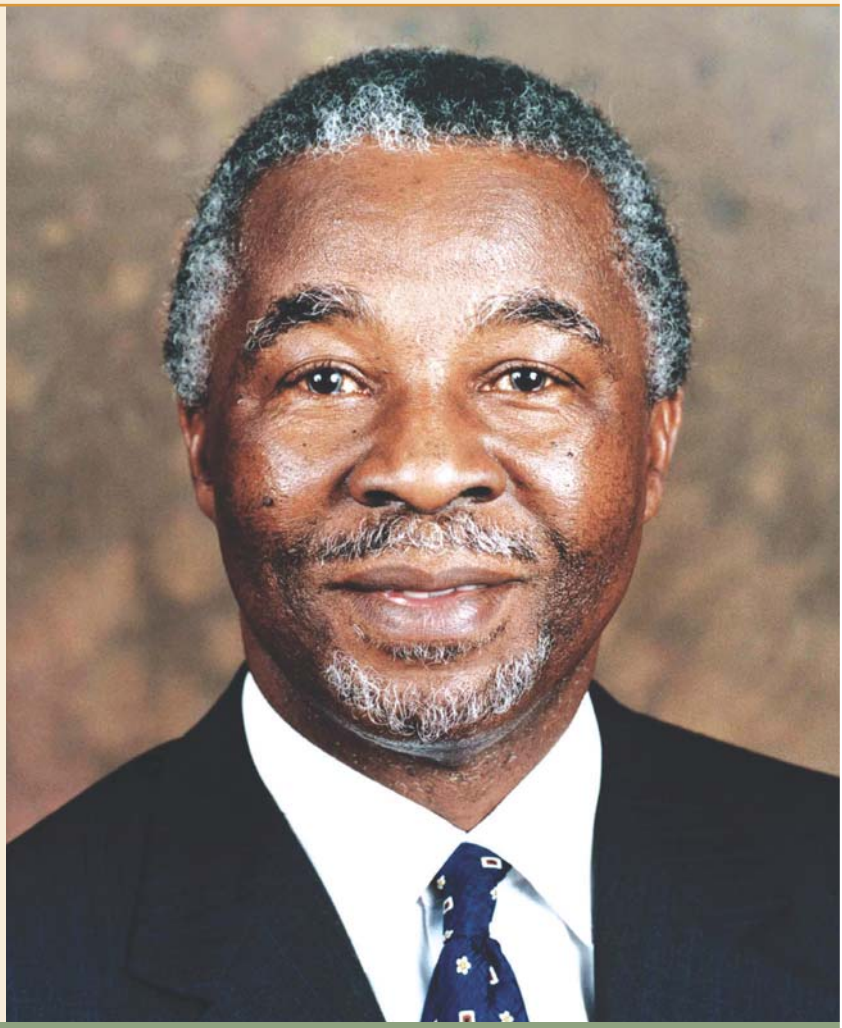


Foreword

Nearly three years into our Second Decade of Freedom, the prospects of halving unemployment and poverty by the end of the decade are brighter than ever.

The encouraging possibilities that were opening up before us a year ago have persisted. They have consolidated into what South Africans recognise as the beginning of their Age of Hope.

All sectors of our society are strengthening the partnerships that allowed us to overcome the obstacles to our freedom and opened the way to the most important advances since we achieved our freedom. We are determined to build and surpass our achievements.

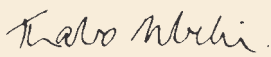
Government is giving leadership to this national effort through a detailed Programme of Action. Working with the public, with communities and with our social partners, we are doing what needs to be done for us to achieve the goals we have set ourselves as a nation. We are strengthening partnerships to effect a step change in the reduction of crime; to reverse the tide of HIV and AIDS and other diseases; and to continue pushing back the frontiers of poverty.

As South Africa prepares to host the 2010 Fifa World Cup, the Government will leave no stone unturned to ensure that everything is done to host a tournament that meets the expectations of billions of football fans across the world. We feel privileged and honoured at the confidence of Fifa and the international community in our country and our continent. Together we will ensure the resounding success of the first Fifa African World Cup.

Hosting 2010 will also lend impetus to making this a century of African growth and development and to our own initiative for accelerated and shared growth.

The *South Africa Yearbook 2006/07* details our programmes and policies.

They create a framework for the national effort of government and the people of South Africa to continue and speed up the advance to a better life for all.



President Thabo Mbeki
November 2006

1

The land and its people

Diversity is the best adjective to describe the people, cultures and natural heritage of South Africa. Eleven official and several foreign languages are used in this country, which is home to South Africans and people from across the world. The natural diversity of the country means that visitors can pursue an array of activities, including scuba diving, hiking, cycling, game viewing and hunting, surfing and sailing. Landscapes are varied and offer habitats to a marvellous number of animal and plant species.

South Africa is often called the Cradle of Humankind, for it 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 (Stats SA), the mid-2006 population was estimated at 47,4 million. Africans were in the majority (about 37,7 million) and constituted roughly 79,5% of the total South African population. The white population was estimated at 4,4 million, the coloured population at 4,2 million and the Indian/Asian population at 1,2 million.

The provincial estimates showed that KwaZulu-Natal was home to 20,9% of the population, followed by Gauteng with 20,1% and the Eastern Cape with 14,6%. The Northern Cape had the smallest share of the population, namely 2,3%.

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

Languages

According to the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), everyone has the right to use the language and to participate in the cultural life of their choice, but no one may do

so in a manner that is inconsistent with any provision of the Bill of Rights. Each person also has the right to instruction in their language of choice where this is reasonably practicable.

Official languages

The Constitution recognises 11 official languages, namely Afrikaans, English, isiNdebele, isiXhosa, isiZulu, Sesotho sa Leboa, 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%), Sesotho sa Leboa (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.

Although English is the mother tongue of only 8,2% of the population, it is the language most widely understood, and the second language of the majority of South Africans. However, government is committed to promoting all the official languages.

Language policy

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

Mathematics, Science and Technology dictionaries have been completed in the official languages, language research and development centres have been established for the indigenous African languages, and many documents have been translated into the country's official languages and into foreign languages.

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 fall on a Sunday, then the following Monday becomes a public holiday.

A task team for the South African Language Practitioners' Council, established by the NLPF to research the professionalism of the profession, provided important information for the development of concept and policy documents.

National Language Policy Framework

In 2003, 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.

In March 2006, The Presidency's Policy Co-ordination and Advisory Services unit released a report entitled *A Nation in the Making: A Discussion Document on Macro Social Trends in South Africa.* The report revealed that South Africans' sense of nationhood had grown since the end of apartheid, with most of the country's race-conscious people seeing themselves primarily as South African and not as members of a particular racial or ethnic group.

According to a report released in March 2006 by the National Opinion Research Centre at the University of Chicago in the United States of America (USA), South Africans have a strong sense of pride in their country.

The report presents the findings of a survey of people in 34 countries by the International Social Survey Programme, which is an international consortium of researchers.

Participants in the survey were asked about their pride in 10 specific areas of their country as well as their general sense of pride. South Africans ranked fourth in the world for pride in their country, after the USA (first), Venezuela (second) and Ireland (third).

The NLPF is being phased in progressively.

To promote linguistic diversity in 2006/07, the Department of Arts and Culture planned to spend some R70 million on language programmes and activities, including the Pan South African Language Board (PanSALB).

Telephone Interpreting Service of South Africa (Tissa)

When the national launch of Tissa took place in Kimberley, Northern Cape, in February 2006, this service had already created over 60 jobs for previously unemployed people and will continue creating jobs in interpreting and call-centre management with its national roll-out. More than R30 million has been set aside for Tissa over the next two years.

Tissa provides telephone-interpreting services to people who need to access government, and aims to improve verbal communication between citizens and government agencies, thus allowing citizens to exercise their right to use the language of their choice when dealing with government.

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 champions the recognition, implementation and promotion of multilingualism in South Africa, and the development of previously marginalised languages.

PanSALB's vision is to achieve equal status and use of all official languages, including Khoi, 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. It is furthermore empowered to negotiate or mediate in cases of language conflict and attempts to achieve conciliation.

PanSALB received R39,09 million in 2006/07.

The provincial language committees, established by PanSALB, focus on promoting multilingualism and raising awareness.

PanSALB has created national language bodies – one for each of the 11 languages and for the Khoe, Nama, San and South African Sign Language – to standardise spelling and orthography, terminology, literature and lexicography, do research and initiate ad hoc projects.

The 11 national lexicography units, which compile and create dictionaries, were created by PanSALB and incorporated in terms of section 21 of the Companies Act, 1973 (Act 61 of 1973).

Commission for the Promotion and Protection of the Rights 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 aims to contribute meaningfully and constructively to social transformation and nation-building. Its mission is to promote and develop peace, friendship, humanity, tolerance and national unity among linguistic communities. To achieve this, the commission will:

- be a channel of communication between the State and communities
- monitor compliance by the State and civil society
- mediate in intercommunity conflict situations and facilitate harmonious co-existence
- facilitate the development of programmes that foster sensitivity, respect and understanding for cultural, religious and linguistic diversity
- lobby government departments and legislative authorities to identify and recommend amending, repealing or enacting laws undermining or supporting those rights, respectively.

Religion

Religious groups

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

The Constitution guarantees freedom of worship, 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. One of the most important of these links is the South African Council of Churches (SACC), although 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 churches are well served by a large number of clerics and officials.

On the whole, training for the church ministry is thorough and intensive, and based on a variety of models due to the variety of church denominations.

Apart from the work of the churches, a number of Christian organisations (para-church organisations) operate in South Africa, doing missionary and evangelical work and providing aid and training.

Regular religious programmes on radio and television, as well as the abundance of places of worship, reflect the importance of religion in South Africa. Many newspapers carry a daily scriptural message, and various religious magazines, newspapers and books are produced and sold in religious bookshops.

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. The teaching is a syncretism between Christianity and African Traditional Religion. More than a million members gather twice a year at Zion City, Moria, north-west of Polokwane in Limpopo, at Easter and for the September festival. Traditionally, Easter is the religious highlight of the year. ZCC members, estimated to exceed 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 both 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.

Number of individuals by religion (Census 2001)

Religion	%
Christian	79,8%
African Traditional Religion	0,3%
Judaism	0,2%
Hinduism	1,2%
Islam	1,5%
Other	0,6%
No religion	15,1%
Undetermined	1,4%
Total	**100%**

Afrikaans churches

The Afrikaans churches are predominantly Protestant. Of these churches, the Dutch Reformed Church family of churches in South Africa is the largest and represents some 3,5 million people. The Dutch Reformed Church, also known as the Nederduitse Gereformeerde Kerk, is the largest, with a total of about 1 200 congregations countrywide.

The other churches are the Uniting Reformed Church in Southern Africa, the Dutch Reformed Church in 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 of the Dutch Reformed Church.

There are several other churches with Afrikaans-speaking adherents, some with very large memberships, such as the Apostolic Faith Mission and the Afrikaanse Protestantse Kerk.

The Dutch Reformed Church 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

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

The Southern African Catholic Bishops' Conference, founded more than 50 years ago, is the representative body of this church in southern Africa.

Other Christian churches

Other established churches in South Africa include the Church of the Province of Southern Africa (Anglican Church), the Methodist 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, they 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.

Hundreds of independent charismatic churches have mushroomed across the country. The largest of these groups is the International Fellowship of Christian Churches (IFCC). Rhema Church, with its 32 000-member congregation, spearheads the movement. The IFCC, representing over 400 churches, is also a member of the SACC.

Also active in South Africa, among the smaller groups, are the Greek Orthodox Church, the Seventh Day Adventist churches, the Church of the Nazarenes and the Salvation Army.

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 African Traditional Religion and Christianity.

Other religions

The majority of Indians who originally came to South Africa were Hindu. They retained their Hindu religion and today some two-thirds of South Africa's Indians are Hindus. The rest are Muslims and a minority are Christians.

The Muslim community in South Africa is small, but growing rapidly. The Cape Malays, who are mostly descended from Indonesian slaves, make up most of this group, with the remaining 20% being 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. However, the Nan Hua Buddhist temple has been built at Bronkhorstspruit near Pretoria. 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.

The land

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 km^2.

The country has common boundaries with Namibia, Botswana and Zimbabwe, while Mozambique and 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

South Africa's surface area 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 about 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.

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 are 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.

Average temperatures in degrees Celsius

	Summer	Winter
Cape Town	20,0	12,6
Durban	23,6	17,0
Johannesburg	19,4	11,1
Pretoria	22,4	12,9

Source: Lew Leppan: *The South African Book of Records*: Cape Town, Don Nelson, 1999

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 South Africa's Constitution, 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 southernmost tip of the African continent. It is a region of majestic mountains; beautiful valleys; wide, sandy beaches; and breathtaking scenery, making it one of the South Africa's prime tourist destinations.

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, fondly 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 world's six accepted floral kingdoms. Although it is the smallest of them all, the Cape Floral Kingdom, which is characterised by fynbos, contains more plant species than the whole of Europe. These include the famous proteas and heathers.

The Cape Floristic Region became South Africa's sixth world heritage site in 2004. Covering an area of more than 553 000 hectares (ha), the Cape Floristic

Western Cape

Capital: Cape Town
Principal languages: Afrikaans 55,3%
isiXhosa 23,7%
English 19,3%
Population: 4 745 500 *(Mid-Year Population Estimates, 2006)*
Area (km²): 129 370
% of total area: 10,6%
GDPR* at current prices (2004):
R199 412 million
% of total GDP:** 14,4%
* *GDPR (gross domestic product per region)*
** *GDP (gross domestic product)*

Region World Heritage Site comprises eight separate protected areas stretching from the Cape Peninsula into the Eastern Cape. The Kirstenbosch National Botanical Garden is included in this area, which makes it a world-first for South Africa, since no other world heritage site includes a botanical garden.

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 trees.

Tourism

The Western Cape's natural beauty, complemented by its famous hospitality, cultural diversity, excellent wine and colourful cuisine, make the province one of the world's greatest tourist attractions.

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

Overseas tourists increased from 810 000 in 2000 to 1 535 000 in 2004.

For the second consecutive year in 2006, provincial growth was at 5,3%, fuelled by good sectoral growth.

The people

More than 4,7 million people live in the Western Cape on 129 370 km^2 of land *(Mid-Year Population Estimates, 2006)*. Afrikaans is spoken by the majority, with isiXhosa and English being the other main languages. 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 (HE) institutions, including the University of Cape Town, Stellenbosch University, the University of the Western Cape and the Cape Peninsula University of Technology.

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 15,9% *(Labour Force Survey, March 2006)*. This was somewhat lower than the national unemployment rate of 25,6% in March 2006.

Agriculture and marine fishery

The Western Cape is rich in agriculture and fisheries.

Agricultural exports have increased threefold over the past few years, manifesting in a growth rate of 7,4% in 2005/06.

Primary industries, i.e. agriculture, forestry and fishing, and mining and quarrying, contributed 4,7% to the GDP of the province in 2004, which translated into R9 321 million (gross domestic product per region [GDPR], 2004).

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 is 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, such as the International Wine and Spirit Competition held in July 2006 in Britain.

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 outlet for the export of horses. This earns the country millions of rands in foreign revenue.

The province has also established itself as the leading facilitator in the export of ostrich meat to Europe. In addition to meat, fine leatherware and ostrich feathers are also exported to destinations all over the world.

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 from overfishing 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 from this region.

Visitors to Cape Town's Tygerberg Nature Reserve are now greeted with hiking trails named after plants, animals and birds, after conservation staff, with the help of the Friends of the Tygerberg Hills, planned, constructed and placed signboards on the hiking trails throughout the reserve.

With over 20 000 visitors recorded during 2005, the trails are expected to be more accessible and more easily identifiable for visitors and will enrich and enhance their visit to the reserve.

Industry

The Western Cape's economy has experienced an upswing in recent years, with real growth in GDP estimated at 5,3 % for 2004/05 and total output for the province being almost R186,3 billion, or 14,4% of South Africa's GDP. Economic growth was expected to drop slightly from 5,3% in 2004/05 to 4,7% in 2006/07.

Many of South Africa's major insurance companies and banks are based in the Western Cape. The majority of the country's petroleum companies and the largest segment of the printing and publishing industry are located in Cape Town.

Information and communications technology is 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.

Eastern Cape

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

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 Eastern Cape's main feature is its spectacular coastline lapped by the Indian Ocean. With its long stretches of pristine sandy beaches, rocky coves, secluded lagoons and towering cliffs, the coastline provides the province with an unsurpassed natural tourist attraction.

The graceful curve of Algoa Bay provides an ideal setting for the port of Port Elizabeth. East London offers equally favourable harbour facilities. The province is serviced by three airports situated in Port Elizabeth, East London and Mthatha.

The architecture of many of its cities and towns reflects the rich heritage of its people. Important towns in the province include Bhisho, 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.

Eastern Cape

Capital: Bhisho
Principal languages: isiXhosa 83,4%
Afrikaans 9,3%
English 3,6%
Population: 6 894 300 *(Mid-Year Population Estimates, 2006)*
Area (km²): 169 580
% of total area: 13,9%
GDPR at current prices (2004): R112 908 million
% of total GDP: 8,1%

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-rich Karoo.

The people

The Eastern Cape has almost seven million people living on 169 580 km^2 of land. The majority of the people speak isiXhosa, followed by Afrikaans and English.

The province has a number of HE institutions, including the Nelson Mandela Metropolitan University, the University of Fort Hare and the Walter Sisulu University of Technology. Despite the high quality of education facilities, 22,8% of the population aged 20 years or older has never received any schooling, while 6,3% has completed some form of HE (Census 2001).

In 2006, the unemployment rate of the province stood at 22,1% *(Labour Force Survey, March 2006)*.

The dominant productive sectors in the province at current prices are manufacturing (16,6% of GDPR), finance/real estate/business services (19,4% of GDPR), and wholesale/retail/trade/hotels and restaurants (13,1% of GDPR).

The province's GDPR in 2003 represented just over 8,1% of national GDP.

The province's matric pass rate increased from 53,5% in 2004 to 56,7%, in 2005.

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 employment 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, the collection of marine resources and access to line-catches of hake.

Ostrich exports are flourishing and 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.

The game industry is enjoying unprecedented demand in the international market due to health-conscious consumers increasingly demanding lean organic game meat.

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 DaimlerChrysler, have plants in the Eastern Cape.

Visitors to the Eastern Cape's Addo Elephant Park, which is being expanded from 148 000 ha to 360 000 ha, can look forward to spotting the Big Seven – elephant, rhinoceros, lion, buffalo, leopard, whales and Great White sharks – all in their natural habitat.

The Development Bank of Southern Africa and insurance company Old Mutual have established a local investment facility for developments along the Wild Coast region of the Eastern Cape, setting aside R500 million for tourism-related investments in the region.

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 metropoles, 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.

By February 2006, the R4,1-billion Ngqura Port was near completion and the two IDZs had concluded negotiations with their first investors (three at Coega and four at East London).

The railway from Mthatha to East London was refurbished and the process of finding an operator for the line initiated.

KwaZulu-Natal

Aptly called South Africa's garden province, KwaZulu-Natal is one of the country's most popular holiday destinations. This verdant region includes South Africa's lush subtropical east coast. Washed by the warm Indian Ocean, it stretches from Port Edward in the south, and northwards to the Mozambique boundary. In addition to the magnificent coastline, the province also boasts sweeping savanna in the east, and the majestic Drakensberg mountain range in the west.

Visitors to KwaZulu-Natal can either disembark at Durban International Airport, which handles more than 2,5 million passengers a year, or at Durban harbour. Alternatively, they can make use of the extensive national road network.

According to statistics provided by the Tourism Authority of KwaZulu-Natal, the province received 13,9 million domestic visitors and 1,3 million international visitors in 2004. At a conservative increase of 2% projected for 2006, tourism was expected to inject R33 billion into the provincial economy.

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 Richards Bay handles some 1 000 containers per month. Combined, these two ports handle about 78% of South Africa's cargo tonnage.

Since one of the 2010 Soccer World Cup semi-finals will be contested in Durban, provincial government, in partnership with the eThekwini Municipality, national government and the South African Football Association, plans to spend R1,6 billion on building an iconic stadium.

The 70 000-seater King Senzangakhona Stadium is expected to be completed by December 2008.

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

Pietermaritzburg is KwaZulu-Natal's capital and Richards Bay is an important coal-export harbour. The province has several popular 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.

The province is also well-known for its active conservation activities. The Royal Natal National Park has more than 1 000 plant species, 12 species of antelope and three of the world's seven species of crane. There are several other reserves such as Giant's Castle and the Kamberg Nature Reserve. 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.

Separating KwaZulu-Natal from 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, which is protected in several game parks.

The people

KwaZulu-Natal has more than 9,9 million people living on 92 100 km^2 of land *(Mid-Year Population Estimates, 2006)*. 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 boasts several universities, universities of technology and other educational institutions, including the University of KwaZulu-Natal and the Durban Institute of Technology.

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

KwaZulu-Natal was the second-highest contributor to the South African economy during 2004, at 16,7% (at current prices) of GDP.

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

The province's unemployment rate of 29,9% is the second-highest in the country *(Labour Force Survey, March 2006).*

Agriculture and industry

Richards Bay is the centre of operations for South Africa's aluminium industry. 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.

Construction of Durban's new international airport, King Shaka International, is expected to start in 2007. It will form part of an IDZ at La Mercy, north of the city.

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, which is also known for its 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 around Swaziland to the edge of the escarpment.

KwaZulu-Natal

Capital: Pietermaritzburg
Principal languages: isiZulu 80,9%
English 13,6%
Afrikaans 1,5%
Population: 9 924 000 *(Mid-Year Population Estimates, 2006)*
Area (km²): 92 100
% of total area: 7,6%
GDPR at current prices (2004): R231 616 million
% of total GDP: 16,7%

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 at Upington. The Northern Cape has 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, second-most important junction of South Africa's railway network. Sutherland is host to the southern hemisphere's largest astronomical observatory, the multinational-sponsored Southern African Large Telescope.

Northern Cape

Capital: Kimberley
Principal languages: Afrikaans 68,0%
Setswana 20,8%
Population: 1 094 500 *(Mid-Year Population Estimates, 2006)*
Area (km²): 361 830
% of total area: 29,7%
GDPR at current prices (2004): R30 087 million
% of total GDP: 2,2%

Other important Northern Cape towns include the sheep-farming towns of Carnarvon, Colesberg, Kenhardt and Prieska, which is also renowned for its semi-precious stones and large variety of succulents.

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 that attracts thousands of tourists every year.

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.

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 1 094 500 people on 361 830 km² of land *(Mid-Year Population Estimates, 2006)*. About 68% of the population speak Afrikaans. Other languages spoken are Setswana, isiXhosa and English.

The official unemployment rate of the Northern Cape is 23,5% *(Labour Force Survey, March 2006)*.

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 enjoying tremendous growth in value-added activities, including game-farming.

Food production and processing for the local and export market is also 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, where 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 cultivated intensively. 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 Aggeneys. The province is 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 Vaal River system. With the deposits available for mining declining rapidly, there has been a gradual shift towards the Orange River system. Two recent larger-scale investments also show continued prospects in this sector.

Free State

The Free State lies in the heart of South Africa, with 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 city, also referred to as the City of Roses, is home to some of the province's many tertiary educational institutions, including the University of the Free State and the Central University of Technology.

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.

Nestled in the rolling foothills of the Maluti mountains in the north-eastern Free State, the Golden Gate Highlands National Park is the province's prime tourist attraction. The park derives its name from the brilliant shades of gold cast by the sun on the spectacular sandstone cliffs, especially the imposing Brandwag rock, which keeps vigil over the park.

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

Free State

Capital: Bloemfontein
Principal languages: Sesotho 64,4%; Afrikaans 11,9%; isiXhosa 9,1%
Population: 2 958 800 *(Mid-Year Population Estimates, 2006)*
Area (km²): 129 480
% of total area: 10,6%
GDPR at current prices (2004): R75 827 million
% of total GDP: 5,5%

The people

The Free State houses more than 2,9 million people on about 129 480 km² of land *(Mid-Year Population Estimates, 2006).* The main languages spoken are Sesotho and Afrikaans. Some 16% of the population aged 20 years or older have received no schooling (Census 2001).

According to the *Labour Force Survey* of March 2006, the official unemployment rate is 28,3%.

Many of the towns display a cultural mix that is 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. 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 generated by 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.

In terms of floriculture, the Free State has an advantage due to the opposing seasons of the southern and northern hemispheres. The province exports some 1,2 million t of cut flowers per year.

Mining

The mining industry is the major 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 Lejweleputswa (formerly 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.

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 R75 827 million in 2004, representing a 5,5% contribution to the South African economy.

In 2004, the manufacturing industry contributed 12,6% at current prices to the total value added at basic prices (GDPR, 2003). 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. 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 gross geographic product (GGP).

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

North West

North West, also known as the 'Platinum Province', is centrally located on the subcontinent with direct road and rail links to all southern African countries, and with its own airport near the capital city, Mafikeng. The province borders Botswana and is fringed by the Kalahari desert in the west and the Witwatersrand area in the east.

North West is divided into 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 GDPR of the province is produced.

The province offers several tourist attractions, including the internationally renowned Sun City, the popular Pilanesberg National Park, the Madikwe Game Reserve and the Rustenburg Nature Reserve.

The province recorded an economic growth rate of 4,9% in 2004/05 compared with 4,5% in 2003/04. The largest contributors to the GDP of the province in 2004 were the mining and quarrying industries (24,9%), finance, real estate and business services (13,6%) and the general government-services sector (12,1%). The lowest contribution to GDP was by the electricity, gas and water industries.

The people

Of the 3 374 200 people living in the North West, 65% live in the rural areas *(Mid-Year Population Estimates, 2006)*. The official unemployment rate is 31,8% *(Labour Force Survey, March 2006)*.

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

Mining

One of the programmes of the Mafikeng Industrial Development Initiative is the establishment of the Mining Supply and Industrial Park that will result in the creation of a mining goods-and-service warehouse and delivery park for the convenience and benefit of most mining companies around Rustenburg. This multi-year project envisages benefits being gained from local and Black Economic Empowerment preferential procurement opportunities offered by the Mining Charter.

North West

Capital: Mafikeng

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

Population: 3 374 200 *(Mid-Year Population Estimates, 2006)*
Area (km²): 116 320
% of total area: 9,5%
GDPR at current prices (2004): R87 127 million
% of total GDP: 6,3%

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 2,6% 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 in 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, situated on the Coast-to-Coast highway that links the port of Maputo in Mozambique to Walvis Bay in Namibia, is expected to unlock further development.

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

Five anchor projects within the Platinum SDI have also 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 to enhance the economic potential of the Central Region, the entire North West and the Southern African Development Community (SADC) region.

Agriculture

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

Some 5,9% of the South African GDP in agriculture and 16,96% of total labour in agriculture are based in the North West *(Provincial Economies, 2004)*.

The province is an important food basket in South Africa. Maize and sunflowers are the most important crops, and the North West is the major 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 is the powerhouse of South Africa and the heart of its commercial business and industrial sectors.

Gauteng continues to strengthen its position as the economic engine of the country and the continent. Continuing the trend of sustained growth over the past 10 years, it reached a growth rate of 5,6% in the fourth quarter of 2004.

The three most important sectors contributing to GDPR are finance, real estate and business services, manufacturing and general-government services.

Sustained growth has led to a steady reduction in joblessness. According to the *Labour Force Survey*, unemployment in Gauteng declined from 28,2% in March 2001 to 23,3% in March 2006.

In line with the strategy to build a smart province, the tertiary sector has expanded significantly and contributes at least 60,8% to growth.

Gauteng accounts for the bulk of all employees' remuneration in the country, at 47,7%, and is responsible for 50,4% of all company turnover.

According to the Bureau of Market Research, in 2005 Gauteng's 2,8 million households were responsible for more than one-third (35%) of the country's household expenditure, spending R302 billion.

Gauteng continues to attract over 52% of the seven million international tourists who come to South Africa. Similarly, domestic tourism grew from 16,6% in the first quarter of 2005 to 22,1% in the second quarter.

A pillar of Gauteng's economic success has been public investment in strategic economic infrastructure, which has stimulated private-sector investment, as well as growth and job creation in key projects and sectors such as business tourism, logistics infrastructure, manufacturing and information and communications technology.

The multi-billion Rand initiative of the Gauteng Provincial Government, Blue IQ, invested over R2,8 billion in various assets between 2001 and 2005.

These consisted of 11 mega projects in economic-infrastructure development in the areas of technology, tourism, transport and high-value-added manufacturing.

The aim is to attract some R100 billion in direct investment over the next 10 years. This has resulted in sustainable and successful economic infrastructure, commercial enterprises and success stories comparable with the best in the world.

Development at the Cradle of Humankind World Heritage Site is turning the area into a world-class tourism destination. In September 2005, Deputy President Phumzile Mlambo-Ngcuka opened new facilities at the Sterkfontein caves, and in December 2005, President Thabo Mbeki opened the award-winning tourist attraction, Maropeng. In 2005, Maropeng was voted the best new tourism project worldwide and also won awards for construction and public-private partnerships.

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

Gauteng

Capital: Johannesburg
Principal languages:

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

Population: 9 526 200 *(Mid-Year Population Estimates, 2006)*
Area (km²): 17 010
% of total area: 1,4%
GDPR at current prices (2004): R462 044 million
% of total GDP: 33,3%

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

Most overseas visitors enter South Africa via OR Tambo International Airport (formerly Johannesburg International Airport).

Johannesburg, nicknamed 'Egoli' (Place of Gold), is the capital of the province and 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; and 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, dominated by government services and the diplomatic corps of foreign representatives in the country.

On 11 February 2006, Sophiatown, the once-vibrant, cosmopolitan suburb which was demolished by the apartheid government and renamed Triomf (triumph) in 1955, regained its name.

Pretoria, also known as the 'Jacaranda City', is renowned for its colourful gardens, shrubs and trees, particularly beautiful in spring when some 50 000 jacaranda trees 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 space. 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.

The industrial area of Rosslyn and the townships of Soshanguve and GaRankuwa are situated north of Pretoria. Cullinan, known for its diamonds, lies to the east.

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.

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

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 nine million of the country's people *(Mid-Year Population Estimates, 2006).* The level of urbanisation is 97%.

The province houses some of 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.

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 has no formal education.

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

Manufacturing

The manufacturing sector in Gauteng includes 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% to the province's GGP. This equates to an industry worth about R13 billion per year.

Technology

The province's economy is being realigned 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 fastest-developing area in the country.

The Innovation Hub was launched in April 2005 as Africa's first science park destined to nurture and grow enterprises in the knowledge sector of the economy. It has become a landmark in Pretoria, boosting the local economy and exceeding expectations, with over 50 companies and 500 people on site. The hub will host the 2008 International Association of Science Parks World Conference.

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 Bronkhorstspruit, 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 sub-regional 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 R2,441 billion of the GDPR (at current prices) in 2004. 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. There are about 4 000 food-processing companies operating in South Africa, of which roughly half are based in Gauteng.

The Gauteng Business Barometer, which was launched in March 2006 as a joint initiative of Standard Bank and small-business publication *Gauteng Business*, measures economic activity in Gauteng monthly and is South Africa's first provincial economic indicator.

Gauteng Business Barometer found that:

- total passenger arrivals at OR Tambo International Airport were likely to reach almost nine million in 2006 (up from 5,5 million in 1999)
- the average number of properties sold in Gauteng went from 11 400 a month in 2001 to 14 000 a month in 2005
- almost 40% of all houses sold in South Africa were in Gauteng
- buildings completed in Gauteng increased from 253 000 m^2 in 2000 to almost 500 000 m^2 in 2005
- the number of job advertisements in Gauteng's newspapers have risen by 38% in recent years
- vehicle sales rose by 19%, advertising by 14%, retail sales by 10% and wholesale sales increased almost 18% in 2005 over the previous year.

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 about US$20 million.

Johannesburg houses the JSE Limited, the largest securities exchange in Africa.

Mpumalanga

Mpumalanga means 'place where the sun rises'. Due to the province's spectacular scenic beauty and abundance of wildlife, it is one of South Africa's major tourist destinations.

With a surface area of only 79 490 km^2, the second-smallest province after Gauteng, it has the fourth-largest economy in South Africa.

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.

Mpumalanga

Capital: Nelspruit

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

Population: 3 508 000 *(Mid-Year Population Estimates, 2006)*
Area (km^2): 79 490
% of total area: 6,5%
GDPR at current prices (2004): R94 450 million
% of total GDP: 6,8%

Because of its popularity as a tourist destination, Mpumalanga is also served by a number of small airports. The Kruger Mpumalanga International Airport became operational in 2002.

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; and Piet Retief in the south-east is a production area for tropical fruit and sugar. 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 Maputo Corridor is attracting investment and releasing the local economic potential of the landlocked parts of the country. It will 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 41% of the province's GDPR, while the remainder comes from government services, agriculture, forestry and related industries.

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

Mpumalanga falls mainly within the grassland biome. The escarpment and the Lowveld form a transitional zone between this grassland area and the savanna biome. Long stretches 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 many 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, Mpumalanga has a population of more than 3,5 million people *(Mid-Year Population Estimates, 2006)*. According to the 2001 Census results, some 27,5% of those aged 20 years or older has not undergone any schooling, while the population growth rate is higher than the national average.

Mpumalanga's official unemployment rate is 27,4% *(Labour Force Survey, March 2006)*.

Agriculture and forestry

The province 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 and 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 mainly a sheep-farming area, but potatoes, sunflowers, maize and peanuts are also produced in this region.

Industry

Mpumalanga is very rich in coal reserves. The country's major 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 South Africa'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, South Africa's northernmost province, lies within the great elbow of the Limpopo River. It 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 Mpumalanga Provincial Government commissioned the year-long Heritage Research Project to research, document and evaluate the province's heritage in a joint effort by scholars from varying fields of expertise. The authors' research into the culture, history and heritage of Mpumalanga resulted in the release, in March 2006, of a manuscript that was presented to communities and stakeholders for comment.

The initiative was the first of its kind to be undertaken by any of South Africa's provinces.

Among other things, the manuscript reveals that:

- Barberton mountain land has some of the best-preserved rocks in the world, and are between 3 000 and 3 600 years old.
- Barberton has the oldest gold and silver deposits of any town in the world.
- The earliest form of life was found in Barberton, estimated to be 3 200 million years old.
- The Barberton Daisy is indigenous to South Africa and endemic to Mpumalanga and Limpopo. It is valuable as a cut flower, especially in Europe, the Americas and Japan; and ranks as the fifth-most important cut flower globally after the rose, carnation, chrysanthemum and tulip.

The province is linked to the Maputo Development Corridor through the Phalaborwa SDI, which is 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 airport carries about 38 000 passengers a year.

The Maputo Corridor will link the province directly with the Port of Maputo, 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 2003 was that of Limpopo at 3,5% (GDPR).

The provincial economy more than doubled in size from R34 343 billion (at current prices) in 1996 to R93 188 billion (at current prices) in 2004. In 1995, the provincial economy contributed 5,7% of national GDP. It reached 6,7% in 2004.

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 26,1% of the GDPR (2002).

Polokwane is the capital city and lies strategically in the centre of the province.

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.

Limpopo

Capital: Polokwane
Principal languages: Sesotho sa Leboa 52,1%; Xitsonga 22,4%; Tshivenda 15,9%
Population: 5 365 400 *(Mid-Year Population Estimates, 2005)*
Area (km²): 123 910
% of total area: 10,2%
GDPR at current prices (2004): R93 188 million
% of total GDP: 6,7%

Further north lie Modimolle, with its table-grape industry and beautiful Waterberg mountain 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 shows that this is tree country.

Rich in natural beauty, culture and wildlife, Limpopo is an ideal break-away destination for tourists. The province's natural resources include more than 50 provincial reserves, as well as several private game reserves. The largest section of the Kruger National Park is situated along the eastern boundary of Limpopo with Mozambique.

The people

In Limpopo, more than 5,3 million people live on about 123 910 km² of land *(Mid-Year Population Estimates, 2006)*.

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 35,6%. (*Labour Force Survey*, March 2006).

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 tribespeople 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. It was declared a world heritage site in 2003.

Valuable archaeological artefacts, including many golden objects, have been discovered 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 this province.

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.

The province produces about 75% of the country's mangoes; 65% of its pawpaws; 36% of its tea; 25% of its citrus, bananas, and litchis; 60% of its avocados; 60% of its tomatoes; 285 000 t of potatoes, 70% of its mangoes and 35% of its oranges *(Provincial Economies, 2003)*.

More than 45% of the R2-billion annual turnover of the Johannesburg Fresh Produce Market is from Limpopo.

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 and 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.

Limpopo is home to the Big Baobab tree. At 39 m wide, 24 m high and over 300 years old it is confirmed to be the biggest in the world.

Industry

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

Limpopo is rich in mineral deposits, including platinum-group metals, iron ore, chromium, high- and middle-grading 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 GDPR at current prices increased from 14,2% in 1996 to 21,7% in 2004.

The province is a typical developing area, exporting primary products and importing manufactured goods and services. It has high potential and capacity with appropriate 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 GDPR decreased slightly in 2004 to 3,5%, from 3,6% in 2003.

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2

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 Khoekhoen 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 polities and 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 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 to 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 to 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 on the development of Afrikaner nationalist politics became apparent in subsequent years.

The Boer leaders – most notably Louis Botha, Jan Smuts and JBM 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 JT 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 DF 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 Anton Lembede, AP Mda, 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 HF Verwoerd declared South Africa a republic, after winning a whites-only referendum on the issue.

A new currency, the Rand, and a 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 British 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. However, 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, including against Bantu education, 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, the 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 resistance 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 (MK) (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.

In this period, leaders of other organisations, including the PAC and the New Unity Movement, were also sentenced to long terms of imprisonment and/or banned.

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), reawakened 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. Rallies at black universities in support of Frelimo, the Mozambican liberation movement, also gave expression to the growing militancy.

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. Despite the harsh repression that followed, students continued to organise, with the

formation in 1979 of organisations for school students (Congress of South African Students) and college and university students (Azanian Students Organisation).

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.

FW de Klerk, who replaced PW 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 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 initiatives 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 became increasingly 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 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, working 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, as successor to Mr Mandela. It saw a sharp decline of the NP (then 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 changing 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 to 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 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 macroeconomic stability and the initiation of programmes of microeconomic reform. However, 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 the 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 conflict and promote peace and security on the continent – in among other countries, 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 meetings. It has played host to several international conferences, including the UN 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. In 2006, South Africa assumed the chair of the G77 (and China) and was elected to serve a two-year period as a non-permanent member of the UN Security Council.

South Africa has also proved itself as a venue for the world's major sporting events, and is preparing to host the 2010 Fifa World Cup.

Into the Second Decade of Freedom

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

As government took stock of the First Decade of Freedom, in *Towards a Ten Year Review*, it was able to document great progress by South Africans in pursuit of their goals, as well as the challenges that face the nation as it traverses the second decade of its freedom towards 2014.

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, including the persistence of two economies in one country, improving the regional environment and implementing Nepad.

Meeting these challenges is essential to taking the country to the path of faster growth and development that is needed to sustain and even surpass the progress of the first decade.

By the end of 2006, all indicators pointed to conditions conducive to meeting these challenges.

In its third democratic elections, in April 2004, 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. It mandated government specifically to create the conditions for halving unemployment and poverty by 2014. Local government elections in 2006, following a long period of civic protests as communities objected against a mixed record of service delivery, saw increased participation compared with the previous local elections as well as increased support for the ruling party based on a manifesto for a concerted effort, in partnership with communities, to make local government work better.

In this context, government's Programme of Action emphasises effective implementation of agreed policies, with particular focus on creating work opportunities, fighting poverty and building the capacity of government, especially local government.

Better economic performance which began late in 1999 – resulting in the longest business cycle upswing on record – gathered further momentum from 2004. Investment growth is projected to grow by about 10% a year to 2010. Though household consumption is expected to moderate, the economy is expected to record growth of about 4,5% in 2007, rising to about 5,5% by 2009.

The sense of national unity among South Africans and confidence in the direction of the country have, since 2004, been at levels not seen since the dawn of freedom in 1994. In this context of an unprecedented confluence of encouraging possibilities and confidence, described by President Mbeki as the beginning of South Africa's Age of Hope, the conditions for a national effort for faster and shared growth have never been better. Working with its social partners, the Government has developed AsgiSA, the Accelerated and Shared Growth Initiative for South Africa, to raise the trajectory of growth to an average of at least 6% between 2010 and 2014. Such rates of growth, combined with improved labour absorption, would ensure that South Africa is able to halve unemployment and poverty by the end of the Second Decade of Freedom.

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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3

Overview

The advent of democracy presented government with twin challenges:

- the need for institutional transformation and the introduction of new policies in line with the democratic Constitution
- the need to deal with the legacy of apartheid in South Africa, while integrating the country in a rapidly changing global environment.

From 1994, the State set out to dismantle apartheid social relations and to 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 South Africans.

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
- building the nation.

The RDP objectives were elaborated to include more specific priorities of different government clusters and departments.

In 2003, government conducted a review of the First Decade of Freedom. *Towards a Ten Year Review* assessed how far these objectives had been met through the work of its five clusters, and identified challenges of the Second Decade of Freedom. This review was supplemented in 2006 by a report on macro-social trends. The report, *A Nation in the Making*, concluded that South African society was making advances in terms of both hard (socio-economic) and soft (identity and social cohesion) issues, but that there were still many challenges to be overcome to fully realise the vision of a better life for all.

Governance and Administration Cluster

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

New global standards of governance are also emerging. These include governance reforms and performance areas.

Citizens of developing countries are demanding better performance on the part of their governments, and are increasingly aware of the costs of

poor management, corruption and lack of delivery in certain areas. South Africa is no exception. A compendium of development indicators has been identified for government-wide monitoring and evaluation (M&E) to measure government's performance in both the medium and long term. The indicators will measure progress in:

- governance and institutional quality
- social development and poverty alleviation
- economic development and growth indicators
- justice, peace and security
- international relations.

These indicators are deemed most appropriate to South Africa's current particular needs and will be refined over time.

Achievements

The Public Service Commission released its fifth *Annual State of the Public Service* in May 2006. Overall, it indicated significant progress in establishing the necessary legislative, normative and regulatory framework, as well as sound policies. The challenge is to achieve the systematical and sustained strengthening of the operational capacity of the Public Service to translate these policies into fruitful activities.

Some serious questions of capacity need to be addressed, including the capacity for optimal utilisation of human resources (HR), the capacity for more consistent policy implementation and the capacity to fully achieve a citizen-centred public service and to improve the management of performance.

Furthermore, to ensure clear line of sight throughout the Public Service, consistent and integrated M&E systems must be put in place.

The integration of Bantustan and central government civil services into an integrated public service has been a success. Plans to create an integrated public service, covering all spheres, including local government, are under way.

This integration of the Public Service increased both personnel and expenditure, and resulted in the negotiation and implementation of Resolution 7 of the Public Service Co-ordinating Bargaining Council Agreement to address the restructuring of the Public Service. This involved matching skills with job descriptions, and retraining staff. The Public Service has come close to meeting its targets of representivity – previously disadvantaged people, mainly Africans, now make up the majority of the Public Service.

The introduction of the 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 who have been developed since 1994 are being lost to the private sector.

In the 12 years of democracy, government has established public entities 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. These public entities receive considerable state funding and employ more than 280 000 people.

A policy framework on the governance of public entities has been developed and will inform the development of legislation regulating these entities.

The introduction of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), improved accountability in government and to Parliament. Implementation of the PFMA, 1999 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 Municipal Finance Management Act, 2003 (Act 56 of 2003), highlights the importance of building appropriate institutions and capacity, training, guidance and technical support in the initial years.

National Treasury has published over 20 circulars which give guidance to municipalities on budgeting, accounting systems, procurement and other aspects of financial management so that municipal councils have suitable instruments to hold their executive and management teams accountable for the resources and services for which they are responsible.

In relation to capacity and training, work is in progress on a framework of formal qualifications for municipal financial management from entry-level to postgraduate standards. By mid-2006, over 500 graduates were working in over 120 municipalities under the internship programme funded by the Financial Management Grant. Allocations of these grants will go to all 283 municipalities over the Medium Term Expenditure Framework (MTEF) period ahead, contributing to meeting specific capacity-building needs in each local authority, while also supporting a coherent national programme of financial-systems development, implementation, training, and M&E.

The national planning framework is a government tool that ensures that the strategic priorities of government are held in view by all three spheres and public entities. The review of the national planning framework was presented to the Cabinet Lekgotla in July 2005. The reviewed framework clarifies the alignment of fiscal, strategic and political cycles of government.

The National Spatial Development Perspective (NSDP) was developed to facilitate 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 (Fosad), the Presidential Co-ordinating Council and the restructured Cabinet committees are all contributing to better co-ordination of policy-making and implementation.

The Presidency is leading the alignment of the NSDP, provincial growth and development strategies (PGDS) and IDPs. Guidelines for the formulation and implementation of PGDS are being used to assess all PGDS through a self- and peer-review mechanism. Through this process, municipalities should have clearer direction in respect of economic development and spatial restructuring of their areas.

All provinces have been consulted on taking PGDS assessments forward. An initial group of pilot areas has been selected and a conceptual framework for contextualising the NSDP has been developed. A national workshop with all provinces and districts was held to discuss and launch the NSDP process at district/metro levels.

In an effort to improve service delivery, Thusong Service Centres (former multi-purpose community centres) have been set up to provide information and services to the public. By October 2006, there were 88 operational Thusong Service Centres. Research completed during 2006 at these centres on their impact and functioning is informs improvements and the strategic priorities for a second phase of the programme which envisages each local municipality having at least one centre by 2014.

The Batho Pele Gateway, consisting of an Internet portal for information about services and backed up by a call centre, is making comprehensive information about government services available round the clock. This is a resource specifically for Thusong Service Centres, citizen post offices and other intermediaries such as community development workers (CDWs) and community and development organisations. In May 2006, the Gateway *(www.gov.za)* Portal went live on a more robust platform, also accommodating provincial and local government-services information. By July 2006, the content was available in isiZulu, isiXhosa, Afrikaans, Sesotho, Setswana and Sesotho sa Leboa, and translation of the remaining official languages was expected to be completed by the end of 2006/07.

Complementing these measures to make government information and services more accessible is the introduction of a new echelon in the Public Service, namely that of CDWs. The decision to introduce CDWs was taken in 2003, as a measure to enhance access to government's socio-economic programmes. By August 2006, some 3 000 CDWs had been deployed as full-time public servants. Another 1 000 candidates were expected to be recruited to undergo the year-long learnership programme. Though challenges abound, the action research commissioned by the South African Management Development Institute on behalf of the Ministry of Public Service and Administration, indicates that substantial progress has been made.

Public reaction to government's high-profile commitment to fight corruption has been positive. At national level, the National Anti-Corruption Forum (NACF) has developed and adopted the National Anti-Corruption Programme coming out of the second National Anti-Corruption Summit in March 2005. Resolutions informing the programme pertain to ethics, awareness, prevention, combating, oversight, transparency and accountability. Government has made R7,7 million available for its implementation. The NACF is assuming the responsibility of driving the national anti-corruption programme. This programme is a tangible example of co-operation between the governmental and non-governmental sectors, and reflects the commitment of the leaders of these sectors to fight corruption.

The first project of the programme focusing on the Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004), has been completed. The project has developed guidelines on the Act for citizens and public and business managers.

In April 2007, South Africa will host Global Forum V on Fighting Corruption and Safeguarding Integrity. This event will bring together 1 500 government leaders and representatives from international organisations and civil society. The forum will provide for the exchange of information and best practice in fighting corruption, It will offer Africa and South Africa an opportunity to showcase their anti-corruption gains.

Programme of Action

Each year, government defines its Programme of Action for the year to advance implementation of its electoral mandate. The programme is defined by the January Cabinet Lekgotla, attended by ministers, deputy ministers and, since January 2006, premiers of provinces, as well as senior officials.

The President announces the programme in the State of the Nation Address at the beginning of the parliamentary year and it is further elaborated in a week of media briefings at that time by the ministerial clusters.

Reflecting the emphasis on implementation in the Second Decade of Freedom, an M&E system was initiated at the start of the term of office of the Government elected in 2004. Clusters report every two months to Cabinet on progress in implementing the programme, and identify challenges and problems as well as remedial measures. A mid-year lekgotla in July reviews implementation and identifies emerging priorities.

The Programme of Action and the results of the bimonthly cycle of reporting are communicated to the public in various ways – through the Government website; through regular ministerial media briefings; through mass multimedia communication via print and broadcast media; as well as through information products produced by government. Communication is structured to promote the widest dissemination, including to people with the least access to media.

The framework for a government-wide M&E system has been approved by Cabinet and its development and implementation are under way. The Public Management Watch has also been approved by Cabinet and its implementation has

commenced. This is an early warning system based on HR and financial information relating to government departments.

Challenges

A major challenge arising from the *Ten Year Review* and government's mandate is the need for improved performance by the State to achieve policy objectives.

During the first decade, a major new architecture of institutions was created, spanning the three spheres of government. Many procedures and practices were revised in line with international best practice. Significant personnel mobility brought in new skills and motivated people, though it also led to the loss of experience and institutional memory, especially regarding 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 remaining in a permanent and debilitating state of flux.

Government is working on proposals for the establishment of a single public service to allow for skills and HR allocation across the three spheres of government. This work will also enhance implementation of the Intergovernmental Relations Act, 2005 (Act 13 of 2005).

In May 2006, Cabinet approved recommendations on a single public service and agreed that the legislative framework to enable its establishment should be finalised by the end of 2006, for public comment.

The *Ten Year Review* suggested 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. 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.

