFM and is a world leader in forest certification. This is demonstrated by the fact that over one million ha, or over 80% of the entire area of commercial forestry plantations in South Africa, is currently certified by the Forest Stewardship Council (FSC) and the ISO 14001 certification schemes as being sustainably managed.

South Africa has one of the largest areas of FSC-certified plantations of any country in the world. This is a remarkable achievement considering that there were no certified plantations in 1996. Although not all these forests are owned by the large forestry companies, the rapid expansion in this certified area has been facilitated by the fact that all these large companies have their own specialist environmental departments which ensure that their land is man-



In October 2004, the Minister of Water Affairs and Forestry, Ms Buyelwa Sonjica, launched the third annual Weedbuster Week in Rustenburg, North West.

Weedbuster Week aims to protect South African plants and raise public awareness about alien plants. It is also part of the annual Working for Water Programme spearheaded to prevent and manage invasive alien plants.

Ms Sonjica called on individuals, communities and governments to collectively focus on protecting and respecting the country's natural resources under the theme *Safeguarding Our Natural Heritage*.

aged according to their own stringent environmental codes of practice. To promote transparency, members of the public are invited to join company staff when these regular audits are done.

There has also been a large increase in the number of non-corporate growers who have become certified. This has been for a number of reasons, among others, the acceptance by the FSC of 'group-certification schemes' and the availability of local FSC auditors, both of which have reduced the cost of certification considerably.

Another development has been the introduction of Small Low Impact Managed Forests audits which enable small and community forestry schemes to be FSC-certified. As part of its commitment to the practice of SFM, the forestry industry is also involved in the NFAC's Committee for SFM, whose primary responsibility it is to develop criteria, indicators and standards for SFM, tailored to meet South Africa's specific conditions.

The Institute of Natural Resources, which was contracted by the Committee for SFM to develop these criteria has, after an extensive consultative process, developed a draft set which was being tested in mid-2004.

Through the Forestry Industry Environmental Committee, a set of environmental guidelines was published in 1995 to encourage and facilitate timber growers to practise SFM through the implementation of best environmental practices.

These guidelines were not only highly acclaimed, but widely used both within South Africa and abroad. A second updated, and far more comprehensive and user-friendly edition of the guidelines was published in July 2002. These are being used by the certification agents for the auditing of the physical environment component of their FSC audits.

The indigenous forests of the southern Cape received FSC certification, which is a first on the continent for high forests. This is a major step towards the sustainable management of the country's natural forests.

Legislation

The restructuring of the forestry sector is supported by the National Forests Act, 1998 and the National

Veld and Forest Fire Act, 1998 (Act 101 of 1998).

The National Forests Act, 1998 provides a framework for the development of principles, criteria, indicators and standards for SFM. By mid-2004, the criteria, indicators and standards that were being developed for SFM were piloted for testing.

The Act ensures that the public has reasonable access to State forest land for recreational, cultural, spiritual and educational purposes. In addition, provision is made for the protection of indigenous forests, as well as support for community forestry.

The National Veld and Forest Fire Act, 1998 bans open-air fires when the risk of veld blazes in an area is high. It also introduces the concept of voluntary fire-protection associations formed by landowners. It furthermore obliges the Minister of Water Affairs and Forestry to operate a national fire-rating system in consultation with the South African Weather Service and fire associations. The Act also allows the Minister to impose minimum fire-fighting requirements on landowners.

Indigenous high-canopy forest

There are about 530 000 ha of indigenous high forest in South Africa, amounting to about 0,45% of the country's land surface.

These forests occur mainly on the eastern and southern slopes of mountain ranges from the Soutpansberg in Limpopo to the Cape Peninsula in the Western Cape.

High forest is normally found in isolated pockets, varying in size from only a few hectares to several thousand hectares.

The largest area of high forest (36 000 ha) lies within a strip some 220 km long and 26 km wide between the Outeniqua and Tsitsikamma mountain ranges and the sea, extending from Mossel Bay in the Western Cape, through Knysna, to the Humansdorp district in the Eastern Cape. High forest occurs mainly in patches in mountain kloofs. In the Eastern Cape, indigenous forests occur along the coast and on the Amatola and Transkei mountain ranges.

Forests in KwaZulu-Natal and the former Transkei area of the Eastern Cape are generally small, and those that are easily accessible have been heavily exploited in the past.

Although similar in composition to those of the Keiskamma area, these forests also include some of the tropical tree species from the northern parts of South Africa.

In Mpumalanga and Limpopo, high forest occurs in patches in the mountain ranges along the eastern edge of the Highveld plateau, while the largest areas are in the Woodbush and Soutpansberg ranges.