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 was done with the introduction of the 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.

In this context, Project Consolidate, initiated in 2004, is a national two-year programme of hands-on support and capacity-building, which has identified 136 municipalities in need of assistance. This kind of assistance is being institutionalised as an ongoing function of national and provincial government.

Government also prioritises the further participation and interaction of the public with the State. Since 1994, many new opportunities have been provided for ordinary people to become involved in governance, ranging from ward committee to the IDP process, chapter 9 institutions, the National Economic Development and Labour Council, 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 promotes 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 Thusong Service Centre Project and the Batho Pele Gateway, and the imbizo programme.

In line with the principles of participatory governance, government has promoted the integration of platforms of interactive governance, including imbizo, with municipal processes.

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 Second Decade of Freedom include:

- improving service delivery by building the necessary institutions and initiatives
- using the NSDP to focus government's attention on localities with the greatest potential for development, and on poverty alleviation while rebuilding other areas
- organisation and capacity of government with special emphasis on the local government system
- improving accountability to, and contact with, citizens at all spheres 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 Government-Wide M&E System.

Two years into the Second Decade of Freedom, good progress is being made in meeting these challenges, in the ways indicated above.

Social Cluster

The central programme of the social sector focuses on poverty alleviation through 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* and *A Nation in the Making*).

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 is due to large-sized poor households unbundling into smaller households. The unbundling has the effect of removing additional income earners from the household, and therefore reflects an increasing number of households being classified as poor.

According to a report of the University of South Africa's Bureau of Market Research, *National Personal Income of South Africans by Population Group, Income Group, Life Stage and Lifeplane 1960 – 2007*, in 2001, 4,1 million out of 11,2 million households in South Africa lived on an income of R9 600 and less per year. This decreased to 3,6 million households in 2004, even after taking into account the negative effect of price increases on spending power.

On the other hand, the number of households receiving a real income of R153 601 and more per year rose from 721 000 in 1998 to more than 1,2 million in 2004.

Research by the South African Advertising Research Foundation shows that between 1998 and 2004, more than two million people moved out of the poorer end of the scale of living standards measures (LSMs), which ranks the poorest at one and the richest at 10.

- In 1998, the poorest four categories represented 48% of the population. In 2004, the figure had dropped to 42%.
- LSM 5 grew by 1,4 million adults, with virtually all the newcomers moving up from poor groups.
- LSM 6 grew by 1,6 million adults, including those who had moved up from LSM 5.

At least two major government programmes address income poverty in the form of direct

transfers and public works programmes. This excludes the social wage, which was estimated at R88 billion in 2003.

Income grants

Social grants are no longer allocated on a racial basis as they were under apartheid. Grants are targeted at, among others, pensioners, poor families with children, war veterans and families taking care of children and people in need. Income support to vulnerable households through social security and social-assistance grants has been the fastest-growing category of government expenditure since 2001, and in 2005 amounted to R70 billion a year and 3,4% of gross domestic product (GDP). Social grants contribute more than half of the income of the poorest 20% of households, and doubled in real terms between 2000 and 2005.

By May 2006, more than seven million children received the Child Support Grant (CSG), while more than 330 000 children received foster care grants.

The target set by government for extending the CSG to children under 14 years was 3,2 million children by the end of March 2006.

By July 2006, over 3,4 million children were receiving the grant. In the age cohort seven, eight, nine and 10 years, the targets had been exceeded. In the age category 11 to 14 years, there was still a shortfall of 119 000 children who needed to be registered. The 1,2-million target for 11 to 14 years was expected to be reached by the end of 2006/07.

In 2006, there were almost 1,3 million beneficiaries of the Disability Grant, while more than two million people received the Old-Age Grant.

Public works programmes

One of the key programmes launched by government is the Expanded Public Works Programme (EPWP), which is operational in all provinces.

The EPWP is on course to reach its target of one million job opportunities in five years. By June 2006, the EPWP had surpassed its employment-creation targets across four sectors, with more than 301 000 work opportunities created. On average, 52% of the beneficiaries were female and 38% youth. KwaZulu-Natal had the highest number of job opportunities created, with 66 317 beneficiaries, of which 33% were youth and 0,3% were disabled. This province also had the highest number of female beneficiaries in the whole country at 62%, as well as the highest wage payout of R126 million.

At 51%, Mpumalanga recorded the highest number of youth employed in the EPWP that far. This was followed by the Free State at 48%, Gauteng (46%), North West (44%) and the Western Cape (40%).

The EPWP focuses on ensuring that labour-intensive methods are used in government service-delivery programmes in the infrastructure, environmental, culture, social and economic sectors. It provides on-the-job training to those participating so that they will be better equipped to find permanent employment afterwards.

Asset-poverty alleviation

Housing and shelter

Between 1994 and June 2006, 2 881 379 subsidies were approved. As a result of the housing programme, housing beneficiaries increased from 325 086 to 1,8 million beneficiaries in 2006.

Land

By the 31 December 1998 cut-off date, 79 696 land claims had been lodged with the Land Claims Commission. Of these, 71 645 had been settled by May 2006. Of the 8 107 remaining claims, 6 975 are rural, while 1 132 are urban claims. Just over R6,1 billion had been awarded to beneficiaries who opted for financial compensation, benefiting a total of 986 981 beneficiaries and 194 487 households.

The total cost to the Department of Land Affairs to purchase and restore land to claimants in this period amounted to R2,4 billion.

Water and sanitation

The backlog of sanitation in schools was reduced from 4 300 schools needing sanitation in September 2004 to 2 118 in March 2006. Government targeted 2 117 schools to be provided with sanitation in 2006/07. By June 2006, 300 clinics still lacked sanitation facilities.

By June 2006, 85% of all poor households – housing about 19,2 million of the country's 22,4 million poor – were receiving their water free of charge.

It is estimated that by 2008, the entire water-supply backlog will have been eradicated, and by 2010, so will that of sanitation.

Electrification

A key objective is the electrification of all households, and the provision of free basic electricity to poor households. The electrification programme has seen 3,5 million homes electrified since 1994. This translates into over 435 000 homes being electrified per year on average. In line with the Integrated National Electrification Programme, government has established the Free Basic Electricity Programme where people earning below a certain income bracket receive a free monthly allocation of 50 kWh.

Human-capital poverty alleviation

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

Primary healthcare (PHC) and infrastructure

Between 1994 and 2005, more than 1 300 clinics were built or upgraded, 2 300 had seen new equipment installed, childhood immunisation programmes were extended, and health services received 101 million patient visits a year – about eight or nine visits per family. Over the MTEF period ahead, 46 hospitals will undergo physical rehabilitation and administrative upgrades as part of the nationally co-ordinated Hospital Revitalisation Programme.

Free healthcare

The Free Healthcare Policy started in 1994 with free healthcare for pregnant and lactating mothers and children under six years, and was extended in 1996 to cover all PHC services for everyone in the public health system.

Expanded Programme on Immunisation

In South Africa it is recommended that children under the age of five be immunised against the most common childhood diseases. Immunisation should be administered at birth, six weeks, 10 weeks, 14 weeks, nine months, 18 months and five years of age. Childhood immunisations are given to prevent polio, tuberculosis (TB), diphtheria, pertussis, tetanus, haemophilus influenzae type B, hepatitis B and measles.

The set routine immunisation coverage target for fully immunised children under one year is 90%. By mid-2006, the overall routine immunisation coverage for South Africa was more than 80%.

National School Nutrition Programme (NSNP)

The NSNP provides school meals for children to enhance active learning capacities and to improve attendance patterns at targeted schools. In 2006/07, government planned to provide meals to about 5,5 million learners at 17 000 schools and the grant increased to around R1,1 billion, a 20,4% increase over 2005.

A number of schools participating in the NSNP have established vegetable gardens to enrich the nutritional value of the meals served in schools.

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. Expenditure on dedicated programmes for HIV and AIDS within provincial health budgets grew strongly from R330 million in 2002/03 to R1,7 billion in 2005/06 and is projected to increase to R2,4 billion by 2008/09.

By September 2006, good progress had been made in the various aspects of government's Comprehensive Plan for the Management, Care and Treatment of HIV and AIDS:

- each of the 53 health districts in the country had at least one service point providing comprehensive HIV- and AIDS-related services, including antiretroviral treatment (ART), from prevention to terminal palliative care
- 250 laboratories had been certified to provide support to the programme
- three pharmacovigilance centres had been established to monitor and investigate adverse reaction to treatment.

By the end of September 2006, over 213 000 patients had been initiated for public sector ART. In addition, some 90 000 to 100 000 had been initiated for ART in the private sector or in foreign-aid programmes.

By September 2006, 273 facilities were implementing the comprehensive plan across all districts. Forty-three CD4-count, 11 viral load and seven PCR machines were operational in laboratories across the country.

National Tuberculosis Control Programme

In 2005, South Africa had about 300 000 TB cases. The most affected provinces were the Eastern Cape, KwaZulu-Natal, Gauteng and the Western Cape.

Free TB testing is available at public clinics countrywide.

Failure of patients to complete their TB treatment regimen poses a major challenge. Government spends R400 for treating every patient with ordinary TB. When these patients default treatment and, as often happens, develop a multidrug resistant TB, the cost of treatment dramatically increases to R24 000, including hospitalisation and more expensive drugs.

In order to reverse this situation, government has developed the National TB Crisis Management Plan, which identifies four districts with a high number of TB cases and low cure rates.

These districts are Amatole and Nelson Mandela Metropole in the Eastern Cape, City of Johannesburg and eThekwini Metro. Government has also selected KwaZulu-Natal and Eastern Cape as provincial focus areas for enhanced interventions against TB.

The key elements of the plan focus on strengthening TB service-delivery systems and processes, and intensive communication and social mobilisation. The goal is to ensure that every TB patient is detected and supported during the entire period of at least six months while on TB treatment to ensure that they get cured.

Some R36 million will be spent to ensure that the TB Crisis Management Plan is successfully implemented and that the tide of TB is reversed.

Malaria control

The prevalence of malaria has been decreased substantially over the past five years from prevalence levels above 80% in some areas to current levels below 10%. This can be attributed to the success of indoor residual spraying using DDT and the partnership with Mozambique and Swaziland.

Coverage with indoor residual spraying increased to 83% in 2004/05 and was set to reach 90% in 2006/07. Between 2004 and 2005, there was a 46% reduction in the number of malaria cases and a 38% reduction in the number of deaths.

Education

In 2006/07, consolidated investment in the education sector amounted to R93 billion, an increase of 12,8% over 2005/06. Education spending as a percentage of GDP remains relatively stable at around 5,5%.

Progress has been made in school enrolment with 64 467 classrooms being built between 1996 and 2006. A total of 114 000 study awards were made by the National Student Financial Aid Scheme in 2005, and by early 2006, 207 497 young people had registered for learnerships since the introduction of the skills-development programme.

The 2005 Education Amendment Bill became law in January 2006 but it takes legal effect in regard to no-fee schools in 2007. However, funds were provided for increased allocations to schools in 2006. Government set a target of 20% of learners for 2006 and 40% in 2007.

By June 2006, it had exceeded this target – out of a total of 9,5 million pupils in seven provinces, three million pupils at 9 215 primary and secondary schools were attending newly declared no-fee schools. Over five million children were expected to benefit from the country's no-fee school policy in 2007.

Thousands of young people who are first-generation entrants to higher education (HE) enjoy state-funded support for study at this level, and positive growth efforts have begun increasing graduation rates in critical fields of study.

Enrolment of female learners in HE increased from 44% in 1994 to 53% in 2003. Black students account for over 72% of enrolments in HE. In Further Education and Training (FET), institutional reform has been achieved with the formation of 50 FET colleges from 152 technical colleges, and 21 HE institutions from 36 universities and universities of technology, some of which bring together historically black and historically white institutions.

Government has committed R2 billion for the systematic modernising and development of the FET college sector. Central to modernisation is the offering of high-level vocational skills. The Department of Education's response in support of the Joint Initiative for Priority Skills Acquisition (Jipsa) has been to develop 13 new programmes in skills areas that are critical for the country's economic development. The skills include engineering, construction and other scarce-skills areas.

Education interventions over the past decade have contributed towards a matric pass rate of around 70%. In 2005, the pass rate was 68,3% with 16 500 more learners passing than in 2004.

Literacy-rate measurement is based on the subjective opinion of people, regarding whether they are able to read or write in at least one language. Using this criteria, the literacy rate among 15- to 24-year-olds has exhibited an upward trend since 1996. Literacy in this age group increased from 95% in 1996 to 98% in 2004.

Government is to roll out a R6,1-billion literacy campaign over the next five years, targeting 4,7 million South Africans who were denied access to education and training under apartheid.

Conclusion

Social-sector programmes have helped address the apartheid legacy of poverty and inequality. However, the challenge of eradicating poverty and other social ills is compounded by societal dynamics set in motion in part by the transition itself. These are further elaborated in the macro-social report, *A Nation in the Making.*

Among these dynamics 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.

To take interventions in the Second Economy forward, the following additional programmes have been introduced or are being further strengthened, as part of the EPWP, and are focused on providing training, work experience and temporary income, especially to women and youth. These are:

- the Early Childhood Development Programme, based on community participation, having ensured a common approach among all three spheres of government
- increasing the number of community health workers, having harmonised training standards, and increased resources allocated to the programme.

To better understand the dynamics of the Second Economy and to ensure effective targeted interventions, a socio-economic survey of these communities will be carried out in three-year intervals.

In addition, campaigns to reduce non-communicable and communicable diseases as well as non-natural causes of death continue, through the promotion of healthy lifestyles and increased focus on TB, AIDS, malaria, cholera and other water-borne diseases, and by generally increasing the standard of living of the poorest.

Broad trends in mortality confirm the need to continue to pay particular attention to the health of the nation. Regarding HIV and AIDS in particular, government's comprehensive plan, among the best in the world, combining awareness, treatment and home-based care, is being implemented with greater vigour.

Regarding the social sector, government has continued to allocate more resources and to put in more effort to provide services to society at large, and a safety net for the indigent.

More resources have been allocated for the various interventions in the area of education and training, including the merger of institutions of higher learning, improved teaching and learning, especially in Mathematics and Natural Sciences, the provision of additional support to schools in poor areas, and allocations announced for the salaries of educators.

Government's social-sector programme for 2006/07 included the intensification of existing programmes to meet long-term objectives such as the provision of clean running water to all households by 2008, decent and safe sanitation by 2010 and electricity for all by 2012.

Informed by the findings of the macro-social report, Cabinet has approved the development of a macro-social strategy, working with civil society, to strengthen social cohesion among South Africans and rapidly ameliorate conditions of all South Africans. It will focus on developing young people through community service and education, strengthening positive community values, enhancing solidarity, and improving social networks. National campaigns will be launched to mobilise young people and to promote nation-building.

Economic Cluster

Policy framework

The RDP has framed government's social and economic development programme since the first democratic election in 1994. Its main elements

were to build the economy, meet basic needs, democratise the State and society, develop HR, and build the nation.

In 1996, the Growth Employment and Redistribution programme was introduced to provide a clearer macroeconomic framework for stable and accelerated growth.

In 2001, National Treasury shifted towards a more expansionary stance, having won credibility from financial markets for conservative and predictable macroeconomic policies. In the same year, elements of the Microeconomic Reform Strategy were introduced, and were formalised in Cabinet in early 2002.

The Accelerated and Shared Growth Initiative for South Africa (AsgiSA) will open the way for faster implementation of various government programmes. By addressing the binding constraints to faster growth of the economy, it will create conditions for the speeding up of economic growth to at least 6% a year between 2010 and 2014. This will help halve unemployment and poverty by 2014, as mandated by the electorate in the 2004 election.

AsgiSA is a response to the following binding constraints:

- the relative volatility and level of the currency
- the cost, efficiency and capacity of the national logistics system
- the shortage of suitably skilled labour amplified by the cost effects on labour of apartheid spatial patterns
- barriers to entry, limits to competition and limited new investment opportunities
- the regulatory environment and the burden on small and medium businesses
- deficiencies in state organisation, capacity and leadership.

Some R410 billion has been set aside for AsgiSA infrastructure programmes between 2007 and 2010. Some of these programmes will strengthen the economy by investing in the electricity, transport and telecommunications systems. To improve service delivery in underdeveloped urban and rural areas, AsgiSA will work through the Municipal Infrastructure Grant, EPWP and other infrastructure funds. These will improve service delivery such as roads and railways, water, electricity, housing, schools and clinics, business-support centres, sports facilities and government-service centres.

Macroeconomic stability

Growth averaged about 3% during the First Decade of Freedom, from 1994 to 2004, which was a considerable improvement on the decade before 1994 when growth averaged 1% per year. Since 2004, growth has exceeded 4% per year, reaching about 5% in 2005. Expectations for the current strong performance to continue are high – forecasts by banks and ratings agencies generally indicate expectations of growth continuing at around 4,5% in the medium term. Business confidence is very high. The Bureau for Economic Research Business Confidence Index, with 86% of firms expecting the continuation of improving business conditions, has remained at historically high levels for an extended period. Consumer confidence has also been at very high levels.

Investment

Inflows of foreign capital have been exceptionally high since 2003, with an inflow of over R120 billion (about US$18,5 billion) into the Johannesburg Securities Exchange (JSE) Limited share market between the beginning of 2005 and the first quarter of 2006. In the same period, South Africa also had several large inward foreign direct investment (FDI) transactions.

Growth and wealth

On average, per-capita growth was negative in the decade before 1994. Per-capita income growth improved to slightly over 1% per year between 1994 and 2003. Since 2004, growth has averaged 4,5%, which amounts to a roughly 3% annual improvement in per-capita income. Taking into account the fact South Africa is a middle-income country with an average per-capita income several times higher than China or India, this is a reasonably positive performance. Growth is forecast to rise to over 5% in the years commencing 2009.

Employment

With faster growth comes rapidly improving employment creation. More than one million net new jobs have been created over the past three years, and in the last year up to March 2006, around 540 000 net new jobs were created. Though unemployment remains high at over 26%, this is considerably better than the 32% unemployment

rate reached a few years ago. Recent research indicates that the real incomes of the poorest 20% of South Africans rose by 30% in real terms between 1994 and 2004.

Government is committed to reducing unemployment to below 15% by 2014, and to halving the poverty rate to less than one-sixth of households by then.

Trade reform, industrial restructuring and industrial policy

The reform of trade and industrial policies is reflected in a shift from primary exports to higher value-added secondary and tertiary exports. This is due to 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 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); signed an FTA in December 2004 with the Latin American members of the Mercosur; and is discussing possible bilateral trade agreements with India and China. It has also had a framework discussion with China.

In accordance with AsgiSA, two sectors have been identified for immediate priority attention: business process outsourcing (BPO) and tourism. The strategy for a third sector, biofuels, was being finalised in 2006. These industries are labour-intensive, rapidly growing sectors worldwide, suited to South African circumstances, and open to opportunities for Broad-Based Black Economic Empowerment (BBBEE) and small-business development.

BPO has the potential for 100 000 additional direct and indirect jobs by 2009. Government and business have a joint project, supported by the Business Trust, led by the Minister of Trade and Industry and the Chair of Standard Bank to remove obstacles and refine incentives to achieve this goal.

The other high immediate-priority sector is tourism. This sector has already grown rapidly in South Africa but is ready for a second phase of growth that could take its contribution to GDP from about 8% to about 12%, and increase employment by up to 400 000 people.

Other high-priority industries which are to follow are in the agriculture and agroprocessing fields.

Further priority sectors include:

- chemicals
- metals beneficiation, including the capital goods sector
- creative industries (crafts, film and TV, content and music)
- clothing and textiles
- durable consumer goods
- wood, pulp and paper.

Cross-cutting industrial policy challenges that are also being addressed include:

- inadequate competition and import parity pricing
- capacity for trade negotiations
- a more co-ordinated Africa development strategy
- better incentives for private research and development (R&D) investment
- better use of BBBEE to encourage industry transformation, beyond the transfer of equity.

State enterprise restructuring

Policy on state-owned enterprises (SOEs) focuses primarily on the key economic sectors of telecommunications, energy, defence supplies and transport. SOEs are increasingly being recognised as vital players in advancing the objectives of the developmental state and obtaining the goals and targets set out in AsgiSA.

Reform of the SOEs is to improve the access of the historically disadvantaged to services such as telecommunications and electricity; to increase efficiencies and hence reduce costs; and to use the revenues earned through the disposal of state assets to reduce public debt.

In accordance with AsgiSA, government and public enterprise investment expenditure for the period 2007 to 2010 is planned to be about R410 billion.

Of this, about 40% will be spent by public enterprises, mostly Eskom (R84 billion) and

Transnet (R47 billion, of which R40 billion is 'core'), and mainly on power generation, power distribution, rail transport, harbours and an oil pipeline. The Airports Company of South Africa has begun major investments in new airport infrastructure at the major airports, and a new airport for Durban. The general purpose is to improve the availability and reliability of infrastructure services in response to rapidly growing demand.

The priority areas for the Department of Public Enterprises are implementing an effective shareholder-management system; ensuring the implementation of the infrastructure-investment programme; supporting SOEs in maintaining healthy balance sheets; facilitating partnerships with the private sector where required; and maximising the impact of the capex programme in the economy.

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 among 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. 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. Since the early 2000s, South Africa has had a series of positive reforms regarding the level of personal and company income tax. Significant reforms in recent years have reduced the tax burden for small businesses, and the threshold for tax eligibility has been raised considerably. An amnesty to encourage delinquent small firms to enter the tax system was launched in early 2005 and expired in May 2006.

Competition

New competition authorities, established under the Competition Act, 1998 (Act 89 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. A review of the effectiveness of the legislation is in progress.

Small, medium and micro business-sector development

Combining formal and informal business activities, small, medium and micro enterprises (SMMEs) constitute about 95% of all enterprises in the country. If one excludes all informal activities and self-employment, SMMEs currently absorb between 50% and 60% of the formally employed labour force and contribute at least 30% to GDP, and its contribution is growing steadily.

South Africa is alive to the challenge of increasing the contribution of small businesses to output and employment.

To address the challenges of SMME development, Ntsika and the National Manufacturing Advisory Centre have been merged into the Small Enterprise Development Agency. Government is developing a strategy for better integrated, more efficient and more extensive service delivery to small businesses.

Skills development

For both the public infrastructure and private investment programmes, the single greatest impediment is shortage of skills – including professional skills such as engineers and scientists; managers such as financial, personnel and project managers; and skilled technical employees such as artisans and information and technology technicians. The shortfall is due to the policies of the apartheid era and the slowness of South Africa's education and skills-development institutions to catch up with the current acceleration of economic growth.

The AsgiSA responses range from medium-term educational interventions to raise the level of skills in areas needed by the economy, to immediate

measures to acquire the skills needed for the implementation of AsgiSA projects.

Educational responses to the skills challenge include:

- the QIDS-UP programme aimed at achieving high levels of literacy and numeracy in the lowest grades
- the Mathematics and Science (Dinaledi) programme for 529 high schools to double Mathematics and Science high-school graduates to 50 000 by 2008
- an upgraded career-guidance programme
- a huge upgrading of FET colleges.

The Adult Basic and Education Training programme is to be ramped up, based on a model developed in Cuba and New Zealand.

Apart from interventions to address the skills challenge in the educational sphere, measures include the development of an Employment Services System (to close the gap between potential employers and employees), and Phase 2 of the National Skills Development Strategy.

Other key skills projects include the deployment of experienced professionals and managers to local governments to improve project-development, implementation and maintenance capabilities. One important instance of this is the establishment of Siyenza Manje, a bureau of retired civil engineers, municipal managers and project managers to assist municipalities in developing and maintaining infrastructure and services.

A new institution is the Jipsa. It is led by a committee of the Deputy President, key ministers, business leaders, trade unionists and education-and-training providers or experts. Its job is to identify urgent skills needs, and quick and effective solutions. Solutions may include special training programmes, bringing back retirees or South Africans and Africans working out of Africa, and drawing in new immigrants where necessary. They also include mentoring and placement of trainees – both in South Africa and overseas – to fast-track their development. Jipsa has an initial timetable of 18 months, starting in March 2006, after which its future will be reviewed.

Empowerment

From the *2005/06 Employment Equity Report*, blacks (broadly defined) account for 27,2% and whites for 72,6% of all top management positions. Females account for 16,5% and males for 83,3% of all top management positions. In terms of senior management, blacks account for 27,5% and whites 72,4% with females at 23,65% and males at 76,35%. For professionals and middle management, the numbers are black 38,7% and whites 61,3% with females at 32,7% and males at 67,3%.

By September 2004, of a total of 2 701 board positions within JSE-listed companies, 435 or 16,1% were held by black people. In 2003, there were 432 black people on JSE boards, representing just over 17% of total directors.

The progress of women in the workplace has been equally slow. The 2006 South African Women in Corporate Leadership census shows that, based on information submitted by respondent companies, 16,8% of executive management positions were held by women in 2006, compared with 19,8% in the previous year. The decline is significant given the substantial increase in the overall number of executive management positions (from 5 558 in the 2005 census to 7 890 in the 2006 census).

The latest results highlight the huge amount of work that still needs to be done to bridge the gender gap, particularly when one takes into account the fact that women make up 42% of the South African working population. The transformation of the South African economy will not be complete until both men and women have equal participation in the economy.

Just less than a third of members of parliament are women; and South Africa prides itself on having a Cabinet consisting of 43% of women representation. Four of the nine provinces are led by female premiers, while parliament has more than 30% female representation. This representation is gradually being translated to local government as well, where, although aiming for a 50/50 representation, it stands at around 40%. Three metros are led by women as mayors, while there are a number of female district mayors.

This has contributed to ensuring access and substantive participation of women in decision-making processes at the highest level. Access and participation of a large number of women in parliament is an achievement that puts South Africa at number 10 out of the 130 parliaments in the world in terms of women's advancement in governance.

The National Advisory Council advises the Minister of Trade and Industry on the implementation of

BBBEE strategy and legislation. By mid-2006, more than 30 transformation charters were being negotiated or were completed throughout the economy. These charters reflect the high level of support that BEE receives in both the private and public sectors of the economy.

Innovation and research and development

Government's intermediate goal is to dedicate 1% of GDP to R&D by 2008. Indications are that national expenditure on R&D, which had declined by 1994 to 0,69% of GDP, has now begun to pick up significantly. In 2003/04, South Africa's public and private expenditure on R&D was 0,81% of GDP.

Over the MTEF, government funding for R&D increased by R1,2 billion. This increase largely funds core science and technology (S&T) infrastructure, such as the Centre for High Performance Computing, nanotechnology centres, astronomy and space science.

In 2006, the Minister of Finance announced the introduction of increased tax deductions to the business sector, from 100% to 150%, for conducting R&D, and proposed a more favourable regime for depreciation of R&D capital expenditure. This is an important development and an expression of government's confidence in the private sector and its role in R&D and innovation.

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 Microeconomic Reform Strategy on input costs and skills. These are precisely the issues which AsgiSA has prioritised.

Conclusion

Government has been successful in ensuring macroeconomic 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, the cost of input such as transport and telecommunications, lack of competition in the domestic market, and poor perceptions of Africa and southern Africa have held back higher rates of investment. As a response to these and other binding constraints, AsgiSA will open the way to the faster and shared growth of which the South African economy is capable.

Justice, Crime Prevention and Security (JCPS) Cluster

The JCPS Cluster is following a two-pronged strategy in the fight against crime in South Africa. The strategy, while confirming the central role of law-enforcement agencies in the fight against crime, also focuses on community involvement and the establishment of partnerships as key instruments in crime prevention and combating.

Reducing crime

The National Crime Prevention Strategy (NCPS) emphasises that crime is not purely a security or law-enforcement issue, but that it is also a social issue. Consequently, it gives 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, which have resulted in significant reductions in the levels of crime in those areas in particular.

The cluster has identified and prioritised 169 police stations that register highest levels of contact crime. Working and acting in consultation with the provincial administrations, the cluster has developed sociographic profiles of these priority police-station areas. On the basis of these area profiles, relevant developmental projects aimed at preventing crime are being developed.

The responsibility to implement such projects rests 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 focuses 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 achieved a long-term improvement in crime levels, particularly in the 169 police-station areas that accounted for the most 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 of 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 partnership with organs of civil society.

Crime trends, 2004/05 – 2005/06

The current strategic thrust for policing in South Africa is the reduction of crime levels by between 7% and 10%.

The latest crime figures were released in September 2006. All eight contact crimes decreased during the last financial year, with four of the eight categories showing significant decreases. Common robbery decreased by 18,3%, attempted murder by 16,6%, common assault by 15,6% and serious and violent assault by 9,6%.

The decrease by 6,2% of robbery with aggravating circumstances is also encouraging and is an improvement on the previous year's decrease of 5,5%.

Two subcategories of robbery with aggravating circumstances have shown an increase and are cause for concern – car hijackings increased by 3,1% from the previous financial year and cash-in-transit heists increased by 74,1%.

Although murder decreased by 2%, rape by 1% and indecent assault by 3,8%, those contact crimes remain a cause for concern. Over the past 11 years, there has been an overall downward trend in the murder rate.

Despite the changes for the better, there are challenges that still remain in other categories of crime prevention and combating programmes. Alcohol and drug abuse continue to be a problem as generators of crime. Drug-related crimes increased by 13,2%, while instances of driving under the influence of alcohol or drugs increased by 9,9%.

Key areas of intervention

Government has prioritised interventions to deal with certain 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, 1998 (Act 116 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

South Africa is among a number of countries internationally that are defining regulations to impose strict gun-control laws as a means to curb gun violence.

The Firearms Control Act, 2000 (Act 60 of 2000), and the Firearms Control Amendment Act, 2003 (Act 43 of 2003), are intended to assist the South African Police Service (SAPS) in preventing the proliferation of illegal firearms and in removing them from society, as well as to control legally owned firearms.

Between 1 April 2003 and 31 March 2006, the SAPS collected 187 772 firearms in South Africa.

Organised crime

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

Between 2001/02 and 2003/04, the 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 into organised crime, financial crime and corruption.

Some 481 prosecutions were finalised, with a 92% average conviction rate.

In 2004, government identified and targeted the 200 top criminals responsible for organised crime and corruption. By April 2005, the 200 individuals identified had been apprehended. The cluster has broadened the criteria for top criminals to include multiple offenders for murder, rape, robbery and burglary.

The specialised commercial-crime courts yielded an average conviction rate of 95% between April 2003 and March 2004.

Effectiveness of the criminal justice system (CJS)

To improve the 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 the establishment of:

- integrated justice system (IJS) court centres
- specialised commercial crime courts
- community courts.

In 2005/06, the National Prosecuting Authority attained its target of finalising 5% more cases than in the previous financial year. The number of cases that were diverted from the CJS more than doubled, from an average of 1 208 cases diverted per month in 2004, to an average of 2 800 cases per month in 2005. This implementation of the diversion programme saw a total of 89 425 children avoiding the punitive justice system from 1999 to 2006. This is line with government's efforts to provide a more caring and humane justice system for children in conflict with the law.

The lower courts attained a conviction rate of 85% in 2005/06, thus attaining the target in district courts. A higher percentage of cases in the district courts were dealt with within a period of six months. The case cycle times in the lower courts have increased from 17% to 19% of cases older than the target, showing that there is still room for improvement.

A total of 935 commercial crime trials were finalised with a conviction rate of 94,22%, and with some courts averaging more than six hours per day.

In the past six years, more than R1 billion from the proceeds of crime was frozen, and nearly R100 million was paid into the Criminal Assets Recovery Account.

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. The management of the special remission of sentences registered a significant impact on overcrowding as it declined between June and August 2005 by over 31 000 sentenced offenders, from 187 000 to just over 156 000. It also achieved over R70 million of savings in running costs. By mid-2006, with an offender population of 158 032, prisons were overpopulated by more than 50 000 inmates.

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 the introduction of additional and Saturday courts.

The number of children and juveniles awaiting trial declined from more than 1 700 in December 2004 to 1 277 in December 2005. By the end of July 2005, there were about 1 244 unsentenced children detainees and 1 000 sentenced children detainees aged between seven and 17 years. In the same period, there were 8 932 unsentenced and 9 275 sentenced detainees aged between 18 and 25 years. The Department of Correctional Services has instructed all regions to conduct an audit of children in correctional centres, with the intention of engaging partners in the JCPS Cluster and social development in seeking alternative accommodation for these young people who have found themselves in conflict with the law. It has identified several places of safety for young offenders with the Department of Social Development. The department has also designed intervention programmes for the development, care and correction of offending behaviour and the reintegration of offenders into society.

National security

National security is protected, in part, in the context of transforming the notion of national security and of 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.

South Africa's territorial integrity is rendered vulnerable by the limited capability of the South

African National Defence Force (SANDF), the absence of a national security strategy, and the absence of 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 (FMAA), 1998 (Act 15 of 1998), its provisions are vague with respect to South Africans who join the national defence forces of foreign countries. Of necessity, such citizens potentially pose a counter-intelligence threat. The amendments to FMAA, 1998, rectifying vague and ambiguous provisions, were approved by Cabinet in August 2005.

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

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

Among the priorities for the Second Decade of Freedom is the need to entrench the rule of law and to 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, through 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. South Africa has established itself as a respected partner and force for good within the community of nations, and has become a leading voice in the developing world for a more progressive, people-centred and multilateral rules-based global system. Given the apartheid State's isolated and ignominious past, the country's achievements 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, to reducing poverty, and to 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 inter-dependent and globalised world through diversified and deepened trade relations, inflows of FDI and regional integration
- to promote and deepen international co-operation in S&T
- to promote international respect for human rights and democracy
- to contribute towards and support initiatives for international peace, security and stability, as well as post-conflict reconstruction (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 has rejoined all significant regional, continental and multilateral institutions.

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 (Unctad) IX (1996), Non-Aligned Movement (1998), Commonwealth (1999), World Conference Against Racism (2001), African Union (AU) (2002) and World Summit on Sustainable Development (2002). It is also the host of the Pan-African Parliament. In these fora, South Africa has consistently worked to promote agendas and outcomes that address poverty and the underdevelopment of the South. South Africa has also hosted several international sports tournaments, and preparations are well under way to host the Fifa World Cup in 2010.

These conferences and events have raised the country's international profile, generally have had a positive impact on the economy, and have favourably presented 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 to attract an ever-increasing number of tourists.

In the two decades before 1990, South Africa received less than one million annual foreign arrivals. In 2005, the country welcomed 7,3 million international visitors. As part of the growth platform targeted by AsgiSA, tourism has been set steep goals for the next five years: 500 000 new jobs, 8,5 million international arrivals annually, and a contribution to GDP of at least R100 billion a year.

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. In an Unctad study of prospects for FDI outflows for 2005/06, South Africa featured in the top-15 leading sources of FDI. South Africa also heads the list of expected leading sources of FDI to Africa, followed by China, the United Kingdom, India, France, the USA, Malaysia, Italy and Germany.

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 G20, 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 has 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, government is placing 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 multilateral mechanisms such as the UN, AU and SADC.

Commitment to peace, stability and development in Africa

The area in which 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 Organisation of African Unity 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, as part of the Nepad process, the African Peer Review Mechanism was 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 is among the first countries to be peer reviewed.

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. 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 of 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 Democratic Republic of Congo (DRC), Burundi and Ethiopia/Eritrea, and more recently in Liberia and Sudan. South Africa continues to play a role as mediator in the conflict among the warring factions in the Côte d'Ivoire. South African peace initiatives have seen the adoption of a constitution in the DRC. A South African observer mission was deployed to observe the July 2006 elections in the DRC, following an invitation by the Independent Electoral Commission of the DRC. The elections involved the largest air operation ever carried out on the African continent. This includes air operations conducted during World War 2. In the first round of the elections, the South African Air Force flew 67 flights to carry 1 921 tons of election material in 4 732 freight pallets. This cargo was transported firstly to three hubs in the DRC and then on to 14 main centres, which then delivered the material to 53 000 voting stations in the DRC.

Two largely peaceful and successful elections were held in Burundi.

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 the alignment of co-operation between India, Brazil and South Africa (IBSA). A trilateral commission and co-operation agenda between these three countries has been established and is being implemented. In September 2006, President Thabo Mbeki led a senior South African delegation to the inaugural

session heads of state/government summit of the historic and strategic IBSA Forum in Brasilia, Brazil.

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 G8 countries, and a series of conferences examining mutual issues of concern such as sustainable development, HIV and AIDS and racism.

The engagement of South Africa alongside some of its counterparts in Africa, Asia and South America with the G8 has resulted in these countries committing themselves to the writing-off of 100% of the debt of 18 highly indebted and poor countries, 14 of whom are in Africa. This is complemented by the commitment to increase aid to the developing world to annual sums of US$50 billion (with half of this amount pledged to Africa) by 2010.

Commitment to multilateralism and international law

South Africa advocates a system of global governance that is representative, fair, based on international law, and built around the UN. It favours an approach that is more responsive to the needs of our people and to the good of the collective, namely all the UN countries as a whole. South Africa believes that only such an approach will effectively mobilise the international community to tackle the challenges of under-development, global security and the promotion of human rights.

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. South Africa has also actively advocated for the democratisation and reform of the UN, in particular its Security Council.

Important developments have taken place in the UN's reform agenda, such as the establishment of the Human Rights Council and the Peace-building Commission. South Africa was proud to take its place in the new council that met for the first time in June 2006 in Geneva. South Africa has been elected to serve a two-year period as a non-permanent member of the UN Security Council.

The year 2006 also saw South Africa's assumption of the chair of the G77.

Key challenges of the Second Decade of Freedom

The programmes detailed in the sections above on the different clusters are informed by the challenges for the Second Decade of Freedom, which arise from lessons of the First Decade of Freedom, new challenges created by the process of change and transformation itself, and from the 2004 mandate of the electorate as the Second Decade of Freedom began.

Lessons of the First Decade of Freedom

Influence of the 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 this has not been matched in areas where new agencies or partnerships are involved – such as small business, HR development, 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 re-integrated in the global arena.

The social transition

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

More and smaller households

From 1996 to 2001, the population grew 11% from 40,4 million to 44,8 million. However, the number of households grew by 30% from 9,7 million to 11,8 million as households became smaller. So, government has to provide additional housing and services 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 by 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 grew 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 are 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 puts 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

In this 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 we need to move to a higher growth and development path. This requires 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 partner-ship 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 by 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.

4

Agriculture and land affairs

The Department of Agriculture strives towards a united and prosperous agricultural sector, with the aim of supporting sustainable agricultural development.

Strategic Plan for South African Agriculture

The department, through its socio-economic development initiatives, is committed to reducing poverty in South Africa and on the continent, broadening access to agriculture, and increasing productivity and profitability within the agriculture sector.

The Strategic Plan for South African Agriculture, adopted in 2001, consists of three core objectives:

- equitable access and participation
- global competitiveness and profitability
- sustainable resource management.

The plan is the result of collaboration between government, Agri South Africa (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-oriented sector in the rural areas. About 12% of South Africa's surface area can be used for crop production. High-potential arable land comprises only 22% of 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 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. Owing to its geographical location, some parts of South Africa are prone to drought.

Primary commercial agriculture contributes about 2,8% to South Africa's gross domestic product (GDP) and about 7,2% 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. Major import products include wheat, rice and vegetable oils.

Despite the farming industry's declining share of GDP, it remains vital 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% (7,6% in 2004) 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, groundnuts, 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, limit agricultural production.

Genetic modification (GM) 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), which was implemented on 1 December 1999, provides for the regulation of GMO activities in South Africa, particularly biosafety assessments being conducted for every proposed GMO activity. In terms of the Act, permits are issued for a specific GMO activity, such as trials or commercial release in the country. The permits may also specify conditions under which a particular activity with GMOs should take place.

The Act promotes the responsible application of GMOs in South Africa without these negatively affecting human or animal health, the environment or biodiversity. In terms of the GMO Act, 1997, the Advisory Committee (AC), comprising scientific experts, evaluates risk assessments to determine if a particular GMO is safe for humans, animals and the environment.

The Executive Council (EC) consists of members from the departments of agriculture, health, environmental affairs and tourism, science and technology, trade and industry, and labour.

The EC considers the recommendations of the AC, comments from members of the public or interested parties, and compliance with various policies before taking a decision to permit an activity or not.

South Africa has commercialised three different GM crops, namely maize, cotton and soya-beans. The latest approval of a GM crop for commercial use was in 2005, for GM cotton that is both resistant to certain insect species and is herbicide-tolerant. This is the first time that commercial-release approval has been granted for a stacked (two traits in one crop) GMO product in South Africa. Field trials and contained experiments are still being undertaken for soya-bean, potato, maize, sugar cane, cotton and vaccines.

Sustainable resource management and use

At most times, South Africa is able to meet its own food requirements with considerable food exportation.

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 (ISCW). The National Land Type Survey, completed in 2001, assists and informs land-use planning and decision-making. Data from this and other more detailed soil and climate surveys are integrated into the comprehensive Agricultural Geo-Referenced Information System (AGIS), 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, little reliable data has been collected systematically 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 fuel-wood 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 acidic, and probably at least 15% is affected by subsoil acidity.

The World Catalogue for Natural Resources has been successfully incorporated onto AGIS. The Agricultural Fires Information System that tracks all outbreaks of fire in the Southern African Development Community (SADC) region, has been implemented and can also be viewed at *www.agis.agric.za.*

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 with fine sandy soils where, for example, maize yields can be adversely affected by some 30% to 40%.

Urban spread, industrialisation and mining (such as opencast coal-mining in Mpumalanga) also affect the sustainable use of agricultural land.

In accordance with the Conservation of Agricultural Resources Act, 1983 (Act 43 of 1983), the Department of Agriculture exercises control over the use 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

Exports

	2001	2002	2003	2004	2005
Total South African products ('000 000)	245 448	314 927	273 127	292 079	327 125
Total agricultural products ('000 000)	20 075	25 460	22 794	22 074	25 458
Agriculture as % of total exports	8,2	8,1	8,3	7,6	7,8

Source: Directorate: Agricultural Statistics, Department of Agriculture

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.

To promote natural agricultural resource conservation, policies, norms, standards and guidelines have been developed as 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 natural agricultural resources in the area concerned.

Production

During 2005, the estimated total volume of agricultural production was 4% higher than during 2004. Producer prices of agricultural products decreased, on average, by 5,5% from 2004 to 2005, compared with a decrease of 5,9% during the previous year.

In 2005, producer prices of horticultural products decreased by 0,9% compared with 2004. During the same period, the prices of fresh vegetables increased by 3,1%, while the prices of fruit fell by 3,3%.

The producer prices of animal products were only 1,8% higher in 2005 than in 2004. Prices received for slaughtered stock increased by 5,3%. However, prices received for pastoral products increased by 4,1%. The price farmers received for milk was 1,8% lower. Prices received by poultry farmers showed almost no change compared with 2004.

The red meat and the poultry industries delivered impressive 11,5% and 1,2% added margins for 2004/05 as compared with the same period in 2003/04.

During 2005, the producer price of field crops was 18% lower than during 2004.

The total gross value of agricultural production (total production during a production season valued at the average basic prices received by producers) for 2005 was estimated at R68 899 million (R71 686 million in 2004) – a decrease of 3,8%.

Farm income

The gross income of producers (the value of sales and production for other uses plus the value of changes in inventories) for 2005 amounted to R67 597 million compared with R69 231 million in 2004 – a decrease of only 2,4%.

In 2005, the gross income from field crops decreased by 9,8% to R15 082 million compared with R16 715 million in 2004. This was mainly because of the downward trend in the prices that farmers received for summer crops during 2005.

Gross income from horticultural products decreased by 6,5%, from R21 052 in 2004 to R19 675 million in 2005.

Income from deciduous and other summer fruit decreased by 14,3% to R4 861 million, while that of citrus fruit decreased by only 2,9% to R2 617 million.

The income from vegetables amounted to R7 042 million – an increase of 7%. Income from potatoes, which maintained a contribution of about 43% to the gross income from vegetables,

Using low-flying microlight airplanes is a new earth-observation tool that is likely to become a common feature of crop estimation in South Africa. Microlight airplanes are used to more accurately establish what is on the land and what should be harvested.

This methodology, developed by the National Crop Statistics Consortium made up of the Agricultural Research Council, Spatialintel and GeoTerraImage, will greatly reduce the National Crop Estimation Committee's reliance on costly farmer-based interviews.

The methodology entails boundaries from satellite images. These lands are then sampled and field data collected to ensure statistical accuracy and to provide reference data to help classify images in terms of crop type.

Advantages of this method are that the microlight pilot is accompanied by a farmer observer who records data on a laptop as the aircraft flies over the lands. Time required to conduct the surveys will be reduced by 87,5%.

Aerial observation is part of a complex statistical system used by the National Crop Estimation Committee to arrive at estimates that are used for financial planning, grain trading, food security and supply management.

increased by 4,2% from R2 636 million in 2004 to R3 010 million in 2005.

Gross income from animal products was 4,4% higher and amounted to R32 838 million. Producers earned R7 959 million from the slaughtering of cattle and calves – an increase of 3,8%.

The price of beef increased by 6,5%. Income from slaughtered sheep grew by 5,7% and amounted to R1 784 million. Income from poultry and egg production amounted to R14 109 million – an increase of 4,4%. Income from ostrich feathers and products increased by 56% to R429 million.

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 accounts for 25% to 33% of the total gross value of agricultural production.

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.

Maize

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 9,6 million tons (mt) a year over the past 10 years.

It is estimated that more than 8 000 commercial maize producers 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 mt, and surplus maize is usually exported.

A total of 11,7 mt of maize was produced in 2004/05 on 3,2 million ha of land (developing agriculture included). An estimated 3,1 mt surplus of maize was carried over to 2005/06. This carry-over contributed to the slump in maize prices to four-year lows in the first quarter of 2005.

Maize prices plunged from more than R1 000 per ton in November 2004 to less than R600 during the first quarter of 2005, after which they recovered to levels of R1 000 per ton towards the end of 2005.

The prices of maize in South Africa are affected mainly by:

- individual views and interpretations of known past and present events and unknown future events, including carry-over stocks from previous seasons
- plantings of maize
- weather patterns
- domestic demand for maize
- regional and international supply and demand for maize
- international maize prices
- the exchange rate.

Wheat

Wheat is produced mainly 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. Average wheat production has been about 2,1 mt a year over the past 10 years. There is a distinct downward trend in the area planted with wheat over the past few years. Extra 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 was planted totalled 91 950 ha in the 2005/06 production season. Production totalled 231 768 t.

Ground-nuts

Ground-nuts are grown mainly in the Free State, North West and the Northern Cape. Ground-nut planting decreased by 44% from 71 500 ha in 2003/04 to 40 000 ha in 2004/05.

Sunflower seed

South Africa is the world's 11th-largest producer of sunflower seed, which is produced in the Free State, North West and on the Mpumalanga Highveld, as well as in Limpopo.

An area of 460 000 ha was planted in 2004/05, producing 620 000 t.

Lucerne seed

For many years, Oudtshoorn, De Rust and Douglas were the only areas in South Africa where lucerne seed was produced in reasonable quantities. Today, the Oudtshoorn district is responsible for about 8,5% of the lucerne seed produced in South Africa.

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.

In 2004/05, production of sorghum totalled 260 000 t on 86 500 ha of land.

Sugar

South Africa is ranked as the world's 13th-largest sugar producer. The South African sugar industry is one of the world's leading cost-competitive producers of high-quality sugar.

Sugar cane is grown in 14 cane-producing areas extending from northern Pondoland in the Eastern Cape, through the coastal belt and Midlands of KwaZulu-Natal, to the Mpumalanga Lowveld.

There are more than 50 000 registered cane growers.

It is a diverse industry combining the agricultural activities of sugar-cane cultivation with the industrial factory production of raw and refined sugar, syrups, specialised sugars and a range of by-products.

An estimated average of 2,5 mt of sugar is produced per season. About 50% of this sugar is marketed in southern Africa. The remainder is exported to numerous markets in Africa, the Middle East, North America and Asia.

The sugar industry provides some 85 000 jobs, with direct and indirect employment estimated at 350 000 people. Based on actual sales and selling prices in 2004/05, it is estimated that the South African sugar industry contributed R2,38 billion to South Africa's foreign-exchange earnings.

The South African sugar industry makes an important contribution to the national economy, given its agricultural and industrial investments, foreign-exchange earnings, high employment, and linkages with major suppliers, support industries and customers.

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 of the redistribution of agricultural land. In 2004/05, government committed R6 million towards the first phase of the programme.

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

Gross value of agricultural production, 2005 (R'000)

Field crops	
Maize	6 908 082
Wheat	2 008 374
Hay	2 018 091
Grain sorghum	140 883
Sugar cane	2 451 628
Ground-nuts	178 456
Tobacco	413 001
Sunflower seed	1 018 516
Cotton	119 041
Other	1 091 700
Total	16 347 772
Horticulture	
Viticulture	2 413 544
Citrus fruit	2 617 381
Subtropical fruit	1 528 481
Deciduous and other fruit	4 861 866
Vegetables	4 031 684
Potatoes	3 010 033
Other	1 250 030
Total	19 713 019
Animal products	
Wool	734 955
Poultry and poultry products	14 109 944
Cattle and cattle slaughtered	7 959 116
Sheep and goats slaughtered	1 855 458
Pigs slaughtered	1 320 638
Milk	4 799 659
Other	2 059 310
Total	32 839 080
Grand total	68 899 871

Preliminary source: Directorate: Agricultural Statistics, Department of Agriculture

represent 16% of the country's total earnings from agricultural exports. In 2004/05, apples made up the largest percentage of the crop (35%), while pears totalled 24% and grapes 33%. About 75% of the total crop was produced in the Western Cape, 14% in the Northern Cape, 8% in the Eastern Cape and 3% in Limpopo.

During 2003, South Africa was the largest exporter in the southern hemisphere of table grapes to Europe. Horticulture represented 77% of the total value of agricultural exports, while deciduous fruit made up 60% of horticultural products.

In 2004/05, income from deciduous fruit decreased by 12% from R5 246 million in 2003/04 to R4 633 million in 2004/05.

The first-ever international collaboration contract between the ARC and the French Agricultural Centre for International Development (Cirad) regarding the evaluation of foreign pineapple cultivars under local conditions was signed. In November 2005, the first material was received from Cirad.

These 11 new pineapple hybrid lines are now being multiplied by tissue culture in Nelspruit, Mpumalanga. This is a major intervention that should benefit the pineapple industry in South Africa as the cultivars are of superior and improved quality. Several horticultural aspects may now become available locally.

A number of table grape selections from the Agricultural Research Council (ARC) Infruitec-Nietvoorbij breeding programme are being evaluated overseas and extremely positive results were obtained in the northern hemisphere (Spain and California).

A late white seedless selection did well in both California and Spain and registration for plant breeders' rights was under way by mid-2006.

A licence agreement to commercialise two ARC-bred table grapes (Regal and Sunred) in Tunisia and Saudi Arabia was finalised. By mid-2006, the ARC was pursuing three other licence agreements to commercialise ARC Infruitec-Nietvoorbij-bred stone-fruit varieties in Tunisia, Turkey, Morocco, Chile and Australia.

Wine

Internationally, South Africa's wines are highly competitive, with the industry showing a sustainable and increasingly positive trend over recent years.

The wine industry currently contributes R163 billion a year to South Africa's GDP and employs 257 000 people directly and indirectly, while an additional R4,2 billion is generated annually through wine tourism.

The area under wine grapes had increased constantly since 1990 to 1 010 607 ha in 2005.

In February 2006, the South African Wine Industry Information and Systems estimated the 2006 wine grape harvest – including juice and concentrate for non-alcoholic purposes, rebate and distilling wine – at 1 245 182 t, which was 20 748 t less than what had been estimated, but still 6% more than the 2005 harvest. The 2006 wine harvest was expected to yield 960 million litres (Mℓ) at an average recovery of 771 litres per ton of grapes.

Citrus and subtropical fruit

Citrus production is largely limited to the irrigation areas of Limpopo (1 360 ha), Mpumalanga (11 442 ha), the Eastern Cape (14 321 ha), KwaZulu-Natal (4 139 ha), the Western Cape (10 033 ha) and Northern Cape (671 ha).

A total of 1,9 mt of citrus were produced in 2004/05, which was a 5% decrease compared with 2003/04.

Pineapples are grown in the Eastern Cape and in northern KwaZulu-Natal. Other subtropical crops such as avocados, mangoes, bananas, litchis, guavas, papayas, 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 2004/05, South Africa produced over 715 755 t of subtropical fruit.

The first commercial banana juice in South Africa has been produced in Bushbuckridge, Limpopo. Several small-scale farmers planted the banana variety Pisang Awak from which the juice is extracted.

The Conservation and Propagation of Medicinal Plants Project has collected 76 different species, which were planted at a site near Moganyaka Village, Limpopo.

The Traditional Healers Organisation is involved in the project with its members participating in collecting and naming indigenous medicinal plants.

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 19% 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 59% of total processed potato products in South Africa.

In terms of gross income to the grower (apart from potatoes, which contribute 38%), tomatoes, onions, green mealies and sweetcorn are probably the most important vegetable crops.

These crops contribute 40% to the income derived from vegetables.

Income from potatoes increased by 9,5%, from R2 619 million in 2004 to R2 869 million in 2005.

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, the 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.

Since 2004, about 60% of cotton has been produced under irrigation. About 75% of local production is harvested by hand. In 2004/05, the price of cotton decreased by 31%.

Black farmers are being assisted in growing cotton on 9 000 ha of land in four provinces.

Tobacco

Virginia tobacco is produced mainly in Mpumalanga, Limpopo and North West. The production of Oriental tobacco ceased in 2001. The number of leaf-tobacco growers is estimated to have decreased to 600 in 2005 from 620 in 2004.

Flue-cured leaf tobacco contributes more than 80% of total production, with hectares cultivated for flue-cured being about six times the land cultivated for air-cured leaf tobacco. However, total hectares planted for 2005 were about 20% less than in the previous season.

The industry employs 23 580 workers. About 50% to 60% of leaf tobacco is exported annually. Excise duties and value-added tax on tobacco amount to R6 billion annually.

Production of important field crops and horticultural products, 2005 ('000 t)

Maize	11 996
Wheat	1 895
Sugar cane	21 048
Grain sorghum	354
Ground-nuts	85
Sunflower seed	691
Deciduous and other soft fruit	1 597
Citrus fruit	1 990
Subtropical fruit	782
Vegetables	2 214
Potatoes	1 757

Preliminary source: Directorate: Agricultural Statistics, Department of Agriculture

Tea

Honeybush tea grows mainly in the coastal and mountainous areas of the Western Cape, but also in certain areas of the Eastern Cape. Honeybush has grown into a commercial crop, with the production of more than 120 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 grown only in the Cedarberg area of the Western Cape, about 200 km north of Cape Town. There is no alternative source of supply anywhere in the world. Although there are other places in the world where the tea could be grown, it is unlikely to be cultivated elsewhere because it is an extensive and labour-intensive crop.

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). The ARC is involved in several ongoing research activities in support of the protea and fynbos industry. Dried flowers form an important component of this industry. A large variety of proteas, conebushes 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 the 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 weather 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 25,3 million, respectively. South Africa normally produces 85% of its meat requirements, while 15% is imported from Namibia, Botswana, Swaziland, Australia, New Zealand and Europe.

The livestock industry is 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.

Milk SA co-ordinates industry matters, including the information and research functions, and is financed by means of voluntary contributions.

Livestock numbers, 2004 – 2005 (million)

	2004	2005
Cattle	13,8	13,8
Sheep	25,4	25,3
Pigs	1,7	1,7
Goats	6,4	6,4

Preliminary source: Directorate: Agricultural Statistics, Department of Agriculture

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 2004 for commercial markets was estimated at 2 055 ML.

Stock-farming

Cattle ranches are found mainly in the Eastern Cape, parts of the Free State and KwaZulu-Natal, Limpopo, North West, Mpumalanga and the Northern Cape. The indigenous Afrikaner and Nguni, and the locally developed Bonsmara and Drakensberger, are popular beef breeds. The Angus, Hereford and Sussex; Charolais and Simmentaler; and Brahman and Santa Gertrudis breeds are respectively from Britain, Europe and America, and are maintained as pure breeds or used in cross-breeding.

In 2005, 564 753 units of semen were used for artificial insemination.

Sheep-farming is concentrated mainly in the arid and extensive grazing areas of the country. As a result, most of the 25,3 million sheep in South Africa are found in the Eastern Cape, followed by the Northern Cape, Free State, Western Cape and Mpumalanga. Most sheep (18 million) are woolled or dual-purpose sheep.

The sheep breed with the highest wool production per head in South Africa is the South African Merino, followed by other dual-purpose Merino breeds, of which the Dohne Merino, the South African Mutton Merino, the Afrino and the Letelle are the most popular. Dual-purpose breeds are bred with the specific aim of maximising wool and mutton income, because these breeds have a better body conformation than the Merino, but produce slightly less wool per kilogram of body weight.

Average Merino fleece weights vary from 4 kg to 5 kg per year in the semi-arid regions, to up to 8 kg per year from sheep grazing on cultivated pastures. The total wool production for the 2004/05 season was 46,5 million kg and was sold for R838 million. Mutton sheep are mostly found in the semi-desert areas of the Northern and Western Cape.

The most popular mutton breed is the locally developed Dorper, which is a hardy and highly reproductive breed. Limited numbers of indigenous fat-tailed sheep and Karakul sheep are still found. The Merino and Dorper account for most of the 5,5 million sheep slaughtered annually in South Africa.

A large proportion of the 6,4 million goats in South Africa occur in communal grazing areas. The Eastern Cape has the most goats (39%), followed by Limpopo (17%).

Karakul sheep are farmed in the more arid areas. Only 5 876 Karakul pelts were produced during 2004. The gross value of pelts is estimated at R2,4 million.

The indigenous meat-producing Boer goat accounts for about 40% of all goats in South Africa. Almost all of South Africa's Angora goat (mohair) farmers are located in the Eastern Cape, where they farm with about one million head of Angora goats. The South African mohair clip of four million kg accounts for 60% of the world's mohair production.

About 63% of all goats in South Africa are so-called indigenous goats.

The gross income from animal products increased from R30 690 million in 2003/04 to R31 677 million in 2004/05.

Poultry and pig-farming

The poultry and pig industries are more intensive than the 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 895 000 t. Broiler production contributes about 80% 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 R13 389 million in 2004. Commercial producers slaughtered an estimated 558 million broilers during 2004.

South Africa accounts for 68% of world sales of ostrich products, namely leather, meat and feathers. The income from ostrich products is derived as follows: leather (50% – 70%), meat (20% – 30%) and feathers (20% – 30%).

The gross value for ostrich products during 2004 was estimated at R299,6 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.

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, which is still relatively small, is worth some R56 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 South Africa's economy 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.

The Department of Agriculture has created a new biosafety and biosecurity unit and also a new branch to deal with all emerging diseases and improve on biosecurity and food-safety measures.

Animal-disease control is an important factor in ensuring the productivity of the livestock sector and in promoting international trade in agricultural products.

Surveillance systems are in place to ensure that all agricultural products entering and leaving the country are disease-free 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.

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 a number of vaccines for African and tropical animal diseases. The OBP provides vaccines to combat major outbreaks of diseases such as CBPP (lung-sickness in cattle), lumpy-skin disease, Rift Valley fever, blue tongue, horsesickness and anthrax.

The OBP has joined the Pan-African Vaccine Network and contributed to the control of diseases such as rinderpest and CBPP through the supply of appropriate vaccines. The OBP was also involved in projects with the Food and Agriculture Organisation (FAO) to supply vaccines to African countries, and has worked with the European Union (EU).

In the cutting-edge area of biotechnology, the research and development work by the OBP has led to the successful creation of new and innovative vaccines, such as the doublesure vaccine, which is a combination treatment for the prevention of anthrax and blackquarter disease.

Because of a skills shortage in the biotechnology industry, the OBP developed a multipronged human resource development programme to retain and develop the necessary skills, with positive results. This has contributed to community development, as engineers from previously disadvantaged communities have been appointed as interns in the Department of Agriculture, allowing them to gain a year's experiential training and equipping them to be deployed by the department or find employment elsewhere.

Pest control

Most countries have established maximum residue limits (MRLs) for pesticides used in the control of agricultural pests and diseases, not only to

safeguard consumer health, but also to minimise the presence of residue in the environment.

As a condition of market access, products that are exported must comply with these residue standards. To ensure compliance with legislation, monitoring samples are drawn for analysis 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 upon request to the responsible authorities
- verify the MRLs with their importer or agent in the relevant country
- keep up with the registration and reregistration processes of pesticides within South Africa as well as in importing countries
- inform the Directorate: Food Safety and Quality Assurance and South African Agricultural Food and Quarantine Inspection Services (SAAFQIS) 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 of Agriculture is obliged to control the registered national pests, namely, red-billed quelea, the brown locust and blackfly. These are migrant pests and individual farmers cannot be expected to control them to prevent damage in areas away from their own farms.

The ARC provides research support to the department to optimise control procedures in terms of efficacy, cost and environmental considerations. Technical advice is also provided to neighbouring countries during locust control campaigns.

The Information Core for Southern African Migrant Pests (Icosamp) has been developed and endorsed by the SADC. This is a computer-based information centre for the SADC region that provides a 'hub' for reporting the distribution of migrant pests in the region, and a platform for technical co-operation and the sharing of research information. By providing early warning information of cross-border invasions of migrant pests such as army worm, locust and red-billed quelea, Icosamp enhances the forecasting efficiency of control organisations, thus assisting national crop-protection agencies to ensure food security.

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 the transfer of pest-control technology.

Marketing

South Africa's agricultural marketing has undergone transformation since 1994 with the introduction of the Marketing of Agricultural Products Act, 1996 (Act 47 of 1996).

This Act has changed agricultural marketing policy and practice dramatically to ensure that it occurs in a free environment. The deregulation process was aimed at ensuring that farmers and agribusinesses position themselves as players in the globally competitive environment.

The deregulation process entailed closing 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.

Subsequent to the setting up of the National Agricultural Marketing Council (NAMC) in 1997, the Directorate: Marketing in the Department of Agriculture was established in 2002 to work closely with the NAMC on agricultural marketing matters. The purpose of the directorate is to develop, promote and facilitate the implementation of programmes and measures aimed at supporting equitable access to competitive and profitable agricultural markets on a sustainable basis. This broad mandate is achieved through the following:

- administering market-access measures in the form of trade (import and exports)
- facilitating fair, open, efficient and competitive domestic markets
- developing policies and strategies, and facilitating the implementation of programmes and measures to facilitate equitable access to mainstream the domestic market

- liaising with other government departments and relevant parties to enhance the efficiency of the agricultural marketing value chains.

The directorate comprises three subdirectorates, namely Marketing Administration, Commodity Marketing, and Marketing Development and Support.

The Subdirectorate: Marketing Administration administers the issuing of import and export permits to enhance trade and market access. At the same time, it facilitates the participation of new entrants in the trading environment.

The Subdirectorate: Commodity Marketing profiles key agricultural commodity marketing value chains and undertakes further analysis of market structures to determine market access qualifiers. It further investigates the behaviour of commodity and non-commodity markets to recommend policy options, thus ensuring equitable access to mainstream markets by all.

The Subdirectorate: Marketing Development and Support implements programmes and measures to enhance the development of a vibrant domestic market.

National Agricultural Marketing Council

The NAMC was established by the Marketing of Agricultural Products Act, 1996 to provide the Minister of Agriculture with strategic advice on agricultural marketing to ensure improved market access for all participants, marketing efficiency, optimisation of export earnings and the viability of the agricultural sector.

The NAMC undertakes investigations into issues of agricultural marketing and marketing policy, reviews statutory levies collected by various industries, and provides guidelines on such levies so that a portion thereof may fund the empowerment of people from previously disadvantaged communities in the areas of training, exposure and market access.

Land administration

The Department of Agriculture, through the Directorate: Land Settlement and Development, controls and administers 121 939 ha of state agricultural land.

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

Cabinet approved the Integrated Food Security and Nutrition Programme (IFSNP) 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.

The IFSNP recognises the broad regional food-security framework that the Regional Indicative Sustainable Development Programme highlighted, and that prompted South Africa to respond to the humanitarian appeal by the United Nations (UN) World Food Programme for food emergency relief in the SADC region.

The Agricultural Starter Pack Programme aimed to move people out of the Food Parcel Scheme by having them grow their own food. By January 2006, some 33 137 households had received agricultural starter packs.

By mid-2006, provinces were being encouraged to phase out the Agricultural Starter Pack Programme and to replace it with the sustainable Household Food Production Programme (HFPP) that would concentrate on distributing starter packs and helping to develop and transfer suitable input, technologies, information, training and capacity-building.

Through the HFPP, more than 40 000 households received agricultural production packs in the first half of 2006/07. The year's target was to reach 62 000 vulnerable households.

Provinces aimed to procure and distribute power hoes worth some R30 million to over 3 000 beneficiaries – mostly women and youth in predominantly rural areas – to help them improve their agricultural productivity.

Food handlers in schools were trained by 240 master trainers in food safety, health and hygiene, and maintaining food-preparation areas. By mid-2006, the programme was feeding 298 323 learners in 801 ordinary schools, and 1 479 766 learners in 5 902 nodal schools.

The directorates: plant health and SAAFQIS 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 of pests and diseases being introduced into the territory of the importing country. In view of this, the South African Government is a signatory member of various multinational 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).

The 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.

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 development, 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 a member 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.

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 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 that are vital to its global market share, such as the IPPC and Codex Alimentarius.

Risk management

Considerable uncertainty and risk are attached to farming. Agriculture in South Africa is inherently more risky than in many other countries because rainfall is low on average and highly variable. In addition to risks associated with drought, farmers are also confronted with a range of other hazards such as hail storms, fire, floods, cold spells, pests and diseases.

The Department of Agriculture emphasises prevention and mitigation strategies such as the establishment of an early warning system for the sector and research on climate change, including large-scale epidemics and hazards, as well as the provision of information to farmers on markets, climate and insurance matters.

The National Agro-Meteorological Committee, comprising provincial departments of agriculture, the ARC, South African Weather Service and relevant directorates within the department, is chaired by the Directorate: Agricultural Risk and Disaster Management (ARDM).

The committee meets quarterly to review the early warning initiatives and to ensure the ARDM issues early warning monthly advisories to farmers to enable them to make informed decisions in their planning against possible natural disasters.

The department has completed the discussion document *Climate Change and the Agricultural Sector in South Africa*. By mid-May 2006, the department was developing agriculture sector plans on climate change impacts.

Early warning information can be accessed through the following websites:
www.nda.agric.za and *www.agis.agric.za*.

Drought management

Climatic change is causing drought interspersed with flooding, leading to lower yields in various commodities. Government aimed to gazette a drought-management plan in line with the Disaster Management Act, 2002 (Act 57 of 2002), in 2006, which was also the International Year to Combat Land Degradation and Desertification. The plan will respond to drought-related disasters that affect farmers, and provides for animal feed and water.

Long-term interventions by the department include improved research, a fully functional early warning system and agricultural sector strategies to address disaster-management issues.

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 increased by about 10% a year since 1995 – reaching R34 733 million by the end of 2005, compared with R9 495 million at the end of 1984.

The six major sources of credit for farmers are banks (50%), agricultural co-operatives and agri-businesses (12%), the Land Bank (21%), private creditors (8%), other creditors and financial institutions (9%), and the State (1%).

Business and Entrepreneurial Development (BED)

The Directorate: BED of the Department of Agriculture is responsible for promoting and providing strategic support in the development of viable and empowered businesses to stimulate growth and promote unity through partnerships and niches.

The ultimate aims are to:

- unlock the economic potential of idle to underutilised resources of emergent groups through empowerment efforts
- facilitate restructuring and the expansion of existing farming/agribusinesses to enhance their competitiveness and contribution to the sector and the economy at large.

The directorate has three units. The Business Development Unit works closely with industries/commodity groups to develop inclusive, enhanced and harmonised commodity strategies and joint action plans.

Jointly with Food Security, Financial Service and Co-operative Development, Land Redistribution for Agricultural Development (LRAD) and the Comprehensive Agricultural Support Programme (CASP), the directorate is working on a graduation programme for moving emerging business into commercialisation.

Through the directorate, the department has contributed towards the development of the National Emergent Red Meat Producers' Organisation's database, Grain Industry Strategy, the Fruit Industry Plan and the implementation of the Cotton Industries Strategy.

The focus has been on working with Nafu and emerging farmer leaders to mobilise increased participation of emerging farmers into commodity groups.

Together with the Co-operative Development Initiative, the directorate has initiated a programme for incorporating mentorship and linking emerging farmers/agribusinesses in nodal areas with established businesses. Eleven potential nodal projects have been identified.

A process adapting the Small, Medium and Micro Enterprise (SMME) Excellence Model for agriculture has been completed. The excellence model aims to improve management capability for enhanced competitiveness. A partnership agreement has been concluded and signed between the department and the University of Fort Hare through its community-based development centre, for the purpose of initiating and rolling out the SMME Excellence Model in the Eastern Cape nodal areas.

The partnership is initially phased over three years with a detailed review at the end of the third year for lessons pertaining to future roll-out domestically and elsewhere.

The Black Economic Empowerment (BEE) Policy Unit is concerned with harnessing and unlocking idle and underutilised economic potential for growth and wealth creation in the agricultural sector.

The unit has been working closely with organised agriculture and related business in facilitating the development of policy guidelines for empowerment in the sector.

In July 2004, the former Minister of Agriculture and Land Affairs, Ms Thoko Didiza, launched the AgriBEE Framework for public comment.

The framework is the department's response to improving equitable access to and participation in agricultural opportunities, deracialising land and enterprise ownership, and unlocking the full entrepreneurial potential in the sector. The framework was developed in collaboration with agriculture stakeholders, and the process was expected to culminate in an AgriBEE charter before the end of 2006.

To facilitate and guide implementation, the directorate will facilitate the performance of baseline research, which will inform the status of BEE in the agricultural sector and allow for benchmarking progress in economic empowerment.

As part of a broader AgriBEE awareness and promotion effort, the inaugural empowerment showcasing event was held in March 2006 in Durban. The event highlighted best practices that

could help determine benchmarks for future empowerment ventures in the agriculture sector and related industries.

In stimulating the participation of black people in the agricultural sector, the directorate has partnered with the ARC to support the commercialisation of projects. The first project is the commercialisation of devil's claw products in the Free State, North West and Northern Cape. About 1 800 jobs will be created by this project, mostly in rural communities. The bee-keeping project is being implemented countrywide and involves commercialising bee-keeping ventures.

There are interactions with the flower industry for an industry-specific BEE programme that will assist with the mainstreaming and inclusion of black people, incorporating the enhancement of total quality management and competitiveness of agricultural enterprises.

LandCare Programme

The LandCare Programme is a community-based and government-supported approach to the sustainable management and use of agricultural natural resources.

The vision of the LandCare Programme is for communities and individuals to adopt an ecologically sustainable approach to the management of South Africa's environmental 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) occurs.

The overall goal of the LandCare Programme is to optimise productivity and sustainability of natural resources, resulting in greater productivity, food security, job creation and better quality of life for all.

The LandCare Programme has been expanded into additional subprogrammes. The department has initiated the integrated Soil Protection Strategy (SPS) in support of growth and sustainable development in the agricultural sector. The project aims to improve agricultural productivity and to contribute to economic growth by focusing on erosion, declining soil acidity, soil fertility and organic matter, and veld rehabilitation.

This initiative arose from the Minister of Agriculture's request that a strategy for addressing the erosion problem in South Africa be developed. MinMEC approved the SPS in August 2005 with the aim of focusing on high- to moderate-potential agricultural land with high erosion status (about three million ha) and to initially identify three priority tertiary catchment areas. By mid-2006, the Eastern Cape, KwaZulu-Natal and Limpopo had been identified as the provinces with priority tertiary catchments, with a total land area of about 400 000 ha between them.

Some R40 million was allocated to the LandCare programme. Of the 89 projects that were approved, 45 were in the nodal areas and benefited 53 206 people. By May 2006, 122 608 people had benefited from the LandCare programme.

The Agri-Tourism Programme (ATP) as an extension of the LandCare Programme was launched in December 2005.

LandCare themes are grouped into two areas, namely, focused investment (WaterCare, VeldCare, SoilCare, Eco-Technology, ATP, Infield Rainwater Harvesting [IRWH] and JuniorCare) and small community grants.

Projects are under way countrywide.

Focused investment

WaterCare

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 silting 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. WaterCare promotes the development of techniques for water-resource management and encourages opportunities for training in this field.

VeldCare

This theme 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. Economic and social development opportunities are realised by improving grazing areas and maintaining viable grazing areas throughout rural communities.

SoilCare

It 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.

Eco-Technology

The objective of the Eco-Technology theme is to identify, adapt, demonstrate and spread promising appropriate eco-technologies locally (e.g. conservation, farming, water harvesting, etc.), which will provide resource-poor farmers with social, economic and environmental benefits. The expected outcomes of this theme are to see a number of promising appropriate eco-technologies identified and evaluated on-farm; an increasing number of farmers adopting the eco-technologies; and improved social, economic and environmental (e.g. employment) benefits.

Echo-Technology projects will initially be implemented in presidential nodal areas where water is very scarce, e.g. KwaZulu-Natal (Umkhanyakude and Zululand) and Limpopo (Sekhukhune and Bohlabela).

Agri-Tourism Programme

Some 56 ATPs had been identified and were expected to be implemented in 21 nodal areas in collaboration with partners such as the Development Bank of Southern Africa, the Investment Development Corporation, Umsobomvu Youth Fund, Eskom Foundation, Sasol, Anglo Platinum and others.

The ATPs will be extended with support from the Independent Development Trust. The partnership was expected to create about 2 500 jobs.

The ATP aims at accelerating economic (employment) benefits by promoting agri-tourism and implementing identified projects in phases. It also aims at taking advantage of the fast-growing tourism sector to create an increased demand for agricultural products and services in nodes and other poverty-stricken areas.

The programme intends providing training and capacity-building to women and youth, particularly in agri-tourism-related ventures through registered learnerships by the Tourism and Hospitality Sector Education and Training Authority (Seta).

The ATP also aims to promote agricultural operations in rural and urban areas as preferred destinations that would offer local and foreign tourists with a unique experience.

The expected outcomes of the ATP are the expansion of agri-tourism nationwide, involvement of targeted groups, improved socio-economic status, and more enterprises owned by previously disadvantaged individuals.

Infield Rainwater Harvesting

IRWH Technology, which improves the efficiency of water-use and increases yields with a suitable choice of crop combinations under low and erratic rainfall conditions on low-potential clay soils, has been transferred with great success to numerous communities in the Free State and Eastern Cape.

Using IRWH in croplands, community members have increased maize and sunflower yields by between 26% and 40% compared with conventional practices. Socio-economic studies on vegetable gardens have shown that IRWH can secure household food security for nine out of 10 years compared with three out of 10 years using conventional cropping methods.

Technology transfer, training and extension are used to implement IRWH with consequent improvement of household livelihoods in rural communities where the majority of members live below the poverty line. In the Thaba Nchu area in the Free State, the number of households using IRWH increased within one year from 400 to 1 033. Extension officers from the various provincial departments of agriculture, as well as several universities, are actively involved in the projects.

Outscaling, commercialisation and inclusion of IRWH technology in an integrated natural resource approach will have major benefits for sustainable natural resource-use and agricultural production in South Africa.

JuniorCare

The objectives of JuniorCare are to empower previously disadvantaged youth by providing training in facilitation and leadership skills.

This includes the promotion of food security at home and at schools, promoting 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 development-finance institution operating within the agricultural and agribusiness sectors, and is regulated by the Land and Agricultural Development Bank Act, 2002 (Act 15 of 2002). It provides a range of finance options to a broad spectrum of clients in the agricultural sector, including rural entrepreneurs, women and youth.

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.

The Land Bank offers various products to support historically disadvantaged individuals. It also has a web-based library to provide farmers with a comprehensive centre of agricultural information.

The Land Bank, through its Corporate Social Investment Section, has partnered with Roundabout (Pty) Limited to provide safe drinking water to previously disadvantaged schools and communities in the outlying rural areas.

The pilot phase of this project started in Limpopo with boreholes providing safe drinking water to nine schools. The second phase of the project was expected to be rolled out to 18 schools in the Eastern Cape during 2006/07.

Micro-Agricultural Finance Scheme of South Africa (Mafisa)

Mafisa, the first state-owned scheme to provide micro and retail agricultural financial services on a large, accessible, cost-effective and sustainable basis in rural areas, was launched in 2005 in three pilot provinces, namely Ga-Sekhukhune District Municipality in Limpopo, OR Tambo Municipality in the Eastern Cape, and the Umkhanyakude District Municipality in KwaZulu-Natal.

Poor and many of the emerging farmers who were previously turned down by financial institutions can now obtain loans of up to R100 000 at an affordable rate.

As part of the Application of Meteosat Second Generation Data in Agriculture Project funded by the European Union, a satellite dish was installed at the Agricultural Research Council, by means of which the whole of Africa, with its adjacent oceans, is receiving data every 15 minutes from the satellite located 3 600 km above the Earth.

The project researches the data received for agricultural purposes like drought monitoring, animal stress and plant pest indices. The control of migratory pests, weeds and diseases is a public-good basic to a productive agricultural sector and to risk management in agriculture.

The 10 million potential beneficiaries include farm and non-farm entrepreneurs such as farm workers, tenants, household producers, landless people, small landholders, food-garden producers, and rural and micro entrepreneurs.

Mafisa's four products and services for the rural working poor and enterprises are credit, savings, insurance and payment facilities. It provides basic short- and medium-term loans, with a number of permutations that would be available to the poor at the rural district councils of the poorest provinces in terms of the Human Development Index, as determined by Statistics South Africa.

By mid-2006, officials from the Department of Agriculture were training extension officers during workshops so that the roll-out of Mafisa could be expanded in the pilot provinces. Retail agreements with development-finance organisations such as Uvimba in the Eastern Cape, Ithala in KwaZulu-Natal and the Mpumalanga Agricultural Development Corporation were being finalised and a number of loans had been processed. In Limpopo, R34 834 million was disbursed through 236 loans, in the Eastern Cape R2 153 million was disbursed through 51 loans, and in KwaZulu-Natal 1 000 applications for loans to the value of R8 million were received.

Agri South Africa

Agri SA promotes, on behalf of its members, the sustainable profitability and stability of commercial agricultural producers and agribusinesses through its involvement and input at national and international levels.

Agri SA is structured into three chambers, the General Affairs Chamber, which accommodates general matters through provincial affiliations; the Commodity Chamber, which deals with commodity issues through commodity organisations; and the Agricultural Business Chamber (ABC), which accommodates 90 co-operations and agri-businesses associated with Agri SA.

It is a member of Business Unity South Africa, the International Chamber of Commerce (ICC), the International Federation of Agricultural Producers (IFAP), the Southern African Federation of Agricultural Unions and the Cairns Group Farm Leaders.

Agri SA participates in a presidential working group dealing with policy matters specifically in terms of the Strategic Plan for Agriculture.

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 support services.

Agri SA's policy advocacy includes work on trade negotiations, industrial policy, labour laws, training, taxation, financing, land reform, farmer development, environmental affairs, water rights, farm safety, law and order, infrastructure, technology development and transfer, statistical information and local government matters.

It publishes a bimonthly magazine and a weekly electronic newsletter, and also runs a regular radio programme in collaboration with the SABC.

Agricultural Business Chamber

The ABC is a sectoral body representing an important component of South Africa's business sector. 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 form 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 is associated with Business South Africa and international bodies such as the IFAP, the ICC and the International Agribusiness Management Association.

The chamber represents agricultural companies, agricultural co-operatives, companies arising 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.

Transvaal Agricultural Union (TAU) South Africa (SA)

TAU SA was established in 1897 as the Transvaal Agricultural Union. In 2002, the union reorganised to become a national agricultural union serving commercial farmers. It also renders services to its members in terms of:

- property rights
- economic issues
- safety and security.

TAU SA conducts a variety of projects to enhance the concept of successful agriculture. The various farmers' markets and the marketing of effective micro organisms contribute to alternative options available to members and the public.

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 agri-businesses 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 the 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 have transformed into private companies, consolidations and mergers have occurred, international groups have entered South Africa, and agribusinesses have listed on the JSE Limited.

Agribusinesses are involved in producing and distributing agricultural equipment and production requisites, and in the marketing and processing of agricultural products.

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.

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.

Comprehensive Agriculture Support Programme

On 18 August 2004, the Minister of Agriculture and Land Affairs launched the CASP in Boston, KwaZulu-Natal.

The CASP focuses on on-and-off farm 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 farmers, including women, in rural areas. By March 2006, the programme had facilitated the establishment of 12 co-operatives in three rural development nodes. Some 53 206 farmers had been assisted through CASP countrywide, and a total of 21 017 households had benefited.

The department allocated R300 million for CASP funding in 2006/07.

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: Animal Health, the Directorate: Public Veterinary Health, the Directorate: Agricultural Production Input, the Directorate: Agricultural Resource Cultivation and the Directorate: Plant Health and Quality. 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.

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. Degree courses and B. Tech degrees 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, which amalgamated with the former Faculty of Veterinary Sciences at the Medical University of South Africa.

In collaboration with the AgriSeta, 16 000 farm workers benefited from Adult Basic Education and Training. A total of 12 farming qualifications ranging from National Qualification Framework levels 1 – 5 have been developed.

International relations

The Department of Agriculture's Directorate: International Relations facilitates and co-ordinates international activities on both multilateral and bilateral bases.

The department 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; and the Union for the Protection of New Varieties of Plants.

Contributing to the political, social and economic development of Africa is an international priority for the department. Agriculture continues to be the

mainstay of African economies and is an important driver for socio-economic growth.

South Africa's agricultural engagement in Africa is guided by a clear sense of the enormous potential for agricultural trade, training, research and technical co-operation opportunities that exist on the continent.

The Directorate: International Relations co-ordinates, facilitates and supports the promotion of South Africa's agricultural interests internationally through bilateral and multilateral relations.

The directorate developed the International Agricultural Strategy, which sets priorities for international engagement in the medium term. The strategy is guided by South Africa's foreign-policy and economic-development objectives. The priorities are:

- consolidation of the African agenda
- active participation in the African Union (AU)
- active participation in and efficient implementation of the programme of the SADC food, agriculture and natural resources; and trade, finance and investment directorates
- sustainable development and poverty alleviation through the New Partnership for Africa's Development (Nepad)
- implementation of the Southern African Customs Union (Sacu).

The ARC participates in various co-operative research agreements, international organisations and networks.

The ARC also supports various government departments in deliberating international agreements and disputes, for example the Convention on Biodiversity, the Kyoto Protocol on Global Change, the Montreal Protocol, GMO policy and indigenous knowledge systems issues.

International trade relations

The Department of Agriculture's Directorate: International Trade analyses international trade and related policies, advises on multilateral and bilateral agricultural trade policy, and promotes trade initiatives. The directorate is responsible for dealing with matters concerning agricultural trade relations with other countries and organisations, such as the Sacu, the SADC, the WTO and the International Grains Convention.

South Africa 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 Area. It is also involved in the WTO negotiations individually, and as a member of the G20 of the Cairns Group and the Africa Group.

Work relating to agricultural relations in the field of trade is done by the directorate, in co-operation with the departments of trade and industry, and of foreign affairs.

The Directorate: International Trade 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.

In addition, the department is creating market-access opportunities by implementing the minimum market-access commitments contained in the agreement.

South Africa's objectives with agricultural negotiations, as part of the Doha Development Agenda, are to achieve a substantial reduction in domestic support and the elimination of 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.

South Africa is developing trade relations with other countries. This includes the implementation of the agricultural aspects of the Sacu Agreement that came into effect in July 2004; the SADC Protocol on Trade; and the South Africa-EU Trade, Development and Co-operation Agreement (TDCA).

The South Africa-EU TDCA was implemented on 1 January 2000. The department has introduced a system for making full use of opportunities created by the agreement. 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 signed the Fixed Preferences Agreement with Mercosur (a treaty establishing a common market between Argentina, Brazil, Paraguay and Uruguay) in December 2004.

With the enlargement of the EU, the agreement was extended to include new members. It provides for reciprocal preferential access for the agreed list of products (including agriculture).

The directorate participates in exploring possible new trade relations in collaboration with the Department of Trade and Industry.

The department is investigating and evaluating export opportunities for agricultural products on world markets. A subdirectorate 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 use of trade tools.

International agreements and conventions

South Africa is a signatory to a number of international agreements and conventions requiring that the matter of sustainable resource-use and management 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 UN Conference on Environment and Development in Rio de Janeiro in 1992. Specific to sustainable resource-use is Chapter 14, which addresses the promotion of 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 that South Africa draws up a national action programme, which will be integrated into a regional programme for the 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.

Import and export control

The Import Export Policy Unit of the Department of Agriculture's Directorate: Animal Health aims 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 administrations in exporting countries.

Trade in animals and animal products is based on a series of requirements considered appropriate by the importing country to prevent the entry of diseases.

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, producer and farmer; the environment and other national interests. The department's regulatory activities, with regard to plants and plant products, are primarily enforced by the directorates: plant health, agricultural products inspection services (APIS) and genetic resources. In addition, South Africa's Customs Service participates in this effort by detaining imported goods when requirements are not met.

The directorates: plant health and APIS promote and regulate the availability of healthy plants and plant 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 mentioned in the Agricultural Pests Act, 1983 (Act 36 of 1983).

A pest risk-analysis, based on scientific data, is conducted, and specific phytosanitary requirements set out according to the phytosanitary risk(s) involved and 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 at the port of entry.

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 pest as well as pest risk-analyses to determine its potential.

Should an eradication programme be justified, the directorates: plant health and APIS will be responsible for co-ordinating and participating in such a programme.

Despite strict precautions in the past, several pests and diseases of quarantine importance 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 pests to other areas in the country. Quarantine services, provided by APIS, ensure imported plants and plant products as well as biological control agents are appropriately handled and comply with import conditions, to guarantee that harmful pests 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 to which it is exporting by issuing phytosanitary certificates. The Directorate: Plant Health furthermore maintains a database of the import conditions and procedures of various countries, and the occurrence of pest and diseases of quarantine importance within South Africa. It renders advisory and identification services, carries out field inspections in collaboration with the Directorate: APIS, 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: APIS.

Food safety and quality assurance

African Stockpile Programme (ASP)

The departments of agriculture, of land affairs and of environmental affairs and tourism are embarking on the ASP, which aims to remove all obsolete pesticide stocks from Africa and put in place measures to prevent their recurrence.

South Africa is one of seven African countries selected for the first phase of the clean-up and disposal operation under this programme. These dangerous chemicals are a threat to the environment and surrounding communities through the contamination of food, water, soil and air.

Some of the leading partners involved are the AU, FAO, Pesticide Action Network, the World Bank, the World Wildlife Fund and the Global Environmental Fund.

The removal of obsolete pesticide stockpiles through the ASP follows previous attempts undertaken by government and the private sector to remove 1 000 tons collected from farmers, the industry and the public in 1999 and 2001. The ASP will also include a strategy to prevent accumulation of stockpiles. The objectives are to:

- reduce reliance on pesticides for agriculture and public health
- introduce better import controls in future
- improve storage, stock management and distribution systems
- improve awareness and training for pesticide users
- establish container and pesticide waste-management systems
- raise public awareness and education.

The ASP will identify and remove all obsolete, unwanted and banned pesticides in public ownership, including commercial, and those from small and emerging farmers, households and government stocks. A complete clean-up will include taking inventory of all obsolete stockpiles, buried pesticides and containers.

While the ASP will be co-ordinated by both the departments of agriculture and of environmental affairs and tourism at national level, the project implementation will be anchored at provincial and local levels.

There is consequently a need for strong partnership among all spheres of government. The ASP also requires multistakeholder co-ordination for its implementation, which calls for consultation and co-ordination among all stakeholders, including non-governmental organisations and the farming community to ensure active participation by all stakeholders.

South African Pesticide Initiative Programme (SA PIP)

The objective of SA PIP is to ensure South African horticultural crops have access to the EU market by complying with EU chemical residue levels for horticultural products. This will be done by focusing on capacity-building among emerging farmers, providing regulatory support for fruit producers, conducting adaptive research, adjustment of agricultural practices, relevant intervention by stakeholders, promoting good agricultural practices, conducting mapping research, and pesticide residue analysis.

Food control system

The department will continue its efforts to establish an effective food-control system in South Africa in consultation with relevant government departments and other stakeholders to ensure sustained trade and the safety of agricultural food products for South African consumers.

Wine and Spirits Agreement

The Wine and Spirits Agreement between South Africa and the EU was signed in 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 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.

An application was made to the EU for the use of the terms ruby, tawny and vintage under EU regulation 753/2002. South Africa has remained opposed to the principle of so-called 'traditional expressions', but has agreed to a pragmatic approach to ensure that trade is not limited.

The process of obtaining approval has been long and tedious. A positive outcome was, however, received from the EU regarding the use of ruby, tawny and vintage, following a publication on 15 February 2006 in the *EU Official Journal* that allows South Africa the use of these terms under certain provisions. South Africa is now allowed to use these terms when exporting port or sherry to the EU. These three terms, however, have to be used in connection with the term 'Cape'.

Progress at the International Wine Office (OIV)

The OIV was established on 3 April 2001, when a new treaty was signed, which aims to establish a truly international organisation for wine and vine. Discussions then started on the drafting of a strategic plan for the new OIV. After input was collated by 40 member countries over four years, the first-ever triannual strategic plan was agreed for the OIV during the October 2005 General Assembly. South Africa was instrumental in directing the process and assisting in drafting the text of the strategic plan.

During the OIV March 2006 meetings, the activities, timelines and work schedule for each of the expert groups of the OIV were agreed on in line with the guidelines of the strategic plan. This was a historical achievement for the OIV, as the original International Wine Office was first established in 1924 and never had a strategic plan to give direction to its activities.

National Analytical Services

Food safety and quality are achieved by using appropriate infrastructure together with highly skilled personnel and international standards for analytical laboratories.

Laboratories provide a quality analytical service that is based on internationally accepted and recognised methods, technologies, procedures and scientific principles. They assist import and export regulators to ensure that imported and exported agricultural food products do not pose a health hazard to consumers. They also ensure that norms and standards are complied with to achieve the expansion and protection of existing global markets.

The unit is responsible for providing quality analytical service in terms of the Agricultural Products Standards Act, 1990 (Act 119 of 1990), and the Liquor Products Act, 1989 (Act 60 of 1989), also taking into consideration internationally benchmarked standards set by bodies such as the OIV and Codex, importing country requirements (on government level), and other international standards pertaining to food safety and quality assurance as part of an official control system.

The directorate participates in annual meetings of the Codex Commission on Measures for Analysis and Sampling to harmonise and benchmark its analytical services with international standards.

Meat safety

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: Food Safety and Quality Assurance, through the National Executive Officer, provides regulations under the Act and, in co-operation with the provinces, ensures that the essential national standards for abattoirs and meat safety required by the Act are implemented countrywide.

The new poultry regulations that were promulgated at the end of 2005, for example, provide clear indications of what is required to provide safe poultry meat to consumers in South Africa.

The directorate, in conjunction with the Directorate: Animal Health, is responsible for monitoring standards at export abattoirs as well as the safety of meat imported into the country. The directorate provides inspection services at a number of export abattoirs to ensure compliance with EU requirements.

Land Affairs

The Department of Land Affairs aims to provide equitable and sustainable land dispensation that promotes social and economic development.

The department's key focus is on providing access to land and extending 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 (SPI)
- land reform, implementation management and co-ordination
- land-reform systems and support services.

Deeds Registration

The aim of the Department of Land Affairs' Chief Directorate: Deeds Registration is to provide a high-quality deeds-registration system whereby secure titles are registered, and speedy and accurate information is provided to land-reform and housing beneficiaries.

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 Mthatha. Despite an increase in their workload over the past year, deeds registries have maintained a 10-day turnaround time.

Operational deeds registries are to be established in other provinces by March 2008 to bring service closer to the people and to ensure access to the First Economy by those previously excluded.

Deeds registries are responsible for:

- registering real rights in land
- maintaining a public-land register
- providing land-registration information
- maintaining 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.

Title-deed holders registered in the deeds registry are therefore assured of the security of their title to the property.

Deeds offices supply registration information in support of all units in the Department of Land Affairs conducting research for land-reform purposes.

Cadastral Surveys

The department's Chief Directorate: Cadastral Surveys aims to ensure accurate cadastral surveys and to promote cadastral information services in support of land reform and orderly development.

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 before the Deeds Registry registers them.

The website of the Chief Surveyor-General contains information and links to a number of related sites.

In 2005/06, the Directorate: Cadastral Spatial Information continued to update and develop the Cadastral Information System, which is an essential tool for spatial planning and orderly development.

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 to government include preparing 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) by doing surveys, providing cadastral information, undertaking field inspections and investigations to determine magisterial boundaries, and upgrading data on the former Transkei, Bophuthatswana, Venda and Ciskei. The surveyor-general offices administer a tender process for the appointment of land surveyors on request from either unit.

Formal and informal cadastral spatial data has proved invaluable in providing assistance to components dealing with land reform and restitution.

To transform the survey profession, the Surveying Profession Bill, aimed at addressing residual discrimination and employment-equity barriers, is being drafted.

Surveys and Mapping

The Department of Land Affairs' Chief Directorate: Surveys and Mapping is responsible for the official, definitive, national topographic mapping and control network system of South Africa. It provides a range of maps, aerial photography, survey services and computer data products for government departments, commerce, planning, administrative, educational, management and leisure use.

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 changes in landscape and other geospatial features. The 1:50 000 topographical map series is the largest-scale map series, providing full coverage of South Africa. Small-scale maps of 1:250 000 and 1:500 000 are produced from the 1:50 000 map series.

The popular large-scale 1:10 000 orthophoto map series provides coverage of predominantly built-up areas, areas of economic importance and areas experiencing rapid development.

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.

Digital Topographical Information System

Maintaining and updating 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 elevation 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.

Individuals and organisations, both public and private, use these data sets for planning, engineering, social and scientific purposes. The database serves as a fundamental data set for the country and is used, among many others, by Statistics South Africa for census planning, and by the Independent Electoral Commission for the delineation of voting areas.

National Control Survey System

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 that is 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 has about 28 000 trigonometric beacons, 24 000 town survey marks and 10 000 elevation benchmarks.

The co-ordinates of these marks are referenced to the Hartebeesthoek 94 Datum, which, in turn, is referenced to the International Terrestrial Reference Frame. Cadastral, engineering and mapping surveys are referenced to this datum, which facilitates the exchange of data, uniform standards of accuracy, and reduced costs of survey and spatial data to the public.

In 2001, the chief directorate embarked on a five-year plan to replace passive networks (trigonometric beacons and town survey marks) with active global positioning system (GPS) networks.

This entails installing 38 active GPS base stations, known as 'Trignet'. Thirty-seven base stations have been established and the remaining five base stations were expected to be established by 2007.

National aerial photography and imagery

The national aerial photography and imagery archive provides coverage of the whole country (1,22 million km^2).

This archive of aerial photography, dating back to 1934, is increased annually with the acquisition of new photography.

In 2005/06, coverage decreased by a marginal 12% as a result of not doing smaller scale photography. Flying coverage for 2005/06 at a marginal 20% and colour photography is now included in the process, instead of the usual panchromatic photography. A large section of the southern Cape is covered with colour photography. Aerial-photography programmes and priorities are determined in co-operation with local, provincial and national government departments, and focus on the nodal areas defined by the ISRDP and the Urban Renewal Programme (URP).

The archive is used for mapping, land-resource planning, infrastructure development, and legal and land-restitution matters.

Spatial Planning and Information

The mandate of the Department of Land Affairs' Chief Directorate: SPI is to support land development and reform by ensuring an effective and efficient system of spatial planning, land-use management and the National Spatial Information Framework (NSIF) in the country.

Core functional areas of the chief directorate include:

- supporting the land-reform process
- adopting the ISRDP and URP
- finalising spatial planning policy, legislation and regulations
- improving access to spatial information
- providing planning support for the formulation of local spatial plans
- supporting the formulation of spatial development frameworks (SDFs) at provincial level
- initiating the formulation of the National Spatial Development Framework
- improving stakeholder relations.

The SPI programme comprises the following subprogrammes:

- NSIF
- Land Development.

The NSIF is responsible for developing and maintaining a national data and policy framework to ensure accessibility and effective use of spatially related information that supports municipalities in preparing their SDFs.

The Land Development Programme aims to facilitate and support integrated spatial and environmental planning, as well as land-use planning and management systems in all spheres of government.

Land Reform Implementation Management and Co-ordination

The Department of Land Affairs' 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 done primarily through nine provincial land-reform offices (PLROs) and 36 operational regions.

The main objective of the LRAD Programme, in line with the department's mission, is to provide access to land, and to extend land rights to previously disadvantaged communities.

Launched in 2001, the LRAD provides financial support to emerging farmers through a match-funding arrangement in which the beneficiary has to contribute money, labour (sweat equity) or capital equipment.

Depending on the size of the contribution, the beneficiary qualifies for a grant of between R20 000 and R100 000. The LRAD's target is to redistribute 30% of all agricultural land to previously disadvantaged farmers by 2014.

To achieve this, about 3% has to be redistributed each year. By March 2006, between 13% and 16% had been distributed. Of the 23 520 LRAD beneficiaries, 19% were youths and 34,7% women.

Some 209 000 ha of agricultural land have been transferred to emergent farmers or communities since 1994. By April 2006, over 30 400 ha of land had been leased out with an option to purchase, and the figure is still increasing.

Land-Reform Systems and Support Services

The Department of Land Affairs' Chief Directorate: Land-Reform Systems and Support Services forms part of the Branch: Land and Tenure Reform and consists of the public land support services, tenure reform implementation systems and redistribution implementation systems directorates.

The chief directorate aims to develop and refine land-reform legislation, systems and procedures.

The Chief Directorate: Land-Reform Systems and Support Services has engaged with the private sector in land reform to improve the scale of delivery. Positive engagements were initiated with the South African 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 establishing commercially viable land-reform projects.

Commission on the Restitution of Land Rights (CRLR)

In 1995, the CRLR was established in terms of the Restitution of Land Rights Act, 1994 (Act 22 of 1994), which aims to:

- provide equitable redress to victims of racial land dispossession
- provide access to rights in land, including land ownership and sustainable development
- foster national reconciliation and stability
- improve household welfare, underpin economic growth and contribute to poverty alleviation.

By 31 December 1998, 79 696 land claims had been lodged with the CRLR, and by May 2006 it had settled 71 645 of these. Of the 8 107 remaining claims, 6 975 were rural and 1 132 were urban claims. By May 2006, just over R6,1 billion had been awarded to beneficiaries who chose financial compensation, thus benefiting 986 981 beneficiaries and 194 487 households. During this period, the Department of Land Affairs spent R2,4 billion purchasing land and restoring it to claimants.

Foreign land ownership

On 24 August 2004, the Minister of Agriculture and Land Affairs constituted and commissioned the Panel of Experts on Foreign Ownership of Land (Pefol).