Systematic timber harvesting occurs in areas of the production management class. Harvesting is concentrated on overmature trees, with logs being sold by tender and/or on public auction. On average, 3 750 m³ of round logs are harvested annually (150 m³ of stinkwood, 750 m³ of yellowwood, 2 500 m³ of Australian blackwood and 350 m³ of other species). Timber harvesting in Knysna amounts to 2 600 m³. Another valuable product of the indigenous forests of South Africa is the seven-week fern (*Rumohra adiantiformis*), which is harvested in the Knysna and Tsitsikamma forests.

Scrub forest and woodlands

This vegetation covers extensive areas in the low-lying, drier areas of Limpopo, KwaZulu-Natal and Mpumalanga. Some areas of savanna and woodlands have been denuded for agriculture and firewood. Most tree species of the scrub forests and woodlands grow slowly and do not reach great heights.

The woodlands are, however, a valuable source of fuel, fencing material and other products. They provide protection for the soil, and shelter and fodder for livestock. The tree growth along much of the coast is classified as coastal scrub, with the exception of patches of high forest at Alexandria and along the Eastern Cape coast.

Planted forests

During the 1930s, government started to establish extensive plantations to make South Africa self-sufficient in its timber requirements, and to provide more job opportunities in a diversified economy during the depression years. Commercial plantations of exotic species proved to be a sound investment and the private sector established large plantations of pine, eucalyptus and wattle trees.

The private sector owns 1 028 877 ha (or 76%) of the total plantation area of 1 351 402 ha as well as virtually all the processing plants in the country. The remaining 24% (322 525 ha) is under public ownership. The extent of public ownership will decrease significantly once the restructuring process is complete.

In 2003, the capital investment in these plantations stood at R15 billion, 55% of which was attributable to investment in trees. A further 23,3% was tied up in land, 13% in roads, 7,2% in fixed assets and 1,4% in machinery and equipment.

The forestry industry is promoting rural development and economic empowerment through a small-grower afforestation programme. By mid-2004, there were more than 20 000 small emerging Black timber growers, the vast majority of whom operated through schemes run under the auspices of Sappi Forests (Project Grow), Mondi Forests (Khulanathi) and the Wattle Growers' Association. Combined, these growers, most of whom were women, cultivated 48 000 ha of plantations.

Plantation yields

Of the 1 351 402 ha of plantations in 2002, 52% were softwood species and 48% hardwood species. Thirty-seven percent of the plantation area was



In February 2004, the Ministry of Water Affairs and Forestry launched the national Working on Fire Programme, which is aimed at bringing wild fires under control.

The Programme was developed by the Working for Water Programme, the Forestry Division of the Department of Water Affairs and Forestry, and the National Disaster Management Unit in the Department of Provincial and Local Government.

The Programme aims to create eight pilot fire-fighting regions in Mpumalanga, KwaZulu-Natal, the Free State, Limpopo, southern Cape, Western Cape and the Eastern Cape.

Government has invested R24 million from the Working for Water budget into the Working on Fire Programme. An additional R35 million was allocated for the 2004/05 financial year.

By the beginning of February 2004, the first batch of 22 youths had completed training in basic fire-fighting skills, helicopter procedures and fire prevention.

managed mainly for saw-log production, 56% for pulpwood and 4% for mining timber, while the balance of 3% was grown for the production of poles, matchwood (poplar) and other minor products. Plantation yields vary from an average of 16 m³ per ha per year for softwood, to 21 m³ per ha per year for eucalyptus and 10 m³ per ha per year for wattle (timber and bark).

Likewise, the rotation ages vary from a maximum of 30 years in the case of pine saw-logs, to six to 10 years in the case of eucalyptus pulp and mining timber.

The production from plantations amounted to some 16,6 million m³ or 14,6 Mt in 2002.

Primary wood-processing

South Africa has 182 primary wood-processing plants, 161 of which are owned by the private sector and only six of which are owned by local and State authorities. Of these, some 103 are sawmills; 12 mining-timber sawmills; 41 pole-treating plants; 20 pulp, paper and board mills; one match factory; and five charcoal plants. The total roundwood intake in 2002 was 17,2 million m³ valued at R3,3 billion. The value of sales of timber products produced by these primary processing plants totalled R13 807 million. An amount of some R20 billion was invested in primary roundwood-processing plants (at book value). At market value, this increased to an estimated R30 billion.

The two main pulp-and-paper manufacturing companies in South Africa, Sappi and Mondi, rank among the largest in the southern hemisphere and own assets in many parts of the world.



The Minister of Water Affairs and Forestry, Ms Buyelwa Sonjica, launched the Ga-Mashishi Woodlands Project in Limpopo during National Arbour Week in September 2004.