Pefol was appointed to assist government in understanding the extent of citizens' and foreigners' ownership of land, the legal and policy landscape, the policies and legislative framework in selected representative foreign countries on the matter; and to point to possible policy, regulatory and legal reforms for government consideration.

There was also very strong public opinion and perception that unregulated ownership of land and landed property, such as housing, by foreigners contributed significantly to the lack of readily available and affordable land for land reform.

It is against this background and context that government considered it imperative to start developing a comprehensive policy for foreign ownership of land. The panel considered, among other things, the June 2005 recommendations of the Parliamentary Committee on Agriculture and Land Affairs, the resolutions from the July 2005 National Land Summit, and reports on study tours to several countries in Asia, the USA and Europe.

In February 2006, the panel presented the minister with a progress report, which incorporated concrete data indicative of the proportion and categories of foreign-owned land, including land owned by individuals and corporate entities; the constitutionality of regulating foreign land ownership; and the legislation applicable to the regulation of land development and use. The myth that there is abundant unoccupied state-owned land suitable for land redistribution was also debunked.

The panel of experts had to, among other things, investigate, consider and make recommendations regarding:

- the nature, extent, trends and impact of the acquisition, use of and investment in land in South Africa by foreign citizens
- the extent to which the current lack of a comprehensive policy and legislative framework contributes to the acquisition, use of and investment in land by foreign citizens
- whether the Government should monitor and intervene by policy, legislative and other means, to prevent any possible negative consequence of land acquisition/use by foreign citizens
- the impact on the property markets of land acquisition and use by foreign citizens, distinguishing between land-use for residential, commercial, agriculture, eco-tourism/tourism/game lodge and golf course purposes
- comparative international practices (laws, policies, impact, etc.) on the issue of land ownership by non-citizens.

The panel proposed immediate initial measures to assist government in regulating the registration records in respect of foreign ownership of land. The measures were designed to facilitate ongoing investigations into the influence of foreign-land ownership on land-use and prices, and consequently on the prospects for meaningful land reform in South Africa.

The initial measures recommended include:

- Reporting requirements for certain transactions on land and landed property. Natural and juristic persons should make declarations on, for example, transfer duty and deed-registration forms regarding gender; citizenship; nationality; identity number; passport number; company registration number; income tax registration number and value-added tax registration number; trust registration number; category of shareholders; and beneficiaries, as may be appropriate to the category of the legal personality. Race disclosure might apply only to South Africans and permanent residents for purposes of measuring transformation in South African land-ownership patterns.
- Ministerial approval for certain transactions involving land and landed property in the interest of non-citizens and non-residents. This includes agricultural land in excess of certain prescribed value and/or size; land earmarked for restitution or redistribution; protected areas such as coastal land, water catchment areas, military installations and land along the international territorial boundaries of South Africa; and land used for golf estates, golf courses and game-farming.
- An intergovernmental review and oversight committee. It was recommended that a permanent interdepartmental and inter-governmental review and oversight committee to oversee the implementation of the regulations regarding ownership and use of land by foreigners and non-residents be established.
- Rationalising and harmonising zoning and change of land-use approval procedures. It was recommended that government reviews procedures for approving developments and the zoning and rezoning of land for land-use purposes, and that it institutes capacity-building in this regard, especially at local government sphere.
- Imposing a moratorium on the purchase and sale of South African land to non-citizens with immediate effect, as an interim measure until appropriate legislation is promulgated.

A number of outstanding issues to be considered included, among other things, updating data on corrections to defective records, and determining foreign interests in corporate entities that own or have an interest in land.

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Arts and culture

The Department of Arts and Culture seeks to preserve and develop South Africa's richly diverse cultural, artistic and linguistic heritage.

Funding

The department's budget grew at an average annual rate of 22,9% between 2002/03 and 2005/06, mainly due to additional resources for capital projects such as the development of Freedom Park, and upgrading and maintenance of the Robben Island Museum. Transfers to heritage and arts institutions still dominate expenditure. The 2006 Budget increased the department's allocation to R84,1 million in 2006/07; R309,2 million in 2007/08; and R687,5 million in 2008/09.

National symbols

National anthem

South Africa's national anthem 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 CJ Langenhoven in May 1918. The music was composed by the Rev ML de Villiers in 1921. *Nkosi Sikelel' iAfrika* was composed in 1897 by Enoch Sontonga, a Methodist mission schoolteacher.

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

South Africa's national flag was launched and used for the first time 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 focal point of the coat of arms is the indigenous secretary bird with its uplifted wings, crowned with an image of the rising sun. The sun not only symbolises a life-giving force, but represents the flight of darkness and the triumph of discovery, knowledge and understanding of things that have been hidden. It also illuminates the new life that is coming into being. An indigenous South African flower, the protea, is placed below the bird. It represents beauty, the aesthetic harmony of the different cultures, and South Africa flowering as a nation. The ears of wheat symbolise the fertility of the land, while the tusks of the African elephant, depicted in pairs to represent men and women, also represent wisdom, steadfastness and strength.

The shield, placed in the centre, signifies the protection of South Africans from one generation to the next. The spear and a knobkierie above it are representative of the defence of peace rather than the pursuit 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 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 on 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 and technological innovation; and community service.

The Order of the Companions of OR 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 Mendi 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 officially constituted on 26 February 2004 in terms of the NHC Act, 1999 (Act 11 of 1999). The council creates an enabling environment for preserving, protecting and promoting South African heritage. Its other objectives are to protect, preserve and promote the content and heritage that reside in orature to make it accessible and dynamic; to integrate living heritage in the council and all other heritage authorities and institutions at national, provincial and local level; to promote and protect indigenous knowledge systems; and to intensify support for promoting the history and culture of all South Africans.

Transfers to the NHC started at R16,7 million in 2004/05; rose to R17,4 million in 2005/06; and are expected to reach R19,6 million in 2007/08.

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.

Geographical names committees have been established in all nine provinces. These committees play an important role in the standardisation of geographical names.

National Arts Council of South Africa (NAC)

The NAC aims 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

National symbols and orders

The Order of the Baobab

The Order of Luthuli

The Order of Mendi for Bravery

The Order of Mapungubwe

The Order of the Companions of OR Tambo

The Order of Ikhamanga

National bird: Blue Crane

National flower: King Protea

National fish: Galjoen

National tree: Real Yellowwood

National animal: Springbok

- enhance support for and recognition of the arts by promoting and facilitating national and international liaison between individuals and institutions
- establish and recommend policy in the development, practice and funding of the arts.

It also offers block bursaries to tertiary institutions for undergraduate students. Individual bursaries are offered for studies towards a postgraduate qualification in South Africa and abroad.

In 2005/06, the council allocated grants to about 800 projects and 57 performing arts companies in theatre, dance, music, literature, visual arts and craft. The NAC received R62,08 million for its work in 2006/07.

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.

Mmino aims to support projects with national impact in the areas of music education, documentation, research and exchange, choral music and festivals.

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. Award recipients include Jackson Hlongwane, Matshidiso Motimele, Es'kia Mphahlele, Winston Ntshona and Gibson Kente.

The year 2006 was an important milestone in celebrating South Africa's heritage. Apart from being the 50th anniversary of the Women's March to the Union Buildings in Pretoria, it was also the centenary of the Bhambatha anti-poll-tax rebellion; Satyagraha – the technique of non-violent resistance pioneered by Mahatma Gandhi while he was in South Africa; the 30th anniversary of the Soweto Students' Uprising; the 60th anniversary of the African Mineworkers' Strike; and the 10th anniversary of South Africa's Constitution.

Arts institutions

The following arts institutions assist in creating a sustainable performing arts industry based on access, excellence, diversity and redress, and encourage the development of the full range of performing arts:

- State Theatre, Pretoria
- Playhouse Company, Durban
- ArtsCape, Cape Town
- Market Theatre, Johannesburg
- Performing Arts Centre of the Free State, Bloemfontein
- Windybrow Theatre, Johannesburg.

The institutions receive annual transfers from the Department of Arts and Culture, but also generate revenue through entrance fees, donor assistance and sponsorships.

Business and 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 and links with similar organisations internationally.

Basa's first and ongoing initiative is its supporting grant scheme intended to encourage corporate sponsorship of the arts. In 2004/05, Basa allocated grants totalling R3,5 million, leveraging a further R15,5 million in corporate support for the arts.

Basa has about 105 corporate members.

The *Business Day*/Basa Awards are presented annually.

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 including:

The national anthem

Nkosi sikelel' i Afrika
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.

- fora, conferences and campaigns concerning 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.

The ACT is the oldest independent body established to fund arts and culture in post-apartheid South Africa. It has funded more than 500 projects across the spectrum in arts, culture and heritage. Early in 2006, the ACT Board approved support to the value of R1 million for a further 31 projects in 11 disciplines.

The ACT focuses on the development of job creation, creative skills, management skills, cultural diversity and cultural tourism marketing.

Other cultural organisations

Non-governmental organisations (NGOs), community-based organisations and other cultural projects that were previously not considered for funding are now being funded.

Community art centres are positioned to be leading centres for poverty-alleviation programmes in both rural and urban communities.

The Community Arts Centre Programme contributes to ensuring optimally functioning community arts centres in South Africa. This has led to the development and implementation of many strategies that changed the face of these centres in South Africa.

Following a binational agreement with the Flemish Government, the department's new vision is to promote and position community arts centres as institutions of development. A network of vibrant policy-driven community arts centres that have the capacity for sustainable delivery of appropriate services in terms of national, provincial and local socio-economic development is envisaged.

In November 2006, South African music group Freshlyground became the first local act to win an MTV Europe music award. They received the Best African Act Award.

The Community Arts Centre Programme received a budget of R5 million in 2005/06. As part of the agreement with the Flemish Government, the department has allocated R833 000 towards the development of community arts centres in Limpopo, the Free State and KwaZulu-Natal.

To ensure programmes in music, craft, heritage and sewing, and that these directly benefit members of targeted communities, an additional R2,2 million has been allocated. Support for some of the programmes will continue, to help district festivals, the Mosadi Wa Konokono initiative, performing arts and music training programmes achieve excellence.

Arts, culture and heritage projects range from music development, craft training and development, and jewellery-making, to leather works and other cultural innovations that have potential to grow as small businesses.

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.

Government has initiated several national legacy projects to establish commemorative symbols of South Africa's history and celebrate its heritage.

The legacy projects include the:

- Women's Monument: On 9 August 2000, President Thabo Mbeki unveiled a monument at the Union Buildings in Pretoria to commemorate the contribution of the women of South Africa in the struggle for freedom. The ceremony marked the day, in 1956, when 20 000 women marched to the Union Buildings in Pretoria to protest against 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.
- 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. South Africa's provincial and national arts and culture departments are expected to spend R11,2 million on upgrading the monument marking the site where the late Mozambican President died. A statue of Machel will also be commissioned.
- Nelson Mandela Museum: This museum in the Eastern Cape 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 multipurpose precinct that houses the Constitutional Court (CC) and accommodates various constitutional commissions. The Constitution Hill Project involved the development of the Constitutional Hill precinct to accommodate the CC, the Constitution Museum, the Women's Jail, the Old Fort 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. A trail will be developed to 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. It is expected to open in 2009.

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 the Garden of Remembrance in honour of the country's departed freedom fighters. The intermediate phase commenced in October 2005 with the development of Sikhumbuto and Moshate. The construction of the second phase, namely the //hapo museum, Pan African archives (a living archive), administration block and tiva, is planned for 2007.

A tiva is a still body of water surrounded by a botanical garden which arouses reflection.

The word //hapo means a living museum. //hapo is taken from the Nama (Khoi-San) saying: 'a dream is not a dream until it is realised by the community'.

In May 2006, Cabinet agreed to the proposed development of the following legacy projects:

- Mangaung Hall in Bloemfontein, where the African National Congress was founded
- Bram Fischer's home
- JR Tolkien's home.

Mosadi wa Konokono (women of substance)

Mosadi Wa Konokono is an initiative of the Department of Arts and Culture to encourage the active participation of ordinary women in the development of their communities through arts and culture.

The project identifies and acknowledges female cultural workers who play a pivotal role in the transformation of society using artistic disciplines. In August 2006, an awards ceremony was held to recognise women who have done outstanding work in their communities.

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, the NAC, and the National Film and Video Foundation (NFVF), initiated the Create SA (Creative Research 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.

To grow the economy and to narrow the gap between the first and second economies, the Department of Arts and Culture has invested 31,5% (of available funds) in cultural projects in nodal municipalities to support the Integrated Sustainable Rural Development and Urban Renewal programmes. The successes achieved

include the R55 000-labour contract awarded by Woolworths to the Tsohang ke Iketsetse Basotho Project, located in QwaQwa in the Free State.

Award-winning projects like the Hothouse Film Incubator in Gauteng and the Cape Craft Design Institute and the Grandmothers Against Poverty in the Western Cape, have been celebrated for innovation and their contributions to national life.

Arts and culture in peri-urban and in rural areas have transformed the lives of many and contributed directly to the fight against poverty. By March 2006, 1 612 new jobs had been created in the sector. The overwhelming majority of beneficiaries (68%) were women and 8,2% were people with disabilities. By mid-2006 they had performed 196 154 person days of work, 44 526 of which were devoted to training.

More than 100 learners have been enrolled in learnerships and skills-development programmes directly linked to arts and culture.

More information is available at *www.createsa.org.za.*

The Artists in Schools Project places artists with a flair for education and teaching within schools wishing to offer arts curricula.

Access to arts

The Arts, Social Development and the Youth Programme is working towards arts access for all communities, particularly marginalised groups.

The range of arts services includes art therapy and art for social and economic development. Through the support of the Art Therapy Centre, the department funded the training of 20 community arts counsellors. With additional support during 2006/07, 12 more community arts counsellors had their training upgraded to meet South African Qualification Authority requirements. They completed their internships in community facilities and were likely to be placed in employment at community arts centres.

The department launched the National Youth Expressions Campaign in May 2006 to coincide with the 30th anniversary of the Soweto Uprising. This campaign targets young people and provides educational and skills-training opportunities, as well as viable and sustainable employment opportunities.

The department envisages running accredited learnerships in community arts centres and other sites of learning, situated within those targeted communities. Learners are expected to complete a nine-month programme that will be assessed continuously.

The pilot Art in Correctional Facilities Programme was introduced at three facilities in 2005. As a result of its success, the project will be implemented in 36 other identified correctional facilities.

The programme provides skills training and a creative outlet for inmates.

The department has also designed an early childhood development programme for children under the age of five, who live with their mothers in correctional facilities.

The department has introduced the Cultural Fluency Campaign, which addresses the creation of a progressive society that understands and accepts that cultural differences make up the nation, and fosters tolerance and social dialogue.

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.

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 traditional 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; the 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.

Cultural industries

The Cultural Industries Growth Strategy capitalises on the economic potential of the craft, music, film, publishing and design industries. The Department of Arts and Culture provides support in the form of financing, management capacity, advocacy and networking, and by developing public-private partnerships and other initiatives that use culture as a tool for urban regeneration. It was announced in February 2006 that R100 million would be channelled into the creative industries, making a major contribution to closing the gap between the first and second economies. The department also announced that it would launch hubs in the craft and music industries.

To promote literature in indigenous languages, a national book and publishing strategy to stimulate the publication and export of local literature is being pursued, which is likely to result in more books being translated from indigenous languages into English and vice versa.

In October 2005, the Minister of Arts and Culture, Dr Pallo Jordan, attended the 33rd United Nations Educational, Scientific and Cultural Organisation (Unesco) General Conference in Paris.

South Africa helped to draft and the minister read, on behalf of the African member states, the Declaration of the Draft Convention on the Protection and Promotion of the Diversity of Cultural Expression.

The convention, which was adopted with an overwhelming majority, must be ratified by at least 30 member states to enter into force.

The convention is the first international normative instrument that provides for the promotion and protection of the diversity of cultural expression.

South Africa also received a prestigious seat on the Executive Board of Unesco, which is its most senior decision-making body. Prof Brian Figaji, former vice-chancellor of the Cape Peninsula University of Technology represents South Africa on the board.

In addition, the establishment of a black economic charter for the books and publishing industry is expected.

To address monopolies in the recording industry, the department, through the Moshito Music Market and the South African Music Export Council, is creating an environment that encourages small-scale music recording labels to grow their number of artists.

These developments are expected to create employment for more than 5 000 people in the next three to five years.

International relations

The Department of Arts and Culture's participation in various activities in the international cultural arena helps to identify, promote and exploit mutually beneficial partnerships for social and economic development in South Africa.

Collaborations involve about 39 countries, including Mexico, Tunisia, France and Brazil, as well as the United Nations Educational, Scientific and Cultural Organisation and the Southern African Development Community. Overseas development-aid programmes and international agreements or partnerships have been established with a number of countries.

Together with the African Union and the New Partnership for Africa's Development, South Africa has embarked on the road to restore, preserve and protect African heritage.

South Africa reached cultural agreements with a number of countries during 2005/06. Thanks to a cultural agreement with France, South Africa hosted the first-ever exhibition of the work of Pablo Picasso in Africa.

In terms of another agreement between South Africa and France, South Africa hopes to reciprocate by mounting a major South African cultural festival, spread across a number of artistic disciplines, in France before 2009.

South Africa signed a film co-production agreement with the United Kingdom (UK) that builds on an existing memorandum of understanding.

In the performing arts, with the aid of the British Council, performers from South Africa and the UK will participate in another's arts festivals. South Africa expects to stage several performances during the Commonwealth Games, in Manchester, in 2008.

South Africa participated in the Venice International Biennale during September 2006 and

soon thereafter staged performances alongside India at the invitation of Brazil. In June 2006, Cartegena, in Spain, Cervantes's native land, hosted South Africa at its annual festival.

South Africa flew the 'Africa's Time Is Now' flag during the 2006 Soccer World Cup in Germany. South Africa presented a cultural programme that included the performing arts and crafts in Berlin and Cologne to create awareness of the country as the host of the 2010 World Cup.

Arts festivals

The range of arts festivals around South Africa offers visitors the opportunity to combine their pursuit of culture with sightseeing, wine tasting, beach visits, wildlife viewing, history, palaeoanthropology and relaxing in some of South Africa's most beautiful spots.

The Department of Arts and Culture is involved in the South African Presidential Initiative of South African and Malian Co-operation on the Timbuktu Manuscripts. This has been adopted as a New Partnership for Africa's Development cultural project.

The historically important West African town of Timbuktu was once a regional centre of commerce and scholarship.

The Timbuktu manuscripts cover a range of subjects, including astronomy, optics, chemistry, mathematics, botany, traditional medicines, law, philosophy, conflict resolution and musicology. The immediate challenge is to preserve and conserve this wealth of knowledge.

This forms part of reclaiming and embracing Africa's rich cultural heritage. South African and Malian leaders believe that the manuscripts will stimulate academic study and research in a range of subjects.

The South Africa-Mali project has entered a new phase of the construction of the new library and archive buildings for the Ahmed Baba Institute in Timbuktu. The department, in conjunction with Standard Bank, presented an exhibition of a selection of manuscripts from Timbuktu at the Standard Bank Gallery in Johannesburg.

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 Arts Alive International Festival, held in Johannesburg, is an annual festival of music, dance, theatre and performance-poetry.

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.

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 the Joy of Jazz International Festival; Oppikoppi; Calabash; The One City Festival in Taung, North West; the Awesome Africa Music Festival in Durban; the Spier Summer Festival at Spier Estate in the Western Cape; and the Windybrow Theatre Festival in Johannesburg.

The Department of Arts and Culture and the NAC support numerous festivals throughout South Africa, including the Cape Town International Jazz Festival, Port St Johns Festival, Splashy Fen Music Festival in Durban and the National Arts Festival in Grahamstown.

The departments of arts and culture and 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 music, opera and ballet.

South African theatre is internationally acclaimed as unique and top-class.

Apart from early productions, notably the ground-breaking 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 Market Theatre was formally opened on 21 June 1976. It was there that Johannesburg theatregoers were introduced to the work of most of South Africa's leading playwrights and directors, including Welcome Msomi, Zanemvula (Zakes) Mda, Pieter-Dirk Uys, Gibson Kente, Paul Slabolepszy, Mbongeni Ngema, Adam Small, PG du Plessis, Kessie Govender, Bartho Smit, Maishe Maponya, Percy Mtwa, Deon Opperman, Reza de Wet, Matsemela Manaka and many others.

It was to the Market that Athol Fugard brought his *A Lesson from Aloes, Master Harold … and the Boys, The Road to Mecca, A Place with the Pigs, My Children! My Africa!* and *Playland*. At The Market, Barney Simon and his actors developed in workshop *Cincinatti – Scenes from City Life, Call Me Woman, Black Dog Inj'emnyana, Outers, Born in the RSA* and *Woza Albert!*

The performing arts marketed South Africa to overseas audiences most effectively during the 1980s, specifically through theatre and musical productions.

The National Theatre Indaba, held in 2006, was a partnership between the Community Theatre Development Network and the Department of Arts and Culture to create a platform for theatre practitioners to meet at national level to deliberate on important challenges facing theatre in South Africa.

Interesting theatre developments in 2006 included the staging of Samuel Becket's *Waiting for Godot* in Pollsmoor Prison by inmates, as part of the Arts in Prison Project run by the departments of arts and culture and of correctional services.

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 Merry Blackbirds Orchestra, to current performers such as trumpeter Hugh Masekela, Jonas Gwangwa, Abdullah Ibrahim, Jimmy Dludlu, Judith Sephuma and others.

Kwaito and hip-hop music are very popular. They combine 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, Skwatta Kamp, Mandoza and Mdu.

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 Moshito Music Market and Exhibition.

Launched in 2004, Moshito is a private-public partnership that produces an annual music industry trade show comprising a conference, exhibition, sale of music products and services, as well as music-business seminars. The Moshito Music Conference

During February and March 2006, some 60 works by the world-famous artist, Pablo Picasso, were exhibited at the Standard Bank Gallery in Johannesburg as part of the *Picasso and Africa* Exhibition. The exhibition was also hosted at Cape Town's Iziko National Gallery in April and May 2006.

In addition to Picasso's works, a selection of African sculptures, similar to those with which Picasso may have been familiar, were also exhibited.

With President Thabo Mbeki and his French counterpart Jacques Chirac as patrons, the exhibition had the full support of the South African and French governments.

Part of the exhibition consisted of a book in which South African artists, including poets Wally Serote and Peter Clark, discuss Picasso's fascination with African art.

and Exhibition is a section 21 company that helps newcomers to the music industry gain an understanding of how it operates.

Indigenous music

The department funds 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 entails 22 regional and eight provincial competitions, culminating in a national festival.

Dance

South African dance is unique in its vitality and energy. More and more South African dance companies, individual dancers and choreographers are being 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 a variety of dance and movement groups.

The Wits Theatre (part of 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.

In 2006, the FNB Dance Umbrella celebrated its 18th anniversary.

The festival hosted two foreign companies, featuring two collaborative works created by South African and international artists.

There were 18 programmes of work representing all forms of contemporary choreography and dance.

The Cape Town City Ballet, started in 1934 as the University of Cape Town Ballet Company, 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; the South African National Gallery in Cape Town; and the Nelson Mandela Metropolitan Art Museum in Port Elizabeth in the Eastern Cape display collections of indigenous, historical and contemporary works.

Universities also play an important role in acquiring artwork of national interest. These include collections housed in the Gertrude Posel Gallery of the University of the Witwatersrand, the University of South Africa (Unisa) Gallery in Pretoria, the Edoardo Villa Museum and other galleries at the University of Pretoria, and a collection of contemporary Indian art at the University of Durban-Westville. Corporate collections of national interest include those of Standard Bank, Amalgamated Banks of South Africa (Absa) 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.

Photography

With its scenic beauty, abundant wildlife, diversity of cultures and rich historical heritage, South Africa is a photographers' paradise. Many South African photographers have been acclaimed for their work, which features in coffee-table books, documentaries, local and overseas exhibitions, magazines and newspapers.

The second South African Pavilion at Midem, Cannes, the world's biggest music market, was staged in January 2006.

The pavilion is a Department of Arts and Culture project supported by the Moshito Conference and Exhibition. The number of independent music companies using the pavilion as their business base in 2005 doubled in 2005 from 14 to 36.

National and international photographic exhibitions and competitions are held in South Africa annually, and various national awards are bestowed on local photographers. South Africa is especially well-known for its excellent wildlife photography. The Agfa Wildlife and Environment Photographic Awards, presented for the first time in 1981, have become one of Africa's most prestigious wildlife photographic competitions, attracting entries from top wildlife photographers, not only from Africa, but across the world.

In February 2006, five South African photographers attained top honours at the World Press Photo Awards, the most prestigious annual international competition in press photography.

Pieter Hugo, Shayne Robinson, Sydney Seshibedi, Joao Silva and Halden Krog competed against 4 448 professional photographers from 122 countries, with a total of 83 044 images entered.

In March 2006, South African David Goldblatt was named the recipient of the 2006 Hasselblad Foundation International Award in Photography, the most important photographic prize in the world.

The award came with US$70 000 and a gold medal. It was presented at a ceremony in Göteborg, Sweden, in November 2006. A new exhibition of Goldblatt's work, curated and organised by the Hasselblad Centre, opened at the same time.

Architecture

South Africa has a rich architectural heritage to which all the cultural groups in the country have contributed. Through the centuries, a trend in South Africa's architectural style has developed, which has been referred to as an innovative marrying of traditions.

Today, this is evident in the variety of architectural structures found all over the country, ranging from humble dwellings, historical homesteads and public buildings, to modern commercial buildings reflecting state-of-the-art technology and designs that match the best in the world. Schools of architecture exist within various South African universities.

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 is a non-profit private organisation that conserves South Africa's variety of architectural gems.

In 1940, a painting by Gerard Sekoto, one of South Africa's most critically acclaimed artists, was bought by the Johannesburg Art Gallery – the first work by a black person to be exhibited there.

In May 2006, another painting, a self-portrait and probably Sekoto's most famous work, was sold for a record £117 600 (R1,38 million) by Bonhams auctioneers in London. This was 10 times the initial estimate of £18 000 (R210 000) and broke the previous world auction record price for a Sekoto painting of about £31 000 (R363 000).

The self-portrait was painted in October 1947, shortly before Sekoto left South Africa for Paris, where he spent the rest of his life in exile.

Rock art

There are many traces of ancient cultures that existed in the country in the distant past. Experts estimate that there are 250 000 rock-art sites south of the Zambezi. The San people left a priceless and unique collection of Stone Age paintings and engravings in South Africa, which is also the largest of its type in the world. The mountains, especially the Drakensberg range and those in the Cape, 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 and historical events, as well as interaction with and observation of newcomers encroaching upon their living space. Indigenous people with spears and Nguni cattle, Khoikhoin fat-tailed sheep, European settlers on horseback with rifles and wagons, and ships and soldiers in uniform were captured in surprising detail.

Immortalised visions of the artists' spiritual world are found on the sandstone canvases. These depict 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 painted 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

It is estimated that the crafts industry in South Africa employs over 1,2 million people and generates an income of R3,5 billion a year. The crafts they produce are exported all over the world.

The mandate for activities and programmes undertaken by government in the development of the craft sector is derived primarily from the *White Paper on Arts, Culture and Heritage* and the Cultural Industries Growth Strategy.

The development of South Africa's crafts industry is an ongoing priority for government, through the Department of Arts and Culture. Numerous stakeholders are involved in various initiatives to develop this sector. The development policy focuses on addressing the co-ordination of the sector, preserving indigenous knowledge systems, acknowledging living treasures, product development and training, skills development, market access, access to information, raw material and funding.

Notable programmes being undertaken include the National Craft Imbizo, which is an exhibition and marketing platform for South African crafts. The Beautiful Things Exhibition is a design concept that originated in 2002 when it was commissioned for the Johannesburg World Summit on Sustainable Development. A national strategy is to replicate the exhibition in all nine provinces to provide ongoing showcasing and retail opportunities.

The National Crafts Development Initiative, spearheaded by the NAC and supported by several national bodies, provides a platform for developing the local market by staging craft fairs at various levels.

As a joint venture with the Department of Trade and Industry, the Department of Arts and Culture is developing a craft marketing strategy to enhance export opportunities to curb the exploitation of crafters.

Examples of successful craft projects include the rural development projects in Limpopo, where the Council for Scientific and Industrial Research (CSIR)

The South African Music Awards ceremony was held in May 2006. Some of the winners were:

- Best Female Artist: Judith Sephuma *(New Beginnings)*
- Best Male Artist: Jimmy Dludlu *(Corners Of My Soul)*
- Best Duo or Group: Bongo Maffin *(New Construction)*
- Best Xitsonga Music Album: Thomas Chauke *(Xidudla Kedibone)*
- Best Maskandi Album: Phuzekhemisi *(Sthandwa)*
- Best Newcomer: Brickz *(Face-Brick)*
- Best Music Video: Lara Hollis/Zamajobe *(Magic)*
- Best Instrumental Album: Wessel Van Rensburg and Mccoy Mrubata *(Kulturation)*
- Best Jazz Album: Jimmy Dludlu *(Corners Of My Soul)*
- Best Kwaito Album: Brickz *(Face-Brick)*
- Best Adult Contemporary Album (English): Arno Carstens *(The Hello Goodbye Boys)*
- Best Adult Contemporary Album (Afrikaans): Anna Davel *(Godinne Op Die Grondpad)*
- Best Adult Contemporary Album (African): Phinda *(Mbheka Phesheya)*
- Best Pop Album: Watershed *(Mosaic)*
- Best African Pop Album: Malaika *(Vuthelani)*
- Best Rock Album: The Parlotones *(RadioControlledRobot)*
- Best R&B Album: Ishmael *(Long Way Home)*
- Best Dance Album: Black Coffee
- Best Rap Album: Tuks Senganga *(Mafoko A Me)*
- Best Contemporary Gospel Album: Soweto String Quartet *(Plays Gospel)*
- Best African/Traditional Gospel Album: Rebecca *(Qaphelani)*
- Best DVD: MIC *(Moving Pictures)*
- Best-selling Album of the Year: Shwi Nomtekhala *(Wangisiza Baba)*
- Most Popular Song of the Year: Ntando *(Dali Wam)*
- Most Popular Artist of the Year: Ntando
- Lifetime Achievement Awards: Piet Botha, Joe Correira, Al Debbo, Thandi Klaasen, Rex Rabanye.

linked up with various rural craft projects to develop new products. In Thohoyandou, in Limpopo, the Ifa Textile Project is producing fashionable handbags in traditional Venda designs. 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 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 (CAD) engineering. The initiatives involve:

- A partnership with the South African Fashion Week on developmental initiatives to address the Second Economy.
- Established designers facilitating workshops in an effort to unearth new talent and fuse design with craft.
- The National Product Development Centre at the Council for Scientific and Industrial Research (CSIR), which operates within a national framework, optimising the contributions of service-providers throughout the country in the area of design technology.
- The computer-aided design initiative at the CSIR, which is linked to the technology station at the Free State University of Technology and similar institutions in KwaZulu-Natal and the Eastern Cape.
- The Cape Craft and Design Institute.
- The awarding of design learnerships through Create SA to help emerging designers.
- The annual Design Indaba Conference and Expo held in Cape Town in February. The indaba is regarded as one of the premier design events in the world. The expo is a gallery, a marketplace, a school and a theatre featuring the finest original South African design, covering everything from homeware and jewellery to architecture, fashion, film, multimedia and graphic design.

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.

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 8 300 authors/other parties, and employs more than 3 000 people.

The African Languages Literary Museum at Unisa caters for all indigenous languages. Featured authors include Maja Serudu, EM Ramaila, OK 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 Grahamstown and an Afrikaans museum in Bloemfontein.

The Centre for African Literary Studies at the University of KwaZulu-Natal, home of the Bernth Lindfors collection of African literature, was officially launched in 2004. The centre is committed to preserving and adding to the collection in order to maintain the largest library of African literature on the continent.

In an effort to promote the craft of writing, particularly in indigenous languages, the Department of Arts and Culture is collaborating with Umgangatho Media in the Xihlovo xa Vutivi (Fountain of Knowledge) Project that focuses on publishing emerging writers in all languages and across all genres. By April 2006, more than 300

During 2005, the first consignment of works collected by the Ifa Lethu Foundation were exhibited in Bryanston, Gauteng. They comprised paintings and other visual works by black South African artists during the 1970s and 1980s that were bought by diplomats serving in this country. With the support of the Ministry of Arts and Culture, the foundation is collecting these to preserve a significant chapter in this country's art history. By mid-2006, some 200 works had been identified.

manuscripts had been received and 21 books had been produced in different languages.

The Literature Development Series Project aims to encourage multilingualism in South African literature, and to enhance writing, particularly in indigenous African languages.

To stimulate writing and publishing in indigenous languages, in 2005 the department awarded prizes to authors of works in Tshivenda, Xitsonga, Sesotho sa Leboa and isiZulu. The department aimed to augment the awards with the Literary Heroes Campaign that would also celebrate the life and works of Solomon Plaatje.

By February 2006, government was finalising the National Book and Publishing Strategy to stimulate the publication and export of local literature. Significantly more books will be translated from indigenous languages into English and vice versa.

It was also working towards the establishment of the Black Economic Charter for the Books and Publishing Industry.

Film

At the dawn of the 20th century, South Africa was the site of the earliest films shot. The Anglo-Boer/South African War of 1899 – 1902 was the first-ever war to be filmed.

The South African film industry, which is based mainly in Cape Town and Johannesburg, generates some R518 million a year. The industry has a strong skills base, boasting more than 1 000 registered producers. Outstanding production and post-production facilities are also in place. The cost of film production in South Africa is 30% to 40% lower than in the USA, and 20% lower than in Australia.

The NFVF was established to develop and promote the film and video industry in South Africa. It provides for and encourages the creation of opportunities for people from disadvantaged communities to participate in the industry. The foundation also promotes local film and video products; supports the development of and access to the industry; and addresses historical imbalances in infrastructure; skills and resources in the industry.

In 2005, the foundation disbursed grants to the value of R28,6 million for developing and producing feature films, short films, television series, documentaries and animation projects, as well as for 74 bursary students. The grants also ensured a South African presence at major local and international film markets, festivals and exhibitions. Grants awarded in support of the industry amounted to R16,1 million in 2006/07.

The NFVF's budget increased to R35,08 million in 2006/07. The Department of Arts and Culture is exploring new and more creative ways of funding films so that the NFVF will not be exclusively dependent on government for its finances.

Developing and producing local content in genres with wide appeal is a high priority for the foundation. This will be achieved by:

- establishing the South African Film Portfolio
- supporting script development and producing specific genre films that reflect and develop a South African aesthetic
- supporting development of the local market
- supporting co-production projects.

The foundation plans to research a national strategy for film education and training, and to develop sector-information systems to measure sector performance and the related economic and job-multiplier effects. The industry received a major boost with the launch of the Film and Television Production Rebate by the Department of Trade and Industry in June 2004.

The rebate complements existing support measures. It provides 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 operates with a permanent establishment in the country.

A number of large South African media companies have acquired production companies to increase their capabilities in the media and entertainment sector.

The Department of Arts and Culture supported the 2006 Time of the Writer and Poetry Africa festivals – the biggest international library festivals hosted on South African soil every year. Time of the Writer is a six-day festival of writers where a selection of about 20 writers from more than 12 countries read and discuss their work. The festival includes community outreach programmes.

Poetry Africa, a week-long festival of poetry, celebrated its 10th anniversary in 2006.

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.

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.

Film festivals include the Sithengi Film and Video Festival and Market in Cape Town; the Durban Film Festival; the North West Film Festival; the Apollo Film Festival in Victoria West; the Three Continents Film Festival (specialising in African, South American and Asian films); the Soweto Film Festival; and the Encounters Documentary Festival, which alternates between Cape Town and Johannesburg.

Film and Publication Board (FPB)

The FPB was established by the Film and Publications Act, 1996 (Act 65 of 1996), to:

- regulate the creation, production, possession and distribution of certain publications and certain films by means of classification, the imposition of age restrictions, and giving consumer advice
- make exploitative use of children in pornographic publications, films or on the Internet punishable.

The FPB helps the public to make informed choices about whether a particular film is appropriate. Films are examined against guidelines which identify such classifiable elements as strong language, violence, sex, nudity, drug abuse, criminal techniques and racial, gender or religious prejudice.

The board then alerts the public, through age restrictions and consumer advice, about the frequency and intensity of these classifiable elements in a particular film.

During 2004/05, the board classified 4 829 films and interactive computer games.

Compliance inspectors have been appointed in the major cities to monitor distributors on site to ensure that films are distributed in compliance with the provisions of the Act. This service will be extended to other areas in the country during the next financial year.

In 2005/06, the FPB embarked on a national campaign to fight child pornography. The public may report child pornography by telephoning 0800 148 148 toll-free. Child pornography is defined as any image, however created, or any description of a person, real or simulated, who is depicted or described as being under the age of 18 years engaged in sexual conduct; participating in, or assisting another person to participate in sexual conduct; and showing or describing the body, or parts of the body of such a person in a manner that amounts to sexual exploitation.

It has become almost impossible to prevent children from being exposed to material that might be harmful to them. Children need to be given the tools to assist them to understand the different media, and how media messages can influence feelings, thoughts and choice.

The FPB is conducting the Can Learn to Access and Interact with Media Project with partner organisations. The project aims to test media-education tool kits in selected schools throughout

In March 2006, South Africa's official entry for the 2006 Academy Awards, Gavin Hood's *Tsotsi,* won an Oscar for the Best Foreign Language Film.

Tsotsi, based on the novel by Athol Fugard, is the story of six days in the violent life of a young Johannesburg gangster.

Tsotsi stars Presley Chweneyagae, Terry Pheto, Bonginkosi 'Zola' Dlamini, Kenneth Nkosi, Mothusi Magano, Rapulana Seiphemo and Zenzo Ngqobe, among others.

Tsotsi cost US$5 million dollars to make and was filmed on location in Kliptown, Gauteng. The film was co-funded by South African and United Kingdom financiers, with local financiers including the Independent Development Corporation (IDC) and the National Film and Video Foundation.

In March 2006, the IDC announced that it would distribute an extra R177 million for feature films, documentaries and television series productions following the success of *Tsotsi.*

The IDC has invested more than R330 million in such films since 2001, funding the Oscar-winning *Tsotsi* to the tune of R12 million.

the country. The long-term objective is to integrate media education into the school curriculum.

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 mostly autonomous.

In terms of the Cultural Institutions Act, 1998 (Act 119 of 1998), the declared museum institutions in 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 regarding 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
- Luthuli Museum, KwaDlangezwa.

The Northern Flagship consists of the National Cultural History Museum (NCHM) and its former satellite museums (Kruger House, Tswaing Meteorite Crater, Willem Prinsloo Agricultural Museum, Pioneer Museum, Sammy Marks Museum and the Coert Steynberg Museum), the Transvaal Museum and the South African National Museum of Military History in Johannesburg.

The Iziko museums of Cape Town, formerly known as the Southern Flagship Institution, consist 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 War Museum of the Boer Republics; the William Humphreys Art Gallery; the Natal Museum and the Voortrekker Museum; the National English Literacy Museum; and the Afrikaanse Taalmuseum.

The Act also provides for the National Museums Division, comprising the CEOs and directors of the flagship museums and other declared museums.

The Robben Island Museum was established as a national monument and museum, and declared 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 or 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.

Art museums include the:

- South African National Gallery, Cape Town
- Johannesburg Art Gallery
- Pretoria Art Museum
- William Humphreys Art Gallery, Kimberley.

The South African Cultural History Museum (Slave Lodge) 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 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 an impressive collection of early human fossils and houses some of the largest herpetological and ornithological collections in southern Africa.

The Tswaing Meteorite Crater, situated to the north-west of Pretoria, 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 promotion 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 Kleinplasie 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 Bronkhorstspruit 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.

The Absa Museum and Archives in Johannesburg 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 view 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, the former residence of President Paul Kruger in Pretoria.

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 in Middelburg, Mpumalanga; the Bakone Malapa Museum in Polokwane, Limpopo; and the South Sotho Museum in 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, the Northern Cape and North West are also worth a visit.

The work of the War-Graves Division of the SAHRA includes the upkeep of graves of victims of the struggle for South Africa's liberation.

Archives and heraldry

Archives of governmental bodies are transferred to archive repositories after 20 years, and are accessible to the public and to the office of origin. The 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 includes 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, Mthatha, Port Elizabeth and Bloemfontein house archives dating from before 1910, as well as the relevant provincial archives. Record centres for archives less than 20 years old exist in Pretoria, Bloemfontein and Cape Town.

In 2006, the Red Location Museum of the People's Struggle in New Brighton, Port Elizabeth, won the Royal Institute of British Architects' inaugural Lubetkin Prize for the most outstanding work of architecture outside the United Kingdom and Europe.

The retrieval of information from archives is facilitated by the automated archival information system *(www.national.archives.gov.za)*, which includes national registers of manuscripts, photographs and audio-visual material. The National Archives also renders a comprehensive record-management service for current records, aimed at promoting efficient administration.

During 2004, the National Archives collaborated with the South African Bureau of Standards to adopt a national standard for records management.

The National Archives is responsible for collecting non-public records with enduring value of national significance. In so doing, it is obliged to pay special attention to aspects of the nation's experience neglected by archives of the past.

The Oral History Project 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 ensuring effective, transparent and accountable management of all public records, as far as possible.

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.

Library and Information Services (LIS) sector

South African libraries have developed over a period of more than 150 years. The world's first free public library service was established here 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 (NLSA) 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 that most of these libraries were 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 could 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 Higher Education (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.

Provincial library services

The nine provincial library authorities provide, in partnership with local governments, extensive public library services. Public libraries, 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 population of about 47,4 million.

Some R1 billion has been set aside for the development of libraries over the next three years. The Library Transformation Charter is also being developed to cultivate a reading culture among South Africans. The new library-development pilot project in Mdantsane, Buffalo City, will be a trial run for a new vision of public libraries as more than depositories for books, but rather cultural centres that can also serve communities by providing access to government services.

Library services at national level

Meta-information

The Subdirectorate: Meta-Information of the Department of Arts and Culture is the national focal point within national government that handles certain policy matters pertaining to LIS at national level. Meta-information means information about information.

The subdirectorate is located within the Chief Directorate: National Archives, Records, Meta-Information, and Heraldic Services of the Department of Arts and Culture, and reports to the National Archivist.

The vision of the subdirectorate is to create and maintain an effective meta-information system that promotes access to information, ensuring that all communities participate in the information society, thereby contributing to the development of the country.

Its mission is to advise the Minister of Arts and Culture on the development, co-ordination and maintenance of the national meta-information policy and infrastructure.

The national meta-information system in South Africa consists of various types of library and other information organisations, and is enabled by a legislative framework. The subdirectorate's remit, within this framework, pertains specifically to:

- the National Council for Library and Information Services (NCLIS)
- the NLSA
- the South African Library for the Blind (Blindlib)
- the Legal Deposit Committee and those libraries and archives that function as places of legal deposit and/or official publication depositories
- Blind SA (formerly the South African Blind Workers' Organisation) and the Braille Services Trust, as well as the South African National Council for the Blind regarding Braille projects.

By mid-2006, the National Archives building in Pretoria was being refurbished and new infrastructure developed. Extensions to the value of some R700 million had been approved and were being designed.

Some R1 billion will also be made available over the next three years to fund public libraries. This is to ensure the transformation of the sector and to promote a reading culture among South Africans.

National Council for Library and Information Services

The NCLIS was established in terms of the NCLIS Act, 2001 (Act 6 of 2001) (Annexure A). The NCLIS advises the ministers of arts and culture and of education on matters relating to LIS in order to support and stimulate the socio-economic, educational, cultural, recreational, scientific research, technological and information development of all communities in the country. The functions of the council are to develop and co-ordinate LIS in the country.

In 2005/06, the Department of Arts and Culture and the NCLIS jointly hosted symposia on promoting a culture of reading, and a workshop on the revision of national library and information-services legislation.

National Library of South Africa

The NLSA was formed on 1 November 1999 through the NLSA Act, 1998 (Act 92 of 1998), with the amalgamation of the State Library in Pretoria and the South African Library in Cape Town.

The functions of the NLSA are to build a complete collection of published documents emanating from or relating to South Africa; to maintain and preserve the collections, and to provide access to them through bibliographic, reference, information and interlibrary-lending services; and to promote information awareness and literacy. The Centre for the Book in Cape Town, a specialised unit, promotes the culture of reading, writing and publishing in all South Africa's official languages.

In terms of the Legal Deposit Act, 1997 (Act 54 of 1997), the NLSA, as one of five legal deposit libraries, receives two copies of each book, periodical, newspaper, map, manuscript material or other publication that is published in South Africa in any medium, print or electronic, for its campuses in Pretoria and Cape Town.

South African Library for the Blind

Blindlib is a statutory organisation located in Grahamstown. Its object is to provide, free of charge as far as is reasonably possible, a national LIS to serve blind and print-handicapped readers in South Africa. It is partly state-funded and depends for the remainder of its financial needs on soliciting funds from the private sector and the general public.

Blindlib also produces documents in special media such as Braille and audio formats. It develops standards for the production of such documents and researches production methods and technology in the appropriate fields. It also acquires, manufactures and disseminates the technology needed by people with visual disabilities to read.

The vision of Blindlib is based on five broad objectives, namely to significantly contribute to:

- helping build a nation of readers
- assisting the organised blind community
- improving the lives of individuals with print disabilities by meeting their information needs
- helping the State to discharge its cultural mandate and its obligations to blind people
- Africa's development by providing advice, expertise and documents in accessible formats for blind persons and the institutions that serve their information needs.

Blind SA

Blind SA is an organisation of the blind governed by the blind, and is located in Johannesburg. One of its prime objectives is to provide services for blind and partially sighted individuals to uplift and empower them by publishing books, magazines and other documents in Braille. Blind SA provides:

- study bursaries for blind and partially sighted students
- interest-free loans (for adaptive equipment)
- information (free Braille magazines)
- assistance to find sustainable employment
- advocacy (to act as a pressure group for disability rights)
- Braille publications at affordable prices in all official languages.

Legal Deposit Act, 1997

The purpose of the Legal Deposit Act, 1997 is to:

- provide for the preservation of the national documentary heritage through legal deposit of published documents
- ensure the preservation and cataloguing of, and access to, published documents emanating from, or adapted for, South Africa
- provide for access to government information
- provide for a legal deposit committee
- provide for matters connected with it.

The places of legal deposit are: NLSA, Pretoria Campus; NLSA, Cape Town component; Mangaung Library Services; Msunduzi Municipal Library; Library of Parliament; and the NAFVSA.

(See Chapter 8: *Education*.)

Acknowledgements

BuaNews
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Estimates of National Expenditure 2006, published by National Treasury
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Sunday Times
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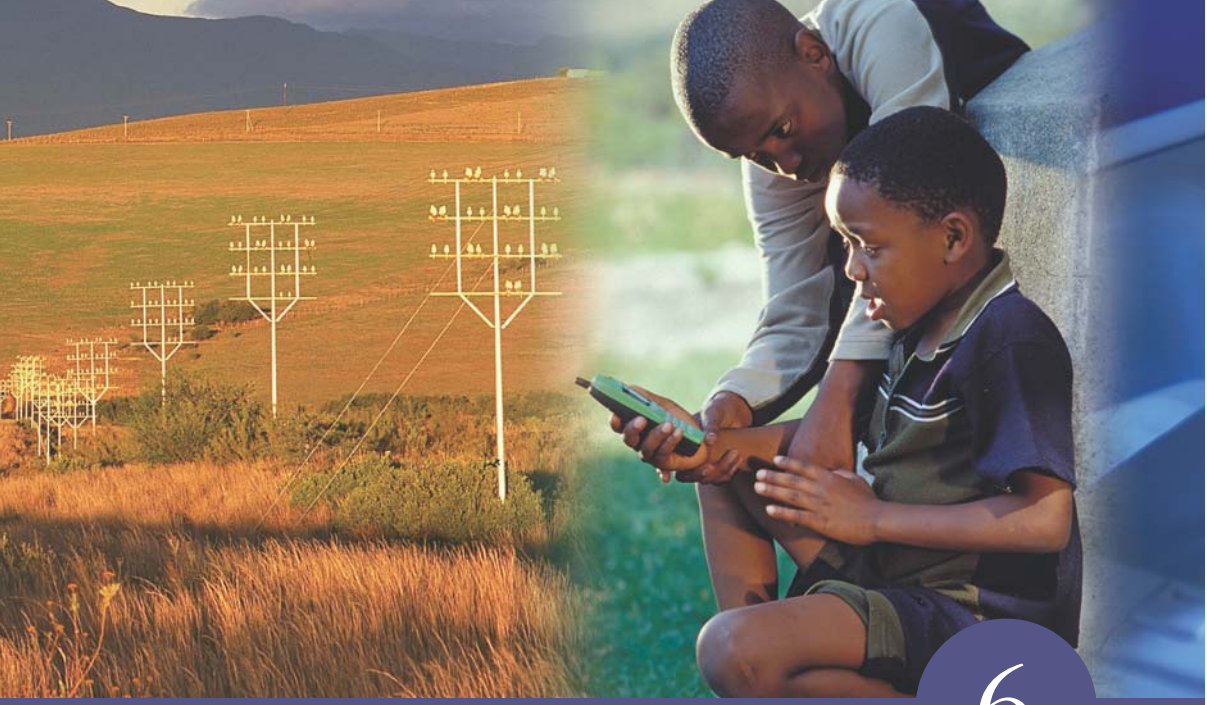

6

Communications

Telecommunications

As the leader in information and communications technology (ICT) development in Africa, South Africa is the 20th-largest consumer of information technology (IT) products and services in the world.

With a network that is 99% digital and includes the latest in fixed-line, wireless and satellite communications, South Africa has the most developed telecommunications network on the continent.

South Africa's IT industry is characterised by technology leadership, particularly in the field of electronic banking services. South African companies are world leaders in pre-payment, revenue management and fraud-prevention systems, and in the manufacture of set-top boxes, which are all exported to the rest of the world.

Several international corporates, recognised as leaders in the IT sector, operate subsidiaries from South Africa.

South Africa's ICT and electronics sectors are expected to continue showing strong growth in the future, due to key competitive advantages specific to the country and the continent.

Testing and piloting systems and applications are growing businesses in South Africa, with the diversity of the local market, first-world know-how in business, and a developing-country environment making it an ideal test laboratory for new innovations.

Policy

The Department of Communications' mandate is to create a favourable environment that ensures that South Africa has the capacity to advance its socio-economic development goals and support the renewal of Africa and the building of a better world. This mandate puts the department at the forefront of government initiatives to bridge the digital divide and provide universal access to ICT for all South Africans.

The department fulfils its mandate by developing ICT policies and legislation that stimulate and enhance the sustainable economic development of the country's first and second economies, and that positively affect the social well-being of all South Africans. Through policy development, the department also seeks to restructure state-owned enterprises (SOEs), introduce competition in the

sector and accelerate the penetration of services in underserviced communities. The department also strives to streamline the regulatory framework in its quest to achieve competitiveness in the sector.

The core functions of the department are to:

- evaluate the economic, social and political effect of implementing relevant policies
- exercise oversight of SOEs
- fulfil South Africa's continental and international responsibilities in the ICT field

The department's strategic direction is based on five key focus areas:

- achieving higher rates of investment in the economy
- increasing the competitiveness of the South African economy
- broadening participation in the economy
- improving the State's capacity to deliver
- contributing to creating a better world.

The department has identified the following strategic objectives to achieve its mandate:

- Broadband Strategy
- Digital Migration Strategy
- Universal Service and Access Policy and Strategy
- Department of Communications 2010 Strategy
- Stakeholder Management Policy Framework
- E-Cadres Strategy
- Spectrum Management Policy
- ICT Black Economic Empowerment (BEE) Charter
- funding model for regional televisions
- research and development of ICT products and services
- additional community radio stations
- National Emergency Communications Framework
- active participation in the World Radio Communication Conference
- National Space and Satellite Programme for Communications
- fulfilment of international obligations
- New Partnership for Africa's Development (Nepad) projects
- International ICT Strategy and programmes.

The department oversees Telkom, the South African Post Office (Sapo), Sentech, the South African Broadcasting Corporation (SABC), the National Electronic Media Institute of South Africa (Nemisa), as well as the regulator, the Independent Communications Authority of South Africa (Icasa).

The Electronic Communications Act, 2005 (Act 36 of 2005), seeks to remove policies that hinder the development of cross-sector applications, services and businesses. The Act enables the sector to reflect the integration of telecommunications with IT, broadcasting and broadcasting-signal distribution.

It also empowers citizens by means of better access to knowledge and information. The Tele-

communications Amendment Act, 2001 (Act 64 of 2001), has enabled the department to liberalise the South African telecommunications market, increase competition, and, as a by-product, stimulate the sector to bring down the costs of communications and remove constraints to growth.

The amendment also provided for the licensing of operators in underserviced areas with a teledensity of less than 5%, the majority of which are in the Sustainable Rural Development Programme nodal points. It also contributed to an increase in ownership and involvement in the telecommunications sector by women and historically disadvantaged groups, and provided for a new public emergency telephone service and emergency number, 112.

The final draft of the ICT Empowerment Charter was presented to the Minister of Communications, Dr Ivy Matsepe-Casaburri, in May 2005, after two years of intensive consultation with the sector. Once adopted and published as a code of good practice, it is set to guide all BEE activities in the broadcasting, electronics, IT and telecommunications industries.

Liberalisation

Following the signing of the Telecommunications Amendment Act, 2001, the department was able to focus on policies that grow the economy; attract foreign direct investment; increase competition, encourage Broad-Based BEE; and develop and sustain small, medium and micro enterprises (SMMEs). The department also aims to improve service delivery and expand the provision of telecommunications services. The introduction of the underserviced area licences (USALs) addresses this need.

The costs of communications will be brought down by increased competition in the sector and the removal of constraints to growth.

South Africans spent R514 million shopping online in 2005, which was 20% more than in 2004, according to a report by technology researchers World Wide Worx.

The report predicted a further 20% increase in 2006.

Section 40 of the Telecommunications Amendment Act, 2001 requires that underserviced area licensees provide telecommunications services, including voice-over Internet protocol, fixed mobile services and public pay telephones. Policies have also been implemented that, among other things, allow mobile operators to use any fixed lines that may be required for providing both voice and data transmission services.

Digital Migration Policy Framework

The Digital Migration Policy Framework facilitates the introduction of diverse digital services that broadly integrate South Africa into the global community.

The department's strategy is to manage transformation from analogue to digital environments, and to ensure that digital migration processes and activities are negotiated and aligned with multilateral institutions such as the International Telecommunication Union, the World Trade Organisation and the African Union.

The department has allocated funding to the SABC and Sentech for a digital migration project that will open up broadcasting to more players, especially small regional broadcasters.

Independent Communications Authority of South Africa

Icasa was formed in terms of the Icasa Act, 2000 (Act 13 of 2000), which brought together two separate entities, the Independent Broadcasting Authority (IBA) and the South African Telecommunications Regulatory Authority. Icasa is now the sole telecommunications regulator in the country, and has been charged with creating and maintaining a competitive and socially responsive communications industry.

Icasa develops regulations and policies, and issues licences to telecommunications broadcasting service-providers, enforces compliance with rules and regulations, protects consumers from unfair business practices and poor quality services, hears and decides on disputes and complaints brought against licensees, and controls and manages the frequency spectrum.

Universal Services Agency (USA)

The USA was launched in 1997 as a statutory body that facilitates universal access to services, and co-

ordinates initiatives towards this end by service-providers such as Telkom, Vodacom, MTN and Cell C.

The USA extends services to communities by working with community-based and non-governmental organisations to roll out ICT infrastructure to underserviced communities.

By mid-2006, the USA had delivered more than 100 telecentres countrywide and was rolling out community digital hubs at the 21 identified developmental nodal points in the country.

In 2005, after the first phase of the licensing process, seven USALs were granted to private companies. The minister invited applications for the second phase for an additional 14 municipal districts. The successful applicants of the second phase were announced in August 2006. The USA funds each company at R5 million a year for three years from the USA Fund, and monitors its compliance with licence conditions.

Presidential National Commission on Information Society and Development (PNC on ISAD)

The PNC on ISAD was constituted to facilitate the co-ordinated development of an inclusive information society in South Africa.

African Agenda

The Department of Communications has placed itself as a strategic partner on the continent, taking part in various fora in support of the African Agenda. The department has an engagement model for strengthening relations with countries in the region.

It is also involved in and supports the Nepad e-Africa Commission and its ICT projects. The country has hosted meetings of the East Africa Submarine Cable System, which will greatly enhance the region's broadband capacity.

The department continues to be involved in various Nepad ICT projects, such as the e-Schools Project, as well as implementing policies aimed at building an Africa that is part of an inclusive global information society.

South Africa is participating in and co-initiating the Nepad-led effort to build an affordable broadband network. South Africa is working with 22 countries in southern and eastern Africa to build a terrestrial and submarine broadband network. The e-Africa Commission is leading the project, which involves 30 African companies.

Information technology

State Information Technology Agency (Sita)

Sita was established in 1999 to consolidate and co-ordinate the State's IT resources to achieve savings through scale, increase delivery capabilities and enhance interoperability. Sita is committed to leveraging IT as a strategic resource for government, managing the IT procurement and delivery process to ensure that government gets value for money, and using IT to support the delivery of e-government services to all citizens. (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 Limited (31,96%) and Eskom Enterprises (45,06%).

It is rated one of the four largest IT professional service-providers in South Africa.

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.

The roll-out of broadband infrastructure in South Africa has been prioritised in terms of the information superhighway, wireless broadband and international communications network access.

The Department of Communications recognises that the broadband infrastructure must be able to meet the country's socio-economic development, science and research, and business needs and is exploring ways in which state-owned enterprises can contribute to the provision of affordable access to broadband.

The department is expected to invest in rolling out less costly wireless broadband networks to encourage more players to follow suit.

As the country's core wireless broadband infrastructure network, Sentech will be used to advance South Africa's socio-economic development goals, and its wireless broadband infrastructure network will be expanded beyond the current footprint.

arivia.kom supports BEE through shareholder equity, employment equity, procurement and corporate social investment.

Presidential International Advisory Council on Information Society and Development

The Presidential International Advisory Council on Information Society and Development aims to assist government in narrowing the digital divide between South Africa and the rest of the world. The council consists of chief executive officers (CEOs) from major international ICT corporations, and industry experts. The council meets once a year to exchange ideas.

Internet

According to the Online Publishers' Association (OPA) and international ratings company Nielsen//Netratings, South African websites are attracting increasing numbers of local and international consumers, and are becoming a valued source of business revenue. Some 60% of Internet users are the primary consumers and purchasing decision-makers in their homes. By June 2006, readership or unique browser figures had reached 4,6 million and page impressions had hit 115 million.

This included local and international traffic on OPA-member websites, which were the top 20 online publishers in South Africa. Traffic originating from South Africa comprised 37% of the total readership figure and 87% of total page impressions.

The Telecommunications Business Unit in the Department of Communications is required to fulfil the following obligations under the Electronic Communications and Transactions Act, 2002 (Act 25 of 2002):

- develop the National E-Strategy for submission to Cabinet
- 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 number of personal computers in use in South Africa was expected to pass the five-million mark for the first time in 2006. This was according to the study *PC Users in South Africa 2006*, done by World Wide Worx into the installed base of computers in South Africa, which showed that the 4,5-million mark was reached at the end of 2005. The number was expected to grow by 17% to 5,3 million by the end of 2006.

Telkom

Telkom has operated as a commercial company since October 1991 and has become the largest provider of communications services in Africa, based on operating revenue and assets. The Telkom Group comprises the fixed-line company Telkom and a 50% shareholding in mobile telecommunications operator Vodacom. It was listed on the JSE Limited and the New York Stock Exchange in March 2003.

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.

In 2005/06, the Telkom Group posted strong financial results due to continued growth in the fixed-line and mobile business, and cost reductions in the former. It declared a higher ordinary annual dividend of 500 cents (c) per share and a special dividend of 400 c per share.

Headline earnings per share rose 36,1% to 1 740,5 c per share. The fixed-line business performance grew because of revenue growth of 4,1% and a 3,2% drop in operating expenses. The number of mobile customers notched 11,8 million gross connections.

Operating revenue increased by 10,3% to R47,625 million and operating profit grew 30,3% to R14,677 million.

Telkom Foundation

The Telkom Foundation, founded in 1998, enables Telkom to play an active role in South Africa's socio-economic development.

The Telkom Foundation is a registered public benefit organisation with its own board of trustees and CEO. Its primary objective is to contribute to the transformation of disadvantaged communities through sustainable development programmes. The principles of the Telkom Foundation are:

- developing and advancing South African society in terms of ICT, and creating awareness of ICT
- a commitment to skills development and to working with stakeholders from previously disadvantaged communities and people with disabilities
- the involvement of Telkom staff in ongoing social-investment projects
- involvement in partnerships with credible organisations and corporations to maximise corporate social investment in community development programmes
- a commitment to involving previously disadvantaged individuals and BEE service-providers in Telkom Foundation initiatives.

Telkom Foundation targets the following areas:

- Education and training, especially in the fields of Mathematics, Science and Technology.
- ICT planning and infrastructure roll-out, especially planning and providing network computer laboratories with Internet connectivity.
- The empowerment of women, children and people with disabilities by building knowledge and skills that promote their independence and their sense of self-worth.
- General projects such as once-off interventions towards a charitable or developmental cause. These include ad hoc projects such as adopt-a-project, donations, sponsorships and disaster relief. The Telkom Foundation spent R45,4 million in 2004/05.

Economic empowerment

Telkom demonstrated its commitment to delivering meaningful and real BEE to the majority of South Africa's people by spending R6,4 billion on empowered or significantly empowered suppliers for the year ending 31 March 2006.

Training and development

For the year ending 31 March 2006, Telkom spent R400,1 million on training and development. Employees participated in 160 274 facilitator-led training days.

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.

Launched in 1997, the programme improves 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-2006, there were 16 centres located at tertiary institutions around the country.

Mobile communications

Over the years, South Africa has witnessed tremendous growth in the cellular industry. South Africa has three operators, namely Vodacom, MTN and Cell C.

Cell C (Pty) Limited is wholly owned by 3C Telecommunications (Pty) Limited, which in turn is 60% owned by Oger; Telecom South Africa, a division of Saudi Oger; and 40% by CellSAF. It also brought in Verizon Communications, the biggest cellular operator in the United States of America (USA), as its operating partner.

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.

By November 2005, broadband Internet access had its first 147 000 users in South Africa. According to a research report released by Internet research company World Wide Worx titled *Broadband in South Africa 2005*, this figure was expected to rise to 277 000 users in 2006.

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 and Mozambique.

Vodacom's commitment to rolling out subsidised community telephones in South Africa's under-serviced areas has significantly boosted the company's coverage in rural areas.

Vodacom's shareholders include Telkom SA Limited (50%), Venfin Limited (15%) and Vodafone Group plc (35%).

In May 2006, Vodacom connected its 20-millionth subscriber in South Africa. By that time, Vodacom had a 57% market share in South Africa. Outside of China, India and the USA. Vodacom South Africa was then the second-largest company by customers in the Vodafone Group, larger even than Vodafone UK.

MTN International offers cellular network access and associated services through its subsidiaries and joint ventures in Nigeria, Cameroon, Uganda, Rwanda and Swaziland.

By May 2006, MTN had recorded a 55% year-on-year growth in subscribers across all its operations, to 24 185 000. This represented a 4% increase since the last reported period ended 31 December 2005.

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 Second National Operator and underserviced 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 access, phone links and computers to schools
- public payphones in accessible places in rural areas and Thusang Service Centres
- the issue of some four million free SIM cards over five years.

South Africa's Second Network Operator, Neotel, was officially launched on 31 August 2006. The company planned to introduce initial services to consumers by March 2007 and to capture around 15% of the local market in the next three to four years.

Neotel has secured access to the relevant Eskom and Transnet infrastructure, including almost 10 000 kilometres of optical fibre backbone within metros and across the country, and will offer a variety of fixed and wireless services.

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 an 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 unviable 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 that reasonably meets the needs of the population.

In terms of the Post Office Act, 1958 (Act 4 of 1958), Sapo enjoyed exclusive rights and privileges, 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, including a monopoly 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 Postal Regulator.

New projects of the postal policy section include the establishment of a postal training institute for the 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

The first post office in South Africa was opened in the Castle in Cape Town in 1792. Today, the Post Office delivers almost six million letters a day, servicing 10 million addresses in South Africa. It has 2 550 outlets covering the length and breadth of the country.

The principal function of the Post Office is to provide postal services inside and outside South Africa. As a preferred partner to government, the Post Office also does pay-outs such as pension payments on behalf of the Department of Social Development. Its unequalled coverage of the country makes it particularly suited to this purpose. Motor-vehicle licences can be paid at selected post offices, and the Post Office delivers identity documents on behalf of the Department of Home Affairs.

Postage stamps

Postage stamps are traditionally associated with the Post Office. Annually, the Post Office prints more than 384 million of these tiny works of art.

Stamps released in 2006 included an award-winning issue to celebrate the Soccer World Cup, which will be hosted in South Africa in 2010; a commemorative issue for the 100th anniversary of the Bhambatha Rebellion; and a fresh issue of the Big Five animal stamps.

The South African Post Office is committed to providing an additional 2,2 million addresses with access to the postal service by the end of 2007. By mid-2006, four million additional addresses had been provided access over a three-year period.

Business centres

The Post Office has established 25 business centres that provide a dedicated, specially designed one-stop shop inside an existing post office, mostly in rural areas.

They provide a bureau service with facilities such as photocopying, faxing and Internet access, for the convenience of South Africans living in rural areas.

Internet facilities

Many isolated villages already enjoy the benefits of the electronic age. The Post Office and the Department of Communications have installed public Internet terminals (PiTs) at almost 700 post offices. Most of them are in settlements without Internet cafés or other access to the Internet. PiTs also give users access to e-mail addresses.

Small businesses can advertise in a business directory and narrow the gap between the business and its customers to one interactive e-mail. A woodcarver, for instance, can advertise goods on the Internet, receive orders via e-mail and then post the goods to customers.

Specialised products

Securemail

Securemail provides a swift and safe delivery method for high-security items such as shares and credit cards. It handles the delivery of more than 2,5 million credit cards a year, has significantly reduced credit-card theft, and has won an award from the International Association of Financial Crime Investigators for its performance.

Parcelplus

Parcelplus is the most economical way to send a parcel. With the service available at any post office outlet, a parcel can be delivered to all post-office counters countrywide. Parcels are delivered within two to five days.

Insurance is available and the cash-on-delivery option provides for money to be collected for the contents of the parcel on behalf of mail-order businesses. All parcels can be tracked.

Postbank

Postbank services are available at more than 2 000 post office outlets countrywide, and through all Saswitch-enabled automated teller machines of other financial institutions. The Postbank focuses

on the many South Africans who do not have access to other banking services.

Options range from Flexicard, which requires a minimum balance of only R10, to Smart Save, with interest rates that rise as the balance in the account rises, and Maxi Save, which offers very competitive interest rates.

Since 2004, Postbank has been the leading provider of Mzansi accounts, which extend banking to low-income earners and those living beyond the reach of conventional banking services.

By 31 March 2006, Postbank had opened 848 784 Mzansi accounts, giving it a 40,1% lead in market share.

Courier Freight Group (CFG)

CFG is a subsidiary of the Post Office, made up of the following companies:

- Speed Services Couriers, which provides the most extensive domestic overnight express courier network in southern Africa. Options range from counter-to-counter delivery – the most cost-effective – to door-to-door delivery. Same-day delivery is also available.

An international courier service is available to over 200 international destinations.

All items are tracked to their destinations. Insurance and liability cover, as well as proof of delivery are available.

- XPS Courier Services, which reaches 3 200 destinations daily with parcel tracking at every stage.
- PX Courier Services, which focuses on loads of up to three tons between larger centres in southern Africa. PX provides service for loads in tailor-made containers to destinations in South Africa and in cross-border countries. The mini-container can carry loads of 1 400 kg to 3 000 kg. Options include containers for goods of a hazardous nature, and insulated containers for distributing frozen goods. PX also offers priority delivery.

The South African Post Office in the year to 31 March 2006 increased its number of new addresses by 2, 3 million, exceeding its target of 1, 5 million new addresses. It expanded its retail network by 28 new stores, started construction on another 27 sites, and commissioned 20 mobile post offices.

- Document Exchange (Docex), which moves mail between members and other relevant points. Docex members pay an entry fee and annual subscription for joining the system. This enables free mail movement for the entire year.

Docex concentrates on the legal and medical professions, as well as the travel industry.

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 the Constitution of the Republic of South Africa, 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 fourth Press Freedom Index by Reporters Without Barriers, released on World Press Freedom Day in May 2006, ranked South Africa as the 31st most free in terms of press freedom in the world, sharing that position with Australia, and beating Japan (37th), Spain (40th), Italy (42nd), the United States of America (44th) and Brazil (63th).

The only developing countries to earn a better score than South Africa were the Caribbean states of Trinidad and Tobago (tied at 11th with Estonia, Germany and Sweden) and Jamaica (24th).

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 the strengthening of 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 a 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 its audiences' needs.

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 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.

Editorial policy

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 were finalised after an extensive public consultation process.

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 the Sesotho, Xitsonga, Tshivenda and Sesotho sa Leboa languages; and the second for the southern region, to cater for those speaking the isiXhosa, Siswati, isiZulu and isiNdebele languages.

In March 2004, the SABC submitted an application for the amendment of its broadcasting licences, in terms of section 22 of the Broadcasting Act, 1999. These were granted and came into effect on 23 March 2006.

In March 2006, the SABC launched new additions and changes to its news and current affairs at a cost of R45 million. These included the extension of Siswati and Ndebele News; an online French News service; and weekend radio current affairs shows for people living in the rural areas and tuning into public broadcasting service radio 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, all radio transmission and reception was placed under the control of the Postmaster-General, under the Radio Act, 1926 (Act 20 of 1926).

Following the contribution made by Sir John Reith, 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 2006, the SABC's national radio network comprised 15 public broadcast service radio stations, and three commercial radio stations broadcasting in 11 languages, as well as an external radio service in four languages that 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 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.

Channel Africa Network comprises four language services that reach millions of listeners throughout Africa. Broadcasts are in English, French, Kiswahili and Portuguese. The service station is targeted at audiences in Africa and the Indian Ocean islands, and concentrates on providing programmes with African content.

Commercial radio stations

Icasa has granted licences to the following private radio stations:

- Radio Algoa (ex-SABC)
- Classic FM (greenfield)
- Kaya FM (greenfield)
- YFM (greenfield)

The SABC made a profit of R383 million for the 2005/06 financial year, which was almost double the profit of R194 million that it reported for the preceding year.

In 2005/06, the SABC generated over R3,9 billion in revenue, with radio and television showing good growth. Revenue from licence fees increased by 30% from R739 million.

- Highveld Stereo (ex-SABC)
- Radio 702
- Radio Jacaranda (ex-SABC)
- Radio Oranje (ex-SABC)
- East Coast Radio (ex-SABC)
- P4 (greenfield)
- Cape Talk MW (greenfield)
- Radio KFM (ex-SABC).

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.

Community radio stations

Community radio stations have a huge potential for the support of, among other things, cultural and educational information exchange. They use indigenous languages, thus ensuring that people receive information in languages they understand.

There are more than 90 community radio stations in South Africa.

Satellite Communications Network

The Satellite Communications Network makes it possible for grassroots communities, through their community radio stations, to access parliamentary proceedings, general news and government information and services.

The Department of Communications is responsible for rolling out infrastructure to radio stations.

Initially, 30 radio stations were linked up. The network will, on completion, link up 90 stations.

Low-power sound broadcasting licences

The Broadcasting Act, 1999 defines low-power sound broadcasting as a community, private or public sound broadcasting service that radiates power not exceeding one watt. In February 2005, Icasa published guidelines for low-power sound broadcasting licence applications.

Television

SABC

A one-channel television service was introduced on 5 January 1976.

Today, the SABC's national television network comprises three full-spectrum free-to-air channels and one satellite pay-TV channel aimed at audiences

in Africa. Combined, the free-to-air sound broadcasting stations 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.

South Africa has more than four million licensed television households and 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 terrestrial television channels devote roughly 18% of their airtime during prime time to news and news-related programmes.

NewsBreak 082 152, 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. The channel celebrated its 20th birthday in October 2006. Today, M-Net broadcasts its array of general entertainment and niche channels to more than 50 countries across Africa and the adjacent Indian Ocean islands.

M-Net's television channels are delivered to subscribers through analogue terrestrial and digital satellite distribution.

The main M-Net channel, which is available as a terrestrial and satellite service, offers movies, sport, children's programmes, international and local series, and local reality shows.

The second terrestrial channel, CSN (Community Services Network), offers sport as well as programming aimed at a variety of South African communities. M-Net is also well-represented on the DStv bouquet of satellite TV channels.

Development of the local film and television industries is a priority for M-Net, and is supported by various projects such as EDiT, which gives final-year film and television students the opportunity to produce programmes for broadcast on M-Net. In 2006, it featured an online entry component for the first time.

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.

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.

MCA is owned by the MIH Group, which is listed on the JSE, the NASDAQ in New York, and AEX in Amsterdam.

In February 2006, Icasa announced that it would issue new licences for cable and satellite pay-TV broadcasting.

The new licences will effectively end the monopoly of media company Naspers, which owns

At the end of August 2006, the east and southern African ministers responsible for information and communications technology (ICT) signed the protocol for policy and regulatory framework to implement the New Partnership for Africa's Development (Nepad) ICT broadband infrastructure network in Kigali, Rwanda.

The protocol set in motion the roll-out of the Nepad ICT broadband network, including the Eastern Africa Submarine System (Eassy) cable. It also provides for the formation of the Special Purpose Vehicle, a consortium made up of the region's telecoms companies and other operators to own, manage and maintain the Eassy cable as well as the terrestrial network.

The framework further commits the African Union member countries to harmonising their national policy and regulatory instruments, to facilitate the speedy formation and operation of these open access networks, independent of who owns them. The fibre-optic cable will cover about 9 900 km, connecting Durban, South Africa, with Port Sudan in Sudan.

Multichoice, South Africa's only pay-television operator. Multichoice broadcasts MNet and DStv, a range of satellite TV channels.

Applications for new licences were due by July 2006, with Multichoice also required to apply in order to continue broadcasting.

Free-to-air television

Launched in 1998, e.tv is South Africa's first private free-to-air television channel, which broadcasts a full-spectrum programming service to 78% of South Africa's population. The station is owned by BEE group, Hosken Consolidated Investments Limited, and Venfin Limited, and employs some 400 people countrywide.

As a free-to-air channel, e.tv's only source of income is advertising revenue. The station's most popular programmes are wrestling, news, movies and South African drama, with South African content comprising 45% of e.tv's daily programming.

e.tv was the first channel in South Africa to secure the rights to the Union of European Football Association's Champions League.

Signal distribution

Sentech was established in terms of the Sentech Act, 1996 (Act 63 of 1996), as a common carrier to provide broadcasting signal distribution for broadcasting licences. In 2002, the Telecommunications Amendment Act, 2001 licensed Sentech to provide international carrier-to-carrier voice services as well as multimedia services.

Sentech intended to replace a substantial section of South Africa's ageing analogue television broadcasting infrastructure with digital technology in 2006 to improve the quality and coverage of television in the country. The coverage of the broadband network will also be expanded to allow more South Africans to access broadband services.

Sentech is funded from its own resources and the debt market. It expects to use shareholder funds in future to replace broadcast infrastructure, increase broadband wireless coverage, and pursue other infrastructure projects such as the East Africa submarine system that will connect South Africa and countries in East Africa with the global optical fibre network.

By digitising broadcasting, maintenance costs will be reduced and the returns increased. Internet-capacity costs will increase to cater for greater demand. The Department of Communications will provide Sentech with R95 million in 2006/07, R60 million in 2007/08 and R50 million in 2008/09.

The Federation of International Football Association (Fifa) has awarded the official Fifa World Cup broadcaster status for the 2010 and 2014 World Cup tournaments to the South African Broadcasting Corporation. The deal, which includes free-to-air and pay-TV rights for all Fifa events during both periods, was signed and announced on 7 July 2006.

The two tournaments will be held in South Africa and in a South American country, still to be named.

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 affected most of the major publications negatively.

In recent 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. It was banned 18 months later and reappeared only after various representations had been made to the authorities in London.

Official circulation figures issued by the Audit Bureau of Circulations (ABC) show that print media circulation grew from 19 million in 2000 to 26 million in 2005, indicating that South Africa's print media industry is flourishing.

The country's vibrant economy and the introduction of regional tabloid newspapers in recent years has helped feed the popularity of newspapers and magazines in Africa's largest economy.

High consumer spending has coincided with strong circulations in newspapers, particularly tabloids and free-sheets. The adoption of more efficient delivery and distribution systems has boosted the growth of tabloids, community newspapers and free-sheets, in particular.

Despite intense competition among both newspapers and magazines, circulation figures for July to December 2005 show readership growth across almost all consumer segments. However, this growth has been dampened by the closing of two newspapers in the past two years in the higher-end consumer market segment.

The challenges facing newspapers and magazines have remained much the same in the past decade: improving the quality of journalism in increasingly younger newsrooms, and the threat posed to circulation and market share by the electronic media.

South African newspapers and magazines are mainly organised into several major publishing houses: Johnnic Communications, the Irish-based Independent News & Media (Pty) Limited group; Associated Magazines; Media 24; and Caxton Publishers & Printers Limited. Other important media players include M & G Media Limited; the Natal Witness Printing & Publishing Company (Pty) Limited; Primedia Publishing Limited; Ramsay, Son and Parker (Pty) Limited; and Kagiso Media.

The issue of BEE is being addressed by all companies, some of which have progressed further than others. Larger listed companies have tended to make faster progress with BEE than smaller ones.

Globally competitive IT systems, especially among the large media houses, have helped improve the overall technical quality of print media, and have also positively affected distribution and circulation reach.

Late in August 2006, government scrapped the 5% tariff levied on imported paper and paperboard products with immediate effect. This was expected to reduce the input costs of printing and packaging.

The Department of Trade and Industry announced that it had asked the International Trade Administration Commission to conduct investigations into parity pricing in the paper industry.

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 separate the main centres of Cape Town and Johannesburg – still precludes national dailies in the true sense of the word.

In the past few years, two newspapers, *Nova* and *ThisDay*, failed to break into the higher-income consumer segment. This has been ascribed to overtrading in this segment. Observers have also suggested that many higher-income readers are now turning to the Internet for news. Likewise, an Afrikaans independent Sunday paper *Die Wêreld* only existed for three months in 2005 before it had to close down because of lack of interest among readers and advertisers.

Advertising spend on newspaper advertising remained slightly higher than the spend on TV, as was the case the year before. The dramatic success of lower-end tabloids and the wide distribution of community newspapers and free-sheets have been largely responsible for the recent success of newspapers.

Although the tabloid market is thriving, circulation trends in dailies and weeklies remain largely static. By the end of 2005, urban dailies sold an average of 1 605 million copies a day, which was slightly higher than the 1 501 million a day in 2004. The most dramatic growth in circulation was reported by the tabloid *Daily Sun*, which went from 364 000 the year before to 440 000. Circulation figures of the country's oldest Sunday newspapers, *Sunday Times* and *Rapport,* remained static, while the *Sunday Sun* grew from 176 000 to 187 000 and *City Press* from 173 000 to 178 000.

Sunday papers such as the *Sunday Times, City Press, Rapport, Sunday World* and *Sunday Tribune* have wide, national distribution because electronic printing presses have enabled the simultaneous publication of these newspapers in several cities.

By mid-2006, there were 21 dailies and nine Sunday papers in South Africa. Almost 150 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 or Afrikaans. The most popular publication day is Thursday, followed by Tuesday, and the bigger publications appear twice weekly.

Newspapers appearing only in certain neighbourhoods are also an important part of the newspaper scene and number in the hundreds. They are known as knock-and-drops, free-sheets 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. Press groups such as Media 24 and especially CTP/Caxton are major players in this field.

Since 1996, local newspapers, freebies and corporate newspapers have ventured into reporting in indigenous languages. In Durban, Independent Newspapers started the isiZulu newspaper *Isolezwe,* which is steadily growing.

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 being the popular language of choice. The establishment of the Media Development and Diversity Agency (MDDA) has stimulated the growth of new community titles, focusing on specific communities in areas where community media have not been established.

Magazine circulation and readership

The magazine industry in South Africa is a fiercely competitive environment in which new titles appear all the time, despite the worldwide challenge from electronic and interactive media. Considering the proliferation of titles on the shelves in supermarkets and bookstores, it seems that many readers are still attracted to print. However, there is evidence to suggest that the overall magazine-reading population in South Africa is shrinking, which is a concern for the industry.

A positive development has been the segmentation of the market into niched publications that provide opportunities for advertisers to reach their target audiences.

Because of rising printing and paper costs, prices have increased accordingly and magazines have had to offer readers value for their money to retain their loyalty. Weeklies *Huisgenoot* and *You* are the two biggest money-making magazines in South Africa. Among the monthlies, women's magazines are still the most widely distributed despite declining sales. *Sarie, Rooi Rose, Cosmopolitan, Glamour* and *True Love* are all in the top 10.

Women's magazines

In the women's magazine sector, publications have had to market themselves aggressively to survive.

Overall, there was a decline in circulation in this sector although certain publications showed growth. For instance, *Cosmopolitan* dropped from 117 255 to 115 099 in the period July to December 2005. *Glamour's* circulation increased from 92 552 to 106 684. *Elle*'s figures increased from 37 267 to 42 629, *Essentials* decreased from 76 295 to 66 293, and *Fairlady* decreased from 88 123 to 81 756. *Femina* dropped from 44 883 to 40 089, and *Marie Claire* increased slightly from 43 110 to 43 501, while *True Love* increased slightly from 114 793 to 115 009. *Oprah*'s circulation remained more or less steady at 67 554.

Winners of major annual press trophies

	Frewin*	McCall**	Cronwright***	Hultzer****	Joel Mervis*****
2002	Beeld	Natal Witness	Paarl Post	Herald	Rapport
2003	Beeld	Business Day	Springs and South Coast Herald	Brakpan Advertiser	Mail & Guardian
2004	Beeld	Witness	Paarl Post	Eikestadnuus	Naweek-Beeld
2005	The Witness	The Witness	The Mirror	Eikestadnuus	Weekend Witness
2006	Die Burger	The Witness	District Mail	Potchefstroom Herald	Mail & Guardian

* Best daily newspaper with a circulation above 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

In the Afrikaans market, a similar trend was apparent. While *Rooi Rose* increased from 119 994 to 122 296, the weekly *Vroue Keur* decreased from 100 121 to 99 304. *Sarie* remains a leader in the sector, but its figures also decreased. The circulation figures of *Dit* increased from 77 811 to 85 145.

General interest titles

Sales of the weeklies, *You* and *Huisgenoot*, at 225 976 and 352 389 respectively, increased by about 2 500 and 12 000 respectively. *Drum*'s figures went down alarmingly, and those of *Bona* declined from 96 584 to 92 903. *People*'s figures decreased too, but *TV Plus* gained about 30 000 readers.

Décor

Décor magazines, on the other hand, proved in general to be a growth area. *House and Garden, House & Leisure, Habitat* and *Elle Decoration*'s figures remained stable. *Visi* continued to be popular and *SA Home Owner* increased its sales from 55 604 to 60 497.

Parenting

In general, this category is also a growing market. The titles *Baba en Kleuter* and *Your Baby* remained fairly stable. *Healthy Pregnancy* gained readership, and *Living and Loving*'s figures also gained, while *Parents* declined by 6 546.

Youth

There has been a proliferation of magazines in the youth sector in the last few years and it clearly remains a significant growth area. *Saltwater Girl* at 42 620 maintained its position as the top-selling female teen magazine in South Africa. Relatively new contender *Blunt* grew from 18 329 to 19 126, and *Seventeen* from 30 741 to 38 301. *Teenzone*'s sales declined slightly, as did the figures for *Barbie*.

Male interest

GQ's figures dropped from 35 020 to 33 490, as did *FHM,* from 118 428 to 112 809. *Men's Health* showed a slight decline.

Motoring

Car declined from 105 934 to 104 954, while *Speed and Sound* increased from 44 644 to 53 646. *Topcar*'s figures also grew, while *Wiel's* figures declined to 4 766.

Lifestyle

Judging by recent circulation figures, *Weg* has cornered the Afrikaans outdoor lifestyle market while *Getaway's* figures declined by 12 062. Its publisher announced in 2006 that it would also start an Afrikaans version. *Style*'s figures declined slightly, while *Woolworth's Taste* became increasingly popular, attaining sales of 27 456. *SA Country Life* and *Caravan and Outdoor Life* are extremely niched publications that have a consistent readership.

Sport

Amakhosi dropped from 37 772 to 32 265, while the figures of *Bicycling SA* increased slightly. *Bike SA* declined slightly. *Compleat Golfer* dropped to 19 670, while *Golf Digest* grew from 21 479 to 25 872. Football magazines, *Kick Off* (62 490) and *Full Time* continued to attract loyal readers, while

Top 20 magazines based on net sales, July to December 2005

1	Huisgenoot	352 389
2	You	225 976
3	TV Plus	155 129
4	Sarie	141 733
5	Rooi Rose	122 296
6	Cosmopolitan	115 099
7	True Love	115 009
8	FHM	112 809
9	People	108 361
10	Glamour	106 684
11	Car	104 594
12	Vroue Keur	99 304
13	Bona	92 903
14	Finesse	92 103
15	Men's Health	90 058
16	AA Traveller	88 245
17	Dit	85 145
18	Tuis/Home	83 439
19	Women & Home	82 822
20	SA Garden & Home	82 124

Soccer Life's sales figures increased from 17 163 to 27 304. *Runners' World* remained steady at 17 405, while *SA Sports Illustrated's* circulation decreased from 42 145 to 38 879.

Niche publications such as *SA Rugby, Complete Fly Fisherman* and *Stywe Lyne/Tight Lines* remained stable.

Circulation of the 30-year-old surfing magazine, *Zigzag*, increased by 1 993 readers.

Special interest

Finance Week/Finansies en Tegniek merged to become *Finweek*, which increased its figures by a significant 12 228, but the *Financial Mail* decreased slightly from 25 612 to 25 330. Targeted publications *Wine* remained steady, while sales of *Popular Mechanics* increased by 2 751, and that of *Threads and Crafts* decreased by 5 117.

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 Communications' circulation. The Afrikaans press group, Media24 (Nasionale Nuusdistribueerders – NND 24), handles most of its distribution in-house. Allied Publishing handles the distribution for Independent Newspapers, and RNA Distributors handles distribution for Caxton/CTP.

Online media

South African websites attract more than 3,5 million highly educated users.

Johannesburg has the largest audience with 24% of users, followed by Cape Town (15%), Pretoria (10%) and Durban (6%).

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 South Africa and the Association of Independent Publishers (AIP).

The AIP was formed in September 2004 after the major publishing groups withdrew from the Community Press Association (CPA) to give independent publishers an opportunity to transform the CPA into an association that would serve their own specific needs. The AIP represents the interests of more than 250 independent publishers in southern Africa.

The purpose of the PMSA is to represent, promote, interact with and intervene in all matters concerning the collective industry and of common interest. It represents some 650 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 the Federation of Periodical Press. Allied to PMSA, but not a constituent member, is the ABC, responsible for auditing and verifying print-media circulation 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 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 around 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.

The Southern African Editors' Forum was subsequently formed in 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.

The Forum of Black Journalists, consisting only of black journalists, tackles issues that 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 Press Ombudsman.

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.

In September 2004, the Forum of Community Journalists (FCJ) relaunched the organisation as an independent body to serve the interests of all community newspaper journalists in southern Africa. The FCJ was originally set up as a substructure of the CPA, and only represented journalists employed at member organisations.

The decision to become an independent body followed the restructuring of the CPA into the AIP.

The FCJ's launch as an independent body allows it to represent all journalists, including independent community-press journalists, and assists in meeting its objective of becoming a more diverse and representative body for the community-press industry.

The Broadcasting Complaints Commission of South Africa is an independent self-regulatory body that serves as a voluntary watchdog to adjudicate complaints from the public about programmes flighted by members who subscribe 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 Broadcasting Monitoring Complaints Committee (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 regarding 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, then 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, and to liaise 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

For the first time, senior editors representing the world's most important media visited South Africa in September 2006 for the International Media Forum, to talk about an effective media strategy for the country. Representatives from the BBC, CNBC Europe, CNN International, al-Jazeera International, *The Wall Street Journal, Time Magazine* and other important media players attended the forum in Johannesburg.

Daily and weekly newspapers

Name and website	Publisher	Contact information	Frequency	Language	Total average net sales per publishing day
Beeld (Daily) *www.beeld.com*	Media 24	PO Box 333, Auckland Park, 2006 T. 011 713-9000 / F. 011 713-9956 E-mail: nuus@beeld.com	MD, M-F	A	101 425
Beeld (Saturday)	Media 24	PO Box 333, Auckland Park, 2006	W, Sat	A	83 092
Burger, Die (Daily)	Media 24	PO Box 692, Cape Town, 8000	MD, M-F	A	97 717
Burger, Die (Saturday) *www.dieburger.com*	Media 24	PO Box 692, Cape Town, 8000 T. 021 406-2121 / F. 021 406-3211 E-mail: dbnred@dieburger.com	W, Sat	A	112 183
Business Day *www.businessday.co.za*	BDFM Publishers (Pty) Ltd	PO Box 1742, Saxonwold, 2132 T. 011 280-3000 / F. 011 280-5505 E-mail: busday@bdfm.co.za	MD, M-F	E	41 139
Cape Argus, The *www.capeargus.co.za*	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000 T. 021 488-4911 / F. 021 488-4156 E-mail: argusnews@ctn.independent.co.za	AD, M-F	E	73 285
Cape Times *www.iol.co.za*	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	49 604
Citizen, The (Daily) *www.citizen.co.za*	Caxton Publishers & Printers Ltd	PO Box 43069, Industria, 2042 T. 011 248-6000 / F. 011 248-6222 E-mail: citizen@citizen.co.za	MD, M-F	E	73 008
Citizen, The (Saturday)	Caxton Publishers & Printers Ltd	PO Box 43069, Industria, 2042	W, Sat	E	55 177
City Press *www.citypress.co.za*	RCP Media Bpk	PO Box 3413, Johannesburg, 2000 T. 011 713-9001/ F. 011 713-9966 E-mail: news@citypress.co.za	W, Sun	E	178 788
Daily Dispatch *www.dispatch.co.za*	Dispatch Media (Pty) Ltd	PO Box 131, East London, 5200 T. 043 702-2000 / F. 043 743-5155 E-mail: eledit@iafrica.com	AD, M-F	E	31 918
Daily News, The *www.dailynews.co.za*	Independent Newspapers KZN	PO Box 4695, Greyville, 4023 T. 031 308-2911 / F. 013 308-2111 E-mail: pather@ann.independent.co.za	AD, M-F	E	51 251
Daily Sun	Media 24	PO Box 121, Auckland Park, 2006 T. 011 877-6000 / F 011 877-6046 E-mail: news@dailysun.co.za	MD, M-F	E	444 061
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	9 001
Herald, The *www.theherald.co.za*	Johnnic Pub. Eastern Cape	PO Box 1117, Port Elizabeth, 6000 T. 041 504-7911 / F. 041 585-4966 E-mail: theherald@johnnicec.co.za	MD, M-F	E	27 761
Ilanga *www.ilanganews.co.za*	Mandla Matla Publishing Co (Pty) Ltd	PO Box 2159, Durban, 4000 T. 031 337-4000 / F. 031 337-9785 E-mail: newsroom@ilanganews.co.za	BW, Th, Mo	Z	110 845
Isolezwe	Independent Newspapers	PO Box 47549, Greyville, 4023 T. 031 308 2878 / F. 031 308 2885	MD, M-F	Z	86 232
Independent on Saturday, The *www.iol.co.za*	Independent Newspapers KZN	PO Box 4759, Greyville, 4023 T. 031 308-2943 / F. 013 308-2111 E-mail: trevor.bruce@inl.co.za	W, Sat	E	56 588
Mail and Guardian *www.mg.co.za*	M&G Media (Pty) Ltd	PO Box 91667, Auckland Park, 2006 T. 011 250-7300 / F. 011 250-7502 E-mail: newsdesk@mg.co.za	W, Fr	E	40 283
Mercury, The *www.themercury.co.za*	Independent Newspapers KZN	PO Box 47397, Greyville, 4023 T. 031 308-2911 / F. 031 308-2333 E-mail: mercnews@inl.co.za	MD, M-F	E	39 409
Witness *www.witness.co.za*	Natal Witness Pr & Pub Co (Pty) Ltd	PO Box 362, Pietermaritzburg, 3200 T. 033 355-1111 / F. 033 355-1122 E-mail: news@witness.co.za	MD, M-S	E	23 802
Post	Independent Newspapers KZN	PO Box 47397, Greyville, 4023 T. 031 308-2529 / F. 031 308-2555 E-mail: khalil@nn.independent.co.za	W, Wed	E	44 776

Daily and weekly newspapers

Name and website	Publisher	Contact information	Frequency	Language	Total average net sales per publishing day
Pretoria News *www.pretorianews.co.za*	Independent Newspapers Gauteng Ltd	PO Box 439, Pretoria, 0001 T. 012 300-2000 / F. 012 328-7166 E-mail: ptanews@pretorianews.co.za	MD, M-F	E	28 819
Pretoria News (Saturday)	Independent Newspapers Gauteng Ltd	PO Box 439, Pretoria, 0001 T. 012 300-2000 / F. 012 328-7166	W, Sat	E	18 203
Rapport *www.rapport.co.za*	RCP Media	PO Box 333, Auckland Park, 2006 T. 011 713-9537 / F. 012 713-9977 E-mail: aleroux@rapport.co.za	W, Sun	A	315 836
Saturday Dispatch	Dispatch Media (Pty) Ltd	PO Box 131, East London, 5200 T. 043 702-2000 / F. 043 743-2968	W, Sat	E	26 494
Saturday Star, The	Independent Newspapers Gauteng Ltd	PO Box 1014, Johannesburg, 2000 T. 011 633-2792 / F. 011 633-2794 E-mail: starnews@star.co.za	W, Sat	E	137 878
Soccer-Laduma	CT Media Proprietor	PO Box 787, Sea Point, 8060 T. 021 439-8080 / F. 021 439-7434	W, Thu	E	288 822
Son, Die	Media 24	PO Box 692, Cape Town, 8000 T. 021 406-2075 / F. 021 406-3221	W, Fri	A	186 107
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	10 676
Sowetan *www.sowetan.co.za*	New Africa Publications (NAP) Ltd	PO Box 6663, Johannesburg, 2000 T. 011 471-4000 / F. 011 474-8834 E-mail: editor@sowetan.co.za	MD, M-F	E	131 714
Sowetan Sunday World	NAP Ltd	PO Box 6663, Johannesburg, 2000 T. 011 471-4200 / F. 011 471-4164 E-mail: newsed@sundayworld.co.za	W, Sun	E	149 194
Star, The *www.iol.co.za*	Independent Newspapers Gauteng Ltd	PO Box 1014, Johannesburg, 2000 T. 011 633-9111 / F. 011 836-6186 E-mail: starnews@star.co.za	MD, M-F	E	166 597
Sunday Independent The *www.iol.co.za*	Independent Newspapers Gauteng, Ltd	PO Box 1014, Johannesburg, 2000 T. 011 633-9111 / F. 011 834-7520 E-mail: jra@sunday.co.za	W, Sun	E	42 447
Sunday Sun	RCP Media Ltd	PO Box 3413, Johannesburg, 2000 T. 011 713-9001 / F. 011 713-9731	W, Sun	E	186 933
Sunday Times *www.sundaytimes.co.za*	Johnnic Pub.	PO Box 1742, Saxonwold, 2132 T. 011 280-3000 / F. 011 280-5150 E-mail: suntimes@tml.co.za	W, Sun	E	504 424
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	110 102
Volksblad, Die *www.volksblad.com*	Media24	PO Box 267, Bloemfontein, 9300 T. 051 404-7600 / F. 051 447-7034 E-mail: nuus@volksblad.com	MD, M-F	A	28 062
Volksblad, Die (Saturday)	Media24	PO Box 267, Bloemfontein, 9300 T. 051 404-7600 / F. 051 430-7034	W, Sat	A	23 242
Weekend Argus	Independent Newspapers Cape Ltd	PO Box 56, Cape Town, 8000 T. 021 488-4528 / F. 021 488-4229	W, Sat & Sun	E	104 003
Weekend Post	Johnnic Pub. Eastern Cape	PO Box 1121, Port Elizabeth, 6000 T. 041 504-7911 / F. 041 585-3947	Sat	E	30 375
Weekend Witness	Natal Witness Pr & Pub Co Pty Ltd	PO Box 362, Pietermaritzburg, 3200 T. 033 355-1377 / F. 033 355-1377 E-mail: davidbr@ctn.independent.co.za	W, Sat	E	32 064

The abbreviations used are the following: MD (morning daily), AD (afternoon daily), BW (biweekly), 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)

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.

The mission of the OPA 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 to advertising agencies and the advertising community, the press, government and the public.

Launched in December 1993, the National Community Radio Forum (NCRF) lobbies for the airwaves in South Africa to be diversified, and for a dynamic broadcasting environment through the establishment of community radio stations.

The NCRF is a national, member-driven association of community-owned and -run radio stations and support-service organisations. Radio station members are independent non-profit community-based organisations.

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 and African Eye News Service in Mpumalanga.

The 2006 CNN Multichoice African Journalist Award ceremony was held on 15 July 2006 in Maputo, Mozambique.

Jacques Pauw, a *Special Assignment* executive producer, received the TV Features Award for *Room 6A*. This was Pauw's third CNN Award.

For her piece titled *Rape,* Sandy McCowen was presented with the TV General News Award.

Training centres

Over 40 institutions offer media training in South Africa.

Tertiary institutions include various universities of technology such as Tshwane, Walter Sisulu, Nelson Mandela, the Cape Peninsula and Durban, 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; the Cross Media Training Centre; and Nemisa, a government-funded training institute specialising in broadcasting, news media and multimedia skills.

Nemisa is a non-profit organisation established in terms of the Companies Act, 1973 (Act 61 of 1973), that provides much-needed advanced skills training for the broadcasting industry. It has Council for Higher Education accreditation and offers diploma courses, short courses and internships in TV production, radio production and creative multimedia. Government transferred R19,2 million to Nemisa in 2006/07 and has allocated R22,6 million for 2007/08 and R25,3 million for 2008/09.

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 co-ordinates a sector-training plan across the media industry, and assesses the quality of training courses that are run by the industry.

Parallel to 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 (language and communication), which co-ordinates standard-setting in the communication and language sectors.

Journalism awards

The most important awards include the:

- Mondi Shanduka 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
- Sanlam's Financial Journalist of the Year Award

In March 2006, Charlene Clayton of Independent Newspapers was awarded the top prize in the seventh Citadel Words on Money Journalism Awards for Excellence in Reporting Personal Finance and Investment.