The Project is a partnership between the Department of Water Affairs and Forestry and the local community.

The people from Ga-Mashishi and surrounding communities benefit from the Project in terms of firewood, wild fruits and vegetables, grazing for their livestock, fencing material, medicine, water and soil conservation.

Research and training

South Africa has world-class forestry-research infrastructures and personnel, with almost 2% of the forestry industry turnover (private and public sectors) devoted to research. The priority fields of research include tree-breeding through applied silviculture, climate and soils, environmental impact and management solutions, forest biology, hydrology and forest protection.

Degrees in forestry are offered by the Faculty of Agricultural and Forestry Sciences at the University of Stellenbosch, the University of Natal (Pietermaritzburg) and the University of Venda. Diplomas and limited degree courses in forestry disciplines are also offered at the Port Elizabeth University of Technology, George (Saasveld Campus). The Natal University of Technology offers a diploma in Pulp and Paper Technology. The Fort Cox College of Agriculture and Forestry offers a diploma in social forestry.

Skills training is provided by a number of industry-sponsored and in-house training centres. Industry-sponsored bursaries are available, as are company-sponsored bursaries for study at these institutions.

Community forestry

The *White Paper on Sustainable Forest Development in South Africa* states that community forestry is designed and applied to meet local social, household and environmental needs and to favour local economic development.

It is implemented by communities or with the participation of communities, and includes tree-centered projects in urban and rural areas, woodlots and woodland management by communities and individuals. Community forestry has gained impetus through more focused core functions, particularly in urban greening and forest enterprise development.

Participatory Forest Management (PFM) in the Department of Water Affairs and Forestry has emerged as an integrated approach that contributes to achieving the goal of the SFM of South African forests.

Elements of PFM were initially developed for indigenous State forests, but the aim is to use PFM

as an approach for the management of all forest types where feasible (indigenous forests, plantations, woodlots and woodlands) and where different types of ownership and management (State, provincial, communal, private and community) exist.

The PFM Policy covers all forest resources in South Africa that are under the jurisdiction of the National Forests Act, 1998. For forest land under State ownership, custodians are requested to adhere to the principles of SFM, including the PFM Policy.

The PFM Policy involves keeping in line with and supporting other policy developments on local economic development, the protection and management of natural resources and biological diversity, the transfer of management of government assets, forest-enterprise development, and support for HDIs and the constitutional rights of all South Africans.

The more detailed approach and priorities for the actual implementation of PFM are guided by the forthcoming strategies for PFM and for Forest Enterprise Development.

PFM is aimed to be:

- the best practice for the management of all State forests
- a key element in the management of the State-owned commercial plantations managed under a private lease
- part of the scope for forest enterprise development
- implemented with communities in the management of woodlots and woodlands.

The PFM Policy is subject to policy directions as set out in the:

- *White Paper on Sustainable Forest Development in South Africa*
- National Forestry Action Programme
- National Forests Act, 1998
- Framework for the PFM Programme
- Policy and Guidelines on Access to State Forests
- Policy and Strategy for Management Devolution of State Natural Forests to other Agents.

Food and Trees for Africa (FTFA)

FTFA is the sub-Saharan African partner of the International Global Releaf greening organisation.

In 2003, the FTFA trained some 637 community and government representatives, planted 29 398 trees with a survival rate of more than 80%, and facilitated some 34 urban greening projects in the greater Johannesburg area.

The Urban Greening Fund is managed by the FTFA, the departments of Water Affairs and Forestry and of Agriculture, and the Institute of Environment and Recreation Management. It was set up with donor funds, which included R1,2 million from the Department of Water Affairs and Forestry.

It is a collective fund that supports partnerships aimed at sustainable development through tree planting, parks and food-gardening projects and environmental education.

Organisations, companies and individuals can contribute to the Fund to help disadvantaged South Africans to create a greener, healthier and more secure food life.

Eduplant

EduPlant, the national schools programme funded by the Eskom Development Foundation, contributes to the upliftment of schools throughout South Africa by assisting disadvantaged schools to grow their own food. EduPlant provides greener environments conducive to learning. It focuses on permaculture and has received a R2 million grant from the Department of Water Affairs and Forestry.

Through the Eduplant Programme, schools are able to grow their own food using permaculture principles. This contributes to food security and poverty alleviation.

The Eduplant 2004 Awards Ceremony took place on 28 September 2004. The annual event celebrates the achievements of all educators and learners who participate in the Eduplant Programme.

Between 1995 and September 2004, Eduplant reached 14 500 educators from more than 12 000 schools around South Africa.



Acknowledgements

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