In April 2006, cartoonist Jonathan Shapiro, known as Zapiro, was awarded the title of Journalist of the Year at the fifth annual Mondi Shanduka Newspaper Awards.

The 2006 Mondi Shanduka Lifetime Achiever Award went to David Hazelhurst of *The Star*.

Overall category winners of the annual SAB Sports Journalists of the Year Awards 2006 were David Isaacson (*Sunday Times*), Andrew Skelton (M-Net's Supersport) and Helen Mittwoch (SAfm Radio), while Chris Hewitt (Highbury Safika Media) was voted Overall Sports Newcomer of the Year.

In July 2006, Prof. Guy Berger of Rhodes University won the Nat Nakasa Award.

Ferial Haffajee, editor-in-chief of the *Mail & Guardian*, was the 2006 recipient of the MTN Women in the Media Award.

The MTN Rising Star Award went to 28-year-old Nikiwe Bikitsha, co-presenter of *AM Live* on SAfm and host of SABC3's *Interface.* The Lifetime Achiever Award went to Barbara Cooke, founding director of Target Group Index.

Media diversity

Media diversity in any country is regarded as a measure of the depth of its democracy. South Africa is on its way to achieving wide diversity. The public broadcaster broadcasts on radio and television in all 11 official languages, and there is an array of commercial and non-profit newspapers and broadcasting services around the country. To deepen media diversity, government, together with commercial media entities, established the Media Development and Diversity Agency (MDDA), which is tasked with providing financial and other support to community and small commercial media projects.

Media Development and Diversity Agency

The MDDA was established in terms of the MDDA Act, 2002 (Act 14 of 2002), which provides for the establishment of an independent, statutory body, jointly funded by government, the media industry and other donors.

The MDDA Act, 2002 was developed after extensive discussion with major media players who agreed to jointly fund such an agency with government to facilitate media diversity. The MDDA is tasked with creating an enabling environment for media diversity and development by providing support to media projects, and facilitating research into media development and diversity issues.

The agency functions independently from and at arm's length of its funders and political-party and commercial interests. This arrangement enables government, the media industry and donors to work together in addressing the legacy of imbalances in access to the media.

The MDDA awarded its first grants to community and small commercial media projects in January 2004.

By the end of March 2006, the MDDA had provided support to close to 100 different media and research projects around South Africa – and had set aside funds to assist the development of a further 10 community radio stations in rural areas around South Africa.

The MDDA provides support to existing grassroots media projects, and assists in establishing new media projects targeting neglected audiences. Over one-third of the projects supported are new projects.

In addition, the MDDA has organised workshops on resource mobilisation for media around the country, and has provided bursaries for 35 grassroots media managers to attend media-management training.

In 2005, the Jupiter Drawing Room (Johannesburg) became the only South African advertising agency to feature in the Top-20 list of the world's best agencies based on creative performance, in a list released by the United States' trade publication, *Advertising Age's Creativity.*

Apart from providing financial support, the MDDA is further working together with a range of media-sector and other related organisations to leverage resources for the sector to create an enabling environment for media development. For example, the agency has established partnerships with advertising and marketing organisations to run workshops and mentoring programmes with small media projects.

Advertising

The Loerie Awards are the best-known South African awards recognising 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.

The Loerie Awards ceremony is a self-liquidating event, with excess monies being ploughed directly back into the industry in the form of bursaries for underprivileged advertising and marketing students via the Loerie Education Trust Fund, and as a donation to the Advertising Benevolent Fund.

The main objective of the Loerie Awards is to encourage creative advertising. In 2006, the most awarded agency was Ogilvy SA, with 28 Loeries. In April 2006, The Jupiter Drawing Room (TJDR) (South Africa), the only 100% locally owned top 10 advertising agency, swept the boards at the Finweek AdReview Agency of the Year Awards.

The first of Jupiter's awards was in the Cape Agency of the Year category, with TJDR (Cape Town) taking the title. The Newcomer Agency of the Year category went to Black River FC, which triumphed over Ireland-Davenport and Grid. The Large Agency of the Year went to TJDR (South Africa), comprising TJDR (Johannesburg), TJDR (Cape Town) and Black River FC. The competition included Ogilvy and the TBWA Group.

The Overall Agency of the Year Award went to TJDR (South Africa), winning a record-breaking four Agency of the Year titles in one evening.

In May 2006, Ogilvy South Africa took top honours at the *Financial Mail AdFocus* Awards. Incorporating Brand Activation 141, Ogilvy Johannesburg was awarded Ad Agency of the Year 2005.

Of the six finalists, two Ogilvy South Africa companies, Ogilvy Johannesburg and Ogilvy Cape Town, were short-listed for the Ad Agency of the Year, with Ogilvy Johannesburg coming out tops.

The Vuka! Awards celebrate excellence in public-service announcements where budgets are substantially lighter than they are for product, service or image advertising.

The Pendoring Awards reward excellence in Afrikaans advertising in both verbal and non-verbal

According to Nielsen Media Research, spending on advertising grew from R8,1 billion in 2001 to R17,1 billion in 2005 as the consumer spending boom continued to fuel advertising.

Cinema and Internet advertising showed the biggest growth rate, with spending on cinema increasing nine times from R61 million in 2001 to R591 million in 2005. Internet advertising almost tripled from R54 million in 2001 to R141 million in 2005.

The traditional forms of media – print, television and radio – received 91% of the total adspend in 2005, totalling R15,5 billion.

Outdoor advertising showed the slowest growth overall.

In June 2006, FCB Johannesburg took the only Press Grand Prix awarded at the Cannes Lions International Advertising Festival for its Lego Periscope Campaign. It was a first for South Africa.

In addition to FCB's big win, South African agencies won a mass of gold medals across almost every category.

Ogilvy Johannesburg won a Gold Lion in the poster category for its Harley Davidson Abandoned Husbands Campaign.

Lowe Bull South Africa took home a Silver Press Lion, and a Bronze Press Lion went to Lowe Bull South Africa, TBWA\Hunt\Lascaris, Ogilvy South Africa, FoxP2 and Grey Worldwide South Africa.

The Cannes Lions International Advertising Festival is the most prestigious international advertising festival. It draws thousands of entries in each award category including film, print, outdoor, cyber and media.

form. Categories consist of radio, television, magazines, newspapers, outdoor advertising and campaigns.

Other marketing communication awards

In academic circles, advertising is 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 were introduced in 1998 to honour excellence in direct marketing, strategic prowess and innovation, with an emphasis on results. These are the only South African marketing communication awards that recognise return on investment – measurable and accountable – 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 to recognise and reward excellence in the direct marketing arena.

Online and offline advertising

Online advertising revenue in South Africa was expected to reach R183 million in 2006, and to pass the R200-million mark in 2007, according to a survey by technology research firm World Wide Worx.

Online Media in South Africa 2005, a study conducted with the co-operation of the OPA, which represents South Africa's 25 major online publishers, was released in April 2006.

According to the study, it took South Africa's online publishing industry nine years, from 1994 to 2003, to grow to the R60-million revenue mark, yet it is set to treble that amount in the subsequent three years.

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.

The ASA is an independent body established and funded by the marketing-communications industry to regulate advertising in the public interest by means of self-regulation. The ASA co-operates with government, statutory bodies, consumer organisations and industry to ensure that advertising content complies with the *Code of Advertising Practice*.

Acknowledgements

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e.tv
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M-Net
Print Media SA
South African Broadcasting Corporation
South African National Editors' Forum
www.arivia.co.za
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www.etv.co.za
www.fxi.org.za
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www.icasa.org.za
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7

Economy

South Africa has achieved a level of macroeconomic stability not seen in the country for many years. Such advances create opportunities for real increases in expenditure on social services, and reduce the costs and risks for all investors, thus laying the foundation for increased investment and growth.

South Africa's economy is stronger than at any time in the past 20 years. It expanded by about 5% in 2005, and continued growth at about 5% a year over the period ahead is anticipated.

Business confidence remains strong, investment and employment creation are gaining momentum, and inflation and interest rates remain moderate.

Accelerated and Shared Growth Initiative for South Africa (AsgiSA)

AsgiSA is a government initiative aimed at ensuring that economic growth is accelerated to on average at least 4,5% in the next five years (2005 – 2009) and to an average of 6% between 2010 and 2014. This acceleration of growth is what is required to achieve government's mandate of halving poverty and unemployment by 2014.

AsgiSA also includes infrastructure development to upgrade and build railway lines, harbours, ports and roads over the next five years.

With South Africa's unemployment rate at 26,7% by February 2006, the infrastructure programme is geared towards creating and sustaining employment.

Overall government expenditure for infrastructure spending will total some R410 billion between 2007 and 2010. Of this, about 40% will be spent by public enterprises, mainly Eskom (R84 billion covering energy generation, transmission and distribution) and Transnet (R47 billion, of which R40 billion will go towards harbours, ports, railway and petroleum pipelines).

Airports Company South Africa will spend R5,2 billion, which includes airport improvement and the Dube Trade Port. Some R19,7 billion will go towards water infrastructure.

South Africa will be hosting the 2010 Soccer World Cup. Existing stadiums will be upgraded and new ones built, and investment will be made in the environment around stadiums and on access to these venues.

There will also be investment in information and communications technology (ICT) to grow South Africa's broadband network rapidly and reduce telephony costs, which will benefit the call-centre sector that represented some 5 000 jobs by mid-

2006. This sector has the potential to create 100 000 additional jobs, directly or indirectly, by 2009.

AsgiSA responds to binding constraints, such as the:

- relative volatility and level of the currency
- cost, efficiency and capacity of national logistics systems
- shortage of suitably skilled labour, amplified by the cost effects on labour of apartheid spatial patterns
- barriers to entry, limits to competition and limited new investment opportunities
- regulatory environment and the burden on small and medium businesses
- deficiencies in state organisation, capacity and leadership.

AsgiSA has also identified particular sectors of the economy for accelerated growth, building on the work already done within the context of the existing Micro-Economic Programme, which includes the following sectors:

- chemicals
- metals beneficiation, including the capital-goods sector
- creative industries (crafts, film, content and music)
- clothing and textiles
- durable consumer goods
- wood, pulp and paper.

Joint Initiative for Priority Skills Acquisition (Jipsa)

On 27 March 2006, Deputy President Phumzile Mlambo-Ngcuka launched Jipsa, the skills-empowerment arm of AsgiSA.

AsgiSA has identified the shortage of skilled labour as one of the six factors that constrain economic growth.

It is a two-tier structure comprising a joint task team and technical working group. The former has the task of unblocking the acquisition of targeted skills, overseeing the work of Jipsa, and ensuring that it delivers on its mandate of acquiring scarce and priority skills in the shortest possible time, building partnerships with different institutions and ensuring that Jipsa initiatives are sustainable.

Based on the priorities of AsgiSA, Jipsa's identified work areas are:

- high-level world-class engineering and planning skills for the network industries, and the transport, communications and energy sectors
- city, urban and regional planning and engineering skills desperately needed by South African municipalities
- artisan and technical skills, with those needed for infrastructure development enjoying priority
- management and planning skills in education, health and municipalities
- teacher training for Mathematics, Science, ICT, and language competence in public education

- specific skills needed by priority AsgiSA sectors starting with tourism and business process outsourcing and cross-cutting skills needed by all sectors, especially finance and project managers
- skills relevant to the local economic development needs of municipalities, especially developmental economists.

Jipsa is a support measure for citizens who are trapped in the Second Economy, giving them a chance to participate in the First Economy and in the growing South African economy in general. The work of Jipsa aims to boost empowerment through education.

Economic indicators

Domestic output

Real domestic production responded positively to the growth in real expenditure and registered a growth rate of 4,9% in 2005. This compared favourably with the growth in real gross domestic production of 4,5% recorded in 2004, and was the highest growth rate since 1984.

On a quarterly basis, real economic growth lost some momentum in the second half of 2005 and decelerated from an annualised rate of 4,2% in the third quarter of 2005 to 3,3% in the fourth quarter. The diminished performance in the final quarter, reflecting a decline in the real value added by the primary sector, and slower growth in the real value added by the secondary sector.

Following increases of between 2,3% and 8,7% in the first three quarters of 2005, the real value added by the primary sector declined at an annualised rate of 2,1% in the fourth quarter. This was the net result of a slowdown in the real value added by the agricultural sector, while the real value added by the mining sector declined. However, on an annual basis, the level of real output in the primary sector improved from an increase of 1,5% in 2004 to 3,8% in 2005 as a whole.

For 2005 as a whole, the tertiary sector experienced the strongest growth of all major production sectors. Within the tertiary sector, the finance sector registered the highest rate of increase in real value added, consistent with the increase in the real value added by securities dealers throughout 2005. In the primary sector, agriculture output increased, and the increase in real value added in mining remained at 3% in 2005. Real value added by the secondary sector expanded by roughly 4% during 2005.

Manufacturing output increased more slowly in 2005, partly in response to the stronger Rand.

Following a decline of 1,7% in 2004, the real value added by the agricultural sector increased at a rate of 5,4% in 2005, mainly due to field-crop production, particularly maize. Quarter-to-quarter growth in the real value added by the agricultural sector was at its strongest in the third quarter of 2005. It slowed, however, from an annualised rate

Real gross domestic product

Percentage change at seasonally adjusted and annualised rates

Sector	2004					2005				
	1st qr	2nd qr	3rd qr	4th qr	Year	1st qr	2nd qr	3rd qr	4th qr	Year
Primary sector	1,4	1,9	7,4	-1,1	1,5	8,7	3,6	2,3	-2,1	3,8
Agriculture	2,4	3,4	7,0	3,4	-1,7	6,4	2,9	10,2	3,9	5,4
Mining	1,0	1,3	7,6	-2,8	2,8	9,6	3,9	-0,7	-4,5	3,1
Secondary sector	9,2	10,9	10,1	3,2	5,1	-0,5	7,7	5,4	1,7	4,6
Manufacturing	9,0	11,3	11,0	3,0	4,6	-2,3	7,9	5,6	-0,3	4,1
Tertiary sector	4,2	5,3	5,3	5,7	4,7	6,0	4,4	4,3	4,9	5,2
Non-agricultural sector	5,1	6,3	6,6	4,4	4,6	4,7	5,1	4,2	3,4	4,9
Total	5,0	6,5	6,6	4,3	4,5	4,6	5,4	4,2	3,3	4,9

Source: South African Reserve Bank, *Quarterly Review*

of 10,2% to 3,9% in the fourth quarter of 2005. This slowdown was partly due to a decline in horticultural output, while livestock production continued to increase over the period.

The real value added by the mining sector increased in the first half of 2005, but production volumes dropped towards the latter half of the year.

The contraction in real output at an annualised rate of 4,5% in the fourth quarter of 2005 was mainly due to a decline in the real value added by the platinum-mining sector.

The strength of the exchange rate affected profitability as export earnings came under pressure. Despite a gradual deterioration in the quarter-to-quarter rate of growth in the real value added by the mining sector, the increase in real value added was 3,1% in 2005 as a whole, which was comparable with the rate of 2,8% recorded in 2004.

Following an increase of 5,4% in the third quarter of 2005, growth in the real value added by the secondary sector slowed to an annualised rate of 1,7% in the fourth quarter. This could be attributed mainly to a decline in the growth in manufacturing output. Although growth in real value added accelerated in the sector supplying electricity, gas and water, as well as in the construction sector, these increases were not enough to offset the decline in manufacturing production. As a result, the value added slowed on a year-to-year basis, recording a growth rate of 4,6% in 2005 compared with 5,1% in 2004.

Growth in the real value added by the manufacturing sector declined marginally from an annualised rate of 5,6% in the third quarter of 2005 to 0,3% in the fourth quarter. This can be attributed mainly to declines in the real output of several subsectors.

Real output of manufactured food and beverages, petroleum, chemical and plastic products, as well as electrical machinery, contracted. Plant conversions related to the change-over from leaded to unleaded and lead-replacement fuel adversely affected production in the petroleum and chemical products subsector over the period.

However, the real output of manufacturers of basic iron and steel products as well as transport equipment increased over the same period. Quarter-to-quarter growth rates ranging between -2,5% and 8% brought the growth in real manufacturing production for 2005 as a whole to 4,1%, compared with 4,6% growth in 2004.

Real gross domestic expenditure

Percentage change at seasonally adjusted annualised rates

Components	2004					2005				
	1st qr	2nd qr	3rd qr	4th qr	Year	1st qr	2nd qr	3rd qr	4th qr	Year
Final consumption expenditure by households	6,7	7,2	7,4	7,7	6,5	6,5	6,7	6,1	6,8	6,9
Final consumption expenditure by general government	5,4	6,0	0,1	12,6	6,9	0,8	5,9	5,5	14,7	5,6
Gross fixed capital formation	11,7	9,9	7,5	9,7	8,8	9,9	4,6	7,0	7,5	8,0
Change in inventories (R billion) at constant 2000 prices	10,9	16,7	17,8	12,7	14,5	12,3	6,o	13,3	2,0	8,6
Gross domestic expenditure	9,7	9,5	4,7	3,8	7,5	7,0	5,9	7,4	3,9	5,9

Source: South African Reserve Bank, *Quarterly Review*

Real gross domestic product (GDP)

Following a decline of 1,7% in the third quarter of 2005, growth in the real value added by the sector supplying electricity, gas and water accelerated to an annualised rate of 3,6% in the fourth quarter. The increased output was mainly evident in electricity production. For the year as a whole, growth in the real value added by the sector supplying electricity, gas and water slowed in 2005, which was characterised by an exceptionally mild winter that affected electricity consumption.

The real value added by the construction sector increased from an annualised rate of 9,5% in the third quarter of 2005 to 12,4% in the fourth quarter. The firm performance reflected the continued buoyancy of residential and non-residential building activity. In addition, provincial governments stepped up the pace of civil construction works.

The real value added by the tertiary sector grew at an annualised rate of 4,7% in the fourth quarter of 2005, which was slightly higher than the growth rate recorded in the second and third quarters. This can be ascribed mainly to lively activity in the commerce, transport, storage and communications sector, as well as in the finance, insurance, real-estate and business-services sector. The relatively robust quarter-to-quarter rates of increase during 2005 lifted the real value added by the tertiary sector by 5,2% for the year as a whole, following an increase of 4,7% in the preceding year.

The growth in the real value added by the commerce sector accelerated from an annualised rate of 6,3% in the third quarter of 2005 to about 9% in the fourth quarter. The brisk performance mainly reflected buoyant activity in the retail and motor trade sectors. Against the backdrop of favourable consumer confidence, real spending on durable consumer goods surged in the fourth quarter of 2005, lifting the real value added of the retail subsector. The sale of new motor vehicles surged in the fourth quarter of 2005 and for the calendar year 2005, new motor vehicles sold totalled 565 000 or 24,4% more than the previous record of 454 000 new motor vehicles sold in 1981.

In August 2006, new vehicle sales increased by 12,5% compared with the same month in 2005. It was the highest monthly tally ever, for new cars in particular.

The real value added by the transport, storage and communications sector increased at brisk annualised rates of 6,1% in the third quarter of 2005 and 6,5% in the fourth quarter. This was broadly in keeping with the sustained high level of domestic demand which led to an increase in the usage of land freight transport across the country. The real value added by the communications subsector was sustained at a high level in the third and fourth quarters of 2005. The strong quarter-to-quarter growth in the transport, storage and communications sector throughout the year culminated in an annual growth rate of 5,6% in 2005 as a whole, compared with the 4,6% increase recorded in 2004.

Following an increase of 4,5% in the third quarter of 2005, growth in the real value added by the finance, insurance, real-estate and business-services sector eased to an annualised rate of 3,7% in the fourth quarter. A slowdown in the real value added by banks was not fully offset by the increased output of other subsectors. Positive sentiment towards equity investment on the Johannesburg Securities Exchange (JSE) Limited lifted the real value added by securities dealers in the fourth quarter. In addition, the real output of the real-estate sector continued to benefit from sustained buoyancy in fixed property transactions. The annual growth in the financial intermediation, insurance, real-estate and business-services sector in 2005 amounted to about 7,7%, which was roughly the same rate as attained in 2004.

Real value added by general government accelerated from an annualised rate of 1,2% and 0,9% in the second and third quarters of 2005 to 1,9% in the fourth quarter.

Growth in real gross national income slowed from 5,5% in 2004 to 5,1% in 2005, mainly due to a sharp increase in net primary income payments made to the rest of the world, which more than neutralised an improvement in South Africa's terms of trade. Accordingly, growth in real gross national income per capita also slowed from a rate of 4% in 2004 to 3,7% in 2005.

Domestic expenditure

Within an environment characterised by rising income and the lowest inflation and nominal interest rate levels encountered in more than 20 years, all the major components of real domestic final demand rose strongly in 2005.

Growth in aggregate real gross domestic expenditure slowed considerably from an

annualised rate of 7,4% in the third quarter of 2005 to 3,9% in the fourth quarter. A substantial slowdown in the pace of inventory investment more than countered a marked acceleration in real domestic final demand – real final consumption expenditure by households and by general government, and real gross fixed capital formation. The level of real gross domestic expenditure was 3,9% higher in 2005 than in 2004.

Growth in real final consumption expenditure by households accelerated from 6,1% in the third quarter of 2005 to an annualised rate of 6,8% in the fourth quarter. The buoyancy in consumer spending was also reflected in a year-on-year growth rate of 6,9% in 2005, compared with a growth rate of 6,5% recorded in 2004.

Nevertheless, the growth in real household expenditure for 2005 as a whole amounted to 7%, compared with an increase of 6,5% in 2004. This was the highest annual growth rate in real consumption expenditure by households to be registered since 1981.

Factors that underpinned household spending in 2005 included:

- an increase of 6,6% in real household disposable income in 2005, partly due to wage settlements that remained above the contemporaneous inflation rate and income tax rates, which were lowered marginally
- the ratio of debt service payments to disposable income that remained relatively low throughout 2005 at 6,6%
- the high levels of consumer confidence recorded in 2004, previously observed in 1997
- the wealth effects arising from the exceptional increase in property and other asset prices.

Robust discretionary spending boosted the surge in real outlays on durable consumer goods from an annualised growth rate of 8,1% in the third quarter of 2005 to 24,4% in the fourth quarter. Relatively stable prices for new vehicles and interest rates which remained at 25-year low levels contributed to the high level of spending on personal transport equipment, especially on new motor vehicles. Growth in real outlays on furniture, household appliances and medical equipment slowed in the fourth quarter of 2005.

Growth in real final consumption expenditure on semi-durable goods levelled off in the fourth quarter of 2005, decelerating from a growth rate of 19,6% in the third quarter of 2005 to 8,6% in the fourth quarter. Slower growth was evident in all the spending categories of semi-durable goods.

Growth in real household expenditure on non-durable goods and services in the fourth quarter of 2005 continued at the modest pace set in the previous quarters. Growth in real outlays on household fuel and power, medical and pharmaceutical products, as well as some services, accelerated moderately over the period.

A steady increase in real household disposable income underpinned robust household spending. In addition, households also incurred more debt to satisfy their appetite for consumer goods and property acquisition. As a result, household debt as a percentage of household disposable income rose from 63,5% in the third quarter of 2005 to a new record of 65,6% in the fourth quarter. On an annual basis, the ratio increased from 55,9% in 2004 to 62,4% in 2005.

After an annualised increase of 5,5% in the third quarter of 2005, real final consumption expenditure by general government gained further momentum in the fourth quarter of 2005, recording an annualised increase of 14,7%. This was the result of an increase in real expenditure on goods and non-wage services, which included the acquisition of a submarine by the South African Navy as part of the defence procurement programme.

Final consumption expenditure by general government as a percentage of GDP increased from 19,7% in 2004 to 20,2% in 2005. However, year-on-year growth in real final consumption expenditure by general government decelerated from 6,9% in 2004 to 5,6% in 2005.

Growth in real gross fixed capital formation rose at brisk annualised rates of 7% in the third quarter of 2005 and 7,5% in the fourth quarter. The modest acceleration reflected a solid expansion of real capital outlays by private business enterprises and public corporations, whereas real gross fixed capital formation by general government recorded no growth in the fourth quarter of 2005. The year-on-year level of total real gross fixed capital formation rose by 8% in 2005, just short of the 8,8% increase attained in 2004.

Growth in real capital outlays by the private sector picked up from 7,5% in the third quarter of 2005 to 7,9% in the fourth quarter. The manufacturing, construction and commerce

sectors stepped up real gross fixed capital formation, which more than offset a contraction in real capital expenditure by the agriculture and mining sectors. Capital investment by the agricultural sector remained low, partly on account of the lustreless performance of key agricultural product prices.

Real fixed investment by manufacturing rose as the automotive and steel manufacturers continued to expand capacity in response to domestic and global demand. Briskly expanding construction activity and the prospect of further projects in the pipeline contributed to higher real capital expenditure in the construction sector. Moreover, the sustained high level of activity in retail and motor trade boosted growth in real gross fixed capital formation in the commerce sector.

Real gross fixed capital formation by public corporations picked up momentum from annualised growth of 12,1% in the third quarter of 2005 to 15,3% in the fourth quarter. Public corporations stepped up spending to upgrade the capacity of the electricity distribution network and to expand ports and harbours to relieve congestion and to accommodate larger container ships, thereby facilitating increased external trade.

Gross fixed capital formation by general government lagged behind that of the other institutional sectors, partly due to capacity constraints. Capital expenditure on key projects to address infrastructure backlogs is to be stepped up in later periods. However, provincial government increased capital investment in the fourth quarter of 2005, mostly geared towards the maintenance of the road network.

An analysis of annual growth rates in capital spending by type of asset confirms that the growth rate of capital outlays on residential buildings not only exceeded that of the other asset types during 2004, but that the growth of investment spending on residential buildings was at its highest since the mid-1960s. The ratio of gross fixed capital formation to GDP improved from 16,1% in 2004 to 16,8% in 2005. This compares well with an average ratio of 15% from 2000 to 2003.

Price inflation

During recent years, remarkable progress has been made in lowering South Africa's inflation rate to levels more consistent with those of its main trading partners.

Overall consumer price inflation decelerated markedly from a high of 9,2% in 2002; to 5,8% in 2003; 1,4% in 2004; and 3,4% in 2005 – the lowest rate of increase since 1962. Also, the year-on-year rate of increase in the consumer price index for metropolitan and other urban areas, less mortgage interest cost (CPIX), decelerated to within the inflation target range of 3% to 6% in the 30 consecutive months to February 2006.

During the recent period, price inflation dropped, mainly due to the substantial appreciation in the exchange rate of the Rand since the second half of 2002. Additional factors which helped reduce inflationary pressures were:

- the consistent application of prudent fiscal and monetary policies
- low increases in food prices over an extended period
- a progressive deceleration in inflation expectations.

A further moderation in price inflation in South Africa was prevented recently, in line with mounting concerns in the international community over the inflationary effects of the increase in commodity prices, particularly crude oil.

Year-on-year CPIX inflation rose from 4% in December 2005 to 4,3% in January 2006 and 4,9% in February 2006. Contributors to the latest figure included annual increases in the price indices for transport, food, medical care and health expenses, and housing, excluding the interest rate on mortgage bonds.

The annual rate of increase in food prices stood at 4,7% in February 2006 compared with 4,4% in January 2006.

Year-on-year headline inflation or the consumer price index (CPI) was at 3,9% in February 2006 – down from 4% in January 2006.

Statistics South Africa ascribed the higher rate partly to a rise in the year-on-year CPI for transport from 8,8% in January 2006 to 10,1% in February 2006.

Another factor was an increase in the CPI for food from 4,4% in January 2006 to 4,7% in February 2006.

The price for mining and quarrying products imported into South Africa, mainly comprising crude oil, increased by as much as 52% in the 17 months to May 2005.

CPIX inflation remained comfortably within the inflation target range and only two categories

showed year-on-year rates of price increase in excess of the upper limit of the inflation target range by February 2006. However, some factors were still of concern, necessitating continued vigilance in the application of anti-inflationary policy. These included:

- high and volatile international crude oil prices
- uncertainty concerning exchange-rate developments
- some salary and wage settlements significantly in excess of the inflation target range
- possible second-round effects of the abovementioned factors
- fairly high rates of money supply growth alongside continued buoyancy in domestic demand conditions
- increases in certain administered prices in excess of the inflation target range.

Exchange rates

The weighted average of the Rand, which appreciated by 11,7% between the end of December 2003 and the end of December 2004, depreciated by 2% between the end of December 2004 and the end of December 2005.

The decline in the external value of the Rand coincided with a widening in the deficit on the current account. The trade weighted exchange rate of the Rand displayed notable fluctuations during 2005, having depreciated by 9% during the first half of the year before recovering nearly all the lost ground during the second half.

The external value of the Rand strengthened by 1,8% and 0,3% in January and February 2006 respectively before depreciating by 1,1% in March. From the end of December 2005 to the end of March 2006, the nominal effective exchange rate of the Rand appreciated by 1%.

The average daily turnover in the domestic market for foreign exchange, which increased to US$13,8 billion in the third quarter of 2005, declined to US$12,0 billion in the fourth quarter. The value of transactions in which non-residents participated decreased from US$10,2 billion per day to US$8,8 billion per day over the same period.

The real effective exchange rate of the Rand declined by only 0,7% from the end of 2004 to the end of 2005 signalling that, on balance, there was little net change to the international competitiveness of South African exporters.

Foreign trade and payments

Strong domestic production and expenditure in 2005 were accompanied by buoyant demand for imports.

For the year as a whole, the volume of merchandise imports rose by 11%. Over the same period, merchandise export volumes expanded by 8,5%, consistent with the solid performance of the world economy. Both the trade deficit and the deficit on the service, income and current transfer account widened in 2005, resulting in a deficit on the current account of the balance of payments amounting to R64,4 billion from R47,5 billion in 2004. As a ratio of GDP, the deficit rose to 4,2% in 2005.

The value of merchandise exports which had increased by 8,7% in 2004, advanced further by 13,8% in 2005. This increase could be partly attributable to higher volumes of exported goods, which amounted to 19,9% of GDP. The increase of 4,7% in Rand prices of merchandise exports following the vigorous surge in international commodity prices also boosted the earnings of South African exporters. The value of mining products, and agricultural and manufactured goods rose by 18,9%, 11,4% and 11,2% respectively. Increases were most noted in the subcategories for mineral products, platinum-group metals, machinery and electrical equipment, vehicle and transport equipment, and chemical products.

The widening of the current account deficit in 2005 was also brought about by a further decrease of 5,8% in the value of net gold exports, from R28,7 billion in 2004 to R27 billion in 2005. The lower value of net gold exports resulted from a decline of 12,5% in the volume of gold exported. This drop was, however, partially offset by an increase in the price of gold. Despite the appreciation of the external value of the Rand in 2005, the average realised Rand price of gold increased by 7,5% after having decreased by 4,5% in 2004. On the London market, the average fixing price of gold rose by 8,7% from US$409 to US$445 over the period.

Notwithstanding the decline in the physical quantity of imported crude oil in 2005, the acquisition of a naval vessel and three aeroplanes lifted the volumes of imported goods by 11,5%. Strong domestic demand for internationally produced goods raised South Africa's import

penetration ratio from 22,7% in 2004 to 23,9% in 2005. At the same time, rising output prices in South Africa's main trading-partner countries and higher international prices completely countered an increase in the average effective exchange rate of the Rand. As a result, import prices moved upwards by 3,5% in 2005.

Net services, income and current transfer payments to non-residents increased from R46,2 billion in 2004 to R52,4 billion in 2005. The larger imbalance on the services account mainly reflected higher dividend payments to non-resident investors following the large-scale acquisition of South African equity securities in 2004 and 2005. These payments were only partly offset by an increase in tourism expenditure in the country.

South Africa recorded substantial inflows of capital on the financial account of the balance of payments during 2005. An inflow amounting to R98,4 billion was recorded during the year; the highest annual inflow ever recorded in a calendar year.

Net financial inflows to the value of R51,4 billion were recorded in the first half of 2005, followed by inflows of R47 billion in the second half. These inflows compared with the inflow of R84,6 billion recorded in 2004.

Inward direct investment increased during the year to an amount of R40,7 billion, compared with an inflow of R5,1 billion in 2004. The increase in the inflow occurred mainly as a result of the investment of a United Kingdom (UK)-based banking group in a South African commercial bank. Outward direct investment recorded an outflow of R0,4 billion in 2005, compared with an outflow of R8,8 billion in 2004. For 2005 as a whole, a net inflow of direct investment capital to the value of R40,3 billion was recorded.

Net portfolio investment declined from an inflow of R38,9 billion in 2004 to an inflow of R30,5 billion in 2005.

Other foreign investment into South Africa, consisting mainly of loans, trade finance and bank deposits, increased from an inflow of R10,9 billion in 2004 to an inflow of R22,1 billion in 2005. Over the same period, South African entities increased their other investment assets by R22,8 billion.

The country's net international reserves increased by R34,3 billion during 2005, owing to a strong surplus on the financial account. Total gross gold and foreign exchange reserves increased from R82,9 billion at the end of December 2004 to R130,5 billion at the end of December 2005.

In United States (US) dollar terms, South Africa's total gross international reserves rose from US$14,7 billion at the end of December 2004 to US$20,6 billion at the end of December 2005.

Import cover, which is the value of gross international reserves expressed as a ratio of the value of imports of goods and services, increased from nine weeks at the end of 2004, to 13 weeks at the end of 2005.

Department of Trade and Industry

The Department of Trade and Industry guides and facilitates access to sustainable economic activity by attracting high levels of investment, increasing access of South African goods and services to international markets, and creating a fair and conducive environment for domestic and international businesses and customers.

The department is working towards a transformed and adaptive economy that generates employment and equity.

To contribute to greater shared growth in the country, the department is pursuing the goals of:

- significantly progressing Broad-Based Black Economic Empowerment (BBBEE)
- increasing the contribution of small enterprises to the economy
- contributing towards providing accessible, transparent and efficient access to redress
- contributing towards building skills, technology and infrastructure platforms from which enterprises can benefit
- increasing market-access opportunities for, and export of, South African goods and services
- increasing the overall level of direct investment, as well as investment in priority sectors
- repositioning the economy in higher value-added segments of value matrices in knowledge-driven manufacturing and services
- contributing towards the economic growth and development of the African continent within the New Partnership for Africa's Development (Nepad) framework
- building an efficient, effective and accessible organisation to achieve these outcomes.

These strategic objectives will be achieved through the collective effort of the department's divisions and agencies that generate public value for

economic citizens, and deliver products and services for clients and stakeholders.

These products and services include policy, legislation and regulation, finance and incentives, information and advice, and partnerships. The department also achieves these objectives by pursuing a more targeted investment strategy, improved competitiveness of the economy, broadening the economic participation of historically disadvantaged individuals (HDIs) in the mainstream economy, and ensuring policy coherence.

In 2005/06, the department implemented a number of flagship projects. An average annual budget of R3 billion and about 1 000 employees will be devoted to the implementation of this strategy over the next three years.

The Department of Trade and Industry was expected to finalise the National Industrial Policy Framework in 2006/07, which will include a regional development strategy focusing on strengthening competition regulation.

The policy is expected to focus on unlocking South African industrial development in a sustainable manner by identifying strategic industrial interventions.

Broadening economic participation

Several of the department's programmes aim at bridging the economic divide and broadening economic participation by HDIs.

These programmes include:

- the Apex Fund that provides micro-finance to micro enterprises
- introducing the Small Enterprise Development Agency (Seda) to provide small enterprises around South Africa with a one-stop non-financial support service
- implementing new policy and legislation to promote the development of co-operative enterprises
- continued implementation of the BBBEE Strategy
- introducing a specific strategy to empower women.

The capitalisation of the National Empowerment Fund (NEF) commenced with an initial R400 million in 2005/06, which allowed the fund to expand the products and services launched in 2004. The intention is to increase the number of enterprises in the South African economy by creating an enabling environment, reducing regulatory costs for small enterprises and unleashing South Africa's entrepreneurial spirit.

Competitiveness and competition

The competitiveness of many enterprises in the economy continues to be based on the traditional factors of cost and access to raw material, rather than on new drivers of competitive advantage. Not enough enterprises have moved into more value-added niche markets.

Furthermore, downstream value-adding beneficiation of raw material is often constrained by high input costs arising from the anti-competitive pricing practices of monopolistic enterprises.

An example is the practice of import parity pricing in the steel and chemicals sectors.

The need to strengthen enterprises' capabilities to compete on factors other than price will be a focus of the Department of Trade and Industry's work in the next three to five years. It will undertake reviews of its enterprise-support measures and incentives for relevance, efficacy and competitiveness compared with those offered by South Africa's competitors.

In addition, an industrial policy framework that extends the work done on the Integrated Manufacturing Strategy (IMS) to include primary sectors and services, will be developed and implemented. A critical element will be the development of policy instruments to address import parity pricing as part of an agreement concluded with government's social partners at the Growth and Development Summit (GDS) in 2003.

Addressing anti-competitive behaviour and practices will be a focus area in the next three years.

Targeted investment strategy

Investment levels in the economy remain below the 25% of GDP benchmark required for a sustained acceleration in economic growth rates.

Not only does the level and rate of investment in the economy need to increase, but the type of investment taking place also needs to be more labour-absorbing if significant numbers of new jobs are to be created.

Over the next three years, the department is expected to develop and implement a more targeted investment strategy. It will focus on identifying and

promoting specific investment opportunities in particular sectors, regions and products, rather than a generic approach of marketing South Africa as an attractive investment destination.

This will require a more co-ordinated approach to investment promotion by national, provincial and local government. Achieving this will be a priority in the first year of the Medium Term Expenditure Framework period. The investment strategy will be informed by the results of the World Bank's Investment Climate Survey of over 500 enterprises, as well as the Organisation for Economic Co-operation and Development's review of South Africa's investment policy environment.

The department's work to develop and implement customised sector programmes to unlock the potential of government's priority sectors will receive higher priority. New growth sectors, including aerospace and paper and pulp, will be added.

Policy coherence and alignment

The Department of Trade and Industry continues to strengthen the Economic and Employment Cluster and promote co-operative governance concerning economic policy, as well as to ensure the strategic alignment and performance of its agencies. The department strengthens the working relationship with social partners through the National Economic Development and Labour Council, and enhances the support provided for organised business, specifically local business chambers.

Market access

International Trade and Economic Development (ITED)

The ITED division of the Department of Trade and Industry aims to increase South Africa's access to markets worldwide by negotiating international trade agreements, where possible, on preferential terms.

The ITED also 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. Increasingly, production is globally integrated, and South Africa forms a vital part of international supply chains.

Therefore, dismantling barriers to trade, especially those facing 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, Nepad, and economic relations with developed and developing trading partners in the North and the South.

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 Mercosur, a trading bloc consisting of Argentina, Bolivia, Brazil, Chile, Paraguay and Uruguay
- upcoming preferential trade negotiations with India and China, which were expected to gain momentum in 2006
- administrating various binational commissions (BNCs) with other governments
- Implementing 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
- ongoing analyses of trade threats and opportunities
- facilitating the mandate of the International Trade Administration Commission, which is an independent regulatory agency that has taken over administering the tariff regime from the Board of Tariffs and Trade, and is set to play a central role within the Sacu on tariff and related issues.

African economic development

South Africa's global economic strategy focuses on Africa and a strong development agenda. Partnerships with countries on the continent are therefore considered vital and strategic. South Africa's economy is inextricably connected to that

of the southern African region, and its success is linked to the economic recovery of the continent through Nepad.

Addressing development challenges will be mutually beneficial to South Africa and the rest of Africa.

Africa is an important market for South African exports. In 2003, about 23% of South Africa's exports were destined for the continent. There was also a huge increase in imports from the continent. In 2003, only 4% of total imports came from Africa. However, this increased to 40% in 2004.

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 forging bilateral trade and economic relations, 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
- 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 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 in Egypt, Nigeria, Ghana, Kenya, Ethiopia, Tanzania, Zimbabwe, the United Arab Emirates, Saudi Arabia and Angola. More are expected to be opened.

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 Declaration.

New Partnership for Africa's Development

The Department of Trade and Industry provides supportive services to Nepad which has a critical role in catalysing trade and economic development on the continent to alleviate poverty. The department aims to lead national government's contribution to Nepad on economic issues.

It contributes to the Nepad agenda by mobilising the necessary support from relevant stakeholders internally and externally, and providing leadership and strategic guidance on trade and economic issues. It also contributes to the national project co-ordinated through the African Renaissance Cluster on the formulation of a national response to Nepad through the Nepad Implementation Strategy of South Africa.

In its role as a policy-making and regulatory body, the department can help create an environment that promotes trade and investment on the continent.

Southern African Development Community

The SADC comprises 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 permanent membership in August 2005.

Since attaining democracy in 1994, South Africa has put regional integration by SADC member states at the top of its foreign economic agenda so that they can enjoy the economic benefits of closer economic co-operation. Consequently, 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 region, 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 Protocol on Trade was signed in 1996 in Maseru, Lesotho, and came into force on 25 January 2000. Negotiations on operationalising the protocol have centred on tariff-reduction schedules, rules of origin, dispute-settlement

mechanisms, a special trade agreement on sugar, eliminating non-tariff barriers, and harmonising customs and trade documentation. Agreement was generally achieved on all these issues, hence the implementation of the protocol on 1 September 2000. The objective of the protocol is to achieve a free trade area (FTA) by 2008 when at least 85% of intra-SADC trade will be duty free.

By mid-2005, all SADC countries, with the exception of Angola, the DRC and Madagascar, were implementing the protocol.

By June 2005, 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 took place under the protocol's preferences, and assess the rules of origin and any other issues that could impact on regional economic integration.

By mid-2006, substantial progress had been made in harmonising documentation and procedures, and in preparing the Memorandum of Understanding (MoU) on Co-operation and Mutual Assistance among Customs Administrations.

Southern African Customs Union

The 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 to make recommendations on tariff and trade remedies to the council
- a small Sacu secretariat to render administrative and support services to Sacu structures
- a dispute-settlement mechanism similar to the one in place in the SADC.

Sacu members agreed to establish national bodies responsible for receiving tariff applications from each member state. Consensus was also reached on a new revenue-sharing formula. The agreement also provides for member states to develop common policies and strategies with respect to industrial development.

Members agreed to co-operate on agricultural issues to ensure the co-ordinated development of the agricultural sector, to ensure fair competition and to address unfair trade practices.

Two-way trade between South Africa and other SADC member states is characterised by the prevailing trade imbalance in terms of exports versus imports from the region. Within the SADC region, Botswana, Lesotho, Namibia, Swaziland (the BLNS countries) and South Africa have organised themselves into Sacu, which shares a common tariff regime without any internal barriers. Customs revenues are shared according to an agreed formula.

A sizeable share of South Africa's exports (estimated at over R38,8 billion at the end of 2004) is destined for Sacu and other SADC countries. South African trade with this region increased significantly between 2002 and 2004, from R15 billion to R38,8 billion. Trade with SADC countries also increased from R32 billion to about R38 billion between 2002 and 2004.

There was also an increase in the volume of imports from the region, from R4 billion to R6 billion, giving an overall export/import ratio of 6:1. There is a definite need to reverse this trend and close the trade imbalance between South Africa and its SADC partners.

Over R2 billion in South Africa's African exports go to Zimbabwe, which is the largest importer in the SADC and accounts for over 24,4% of South Africa's exports into the continent.

Mozambique is importing more than it did in 2002 (from 16,4% to 19,5%), absorbing over R5 billion of South Africa's exports.

Trade with Europe

Trade relations with Europe, particularly with the European Union (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 2005, Europe accounted for 38,9% (R116,94 billion) of South Africa's total exports, and 40,3% (R140,448 billion) of its total imports. During the same year, the EU accounted for the bulk of this trade, with exports to the EU reaching R106,465 billion in 2005 (up from R93,426 billion in 2004), and imports reaching R128,360 billion in 2005 (up from R121,064 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 2005, South Africa's imports from Germany totalled R49,197 billion. The UK remains South Africa's largest export destination in Europe with South Africa's exports to the UK amounting to R32,377 billion in 2005.

European Union

The TDCA, which came under provisional implementation on 1 January 2000 and fully into force on 1 May 2004, provides for the establishment of 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. It covers trade and trade-related issues, development and economic co-operation, and political dialogue. It also provides a legal framework for ongoing EU financial assistance on grants and loans for development co-operation, amounting to R900 million per year. Statistics compiled by the South African Revenue Service (Sars) show that the tariff preferences in the agreement are being used increasingly.

The wines and spirits agreements were signed in January 2002 and are under provisional implementation. They 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 August 2005, South Africa and the EU signed the Enlargement Protocol, which provides for South Africa to extend the TDCA preferences to the 10 new member states and vice versa. By August 2006, the TDCA was under review and both parties had exchanged their respective levels of ambitions regarding the review of the TDCA.

The TDCA review clauses provide for the two parties to assess whether they would like to improve the TDCA in areas in which they already have commitments, and whether to extend it to areas that the TDCA covers partially or not at all. South Africa seeks to use the TDCA review processes to correct the anomalies in South Africa's and the SADC's trade policy towards the EU, and to ensure that the ongoing economic partnership agreements between the SADC and the EU are aligned with a revised TDCA. South Africa also negotiated that the EU's Generalised System of Preferences (GSP) be transposed to the TDCA, because products with GSP-status enjoy preference over those under the TDCA.

European Free Trade Area (EFTA)

In August 2005, SACU concluded an FTA with EFTA states, including Liechtenstein, Switzerland, Norway and Iceland. The Sacu's offer to the EFTA was the same as that to the EU in terms of the South Africa-EU TDCA on both agriculture and industrial products with some marginal adjustments (taking into account BLNS countries' sensitivities). EFTA offered Sacu full duty- and quota-free access for industrial products with rules of origin equivalent to or better than those contained in the TDCA. The EFTA's industrial markets in most products are open to Sacu through low tariffs (Most Favoured Nation [MFN] and GSP), but the agreement provides preferential access that is 'locked in' for items such as textiles and clothing. The EFTA has provided limited access to basic agricultural products.

The Americas

North America

The United States of America (USA) is South Africa's number-two trading partner in terms of total trade (the sum of exports and imports) recorded in 2005. Exports to the USA increased marginally in nominal terms from R30 billion in 2004 to R31 billion in 2005. Imports from the USA also recorded an increase in nominal terms from R26 billion to R27 billion from 2004 to 2005. Since 2000, the trade balance has been in South Africa's favour with the trade surplus increasing in nominal terms from R3,5 billion to R4,1 billion between 2000 and 2005.

South Africa is a beneficiary of the USA's GSP, which grants duty-free treatment to over 4 650 products.

South Africa is one of 37 beneficiaries of the Africa Growth and Opportunity Act (AGOA), which was promulgated in May 2000. In terms of the AGOA, 1 783 more products were added to the existing GSP products. Although the AGOA was initially due to lapse in 2008, the US Government consented to requests by African countries, and

extended 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.

Canada is South Africa's second-largest trading partner in North America. Since the lifting of sanctions in 1994, bilateral trade between South Africa and Canada increased from R904 million in 1993 to R4,7 billion in 2005.

South Africa is a beneficiary of Canada's General Preferential Tariff (GPT). GPT rates range from duty-free to reductions in the MFN rates. Furthermore, South Africa and Canada have an MoU relating to the export of clothing and textile products to that country.

The MoU allows a certain amount of clothing and textile products from South Africa to enter the Canadian market at a better-than-MFN tariff rate. The Trade and Investment Co-operation Arrangement, signed in 1998, enhances bilateral and trade investment.

Latin America

South Africa's major trading partners in Latin America are Brazil, Argentina, Chile, Mexico, Colombia and Peru. Most trade is with Brazil and Argentina, which are members of the Mercusor trade bloc. A framework agreement committing South Africa and Mercusor to an FTA was signed in 2000. However, as a first step towards achieving this goal, the parties signed the Preferential Trade Agreement (PTA) in December 2004. Upon ratification by all signatories, the PTA will offer businesses from both sides preferential access to a broad range of products. Trade between South Africa and Mercusor grew substantially from R2,7 billion in 1994 to R14,5 billion in 2005. South Africa recorded a trade deficit of about R8,5 billion against the bloc for 2005. From 2002 to 2005, about 62,5% of total trade between South Africa and Mercusor was with Brazil.

South Africa and Brazil regard each other as strategic partners, and co-operate in bilateral and fora such as the WTO. Notwithstanding South Africa's strong ties with Mercusor, Chile is becoming an increasingly important partner for South Africa, with South African mining companies heavily involved in mining activities in that country.

Total trade between South Africa and Mexico increased from R1,4 billion in 2000 to R1,9 billion in 2005. The trade balance was in South Africa's favour for a number of years, but became negative for the first time in 2005.

Bilateral trade between South Africa and the Andean Community (Peru, Ecuador, Bolivia, Colombia and Venezuela) has been growing relatively slowly since 1994. The Andean Community, and 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 has been increasing rapidly since 1994. Two-way trade between the two countries reached R14,42 billion in 2005. South Africa and India have enjoyed strong historical ties, which have translated into a firm political commitment. In light of these shared historical links, closer economic ties are being fostered using initiatives such as the Joint Ministerial Commission (JMC) and the India-South Africa Commercial Alliance.

Developments in building economic relations with India are also expanding to include partners in Sacu, as reflected in Sacu's decision to pursue PTA negotiations with India. The proposed preferential negotiations between Sacu and India should accelerate trade flows between the two economies, extend the range of traded goods and services and, more importantly, increase the proportion of trade in higher value-added products. This process could also stimulate investment, joint ventures and strategic partnerships between South African firms across a range of sectors.

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 (IBSA) Forum. IBSA is not only an economic initiative but also an undertaking by countries with shared interests in a multilateral system to address equitably political, social and economic matters.

The economic co-operation is informed by the reality that even though India, Brazil and South Africa can be ranked respectively as the fourth-, ninth- and 21st-largest economies in the world, trade between the three countries is low. More significantly, further analysis reveals that there is considerable scope to increase trade volumes and expand the range of traded products between the

three markets. In essence a more fundamental aim than the development of a giant trading bloc, the trade and investment undertakings under IBSA seek to cultivate and unleash the host of missed opportunities that exist.

South Africa and India co-operate in the G20, which is a grouping of developing countries seeking to address development challenges in the global economic system. Bilateral trade with south-east Asia, particularly the Association of South-East Asian Nations (Asean) members, increased rapidly from a low base from 1990. Asean presents South Africa with a potential market in excess of 520 million people. South African total trade with Asean totalled R25,72 billion in 2005, and is set for continued growth. Within Asean, key partners for South Africa include Singapore, Thailand, Indonesia, Malaysia, Vietnam and the Philippines.

North-east Asia

The People's Republic of China (PRC) is a key partner for South Africa in this region. The PRC's influence in the global economy has changed significantly in the last few decades as its share of international trade has increased, with China becoming a pillar of global economic growth. Economic and trade relations between South Africa and the PRC have grown rapidly since the formal establishment of diplomatic relations, with total trade growing from R5,3 billion in 1998 to R40,2 billion in 2005.

The two countries engage regularly on economic issues through mechanisms such as the Joint Economic and Trade Committee, which is held under the auspices of the BNC. The possible launch of Sacu-China preferential negotiations was announced in 2004.

A PTA with China could open up the possibility for mutually beneficial economic development through potentially increased value-added trade and investment. 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 among South Africa's largest trading partners in Asia and is among South Africa's largest overall trading partners. Total trade reached R56,9 billion in 2005.

The South Africa-Japan Partnership Forum, led by the Department of Foreign Affairs, is designed to strengthen bilateral ties between the countries. The forum meets regularly and explores new initiatives to expand relations. From March to September 2005, South Africa participated in the World Expo 2005 in Aichi, Japan, which helped showcase South Africa's goods and services, and allowed the country to contribute to the expo theme of poverty alleviation and eco-friendly sustainable development. South Africa was awarded the Silver Award Trophy for its interpretation of this theme.

Australia is another important market for South Africa, with total trade reaching R17,05 billion in 2005.

Multilateral economic relations

The WTO, in partnership with the Bretton-Woods Institutions, the World Bank and the International Monetary Fund, has 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.

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 South Africa's 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)

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 face challenges arising from globalisation and integration into the world economy equitably. This is pursued through research and policy analyses, intergovernmental deliberations, technical co-operation, and interaction with civil society and the business sector.

Unctad focuses much of its energy on assisting developing countries to prepare for mandated and possible future negotiations in the WTO.

Unctad holds a conference every four years to set its priorities and guidelines, and to provide an opportunity to debate key economic and development issues.

Member states gathered in São Paulo, Brazil, in June 2004 for Unctad's 11th Ministerial Conference, which closed with the adoption of the Spirit of São Paulo Declaration and the São Paulo Consensus, which provide more detail on the role of Unctad in a globalising world.

The Spirit of São Paulo Declaration 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.

The São Paulo Consensus focuses on:

- development strategies in a globalising world
- building productive capacities and international competitiveness
- assuring development gains from the international trading system and trade negotiations
- partnerships for development.

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 that WTO rules provide.

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 participate in shaping global governance to ensure beneficial and full integration of its economy, as well as those of other developing nations, into the global trading system.

South Africa's efforts to build an alliance of developing countries within the WTO, based on a common approach and consensus on key issues, bore fruit late in 2001, when an agreement was reached to launch a new round of trade negotiations, this time with a developmental agenda.

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 fifth WTO Ministerial Conference held in Cancun, Mexico, in September 2003, when WTO members failed to reach agreement on key developmental issues due to irreconcilable positions between developed and developing countries.

A positive outcome of the Cancun meeting was the formation of a grouping of developing countries known as the G20, which succeeded in pushing for significant reforms in agricultural trade which the developed world strongly opposed. The failure to reach agreement in Cancun showed that developing countries are now participating more effectively in the WTO to ensure they also benefit from the rule-based trading system and globalisation. The G20 has become an important player in the Doha Development Agenda to ensure that the needs and concerns of the developing world are addressed.

After the failure of Cancun to agree on a work programme for continued Doha Development Agenda negotiations, the G20 highlighted agricultural reform as an important development tool. The group was also trying to narrow the differences between developed and developing countries to put the Doha negotiations back on track.

In July 2004, the WTO General Council adopted a work programme to accelerate progress in the negotiations. This programme, known as the July Package, focuses on a specific set of issues, namely agriculture, non-agricultural market access, services, trade facilitation and rules. The negotiations were scheduled to conclude in 2006.

The G20 comprises Argentina, Bolivia, Brazil, Chile, China, Cuba, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela and Zimbabwe.

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 actively participates in discussions to address economic development and globalisation.

The country hosted the WEF on Africa in Cape Town in June 2006. The forum focused on ways of boosting growth on the African continent. The theme for the forum was *Going for Growth*. The forum highlighted improvements on the continent, as many African countries are experiencing positive growth.

The major outcome of the WEF was the establishment of the Investment Climate Facility

(ICF), which is an innovative public-private partnership aimed at making Africa a better place in which to do business. The ICF's goal is to remove obstacles, both real and perceived, to doing business in Africa. The initiative focuses on property rights and contract enforcement, reducing red tape, taxation and customs reform, developing financial markets, infrastructure facilitation, labour-market restructuring, promoting competition, and eliminating corruption and crime.

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).

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 facilitating and promoting investment, developing and promoting export, and developing customised sector policy.

Tisa's mission is to provide strategic vision and direction to key growth sectors in the economy, to increase the level of direct investment flow, and to 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 2003/04. One-third of these investments were made in the automotive sector. During the same period, 50 import and export missions took place.

It also hosted several export training and development seminars.

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 and the 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 aim is to develop strategies for all priority sectors and to enhance their growth and competitiveness. The CSP methodology provides a strong and intellectually vigorous platform for optimal sector development.

A key characteristic of the methodology is that it supports a high level of stakeholder interaction. It also includes interventions to promote and develop investment and exports, and to provide input related to policy development.

Export development and promotion

Tisa is responsible for developing and promoting South African goods and services. It contributes directly towards the objectives of the Department of Trade and Industry by:

- identifying, researching and promoting market-access opportunities for South African exporters
- facilitating exports by matching potential exporters with foreign buyers
- developing and helping South African exporters to promote their products by providing non-financial support.

Promoting and facilitating investment

Tisa is responsible for attracting foreign direct investment (FDI), and developing and promoting investment by domestic and foreign investors. It offers:

- information on investing and the business environment in South Africa
- 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 (IIC)

The council meets twice a year to advise the President on investment promotion and other economic issues.

The 10th IIC meeting was held in May 2006 in Cape Town.

Topics discussed included government's programme of action, the investment climate in South Africa, the investment plans of key public enterprises such as Transnet and Eskom, and international perceptions of South Africa. G7 and EU initiatives regarding Africa and in relation to strengthening Nepad, were also discussed.

The meeting also addressed the challenge of integrating the Second Economy into the industrial economy.

Enterprise and industry development

The Department of Trade and Industry's Enterprise and Industry Development Division (EIDD) is moving trade and industrial policy in South Africa towards an internationally competitive status, capitalising on the country's competitive and comparative advantages.

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).

In 2004/05, the EIDD developed policy proposals to modernise the South African technical infrastructure. These would culminate in new legislation on the different elements constituting the technical infrastructure, namely:

- strengthening government's recognition of the South African National Accreditation System, as the national accreditation authority
- modernising the South African metrology infrastructure and standardising in South Africa
- establishing a new technical regulatory body for the country.

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 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 programme consists of 11 local SDIs and four IDZs that were at varying stages of delivery by August 2006. The SDIs are the 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. The IDZs are in Gauteng, Coega/Ngqura, East London, Saldanha and Richards Bay.

The SDI concept focuses on:

- industry by means of the KwaZulu-Natal and Fish River SDIs
- agrotourism, as in the Lubombo and Wild Coast SDIs
- a sectoral mix, for example the Maputo Development Corridor
- IDZs such as those in Coega/Ngqura, Saldanha and East London.

IDZs are located near major transport nodes such as ports or airports. The benefits of IDZs include support to investing companies, especially for greenfields development projects; access to transport for export purposes; waiver of import duties for products that are produced for export; and subsidies for providing skills training to employees.

By mid-2006, a precious metals precinct was being established at the OR Tambo International Airport (formerly the Johannesburg International Airport) IDZ, to allow for duty-free imports and exports of finished goods with great advantage to the industry.

By mid-August, the construction of the Ngqura and East London IDZs had proceeded well, with the Ngqura port being developed. The East London IDZ acquired new investors in June 2005 in its bid to become a hub for vehicle and agroprocessing manufacturing.

The Enterprise Organisation (TEO)

The Department of Trade and Industry's TEO provides incentives to stimulate or catalyse investment in infrastructure, HRD, integrated manufacturing and related activities, small-business development, specific regions, and technology and innovation.

A number of incentives are provided to both large and small businesses to improve their competitiveness. These include incentives under the SMEDP, the Competitiveness Fund, the Sector Partnership Fund and the Black Business Supplier Development Programme (BBSDP).

By mid-2005, more than 12 000 enterprises had benefited from the SMEDP. The Competitiveness Fund had supported more than 1 200 enterprises, the Sector Partnership Fund had assisted over 85 successful partnerships consisting of over 600 individual enterprises, and the BBSDP had assisted over 600 small, black-owned enterprises to improve systems, quality, skills and marketability.

The department launched an incentive scheme for the film industry in June 2004.

The draft Enterprise Development Bill seeks to create an enabling regulatory framework for developing and administering economic incentives and other measures for supporting enterprise.

SMEDP investment on approved applications totalled R1,4 billion over three years and industrialists would invest R6,8 billion in these projects. These investments represented 1 296 applications and were expected to generate 27 000 jobs.

Workplace Challenge Programme

This supply-side programme of the Department of Trade and Industry (administered by the National Productivity Institute [NPI]) assists enterprises and industries to improve their productivity and competitiveness. The programme focuses on improving workplace collaboration, adopting world-class manufacturing practices and disseminating best practices.

The programme, which was allocated R7 million in 2004/05, focuses on the manufacturing and processing sectors.

The programme assisted eight new clusters, incorporating 57 companies and employing 9 487 people. Three new clusters incorporating 24 companies and employing 4 899 people started the orientation phase in May 2004.

National Industrial Participation Programme (NIPP)

Launched in September 1996, the NIPP's principal objective is to raise investment levels and to increase exports and market access for South African value-added goods and services by leveraging off government procurement.

This encourages a better geographic spread of investment to create job opportunities and to support value-added manufacturing in strategic sectors of the economy that may not otherwise occur.

Participation in the NIPP becomes obligatory when the imported content of any public-sector purchase exceeds US$10 million.

When the South African Government enters into sizeable contracts with foreign suppliers, these suppliers are obliged to participate in economic activities in the country that are designed to increase fixed investment and/or promote international market access for South African value-added goods and services.

The Industrial Participation Secretariat, a business unit within the EIDD, ensures that beneficiaries meet their obligations, in terms of both quantity and time scales, without disrupting existing local industrial activity, and strives to encourage labour intensity.

Strategic partnership agreements are proactive arrangements to encourage international companies to identify business opportunities in South Africa.

Beneficiaries can fulfil their obligations either by investing in approved projects or by promoting exports of South African value-added products, either by buying for their own requirements or by causing foreign companies to buy from South African companies. Strategic Defence Procurement (SDP) obligors are entitled to sale (exports and local sales) credits arising from those investments, in addition to credits for that investment and any technology transfers that may arise.

SDP obligors should fulfil about a third of the obligation from investment and technology transfer credits, and two-thirds from sales. Other obligors, in addition to investment, technology transfer and sales credits, are also entitled to credits arising from job creation, training and skills development, research and development expenses, and subcontracting to small and medium enterprises (SMEs). In the case of non-SDP obligations, credit multipliers are used to encourage BEE, investment and exports.

These obligations need to be discharged over seven years, with the exception of the BAE/SAAB obligation, due to its size which must be discharged over 11 years.

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.

The Department of Trade and Industry's main functions regarding the manufacturing sector include:

- supporting increased investment in the sector
- enhancing the establishment of new manufacturing entities
- supporting new sustainable and profitable manufacturing entities.

Primary aspects of the IMS involve:

- improving market access for South African products in key markets
- promoting beneficiation and value addition
- 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, encourages large corporations and companies to make greater use of small businesses, and promotes 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.

South Africa has a significant small business sector with some two million small businesses representing 98% of all firms.

Collectively, small enterprises employ 55% of the country's labour force and contribute about 43% to the total wage bill. However, 87% of small businesses are survivalist, with the great majority being black-owned and 41% owned by women.

The Company Registration Index shows that the share of business held by small firms is increasing. In the 2006 calendar year to the end of May, the Companies and Intellectual Property Registration Office recorded 19 050 company and 88 086 close corporation registrations. This represented an increase in the past year of 2,7% and 13,7% respectively.

Registrations of co-operatives totalled 4 843, representing an annual increase of 207%.

Overall, most new registrations were in the business services, trade and financial sectors, followed by community and social services and the construction industry.

The automotive sector is the leading manufacturing sector and the third-largest economic sector in South Africa. Growth in this industry can largely be attributed to the Motor Industry Development Programme.

Competition policy

The Competition Act, 1998 (Act 89 of 1998), promotes competition in South Africa to:

- enhance the efficiency, adaptability and development of the economy
- provide consumers with competitive prices and product choices
- promote employment and advance the social and economic welfare of South Africans
- expand opportunities for South African participation in world markets and recognise the role of foreign competition in the country
- ensure that SMEs have an equitable opportunity to participate in the economy
- promote a greater spread of ownership, in particular by increasing the ownership stakes of HDIs.

The functions of the Competition Commission include investigating anti-competitive conduct in contravention of the Act, assessing the impact of mergers and acquisitions on competition and taking appropriate action, monitoring competition levels and market transparency in the economy, identifying impediments to competition, and playing an advocacy role in addressing them.

The Competition Commission is independent but its decisions may be appealed to the Competition Tribunal and the Competition Appeal Court.

Small, medium and micro enterprises (SMMEs)

Institutional support framework

Small Enterprise Development Agency

In 2004, the National Small Business Act, 1996 (Act 102 of 1996), was amended to provide for the merging of Ntsika Enterprise Development Agency and the National Manufacturing Advisory Centre to form the integrated Seda on 13 December 2004.

Seda aims to:

- improve geographic outreach
- achieve the desired impact on small enterprises
- provide a single access point for small enterprises
- be inclusive of all relevant stakeholders
- leverage resources in service delivery
- optimise resource usage
- align government's strategy of service delivery in a coherent manner.

At Seda offices, entrepreneurs are able to get help with business plans, technical advice and marketing, as well as information on export support, tenders and incentives.

A call centre provides advice to entrepreneurs wanting to establish their own businesses. The call centre gets over 1 000 calls a month, as well as e-mails and walk-in customers. Seda has also developed an online business-information resource centre that is free to view and carries fact sheets, links, events and news.

The popularity of the site continues to grow, with almost 20 000 unique visitors browsing the site each month. Almost 300 business-support organisations are now affiliated to Seda, and mentor and guide small businesses on a day-to-day basis. The business-support organisations are the vehicle for Seda's information resources to penetrate into communities nationally.

South African Micro-Finance Apex Fund (Samaf)

The Department of Trade and Industry launched Samaf to provide affordable and sustainable access to financial services for the poor. The goal of the fund is to:

- develop sustainable micro-finance institutions that can reach the very poor
- facilitate training for micro entrepreneurs and financial co-operative clients
- provide back-office services through a centralised information platform
- provide mentoring, monitoring and regulating to partner organisations.

The allocations of the fund will increase from R50 million in 2005/06 to R88,1 million in 2008/09. The fund also received donor funding from the EU's sector-wide enterprise, employment and equity programme of R12,5 million in 2005/06.

In September 2006, Atteridgeville, outside Pretoria, was the host of the final provincial launch of Samaf.

The fund disbursed R23 million to 27 partner organisations between May 2006 and 30 September 2006. This was in addition to the R12 million disbursed in 2005/06.

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. Khula's achievements can be categorised into providing support to financial intermediaries as retail distribution networks, and providing direct services to SMMEs.

Khula Enterprise Finance aims to broaden its reach to ensure that 50% of its loan disbursements benefit women entrepreneurs. Out of almost 3 000 individuals who benefited from the agency's financial support scheme in 2005/06, only 34% were women. The agency's target is to ensure that by 2008, 50% of the agency's beneficiaries are women.

The Thuso Mentorship Network provides entrepreneurs with pre-loan business plans and post-loan support in the form of technical expertise management.

Khula Enterprise Finance is revising its financing activities. It introduced a new strategic direction based on maximising access to finance by increasing its growth in disbursements by 20% per year. Khula will also improve its impact and outreach by introducing new delivery channels such as Seda access points, and by forging new corporate partnerships that have better outreach across the country.

In 2006/07, the agency requested R650 million in funding from the Department of Trade and Industry to ensure that 50% of its loan disbursements are in poor provinces.

Technology for Women in Business (Twib)

Twib aims to enhance the use of technology by women in business, to promote innovation among women, and to encourage young girls and women to choose careers in science and technology.

By 2004, Twib had established itself in a variety of business sectors, including minerals and energy, construction, information technology (IT) and ICT, agriculture, arts and culture, and science and technology.

The launch of the Girl Child Initiative is one of 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.

South African Women Entrepreneurs Network (Sawen)

Sawen assists aspiring and existing business women with their business enterprises. The

network advocates policy changes, builds capacity and facilitates women's access to business resources and information.

Sawen works hard at:

- organising networking fora at regional, national and international level
- lobbying and advocating for enabling and supportive policies
- gathering and updating a database of women-owned enterprises and the services rendered by these companies
- facilitating access to pertinent business information
- facilitating capacity-building and training
- providing business mentorship and counselling
- facilitating access to decision-makers.

National Empowerment Fund

The NEF was established by the NEF Act, 1998 (Act 105 of 1998), to promote and facilitate economic equality and transformation.

The fund received R150 million during 2004/05 and a further R400 million in 2005/06.

The NEF leverages its funding by setting up strategic alliances with other private-sector financial institutions to further increase 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 fund has also introduced new products and services such as the Group Entrepreneurial Schemes Division (loans and equity finance to BEE SMEs from R250 000 to R10 million), Market Making (finance for larger BEE transactions in capital markets, warehousing and strategic projects) and BEE Retail Investment (promoting HDI savings and access to listed equities through new product offerings in the design phase).

South Africa's Small Enterprise Development Agency hosted the first Tri-Nations Summit on Small Business in partnership with its counterparts in Brazil and India in Durban in August 2006.

The summit was a strategic milestone that exposed South Africa's small-enterprise support agencies and small enterprises to international best practice, and provided a platform for meaningful business linkages.

The NEF partners business organisations that focus on serving women. It deploys its resources to optimise the empowerment dividend to government and provides pre- and post-investment management assistance.

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 existing funders' traditional risk aversion.

Industrial Development Corporation (IDC)

In forming SMEs, the IDC plays an increasingly important role in supporting and assisting with venture capital. The IDC has three operational and client-oriented divisions, namely Services Sectors, Industrial Sectors and Projects.

The Services Sectors Division explores ways of increasing its development impact on economic growth and job creation. This 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 identifies new sectors of strategic importance that need support.

The Industrial Sectors Division intensifies financing activities in the traditional business areas and concentrates on developing medium-sized enterprises, focusing on labour-intensive sectors such as agro-industries and entrepreneurial mining.

The Projects Division affects the regional economy by using 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.

Among other achievements, the IDC has established a R50-million fund to help communities obtain shareholding in IDC projects and, ultimately, to facilitate socio-economic development related to projects.

IDC collaboration with the EU and the European Investment Bank on the Risk Capital Facility enabled it to reach more black-empowered SMEs. This facility was used in 15% of IDC deals.

Through its financing activities, the IDC made a noteworthy contribution to addressing the development needs of South Africa.

Some of the highlights in 2005/06 included the following:

- a record creation of 26 000 jobs through financing activities

- Competitive Financing for Development schemes of R1 billion were introduced
- 69% of the total number of approvals were for SMEs
- R370 million of approvals directly benefited townships, mainly through investments in tele-communications, food-retail industries and tourism
- increased strategic focus on maximising development impact in rural and regional development
- 150 financing approvals took place amounting to R4,2 billion.

Business Partners Limited

Business Partners Ltd is a specialist investment group that provides 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.

In March 2006, Business Partners launched two new specialist investment funds: the Business Partners Empowerment Fund and the Business Partners Tourism Fund. Business Partners will be investing R6,6 billion into the entrepreneurial enterprises over the next five years.

During its first 25 years, Business Partners invested R6,9 billion into the country's SMEs. A further R6,6 billion was invested through Business Partners' three geographical investment funds, as well as through a number of specialist funds, some of which are joint ventures with government bodies and other organisations. These include the Business Partners-Khula Start-Up Fund and the Business Partners Umsobomvu Franchising Fund.

Consumer and corporate regulation

The Consumer and Corporate Regulation Division of the Department of Trade and Industry administers the regulation of the liquor, gambling and lottery industries, as well as commercial competition and consumer-protection policies.

The Companies and Intellectual Property Registration Office registers businesses and intellectual property rights, maintains related registries and develops information for disclosure to stakeholders.

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.

With a view to building an equitable, socially efficient and competitive economy, 2006/07 saw government entrenching consumer rights and providing consumers with means to redress.

The drafting of the Consumer Protection Bill was motivated by the need for marginalised people to be given access to redress, as consumers, and for protection against the unscrupulous. The Bill aims to address South Africa's fragmented and inconsistent consumer legislation by giving status and content to various consumer rights, some of which derive from United Nations guidelines on consumer rights. The enforcement of the Bill will be ensured by a dedicated institution called the National Consumer Commission.

The Bill aims to protect consumers from reckless lending and lower the cost of bad debts to the country. The Bill covers all forms of credit provision and provides for the creation of a national credit regulator, which was under way by mid-2006.

Black Economic Empowerment

Broad-Based Black Economic Empowerment Strategy

The BEE strategy was established in collaboration with the South African National Accreditation System to ensure implementation of best standards. By mid-2006, the Department of Trade

A review by Ernst and Young in April 2006 showed that the combined value of Black Economic Empowerment merger and acquisition deals was R6,3 billion higher in 2005 than in 2004. Although the number of transactions dropped from 243 in 2004 to 238 in 2005, the total value increased from R49,9 billion to R56,2 billion.

and Industry was formulating an IT database to ensure that mechanisms were established for self-assessment, providing BEE information, and facilitating BEE partners and business opportunities. All accredited verification agencies were to be linked to the database to enable anyone in the economy to verify their BEE status or that of a supplier by going onto the department's website.

The BBBEE codes of good practice, drafted by government in consultation with stakeholders, provide guidelines for the implementation of BBBEE.

The second phase of the codes of good practice on BBBEE was released for public comment in December 2005, and by the 31 March 2006 deadline the Department of Trade and Industry had received almost 180 submissions from various sectors.

This process revealed that more extensive research into some elements of the codes of good practice was necessary, which the department embarked upon along with further consultation with stakeholders and practitioners, resulting in the generic and qualifying small enterprises scorecards being refined.

The department was also expected to release the Practitioners Manual and Summary.

To make it easy for small businesses to comply with the codes, the department will create a special dispensation for BEE compliance for small enterprises. Thresholds to determine the size of companies that were to qualify for the special dispensation were reviewed in mid-2006.

The BEE Advisory Council will be established once Cabinet had approved the codes of good practice. The council will report on the status of BEE in the economy on a quarterly basis. Its members will be drawn from the business, labour, local and academic communities and will be representative in terms of gender, race and geographical spread.

Black Business Supplier Development Programme

The Department of Trade and Industry launched the BBSDP in April 2003.

The BBSDP is a 20:80 cost-sharing cash-grant incentive scheme, offering support to black-owned enterprises in South Africa. The scheme provides such enterprises with access to business-development services, assisting them to improve their core competencies, upgrade managerial capabilities and restructure to become more competitive.

It aims to foster links between growing, black-owned enterprises 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.

State-owned enterprises (SoEs)

The Department of Public Enterprises is responsible for overseeing SoEs, to ensure that they:

- facilitate economic growth by locating them in optimal industry structures, ensuring the efficiency of their operations and the economic effectiveness of their investment programmes
- play a leadership role in the economy in terms of corporate governance and the implementation of national policy
- catalyse sector and regional economic development opportunities.

Eskom

Eskom is a critical factor in South Africa's electricity supply and will remain so for a long time to come, although other suppliers are being introduced into the system. Eskom's core business is electricity, including generation, transmission, distribution and retail.

Over the next five years, projected investment requirements to meet national energy needs and supply are estimated at R107 billion. Eskom has to meet massive capital-expansion requirements that will require funding from sources beyond government. Eskom will build 70% of future new capacity, and independent power producers will provide the balance.

Over the next five years, Eskom is expected to invest R97 billion as follows:

- R65 billion in the generation sector
- R10 958 billion in expanding and strengthening the transmission sector
- R15 billion in the distribution sector.

These plans include providing a coal-fired power station that will add 2 100 MW to the amount of power available, and a pump-storage project that will be ready in 2012 and will contribute 1 300 MW of energy.

Pebble Bed Modular Reactor (PBMR)

The PBMR, which the Department of Trade and Industry transferred to the Department of Public Enterprises in March 2006, provides a plausible and cost-effective alternative solution to using very long, expensive transmission systems or establishing the logistical capability to supply coastal power stations with gas or coal to meet coastal towns' and cities' electricity requirements.

PMBRs can be located close to the point of use and consume small quantities of uranium, of which South Africa has abundant deposits. The PMBR design is regarded as the most efficient high-temperature reactor in the world.

The department will assist in the establishment of this entity by introducing a Public Finance Management Act-compliant governance system, supporting the construction of a demonstration power plant and pilot fuel plant and facilitating the timely processing of the environmental impact assessment.

Denel

After facing a funding crisis and questions about its viability in 2005/06, Denel has received R2 billion from government and has shifted its focus from being a systems developer to becoming a systems integrator.

The Department of Public Enterprises closely monitors the implementation of Denel's business strategy and its performance in joint ventures. Together with National Treasury, the department monitors Denel's balance-sheet requirements, and collaborates with the departments of trade and industry and of science and technology to develop a defence-sector strategy and to ensure adherence to policy.

The department will also help to establish the Defence Evaluation and Research Institute that will streamline the activities of national organisations to support the Department of Defence, Denel, Armscor and industry with research and testing services.

Alexkor

Alexkor is a diamond-mining company on the south bank of the Orange River at the river mouth.

Government is engaging the local Richtersveld community in decisions concerning Alexkor which was the subject of a land claim a few years ago, and which is to be recapitalised so that it can implement its short-term turnaround plan and drive its exploration and expansion programme.

The Department of Public Enterprises is transferring community services such as the hospital, school, airport and other non-core services that Alexkor manages to the relevant authorities and has appointed a consultant to support the establishment of a municipality.

In mid-2006, the department was involved in discussions with Alexkor and the Department of Minerals and Energy to ensure that the mine would become the first producer of diamonds to sell its entire yield to the State Diamond Trade (STD) that was to be established in terms of the Diamonds Amendment Act, 2005 (Act 29 of 2005). The Act aims to encourage the local beneficiation of mineral resources mined in South Africa, with the STD facilitating the redistribution of unpolished diamonds to local emerging diamond processors.

Transnet

Transnet is being transformed from a diversified conglomerate into a focused freight transport company, with non-core functions and services being transferred to the Department of Transport, among them Metrorail on 1 May 2006, and Shosholoza Meyl. In May 2006, Transnet put a majority stake in the Victoria and Alfred Waterfront in Cape Town up for sale.

Transnet was expected to complete the transfer of South African Airways (SAA) during 2006. The department's primary undertaking will be to stabilise SAA's financial position and develop a pragmatic airlift strategy.

Growth in container traffic demands the rapid expansion of sea ports, leading to Durban harbour's Pier 1 being redesigned, the entrance being widened and a container terminal being constructed at Ngqura.

By mid-2006, the Department of Public Enterprises was developing a long-term plan for ports that would meet the strategic industrial requirements of different regions in South Africa and ensure greater specialisation between and among ports to optimise the investment in ports infrastructure.

South African Forestry Company (Safcol)

By August 2006, the Department of Public Enterprises, in consultation with other departments, was reviewing the future role of Safcol, the State-owned forest management company and its wholly owned subsidiary Komatiland Forests (KLF).

The Cabinet also approved a recommendation of the Cabinet Economic Cluster Committee to retain forests managed by KLF.

The review aims to ensure that the State-owned forests contribute optimally to government's objectives for the forestry, timber, pulp and paper sector.

Public works programmes

The Department of Public Works aims to provide and manage the accommodation, housing, land and infrastructure needs of national departments; co-ordinate the national Expanded Public Works Programme (EPWP); and optimise growth, employment and transformation in the construction and property industries.

From April 2006, the department devolved its leasing, maintenance, property rates and municipal services budgets to its client departments.

Property rates were also devolved to the provinces in 2006 for all the properties vested in their names. Capital-works budgets were devolved to clients more than three years ago, to increase transparency in the budgeting process and to introduce incentives for more efficient use of resources.

Departments will be required to pay the funds back to the Department of Public Works in the form of an accommodation charge made up of an amount for actual leases and an amount for pre-determined rentals of state-owned property.

The department uses the income to:

- pay leases on behalf of departments
- carry out maintenance and refurbishments on state-owned buildings
- provide funding for capital works, including planned maintenance.

A trading entity was expected to be established in 2006 for the purpose of receiving and spending the accommodation charges.

The four main objectives that the Department of Public Works has identified for the Medium Term Expenditure Framework entail:

- improving the management of the State's portfolio of immovable property
- using accommodation-related programmes such as maintenance contracts to contribute to economic growth
- contributing to job creation and poverty alleviation by further rolling out the EPWP
- providing leadership in the transformation of the construction and property industries.

Expanded Public Works Programme

President Thabo Mbeki launched the EPWP at Giyani in Limpopo in May 2004, followed by launches in other provinces.

The EPWP aims 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 Business Trust of South Africa has committed R100 million over the period March 2005 to March 2010 to provide programme-management support to all levels of government. This will ensure that lack of capacity is not an impediment to implementing the EPWP.

By June 2006, the EPWP was on course to deliver on its mandate. It had surpassed its employment-creation targets across four sectors, with more than 301 000 work opportunities created. On average, 52% of beneficiaries were female and 38% were youths. The greatest number of job opportunities were created in KwaZulu-Natal, which had 66 317 beneficiaries, of whom 33% were youths and 0,3% were people with disabilities. The province also had the highest number of female beneficiaries in the country, at 62%, and at R126 million, the highest wage payout.

Of the youths employed by the EPWP, 51% were in Mpumalanga, 48% in the Free State, 46% in Gauteng, 44% in North West and 40% in the Western Cape.

Construction and Property Industry Development Programme

Both industries have been identified as indispensable to economic growth and social development. Government's socio-economic objectives such as BEE, entrepreneurship and HRD can be further advanced by the transformed industries in line with the reconstruction and development agenda.

The Department of Public Works continued implementing BEE programmes in the construction sector, including the Emerging Contractor Development Programme, EPWP Vuk'uphile and venture learnership programmes, and the Incubator Programme. It was expected to establish similar programmes in the property industry to contribute to its transformation.

In March 2006, the construction and property charters were signed.

The Property Charter proposes a range of targets including transferring 25% of sector assets into black hands in five years' time, and setting aside 10% of private corporations' annual development investments for underdeveloped areas. Through the charter, the property sector has committed to achieving 40% black representation at board level, of which 20% will be women.

Through the Construction Charter, stakeholders in the construction industry have set a black ownership target of 30% and proposed 40% black representation at board level, with 20% of members being women. The charter proposes a procurement target of 70% to ensure that the economic benefits of current and planned infrastructure accrue to all sectors of the community.

Both charters advocate the importance of developing skills through mentorship, learnerships and bursaries.

Construction Industry Development Board (CIDB)

The CIDB was established by the Construction Industry Development Act, 2000 (Act 38 of 2000), as a statutory body (schedule 3A public entity) to provide leadership to stakeholders and stimulate sustainable growth, reform and improvements in the construction sector, and to improve its role in the economy. The CIDB is responsible to the Minister of Public Works, and comprises individuals appointed from the private and public sector.

Aligned with government's supply-chain management forum, the CIBD has developed and rolled out the standard for uniformity in construction procurement. Together with National Treasury and the Department of Public Works, the infrastructure delivery-management system toolkit was being implemented in selected departments across all provinces by mid-2006. The CIDB best practice guidelines, including guidelines on labour-based construction to support job creation and the EPWP, were widely distributed.

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.

Re Kgabisa Tshwane Programme

The Re Kgabisa Tshwane Programme, which was implemented in 2004, is a partnership between the departments of public works and of public service and administration and the City of Tshwane Metropolitan Municipality. It aims to develop a framework for improving the physical working environment at national government departments in the inner city of Pretoria.

The programme will allow government to achieve greater productivity and economies of scale with departments sharing, among other things, auditoria, archives and communication facilities. Investing in the inner city will also stimulate private-sector investment and create opportunities for BBBEE service-providers and entrepreneurs.

Employment and skills development

The Employment and Skills Development Services (ESDS) and HRD Branch of the Department of Labour is responsible for achieving the strategic objectives and equity targets of the National Skills Development Strategy (NSDS) and contributing to the achievement of the objectives of the HRD Strategy.

Legislation

The Department of Labour's Legislation Branch ensures the implementation of the following laws:

- Skills Development Act, 1998 (Act 97 of 1998), as amended.
- Manpower Training Act, 1981 (Act 56 of 1981), of provisions that are still in force.
- Skills Development Levies Act, 1999 (Act 9 of 1999), as amended, and the Income Tax Act, 1994 (Act 21 of 1994). In some aspects, the ESDS works closely with National Treasury and Sars.
- South African Qualifications Authority (Saqa) Act, 1995 (Act 58 of 1995), working closely with the Department of Education.

National Skills Development Strategy

The ESDS and HRD Branch oversees and supports all institutions associated with the Skills Development Act, 1998 and implements and achieves the objectives and targets of the NSDS. The first NSDS 2001 – 2005 ended on 31 March 2005. The Minister of Labour, Mr Membathisi Mdladlana, launched the adjusted NSDS 2005 –

2010 on 3 March 2005. The adjusted strategy has five strategic objectives and 20 success indicators.

By 31 July 2006, the Department of Labour had collated the results of phase one of NSDS 2001 – 2005 and registered 170 926 learners into learnerships and apprenticeships. Of these, 109 674 (64%) were unemployed, and 36 703 were apprentices. Of all the learners, 71% were placed in income-generating projects, employment or further training within three months of completing their training. The department exceeded its target in 2005 of registering at least 50 000 learners in scarce fields, by registering 116 425 learners.

The strategy for 2005 to 2010 seeks to support economic growth for employment creation and poverty eradication, promote productive and equitable citizenship by aligning skills development with national strategies for growth and development, and accelerate BEE. The strategy is critical to realising government's goal of halving South Africa's unemployment by 2014 by providing the skills the economy requires.

Better alignment between the Further Education and Training sector, business and the sector education and training authorities (Setas) has resulted in a more demand-driven strategy. The NSDS' learnership apprenticeships and internship programmes target unemployed youth, because 75% of the unemployed are between 15 and 34 years old.

A special project by the Department of Education aims to meet the challenges of having 800 000 learners in Adult Basic Education and Training (Abet) by March 2010. Abet enhances the basic skills of people beyond their school-going years and tackles long-term unemployment. The NSDS is closely aligned with the EPWP, which targets people with low skills levels and the unemployed, by providing them with work experience and equipping them with skills.

Remote access e-technology and multiskilling training in labour centres and business units aim to improve the quality of and access to the integrated labour services that the Department of Labour offers. The career-information and guidance system was developed and successfully piloted in labour centres in all provinces. The system provides employment services to job seekers and learners who want to access learnerships.

Sector education and training authorities

In 2005, after a review process, Minister Mdladlana re-established 23 Setas and two new merged Setas came into being. The first is the Agricultural Seta, comprising the Primary Agriculture Education and Training Authority and the Seta for Secondary Agriculture. The second is the Safety and Security Seta, which formerly comprised the Diplomacy, Intelligence, Defence and Trade Training Authority and the Police, Private Security, Legal and Correctional Services Seta. Setas receive contributions from an estimated 193 000 employers and 80% of the skills development levies collected. Sometimes government departments contribute an extra amount. Consolidated Seta revenue amounted to R4,5 billion in 2004/05, while expenditure totalled R4,3 billion.

Sector Education and Training Authority Co-ordination Programme

The Seta Co-ordination Programme is responsible for the implementation of the NSDS at sectoral level. It aims to:

- ensure alignment with the Saqa framework and other education and training policies
- oversee and co-ordinate activities of the Department of Labour's Chief Directorate: Seta Co-ordination
- design and implement systems and processes to monitor the use of skills development levy grants, and evaluate the impact and contribution of skills development in enhancing productivity and employment and the number of skilled workers in South Africa
- oversee Seta contributions towards the objectives and targets of the NSDS and the HRD Strategy
- facilitate the working relationship between Setas, Indlela (a subprogramme of the Department of Labour), and provincial offices
- provide relevant analysis to enable the National Skills Authority (NSA), the director-general and the minister to make strategic policy decisions about implementing skills development
- facilitate the collection of financial skills-development levies, transfers to Setas, disbursements to employers, and accountability of all stakeholders in the use of funds
- ensure increased access to and relevance of work-based learning and qualifications

- provide support and moderation to learning and assessment initiatives, and delivery of training services by the restructured Indlela sub-programme.

National Skills Authority

The NSA is an advisory body, established in terms of the Skills Development Act, 1998, to advise the minister on the NSDS, its implementation and other relevant matters. Its membership consists of organised business, labour and community organisations, government departments, and representatives from the education- and training-provider community.

National Skills Fund (NSF)

The NSF, a statutory advisory body to the Minister of Labour on the NSDS, was established in 1999 as legislated by the Skills Development Act, 1998. The Minister of Labour, on advice from the NSA, allocates subsidies from the NSF. The Director-General of Labour is the accounting officer of the fund.

The NSF is funded by 20% of the skills development levies collected by Sars (of which 2% is paid to Sars as collection fees and 2% is allocated for administrative costs).

Projects funded under the NSF include the following:

- Social development funding window

The Directorate: Employment Services of the Service Delivery Branch co-ordinates the implementation of social development projects with the provincial offices and labour centres of the Department of Labour.

The actual amount spent on training programmes conducted under the social development funding window during 2005/06 to the end of December 2005 amounted to R131,7 million.

- Abet (for the unemployed)

The new Abet funding window of the NSF brought about demands to accelerate the pace of providing more literacy programmes among the unemployed. The funding window required development of a new procedural and application framework that resulted in the:

- application framework and policy being developed and approved
- 146 proposals being received and evaluated during February and March 2006
- discussions being held with the Department of Education to explore collaboration on Abet as indicated in the NSDS.

The approval and implementation of the above-mentioned Abet proposals were expected to lead to the launch of the first phase of the project to benefit approximately 18 000 learners nationally.

- Critical skills support

The NSF committed R181 million to develop the skills of 7 330 unemployed learners through various learnerships. An additional R88 million was committed towards 2 300 learnerships that were implemented through employment and skills-development employers.

The NSF also requested proposals in November 2005, inviting Setas to submit projects for learnerships, internships and apprenticeships.

- Bursaries

For the 2005 academic year, R26 million was allocated to the National Research Foundation (NRF) for bursaries to be awarded to postgraduate students in areas of scarce skills. The NRF awarded 621 honours and postdoctoral study bursaries.

The R49 million that was allocated to the National Student Financial Aid Scheme (NSFAS) was for bursaries to undergraduate students in areas of scarce skills. In 2005, the NSFAS awarded 6 320 undergraduate bursaries, mainly to students with disabilities.

- Provisioning support

The Director-General: Labour approved a once-off grant to the amount of R16,8 million for Saqa to facilitate the delivery of standards-setting and quality assurance-related services for Setas. By December 2005, Saqa had used R12,9 million of the available funds.

Saqa facilitated a joint project proposal from the education and training quality assurance bodies during January 2006, to ensure measurable improvements in the quality of services delivered by skills-development institutions.

- Industry Support Programme Funding Window (Workplace Skills Development Support Programme [WSDSP])

This programme is a continuation of the previous NSF Skills Support Programme under NSDS 2001 – 2005, and is aligned to NSDS 2005 – 2010 through the Industry Support Programme Funding Window.

By mid-2006, 155 SMEs had applied for training-incentive grants through the NSF's WSDSP, of which 89 were approved.

By 31 December 2005, more than 3 900 of the new workers had benefited from the WSDSP training grants since their implementation in 2002. The main beneficiaries were blacks (94%) and, more particularly, black women (70%).

- Social Plan Technical Support Facility (SPTSF)

The Director-General: Labour signed a new memorandum of agreement with the NPI to align with NSDS 2005 – 2010 the commitments made at the GDS 2003, namely that the department would support the establishment of the SPTSF under the auspices of the Productivity Advisory Council of the NPI.

The main output of the SPTSF for 2005/06 included:

- creating awareness and correcting misperceptions about the social plan to encourage early notification by companies facing the possibility of retrenchment
- establishing proactive future fora in 'stable' companies to encourage ongoing collaboration between management and workers to prevent job losses
- preventing job losses within distressed companies and clusters of companies facing similar problems
- developing sector studies and turnaround strategies for selected sectors.

The Unemployment Insurance Fund's (UIF) online electronic filing system for domestic employers and small businesses was launched in 2006.

The year 2006 was the third anniversary of domestic workers' inclusion in the UIF.

From 2003 to 2006, the fund paid more than R65 million to some 74 000 beneficiaries as temporary relief to domestic workers during times of unemployment.

From 2003 to 2006, the average payment amount per claim was R882,11.

In the first year that the UIF included domestic workers, the fund received fewer than 5 000 applications, but in the first six months of 2006 it had received more than 17 000 applications.

By mid-2006, 657 000 domestic employers had been captured on the UIF database and over 500 000 domestic workers had been registered.

Unemployment Insurance Fund (UIF)

The main tasks of the UIF are to:

- maintain an employer/employee database
- process claims and pay benefits
- invest excess funds
- reduce opportunities for fraud
- collect contributions.

In 2005/06, the UIF implemented the Siyaya business application. The Siyaya system has ushered in a new era of service delivery, leveraging the benefits of technology, while allowing frontline staff to have full access to service-related information.

The fund also spearheaded a campaign to pay out benefits electronically, and by the end of March 2006, had successfully converted all its payment modes. This eliminates the need for queues at pay points and risks associated with carrying cheques and cash.

The conversion saved the fund over R20 million in bank charges. The fund also successfully implemented a decentralised system of hearing appeals from those claimants whose claims were rejected.

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 Act deals with the administration of the fund and the payment of benefits. It also provides for the commissioner to maintain a database to pay benefits to beneficiaries. Sars continues to administer the Unemployment Insurance Contributions Act, 2002 (Act 4 of 2002). Sars collects contributions from all employers whose workers pay employees' tax.

The collection of contributions from all other employers is delegated to the Unemployment Insurance Commissioner.

Occupational Health and Safety (OHS)

The OHS legislative framework consists of the OHS Act, 1993 (Act 85 of 1993), and 20 sets of regulations. Compliance is achieved by conducting inspections and investigations, and providing advocacy and statutory services.

Responsibility for OHS and workers' compensation in South Africa resides in three government departments.

The Department of Labour is responsible for workers' compensation in terms of the Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993), and for OHS in terms of the OHS Act, 1993.

The Department of Minerals and Energy is responsible for OHS in mines and mining areas, in terms of the Mine Health and Safety Act, 1996 (Act 29 of 1996).

The Department of Health is responsible for the compensation of mineworkers in terms of the Occupational Diseases in Mines and Works Act, 1993 (Act 208 of 1993).

Compensation Fund

The Compensation Fund is a public entity of the Department of Labour. The fund's main objective is to compensate workers for occupational injuries sustained and diseases contracted in the course of, and as a result of, their employment, and to compensate the dependants of workers in fatal cases. The fund generates revenue for all its operations from contributions paid by registered employers.

The Compensation Fund administers the Compensation for Occupational Injuries and Diseases Act, 1993, as amended by Act 61 of 1997.

Between 2000 and 2006, the fund received 1 084 668 claims. During 2004/05 and 2005/06, the number of finalised compensation claims rose sharply. Of the claims reported from 2000 to 2003, 485 722 claims were finalised, whereas 218 575 of all claims reported from 2004 to 2005 were finalised.

Directorate: Collective Bargaining

The Directorate: Collective Bargaining has to:

- extend the collective bargaining system to cover more vulnerable workers
- ensure that the implementation and impact of the Labour Relations Act (LRA), 1995 (Act 66 of 1995), is optimised
- effectively monitor dispute resolution.

The directorate:

- registers trade unions, employers' organisations and bargaining and statutory councils
- publishes bargaining council agreements for the extension thereof to non-parties
- promotes and monitors collective bargaining.

Collective agreements

During 2005/06, 26 collective agreements of bargaining councils were extended to non-parties covering 643 771 employees. These agreements were mainly collective agreements on wage increases and for issues such as council levies and sick, pension and provident fund benefits.

Of the 52 private-sector councils, 44 (84,6%) reported on the state of applications for exemptions from certain provisions of collective agreements extended to non-parties. Total applications for exemptions were 7 373, while applications from small enterprises totalled 1 380, constituting 59% of all applications.

The number of applications granted amounted to 5 670. Of these, 1 050 were from small enterprises, constituting 60% of all applications granted.

Dispute resolution

The Commission for Conciliation, Mediation and Arbitration (CCMA) is an independent dispute-resolution body created in 1996 in terms of the LRA, 1995. It does not belong to, nor is it controlled by, any political party, trade union or business. Between 1996 and January 2006, the CCMA dealt with 1 043 078 referrals averaging 104 308 per year. It had a settlement rate of 65%. Since the inception of the 2002 amendments to the LRA, 1995, 41% of CCMA cases have been dealt with through consultation or arbitration, and 76% have been finalised within a day. It also dealt with 600 cases of section 189A (facilitation of large-scale retrenchments), which is critical for job retention.

The highest number of referrals came from the retail sector (16%), followed by safety/private security and business/professional service (11% each), domestic sector (9%), building construction (8%) and agriculture/farming and food/beverage (8% respectively).

Registration of labour organisations

The registration of labour organisations continues, in which efforts are made to identify non-genuine labour organisations and to deregister them if necessary.

The Department of Labour's records show that many unions and employer organisations do not adhere to the registration procedures and legal

requirements for genuine organisations. By mid-2006, at least 72 of the 328 trade unions, and 26 of 61 employer bodies, were deregistered as they did not meet the legal requirements.

Unions and employer organisations must comply with the provisions of sections 98, 99 and 100 of the LRA, 1995, which stipulate an annual submission of audited financial statements.

The organisation has to function as a genuine establishment as envisaged by section 106(2A) of the LRA, 2005 and the registrar may cancel the registration of a trade union or employers' organisation if it is not regarded as genuine.

During 2005/06, 10 trade unions' registrations were cancelled in terms of section 106 of the LRA, 1995 for reasons ranging from not submitting audited financial statements over a number of years to not being a genuine union as envisaged by the Act.

Labour-market policy

In 2005/06, the Labour-Market Policy Programme repositioned itself to be able to respond, in an integrated manner, to the Department of Labour's research, monitoring and evaluation needs, while similarly ensuring that the department met its international obligations.

The National Economic Development and Labour Council (Nedlac) aims to build consensus through tripartite participation in decision-making on labour and socio-economic matters.

Nedlac comprises the labour market, trade and industry, public finance and monetary policy, and development chambers, with representatives from organised business, organised labour, community and development organisations, and government.

Nedlac considers all proposed labour legislation and significant changes to social and economic policy before these are presented to Parliament. Nedlac also monitors the progress and implementation of the Growth and Development Summit's agreements. The council's achievements to mid-2006 include the Umzansi account (an outcome of the 2002 Nedlac financial sector summit) that attracted 1,3 million account holders, 56% of which were female; and the Consumer Credit Bill, which aims to regulate the micro-credit sector.

Research, monitoring and evaluation will continue to form the cornerstone of the department's programme for the next five years. By mid-2006, the initial mandate of the programme to form the technical basis for the formulation of labour-market policies in the post-1994 era, which would be more attuned to a dynamic economy being integrated into a global economy, was beginning to take shape. Consequently, the programme had:

- developed a research programme for all the mandated areas of the department as evidenced by the approved five-year research, monitoring and evaluation agenda
- developed a labour-market information system as evidenced by the web-enabled Labour Market Information and Statistics System on the department's Intranet
- published periodic and ad hoc labour-market policy and statistical reports as evidenced by the bi-annual labour market review, annual industrial action reports, and quarterly and annual labour market bulletins.

The programme was also aligning and repositioning itself increasingly to link with key shifts taking place in government, in line with facilitating the harmonisation of labour-market policies and overall government policies. These shifts, as set out in the minister's five-year programme of action, acknowledge that the policy context for South Africa's transformation agenda has been set, and a new set of challenges now faces the country.

The Labour-Market Policy Programme consists of three directorates, namely, Research Policy and Planning (RPP), Labour-Market Information and Statistics (LMIS), and International Relations (IR).

The RPP Directorate is responsible for:

- analysing labour-market information and conditions
- identifying relevant labour-market interventions
- formulating labour-market policies
- researching, monitoring and evaluating policies affecting the labour market.

The LMIS Directorate is responsible for:

- creating and maintaining capacity to monitor, analyse and disseminate labour-market information and statistics pertaining to trends in the labour market and the impact of labour-market policies

- creating and maintaining linkages with other producers and users of labour-market information and statistics with the aim of avoiding duplication and promoting clear use of concepts
- developing the departmental library as an expanded resource centre on labour issues
- assisting other departmental directorates with statistical procedures to develop and monitor departmental activities.

The IR Directorate is responsible for:

- developing strategies that will consolidate South Africa's presence in international fora
- monitoring developments in the African region and southern African subregion
- facilitating the department's participation in bilateral and multilateral organisations in the region
- discharging South Africa's obligations to international organisations of which the country is a member
- developing strategies to encourage conformity with international labour standards in the region.

Research policy and planning

The main tasks during 2005/06 included:

- Identifying new research projects to be undertaken in the area of skills development, especially monitoring the NSDS 2005 – 2010.
- Ensuring effective participation by the department in various fora on labour-market issues. These included intergovernmental structures, and local and international conferences.
- Monitoring the implementation of the GDS agreements.
- Developing and implementing the Research, Monitoring and Evaluation Agenda.

International relations

The IR Directorate is at the coalface of the Department of Labour's interaction with the world, especially international organisations and institutions relevant to the labour market. It monitors, reports and facilitates ratification of international labour conventions. The main tasks of the directorate during the financial year are categorised under three broad areas. These include the International Labour Organisation and Europe, Africa Desk, and Technical Co-operation.

Labour Relations Programme

In 2005/06, the Labour Relations Programme focused on implementing employment-equity issues and amendments to labour legislation introduced during 2002/03, and clarifying the farm workers' sectoral determination with its stakeholders. Employment Standards mainly focused on finalising the Child Labour Programme of Action for noting in Cabinet. This was achieved in October 2005.

To support and accelerate the implementation of the Employment Equity Act, 1998 (Act 55 of 1998), the Directorate: Employment Equity focused mainly on developing an employment-equity system aimed at strengthening the implementation and enforcement mechanisms of the Act. An online employment equity reporting service was developed and implemented from 1 September 2005.

In addition, the Director-General Review System was developed to assess employers' substantive compliance with the Employment Equity Act, 1998. It was due for implementation during 2006/07. The programme continued to support capacity-building in trade union organisations by means of the Strengthening of Civil Society Fund.

Trade unions in South Africa

Year	Registered trade unions	Trade union membership	Registered employer's organisations	Bargaining councils
2001	485	3 939 075	265	73
2002	504	4 069 000	270	62
2003	369	3 277 685	239	56
2004	341	3 134 865	229	58
2005	335	2 935 864	226	58

Source: Department of Labour

Acknowledgements

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Business Map
Business Partners Limited
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8

Education

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 progressively make available and accessible.

At almost 5,5% 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 grades 10 to 12 in schools and all education and training from the National Qualifications Framework (NQF) levels 2 to 4 (equivalent to grades 10 to 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).

By mid-2006, the South African public education system had 12 million learners, 366 000 educators and about 28 000 schools, including 390 special-needs schools and 1 000 registered private schools. Of all schools, 6 000 were high schools (grades 7 to 12) and the rest were primary schools (grades 1 to 6).

Learners attend school for 13 years; the first year of education, Grade 0 or Grade R, and the last three are not compulsory. Many primary schools offer Grade 0, which can also be completed at nursery school.

The matric exam pass rate in 2005 was 68,3%. Although this represented a slight decrease in the pass rate, the number of learners writing and passing the Senior Certificate increased substantially. A total of 347 184 learners passed the Senior Certificate in 2005, 16 367 more than in 2004.

In 2005, 86 531 candidates achieved university endorsement compared with 85 117 in 2004. A total of 32 112 learners passed Mathematics on the Higher Grade (HG) and 45 652 passed Physical Science HG. A total of 40 952 learners passed with merit, and 9 339 passed with distinction.

The FET and HE sectors have undergone a major rationalisation process that has reduced the overall number of institutions through mergers.

FET institutions were reduced from 152 to 50, and the new institutional landscape for HE consists of eight separate and incorporated universities, three merged universities, five universities of technology and six comprehensive institutions.

Education structures

Ministry of Education

The National Education Policy Act, 1996 (Act 27 of 1996), empowers the Minister of Education to determine national norms and standards for education 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), 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 (SGBs), consisting of parents, educators, non-educator staff and (secondary school) 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 inter-governmental 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.

The department must 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
- Quality Promotion and Development
- GET
- FET
- HE.

Administration

This branch provides for policy formulation and the sound financial management of the department.

Systems Planning

The Systems Planning Branch provides strategic direction in the development, implementation and monitoring of education policies, programmes and projects.

Quality Promotion and Development

The Quality Promotion and Development Branch provides strategic direction for the development of policies and education programmes to ensure continuous improvement in the quality of learning.

General Education and Training

The GET Branch provides leadership through the management and evaluation of programmes for ECD, school education, learners with special needs, education management and governance programmes, district development and education human resources.

Key priorities of the branch include expanding 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 educators; co-ordinating the implementation and provision of education to children up to the age of four; and successfully implementing the Revised National Curriculum Statement (RNCS).

The department will develop the capacity of district managers to support and ensure quality teaching and learning in schools through its district development programme.

The department aims to remove all barriers to learning so that children with special needs, including the most vulnerable, are able to participate fully.

By mid-2006, an audit of special schools had been finalised and the first stages of the *White Paper on Building an Inclusive Education and Training System* were being implemented.

Learner access to Grade R is increasing, and the department expects to meet its target of implementing Grade R in all public primary schools by 2010. The department will focus on improving the outcomes of education in the early years of schooling and beyond. In collaboration with the departments of health and of social development, an integrated plan for ECD was completed at the end of 2005 for implementation in 2006 and beyond.

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 in 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 (MST). It devises strategies aimed at the use of information and communications technology (ICT), and supports curriculum implementation through the national educational portal called Thutong (*www.thutong.org.za*).

In 2005, the branch's main achievements included:

- developing new national certificates for Grade 12 in 2008 and levels 2, 3 and 4 vocational education in 2007, 2008 and 2009
- preparing for the implementation of the new curriculum in Grade 10 in 2006 and of Level 2 national certificates in FET colleges in 2007
- research and planning for the recapitalisation of FET colleges
- preparing for the registration of private FET colleges
- national examinations for Abet Level 4, FET colleges and six subjects of the Senior Certificate.

Higher Education

HE is central to the social, cultural and economic development of modern societies. The HE Branch provides strategic direction and institutional support for the development of a single co-ordinated system.

The branch provides leadership by:

- developing legislation
- developing policy support to the HE system
- liaising with constituencies in HE
- registering private HE institutions
- overseeing the NSFAS
- implementing the National Plan for HE
- allocating and transferring subsidies to public HE institutions.

Total government funding of the HE system has more than doubled since 1996.

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 councils 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

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.

General and Further Education and Training Quality Assurance Council (Umalusi)

The council ensures that providers of education and training 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 council has a five-point programme:

- quality assurance of providers of education and training
- quality assurance of qualifications and learning programmes
- quality assurance of assessments
- issuing of certificates
- monitoring and reporting on quality in education and training.

In 2006, Umalusi was responsible for:

- improving and maintaining a system for quality-assuring qualifications, programmes and assessments
- establishing a system for evaluation and accreditation
- establishing, maintaining and improving the information technology (IT) system
- certifying of learner achievements.

South African Qualifications Authority

The Saqa is a statutory body of 29 members appointed by the ministers of labour and of education. The Saqa, through the NQF, ensures that South African qualifications are of excellent 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
- 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

- registration of national standards and qualifications on the NQF.

The NQF is a set of principles and guidelines on 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.

The Saqa's Centre for the Evaluation of Educational Qualifications determines the equivalence between foreign and South African qualifications in the South African context.

In 2005/06, Saqa implemented a new standard-setting system, developed a discussion document for rationalising qualifications on the NQF, completed the unit standards project (the checking of all registered unit standards), and cleared the Mathematics fundamentals for Level 4 qualifications.

The loading of Umalusi senior certificate data was also completed, with 5,5 million learner records on the national learners' records database. Furthermore, 1 902 applications were registered and 1 526 certificates of evaluation were issued to individuals.

In 2006, Saqa continued to provide leadership and professional expertise to ensure that high-quality, nationally relevant and internationally comparable unit standards and qualifications were registered on the NQF. Saqa has an important role to play in developing appropriate scarce skills, particularly in technical fields. Saqa will continue to target strategic areas for skills development such as the FET sector.

Council on Higher Education (CHE)

The CHE was established in terms of the HE Act, 1997 (Act 101 of 1997), and is responsible for:

- advising the minister on all policy matters related to HE
- executive responsibility for quality assurance in HE and training
- monitoring and evaluating the achievement of policy goals and objectives, including reporting on the state of South African HE
- promoting students' access to HE.

The CHE also publishes an annual report on the state of HE for submission to Parliament, and convenes an annual summit of HE stakeholders. In addition, the council accredits private providers and programmes for quality assurance.

In 2006, the CHE was expected to advise the minister on, in particular, the appropriate scope and structure of the HE system, language policy, new funding arrangements for HE and new academic policies.

South African Council for Educators (SACE)

The SACE is a professional council that aims to enhance the status of the teaching profession and promote the development of educators and their professional conduct. The SACE was established in terms of the SACE Act, 2000 (Act 31 of 2000).

The council has three core functions:

- providing for the registration of educators
- promoting the professional development of educators
- setting, maintaining and protecting ethical and professional standards.

Educators are required to register with SACE before they are employed by any authority. The SACE has a register of about 495 000 educators, of which 19 000 are registered provisionally.

The council has a number of programmes that promote the development of educators and enhance the status and image of the teaching profession. These include, among other things, the Professional Development Portfolio Project that aims to encourage educators to reflect on their practice and to take responsibility for their own professional development; teacher education and development research activities for purposes of advising the council and the Minister of Education; co-ordinating and managing various professional development activities in the country; and celebrating World Teachers' Day to acknowledge the work of educators.

The ethics function ensures that educators adhere to the SACE Code of Professional Ethics. In 2005, the council received 60 complaints about teachers. Of these, 40 were ethics-related, eight were employment-related and 12 were private matters.

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 (ELRC)

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 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.

The NSFAS allocated 114 000 study awards in 2005.

In 2006, the NSFAS made over R1,3 billion available for loans and bursaries.

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, aim to achieve equality and redress poverty 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 identifies the policy, legislative and monitoring responsibilities of the Minister of Education and formalises relations between national and provincial authorities. 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 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 SGBs is in place in public schools countrywide.

- The FET Act, 1998 (Act 98 of 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.
- The HE Act, 1997 provides for a unified and nationally planned system of HE. 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 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.

In February 2006, the Ministry of Education hosted a conference on strengthening African studies in Africa, and South Africa in particular, at the Centre for African Renaissance Studies, University of South Africa, Pretoria.

The conference's theme was *Maintaining Viable African Studies Centres: Challenges and Lessons from the Diaspora*.

Its purpose was to debate matters relating to structures and types of programmes needed to make African studies both on the continent, and in particular, in South Africa, viable and sustainable. This would enable supportive policy intervention with the aim of diversifying delivery systems to involve civil-society groups and empower communities.

The conference formed part of a process to facilitate accelerated and informed developments that could feed into related development plans as conceptualised in the African Union and the New Partnership for Africa's Development framework.

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.

Quality Improvement and Development Strategy

To improve and develop education by means of a programme that will concentrate on addressing apartheid's legacy in education, government intends to invest some R12,5 billion over the next five years.

Five thousand schools that perform poorly and that are located in the worst-resourced districts will be identified and provided with resources such as libraries, laboratories and teaching material. Their educators will get support in the form of high-quality school-based education-development programmes, and better district development teams.

Teaching and learning will focus on the acquisition of important content and academic skills and on equipping learners with literacy and numeracy skills.

Progress made by learners and their schools will be assessed regularly.

Policy developments

Improving access to free and quality basic education

School fees are set at annual public meetings of SGBs 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 fees.

The 2005 Education Amendment Bill became law in January 2006, but in respect to no-fee schools, it will take effect in 2007. Funds were earmarked to increase allocations to schools by 20% in 2006 and by 40% in 2007.

By September 2006, by having 2,6 million pupils attending 7 000 primary and secondary schools where school fees were not paid, the department had exceeded its target.

Education

Targets set by the *e-Education White Paper* to be achieved by 2007 are to:

- build an education and training system to support ICT integration in teaching and learning and improved management and administration
- build educators' and managers' confidence in the use of ICTs
- build a framework for competencies for teacher development in the integration of ICTs into the curriculum
- establish an ICT presence in schools
- ensure that schools use education content of high quality
- ensure that schools are connected, have access to the Internet and communicate electronically
- ensure that communities use and support ICT facilities.

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 and will be available to all children by 2010.

Curriculum

The National Curriculum Statement (NCS) aims to develop the full potential of all learners as citizens of a democratic South Africa. It seeks to create a lifelong learner who is confident and independent; literate, numerate and multiskilled; compassionate, with a respect for the environment and the ability to participate in society as a critical and active citizen.

The NCS requires extensive reading and writing in all subjects. It requires that learners think carefully about what they learn; that they have strong conceptual knowledge and are able to apply this in a variety of situations; that they are critical and curious learners; and that they are aware of the social, moral, economic and ethical issues which face South Africans and citizens around the world.

The NCS (grades R to 9 for schools) builds on the vision and values of the Constitution and Curriculum 2005. These principles include:

- social justice, a healthy environment, human rights and inclusivity
- outcomes-based education
- a high level of skills and knowledge for all
- clarity and accessibility
- progression and integration.

The NCS (grades R to 9) has been implemented in the Foundation Phase (grades R to 3) since 2004, the Intermediate Phase (grades 4 to 6) since 2005 and in grades 7 and 10 since 2006. Grades 8 and 9 will be implemented concurrently in 2007.

When a new curriculum was introduced in grades 7 and 10 in 2006 to address some of the skills needed in South Africa, Mathematics became compulsory for the first time. By 2008, pupils will be expected to write the National Senior Certificate examination, offering seven subjects from a choice of 29. Examination papers will be set nationally and benchmarked against international papers.

In terms of the curriculum, focus schools can be created and learners offered opportunities for gaining new skills. At provincial level, schools suitable for conversion into focus schools will be identified and, to meet the demand for new and responsive skills, focus schools of technology will be set up in each province.

The NCS is available in all 11 official languages as well as in Braille, in keeping with the Constitution, which grants parity of esteem to all languages. Teacher guides for each learning area have been developed and distributed to all schools. Each educator in the GET band has been provided with a copy of the NCS as well as with a set of teacher guides.

A national core training team provided training to officials, including curriculum specialists, subject advisers and other key staff. They, in turn, have

Through the Primary School Nutrition Programme, over five million learners at 16 000 schools were fed in 2005/06, with overall expenditure of about R200 million in nodal districts.

More than 22 000 adults were provided with work opportunities through this feeding programme by preparing and serving school meals.

In 2006/07, about 5,5 million learners at 17 000 schools were expected to be fed. In 2006, the grant increased to about R1,1 billion, a 20,4% increase over 2005.

been training educators and school principals in their respective provinces.

The department has established learning-area committees as well as a foundation-phase committee to offer support for curriculum implementation and for ongoing curriculum development.

The Policy on Religion and Education gives directives on how schools should address the issues relating to religious observance, instruction and education, which is a curriculum matter. It recognises diversity among learners and aims to foster tolerance, respect and understanding among learners of different backgrounds.

The National Protocol on Assessment, which regulates the recording and reporting of learner achievement of learning outcomes, has been finalised.

The national guidelines on school uniforms have been gazetted.

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, then he or she can choose to send the child to Grade 1 at age six turning seven.

The Education Laws Amendment Act, 2002 (Act 50 of 2002), set 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 being changed to age five if children 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.

From 27 to 31 March 2006, the Minister of Education, Ms Naledi Pandor, attended the biennial meeting of Association for the Development of Education in Africa (ADEA) in Libreville, Gabon.

The ADEA was created in 1988 as a forum for donors, but has grown over the years and now has a unique membership, comprising all the ministers of education in sub-Saharan Africa.

The theme of the 2006 meeting was *Effective Learning and Effective Education.*

Further Education and Training

FET provides learning and training from NQF levels 2 to 4, or the equivalent of grades 10 to 12 in the school system, and Further Education and Training Certificate (FETC) General Vocational and FETC Trade Occupational, on NQF levels 2 to 4 in FET colleges.

Learners enter FET after completing 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 foundation for the next 20 years.

National Strategy for Mathematics, Science and Technology Education

The National Strategy for MST Education was launched in 2001. As part of this strategy, government identified 102 dedicated Mathematics and Physical Science schools (Dinaledi schools).

The Dinaledi schools are mainly located in historically disadvantaged communities.

In May 2005, the CEM approved the expansion of schools dedicated to MST to 400 in 2006.

The aim is to double the number of learners passing HG Mathematics and Science in Grade 12 by 2008.

The Dinaledi initiative is part of the Accelerated and Shared Growth Initiative for South Africa (AsgiSA).

Further Education and Training colleges

Major transformation of the FET college sector took place during 2002/03, in which the existing

152 technical colleges were merged to form 50 multisite-campus FET colleges.

Each new college 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.

From 2006/07 to 2008/09, government is expected to invest R1,9 billion for the recapitalisation of the 50 public FET colleges.

In 2005/06, about R50 million was used to develop a detailed situation analysis and work plans to direct the use of the R1,9 billion.

The R50-million planning grant was used to:

- complete a research paper on priority skills for South Africa
- conduct a programme audit in FET colleges, including enrolments in programmes offered at these colleges
- conduct an infrastructure audit at the 233 sites of the 50 colleges
- develop 13 new high-level skills programmes for implementation in 2007
- carry out an IT-connectivity pilot project in KwaZulu-Natal
- compile 50 college-recapitalisation plans for 2006 to 2008.

A detailed strategy was also developed to communicate the possibilities of study at FET colleges, and to ensure that all FET colleges provide academic and other support to learners.

Recapitalisation of FET colleges is expected to:

- increase the number of students enrolled in high-quality vocational programmes
- develop high-quality modern and responsive FET programmes
- focus on the development and employment needs and opportunities related to AsgiSA.

Higher Education

The new HE landscape consists of the following institutions:

- University of the Witwatersrand
- University of Cape Town
- Rhodes University
- Stellenbosch University
- University of the Western Cape (incorporating the Dental Faculty of Stellenbosch University)
- University of Zululand
- University of Venda
- University of the Free State (incorporating the QwaQwa Campus of the University of the North and the Bloemfontein Campus of Vista)
- North West University (from the merger of the universities of Potchefstroom – which incorporated Vista Sebokeng Campus – and North West)
- University of Pretoria (incorporating the Mamelodi Campus of Vista University)
- 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 – 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 ML Sultan)
- Central University of Technology, Free State (formerly Technikon Free State)
- Mangosuthu Technikon
- University of Johannesburg (from the merger of Rand Afrikaans University – which incorporated the Soweto and East Rand campuses of Vista University – with Technikon Witwatersrand)
- University of Limpopo (from the merger of the Medical University of South Africa and the University of the North)
- Nelson Mandela Metropolitan University (from the merger of the University of Port Elizabeth – which incorporated the Port Elizabeth Campus of Vista University – and Port Elizabeth Technikon)
- Walter Sisulu University in the Eastern Cape (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)
- Cape Peninsula University of Technology (from the merger of the Cape and Peninsula technikons)
- Northern Cape Institute of HE
- Mpumalanga Institute of HE, which was still to be launched by mid-2006
- Vaal University of Technology.

HE and Training is also referred to as tertiary education. The HE band provides the highest level of education. Entry into HE is through a Grade 12 pass or a Grade 12 pass with exemption.

Private institutions offering HE must register with the department in accordance with the HE Act, 1997. The role of HE in the South African education system is threefold:

- Human resource development (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 depend on continuous technological improvement and innovation, driven by a well-organised and vibrant research and development system that integrates the research and training capacity of HE with the needs of industry and of social reconstruction.

In celebration of the 30th anniversary of 16 June 1976, the Minister of Science and Technology, Mr Mosibudi Mangena, and the Minister of Education, Ms Naledi Pandor, on 28 June 2006 signed an agreement that would see their departments collaborating in facilitating and supporting the effective implementation of the National Strategy for Mathematics, Science and Technology Education, as well as the Youth into Science Strategy.

The areas of collaboration include developing educators to upgrade their knowledge and skills, enhancing learner participation and performance, identifying and nurturing talent and potential and placing and supporting learners in Higher Education and important strategic economic sectors in support of the National System of Innovation.

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
- institutions will establish student-equity targets, with the emphasis on programmes in which black and female students are underrepresented; 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 programme development, delivery and rationalisation, particularly of small and costly programmes.

Adult Basic Education and Training

South Africa has some 4,7 million people who are totally illiterate (never attended school) and another 4,9 million adults who are functionally illiterate (left school before Grade 7). Illiteracy is highest in KwaZulu-Natal, the Eastern Cape and Limpopo. The language groups affected the most are isiZulu, isiXhosa and Sesotho sa Leboa.

The Abet Act, 2000 provides 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, and receives reports from all sectors on the progress of the MYIP.

The department established the South African Literacy Agency (Sanli) to significantly reduce adult illiteracy by:

- 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. 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.

Project Literacy, a 30-year-old non-profit organisation, delivers a wide range of Abet programmes to educationally disadvantaged adults through teaching centres, educator training, curriculum development and community outreach.

In May 2006, the Minister of Education, Ms Naledi Pandor, launched the National Reading Programme. The first initiative is the provision of 100 fiction books to 5 233 primary schools in quintiles one, two, and three. The second initiative is the provision of a set of 40 titles, selected from Africa's 100 best books of the 20th century, to 751 Grade 9 schools in similar quintiles. The third initiative is the provision of 30 mobile library buses for use in areas where there are no community or public libraries.

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 Department of Education has signed a memorandum of understanding with the United States' Agency for International Development (USAid) to implement a reading and writing project as part of the Unites States' African Education Initiative Textbooks for a Global Society Programme. The project is implemented in partnership with Hampton University and has produced teacher guides and learner workbooks for teaching writing skills. The ultimate objective of the programme is the production of reading material written by the learners themselves in the different official languages.

The Democracy in the Classroom Project was launched in August 2003. It is the result of a partnership between the United Kingdom's (UK)

David Modiba of Mankweng, Limpopo, Farai Rufetu of Ekangala, Mpumalanga, and retired Eastern Cape teacher Wakeford Gova received the seventh annual Aggrey Klaaste Mathematics, Science and Technology Educator of the Year Award, which is sponsored by *Sowetan* newspaper and the Telkom Foundation.

The winners' prizes included a personal computer each and a computer centre, science laboratory and R5 000 cash for their schools.

Department for International Development (DFID), the Independent Electoral Commission of South Africa and the Abet Institute of Unisa, in collaboration with Sanli.

In 2005, over 32 000 people wrote Abet Level 4 examinations and 31 000 gained credits towards a GET certificate.

Education of learners with special education needs

The national and provincial departments of education provide a wide range of education services to learners who, due to a range of factors, experience barriers to learning and participation.

These include:

- autism
- behavioural problems
- visual impairment
- tuberculosis
- children in conflict with the law
- physical disability
- neurological and specific learning disabilities
- multidisability
- intellectual disability
- hearing impairment
- communication disorders
- epilepsy
- over-aged learners.

These services are provided in ordinary and special schools through a range of service-providers such as district curriculum, institutional and special-needs specialists, as well as specially trained educators.

The *Education White Paper 6* acknowledges that many children experience barriers to learning. Some of these barriers lie within the learners themselves (intrinsic), while some barriers are systemic, socio-economic and cultural.

In its quest to accommodate learners who experience barriers to learning, the Department of Education is field-testing inclusive education in 30 districts in the nodal areas. Between 2005 and 2009, some 30 selected ordinary primary schools are being made fully accessible and are being supplied with specialised equipment and training to become inclusive to all learners in the area who have additional support needs.

These 'full-service' schools will be seen as models of inclusive education to be replicated in all districts of the country. Learning conditions in identified special schools will be improved to ensure that all learners in the country receive quality education.

Educators will be trained and empowered to teach children with diverse learning needs. District-based support teams will be developed to provide support mainly to educators in these full-service schools.

This will enable children, the majority of whom could not access education in the past because of the unavailability of specialised services and support in rural and previously disadvantaged areas, to gain access to education.

Once the first phase of implementing inclusive education is completed, the lessons learnt will be applied to the wider education sector incrementally.

Meanwhile, existing special schools will be strengthened so that some of them can serve as resource centres for full-service schools and ordinary schools in their areas.

Early Childhood Development

ECD is a comprehensive approach to programmes and policies for children from birth to nine years of age with the active participation of their parents and caregivers. Its purpose is to protect the rights of children to develop their full cognitive, emotional, social and physical potential.

The Department of Education is responsible for children in grades 1 to 3 as part of compulsory schooling. One of the priorities of the department is to increase access to ECD provisioning through an accredited reception year programme as proposed in *Education White Paper 5*. This policy focuses on expanding ECD provision, correcting the imbalances of the past, ensuring equitable access and improving the quality and delivery of ECD programmes.

It also proposes expanding the provision of services to children from birth to four years through the development and implementation of intersectoral programmes.

The non-profit sector plays a major role in ECD. Most of the early learning sites across South Africa have been initiated by the non-profit sector in partnership with communities. Nevertheless, for many poor children, quality ECD is still beyond reach.

The medium-term goal of the department is for all children entering Grade 1 to have participated in an

accredited Grade R programme by 2010. Regarding the birth-to-age-four cohort, the Department of Education is leading the ECD Interdepartmental Committee (including the departments of health and of social development), which has developed the Birth-to-Four Integrated Plan.

The plan is closely linked to government's Expanded Public Works Programme (EPWP). In ECD, the EPWP will create employment and training opportunities by providing education and care services to young children.

The registration of sites is the responsibility of the Department of Social Development in terms of the Child Care Act, 1983 (Act 74 of 1983). Municipalities/local governments also have constitutional power to provide childcare facilities and grants to associations. These regulations are applicable to both public and independent ECD sites.

By February 2006, 5 103 registered ECD sites were receiving subsidies, providing facilities for some 330 036 children. During 2006/07, ECD units were expected to be established in at least 30 municipalities and the numbers of subsidised sites expected to increase by 30%, while also accelerating the registration of unregistered sites in nodal areas.

By February 2006, Grade R had been introduced to about 400 000 learners in schools and community-based venues, and 4 500 ECD practitioners had been trained towards a Level 4 ECD qualification, with 3 927 of these achieving their Level 4 qualification, and the rest earning credits towards it.

According to an SACE resolution signed in 2004, all ECD practitioners with a Level 4 qualification should be recognised and registered as educators and participate in all professional development programmes.

The *Education White Paper 5* proposes and encourages an integrated cross-sectoral approach to child development. This includes health, nutrition, education and psychosocial factors.

District development

The department will conduct an assessment and report on district structures, systems, operations (roles and responsibilities), skills and capacities. Using this report, professional and administrative support to schools will be quantified, and norms and standards for districts, based on national and international models of good practice, will be produced. The department will develop the management and professional capacity of districts.

The focus on improving institutional management and governance is supported by the improvement in the management of education districts with the development of an operational handbook for district managers, as well as the development of two districts as model districts to be used as a basis for capacity-building of all district managers.

Education management and governance development

The Department of Education has also developed the Education-Management Policy Framework and the South African Standard for Principalship for school managers, along with a new ladder of education-management qualifications.

These include a practice-based qualification for principals and aspirant principals, which will assist in professionalising the management of schools.

The qualification was expected to be tested from mid-2006 and to be fully implemented in 2007.

Teacher development

The department considers the development of educators, school managers and SGBs a high priority. The medium-term goals are to ensure that all teachers are qualified and to improve the overall quality of teaching and management. The department will continue reducing the number of unqualified teachers and running capacity-building programmes, including a national qualification for principals and a national professional diploma in education. An MST advanced certificate in education was introduced to reskill and train teachers so that the NCS could be introduced.

The following programmes contribute towards teacher development:

- The NCS Project aims to prepare national and provincial teams of educators who orientate teachers for the delivery of the NCS prior to the year of implementation. In 2006, 80 000 grade 8 and 9 teachers were expected to be targeted. About 4 000 provincial officials and 238 000 Foundation, Intermediate and Senior Phase (Grade 7) teachers countrywide were orientated to implement the NCS.

- The National Framework for Teacher Education aims to address historical backlogs in levels of teacher performance, as well as to improve the necessary initial and continuing professional development and support mechanisms. The finalisation of the policy and the implementation plan was expected to take place in 2006/07.
- The English second-language short course aims to equip Intermediate Phase teachers with the skills and knowledge to mediate content knowledge through the medium of English. In 2005/06, 800 educators were targeted country-wide. With the increase in budget, 1 800 teachers were expected to be targeted in 2006/07.
- The MST Project aims to improve the qualifications and skills of teachers in these subjects. An external evaluation of the MST Project and the process was conducted. Ongoing monitoring of the project will deal with the findings of the evaluation report.
- The National Professional Diploma in Education Programme aims to upgrade the qualifications of those teachers who do not meet the minimum professional-qualification requirements. Some 15 000 teachers received the diploma in three cohorts between 2002 and 2005. In 2006, some 2 000 educators were expected to be certificated and 1 362 were already registered for their first year.
- In 2006, the National Teaching Awards (NTAs) were presented for the seventh year, with more than 20 000 teachers participating in this initiative. The aim for 2006 was to broaden the NTAs to award serving and retired teachers who did not previously get the recognition they deserved. The department intended linking the NTAs with the existing international teacher-exchange-and-visit programmes.

The School Register of Needs

The School Register of Needs provides an important benchmark for addressing historical inequities.

The first School Register of Needs was compiled in 1996.

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 indicated that 7 817 schools were without water in 2000. By March 2006, 2 688 schools were without water facilities. In 2000, there were 12 257 schools without electricity. By February 2005, 5 233 schools were operating without electricity.

Unsafe structures declined from 4 389 in 2000 to 1 719 in February 2005. Schools in mud structures declined from 1 751 in 2000 to 939 in February 2005, and asbestos school structures were reduced from 944 in 2000 to 575 in February 2005.

All zinc school structures, which totalled 311 in 2000, had been replaced by February 2005. The number of platooning schools declined from 1 023 in 2000 to 473 in February 2005. Schools without fencing declined from 5 233 in 2000 to 2 540 in 2004. In 2000, there were 12 192 schools without libraries compared with 7 216 in 2004.

In 2000, 7 520 schools needed laboratories compared with 7 180 in February 2005. In 2000, 453 schools experienced problems with access roads to schools compared with 46 in 2004.

Emphasis on classroom provision has reduced classroom backlogs drastically.

By May 2006, the School Register of Needs was being updated. By 31 May 2006, 47% of the estimated 30 000 sites had been audited and 15% had been captured. A full report was expected to be released by March 2007.

School safety measures

In June 2006, the CEM approved amendments to regulations for safety measures at public schools.

These regulations focus on the safety of learners within schools' premises.

The CEM agreed to extend the safety measures to accommodate school tours and sporting activities.

The regulations will, among other things, ensure the following:

- Public schools must take reasonable measures to ensure the safety of learners during tours and sporting activities, including insuring against accidents.
- Learners and educators who undertake a school tour are not allowed to carry drugs, alcohol or dangerous weapons.
- Upon return from a tour or sporting activity, the supervising educator must submit a report to the principal, who in turn will submit it to the departmental official who approved the tour.

- A public school must obtain written consent from parents of learners who will be undertaking the tour.
- Public school vehicles for transporting learners must have insurance and roadworthy certificates and drivers of such vehicles must be in possession of valid driver's licences and professional driving permits.
- Learners must be informed about the dangers of and safety measures regarding water, including swimming in rivers, dams and the sea.
- A public school must have an early-release procedure that allows parents or designated persons to collect learners from school early. Proof by the person designated by a parent to collect a learner should also be produced.
- An application for approval for undertaking a tour should be completed. The principal, parent accompanying learners and SGB of the applicant public school must complete this application form.

The regulations will be published for public comment before being gazetted into legislation.

Regarding safety at schools, the CEM has agreed on the following:

- To provide infrastructure such as walls and fencing around schools.
- To strengthen relations between schools and the local South African Police Service.
- Provincial education departments will investigate the introduction of safety officers on site at vulnerable schools.
- The Deputy Minister of Education, Mr Enver Surty, will lead a team that will investigate the legislative process regarding random searches for drugs and weapons at schools, in line with international experiences.
- A school register will be introduced to ensure that all visitors to schools are registered.
- The CEM will explore the introduction of counselling services at schools based on the model of the Western Cape Department of Education.
- The Department of Education will identify specific problem schools and report to the council.
- In consultation with Business Against Crime, the Department of Education will investigate the use of closed-circuit television in schools. This will also include installing floodlights around schools.

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 sector education and training authorities (Setas), and the general reshaping of FET and HE to meet the HRD needs of the country.

The strategy ensures that integrated HRD planning and implementation is monitored at 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. It also seeks to introduce an operational plan and the necessary arrangements to ensure that everyone is productive 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.

HIV and AIDS

The Ministry of Education collaborates with the Ministry of Health to ensure that the national education system plays its part in stemming the spread of HIV and AIDS, and ensures that the rights of all those infected and affected are fully protected.

This priority has been operationalised into three objectives. 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 in 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, SGBs and district officials.

A R144-million grant was allocated for the implementation of life skills and HIV and AIDS-awareness programmes across all learning areas in the school curriculum, to ensure access to an

integrated system of prevention, care and support for children infected and affected by HIV and AIDS; and deliver life skills, sexuality and HIV and AIDS-education programmes in schools. For this purpose, 600 master trainers were expected to receive training and 25 000 educators were likely to be trained to integrate the programmes across all learning areas.

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.

The Department of Education; teacher unions; SACE; 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 working together to achieve education-transformation goals.

The educational portal, *www.thutong.org.za*, offers a range of curriculum and learner-support material, professional development programmes for educators, and administration and management resources for schools.

Thutong – meaning 'place of learning' in Setswana – features a searchable database of web-based curriculum resources for various education sectors, grades and subjects.

It also carries news and information on the latest developments in education in South Africa, and gives users the chance to interact with experts from the education community, as well as with their peers throughout the country and abroad.

The portal is a free service to registered users, who must go through a once-off, no-cost registration process.

The portal is a partnership venture between the Department of Education and various role-players in the field.

The success of key national initiatives (including Sanli) relies largely on partnerships with the private and non-governmental organisation (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.

Teacher unions

The majority of educators are organised into four teacher unions, namely the National Professional Teachers' Organisation of South Africa, the National Teachers' Union, the South African Teachers' Union and the South African Democratic Teachers' Union.

A labour-relations framework has been agreed to jointly 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 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 engaging increasingly in the provision of basic education by funding FET initiatives, building schools in needy communities, and supporting the provision of teaching and learning equipment.

The international community

The international community's contribution to the transformation of education is important. The department co-operates with United Nations (UN) agencies and numerous donors to improve access to basic education, FET and HE.

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, USAid, the Sweden International Development Agency, the Canadian International Development Agency, the UK's DFID, the Netherlands, the Irish Agency for International Development, the Finnish Government and the European Union have been instrumental in the provision of technical and financial assistance to the national and provincial departments of education.

In 2005, the Netherlands gave the Department of Education a grant of R213 million over a four-year period to help empower teachers.

The grant was also expected to be spent on the NTAs, the development of the National Framework for Teacher Education, as well as support material for educators to implement the RNCS.

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 to 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 implementation, the department participates in assessing progress in the elaboration of the EFA plans of countries in sub-Saharan Africa, and exchanges information on best practices in the development of these plans.

Libraries

Library and information services (LIS) sector

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).

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 population of about 47,4 million.

National Council for Library and Information Services (NCLIS)

The NCLIS was established by the NCLIS Act, 2001 (Act 6 of 2001). The object of the council is to advise the ministers of arts and culture and of education on LIS matters.

In March 2006, the United Nations Educational, Scientific and Cultural Organisation (Unesco) and the universities of KwaZulu-Natal, Limpopo and Fort Hare partnered to implement the Integrated Sustainable Community Initiative (ISCI) Project worth over R1 million.

The project is funded from the Japanese Fund in Trust for Capacity-Building of Human Resources. The ISCI addresses three closely interrelated issues: low levels of literacy; the prevalence of HIV and AIDS, and threats to human rights, which are all areas of priority within Unesco.

By targeting these three issues, the project hopes to contribute to the Education for All goals, poverty-reduction efforts in South Africa, and the achievement of the millennium development goals. The project will be implemented in the Eastern Cape, KwaZulu-Natal and Limpopo.

The project is expected to contribute to improving the living conditions in the communities involved by enhancing their quality of life, building greater capacity to improve their livelihoods, increasing their ability to participate and intervene in public and social life, and creating greater awareness of human rights.

To this end, the council advises the ministers on the development, co-ordination and promotion of LIS, on legislation and policies, on the allocation of public funds, on LIS education and training, on the promotion of literacy and a culture of reading, and on the use of ICT to improve the quality of LIS.

National Library of South Africa

The National Library of South Africa was constituted in 1999, in terms of the National Library of South Africa Act, 1998 (Act 92 of 1998). This new institution emerged after the merger of the former State Library in Pretoria and the former South African Library in Cape Town, and includes a specialist unit, the Centre for the Book.

The National Library of South Africa is a custodian and provider of the nation's key knowledge resources. It is mandated by the National Library of South Africa Act, 1998 to collect and preserve intellectual documentary heritage material and to make it accessible worldwide. It ensures that knowledge and information are not lost to posterity and are available for future research.

The National Library's collections contain a wealth of information sources, including rare manuscripts, books, periodicals, government publications, foreign official publications, maps, technical reports, and books on special interest, including Africana material and newspapers. These may also be available on CD, microfilm, in digital format or on the web.

The functions of the National Library of South Africa are to build a complete collection of published documents emanating from or relating to South Africa; to maintain and preserve these collections, and to provide access to them through bibliographic, reference, information and inter-library-lending services; and to promote information awareness and information literacy.

The Centre for the Book in Cape Town is a specialised unit and promotes the culture of reading, writing and publishing in all official languages of South Africa.

In terms of the Legal Deposit Act, 1997 (Act 54 of 1997), the National Library of South Africa receives two copies of each book, periodical, newspaper, map, manuscript material or other publication that is published in South Africa in any medium, whether print or electronic. The other legal deposit libraries are the Library of Parliament in Cape Town, the Mangaung Public Library in Bloemfontein and the Msunduzi Municipal Library, formerly the Natal Society Library, in Pietermaritzburg.

The Legal Deposit Act, 1997 also provides for the establishment of official publications depositories (OPDs). The first OPD is at the Constitutional Court Library and the second one is at the Phuthaditjhaba Public Library in the Free State.

Libraries in the Higher Education sector

The HE libraries hold the bulk of South Africa's scientific and scholarly information resources and fulfil more than half of all interlibrary loan requests. Pressures on 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 are libraries that consist of subject-specialised collections, including private organisations' libraries and libraries of government departments. (See also Chapter 5: *Arts and culture*.)

Acknowledgements

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9

Environmental management

In terms of its biological heritage, South Africa is recognised as one of the richest nations in the world.

The Department of Environmental Affairs and Tourism's mission is to lead the sustainable development of South Africa's environment by:

- conserving the country's natural resources
- protecting and improving the quality and safety of the environment
- promoting a global sustainable-development agenda.

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) are valuable partners in the country's total conservation effort.

Policy and legislation

The National Environmental Management: Biodiversity Act, 2004 (Act 10 of 2004), provides a regulatory framework to protect South Africa's valuable species, ecosystems and its biological wealth. It implements the *White Paper on the Conservation and Sustainable Use of South Africa's Biological Diversity*, and multilateral agreements such as the Convention on Biological Diversity (CBD).

South Africa is a signatory to the CBD, which provides the framework, norms and standards for the conservation, sustainable use and equitable benefit-sharing of South Africa's biological resources.

The Act facilitated the transformation of the National Botanical Institute (NBI) into Sanbi.

The National Environmental Management: Protected Areas Act, 2003 (Act 57 of 2003), provides for the protection and conservation of ecologically viable areas that are representative of South Africa's biological diversity, its natural landscapes and seascapes, and the management thereof. The Act envisages a national register of protected areas, with a simplified classification system of special nature reserves, national parks, nature reserves and protected environments.

It also introduces the concept of biological-diversity protection and ecosystem management. Biodiversity, conservation and ecosystem management are noted as important aims in policy and legislation that govern marine and coastal resources, freshwater and natural forests.

The Act also proposes a new system of protected areas, linking various kinds of protected environments to replace the existing fragmented system.

In addition, the Act enables the Minister of Environmental Affairs and Tourism to acquire private land by purchasing land rights for the creation of protected areas.

Based on experience with biosphere reserves, and informed by the new bioregional approach to conservation (linking the protected-area network along mountains, rivers, wetlands, the coastline and other areas of natural vegetation), the Act will result in an interlocking system of protected areas that explicitly encourages the inclusion of private land.

It recognises that people are the custodians of the land, that they need to be involved in the management of the protected land, and that they should benefit from it.

The Act caters for concurrent competence in the management of protected land. For example, an area with national-park status can now be managed by another agency, for example, a provincial parks authority. Steps have been taken to ensure that standards are upheld.

It further addresses issues of co-operative governance with provincial and local governments. It empowers 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.

Regulations in terms of the National Environmental Management: Protected Areas Amendment Act, 2004 (Act 31 of 2004), provide for the proper administration of specific nature reserves, national parks and world heritage sites.

South Africa is one of only two countries in the world to have promulgated legislation specifically related to the World Heritage Convention (the other being Australia). The country's World Heritage Convention Act, 1999 (Act 49 of 1999), stipulates that all world heritage sites must have an integrated management plan in place to ensure cultural and environmental protection and sustainable development of the site.

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 that 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 minimal production of waste and pollution.

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 in September 2002. 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 to 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 and a better environment for the world's poor. It also incorporates targets for the reduction of poverty and the protection of the environment.

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 Oceans Day: 8 June
World Desertification Day: 17 June
National Arbour 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

Targets set at the summit will have an enormous impact, including:

- 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.

National Strategy for Sustainable Development (NSSD)

South Africa is committed to meeting the agreements reached at the WSSD, including the development of the NSSD.

The Department of Environmental Affairs and Tourism was expected to publish its NSSD in 2006 for public comment. It is intended to be a powerful tool for addressing important issues such as water quality and quantity, climate change, waste management, soil loss and pollution, food production and strategic biodiversity management, while attending to development priorities associated with tackling poverty and basic human needs.

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.

Although the country covers only 2% of the world's land area, nearly 10% of the world's plants and 7% of its reptiles, birds and mammals are found here.

The three internationally recognised biodiversity hotspots in South Africa are the Cape Floral Region in the south, the Succulent Karoo that the country shares with Namibia, and that of Maputoland-Pondoland in the east, which extends into Swaziland and Mozambique.

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 country's natural heritage is best described according to 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, which 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.

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 bushveld 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.

Abundant 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.

Celebrating the Age of Hope by Protecting Our Environment was the theme to commemorate National Environment Week from 5 to 11 June 2006.

National Environment Week has become an annual feature on the South African calendar, with a range of important activities scheduled countrywide. On World Environment Day on 5 June 2006, the Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk, launched South Africa's National Environmental Awareness Campaign – Indalo Yethu. This campaign is a legacy project of the World Summit on Sustainable Development, which was hosted in Johannesburg during 2002. Indalo Yethu intends to reinforce the role of environmental protection within the context of the country's economic and social-development programmes.

By June 2006, the Department of Environmental Affairs and Tourism had created over 16 800 job opportunities, 254 permanent jobs and almost 103 000 training days in the preceding year with its social-responsibility projects and programmes.

It planned to launch a social impact study in 2006 to evaluate these programmes, and aimed to create 12 500 more job opportunities, 300 more permanent jobs and over 130 000 training days.

The Thubaleth' Elihle (our good community) community craft group, involving 80 rural women, is one of the initiatives launched to help local communities who are under increasing social and economic pressure to make sustainable use of the environmental resources available to them. The women of Thubaleth' Elihle produce goods made from fabric woven from an indigenous water-loving sedge called 'ikhwane', which is the most abundant plant in the 400-hectare Mbongolwane wetland.

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 in summer, 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 riverbeds. 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. Two of these, namely the black wildebeest and the blesbok, occur mainly in the grassland biome.

The area is internationally recognised as an area of high species endemicity 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 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. This 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 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 famous for 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 endemic Cape grysbok, the geometric tortoise, Cape sugarbird and the protea seed-eater. The mountains are the habitat of the leopard, baboon, honey-badger, caracal, rhebuck and several types of eagle and dassies.

Forest biome

South Africa's only significant forests are those of Knysna and Tsitsikamma 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. Mammals 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 it.

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.

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 the coast, the role of coastal fog also governs the distribution of certain species commonly associated with the desert.

The desert biome incorporates an abundant insect fauna, which includes many tenebrionid beetles, some of which can use 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 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, covering about 13% of the country's total land area. The contribution of these areas in maintaining South Africa's unique biodiversity is incalculable.

The publication in 2006 of the National Spatial Biodiversity Assessment by the Department of Environmental Affairs and Tourism and Sanbi revealed that 34% of South Africa's ecosystems are threatened, with 5% critically endangered; while 82% of the 120 main rivers are threatened and 44% critically endangered. Of the 13 groups of estuarine biodiversity, three are in critical danger and 12% of marine biozones are under serious threat.

Because of the geographic spread and diversity of South Africa's plant and animal species – up to 80% of significant biodiversity lies outside existing protected areas – a traditional approach to conservation is inadequate. Biodiversity priorities have to be integrated with all citizens' policies, plans and programmes.

The Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk, launched South Africa's National Biodiversity Strategy and Action Plan (NBSAP) in June 2006. It aims to guide conservation and the management of biodiversity to ensure sustainable and equitable benefits for all communities.

The NBSAP highlights five strategic objectives, such as the need for a network of protected areas that conserve a sample of all South Africa's biodiversity, specifies how these are to be realised, and sets five- and 15-year targets for each.

The NBSAP also provides for the entrenchment of biodiversity concerns in production sectors such as mining and forestry, by focusing on the inclusion

of biodiversity priorities in guidelines and codes of best practice, and on measures to encourage sustainable production practices.

The NBSAP informs the creation, in law, of the National Biodiversity Framework to ensure an integrated, co-ordinated and consistent approach to biodiversity management by organs of state in all spheres of government, non-governmental organisations (NGOs), the private sector, local communities, other stakeholders and the public.

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.

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 with no vehicles 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.

The Department of Environmental Affairs and Tourism hosted the first-ever Environmental Enforcement Conference in Durban in February 2006.

Role-players from the various spheres of government and the international arena met under the theme of *Stepping Up Environmental Enforcement: New Powers, Tools and Networks.*

The conference aimed to provide a platform for participants to showcase success stories, obstacles and innovations in environmental enforcement. The Enforcement Work Programme with the Environmental Agency of England and Wales was launched during the conference.

Marine protected areas (MPAs)

The department promulgated four new MPAs in 2004, bringing the total of MPAs to 23, which cover almost 19% of the coastline.

The promulgation of the MPAs follows South Africa's commitment (at the World Parks Congress in 2003) to expand the country's MPAs. The congress recommended that by 2012 a global system of effectively managed MPAs be implemented. The accepted target is to protect 20% of each habitat.

MPAs conserve natural environments and assist in the management of fisheries by protecting and rebuilding economically important stocks. Many of the new MPAs will be used to further develop and regulate coastal ecotourism opportunities.

National parks and equivalent reserves

SANParks manages several national parks throughout South Africa's provinces, excluding Gauteng and KwaZulu-Natal. The system of national parks is 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 and include large representative areas of at least one of the country's biomes. Since 1994, five new national parks have been established and 379 000 ha have been added to the parks system.

The national parks are:

- Addo Elephant National Park
- Agulhas National Park
- Augrabies Falls National Park
- Bontebok National Park
- Camdeboo National Park
- Golden Gate Highlands National Park
- Kalahari Gemsbok National Park (part of the Kgalagadi Transfrontier Park)
- Karoo National Park
- Knysna National Lake Area
- Kruger National Park
- Marakele National Park

- Mapungubwe National Park
- Mountain Zebra National Park
- Namaqua National Park
- Richtersveld National Park
- Table Mountain National Park (TMNP) (which incorporates the Cape of Good Hope, Table Mountain and Silvermine nature reserves)
- Tankwa Karoo National Park
- Tsitsikamma National Park
- Vaalbos National Park
- Wilderness National Park
- West Coast National Park.

In June 2006, Minister van Schalkwyk announced that in terms of priorities identified in the NBSAP, another 230 000 ha would be added to the national parks to ensure the inclusion of underrepresented biomes, such as grasslands. Among others, the Knysna forests and Soetkraal would become part of Tsitsikamma National Park and the QwaQwa Nature Reserve would be added to the Golden Gate Highlands National Park.

The Department of Environmental Affairs and Tourism has invested about R120 million in social responsibility-funding for infrastructure development in Mapungubwe National Park, and a further R30 million has been spent on land acquisition.

During 2006/07, portions of the new Wild Coast National Park, located in a globally recognised biodiversity hotspot with more than 1 500 plant species alone, were declared. It is expected to draw more than 245 000 tourists by 2008 and 270 000 by 2013, creating some 3 260 direct and indirect new jobs.

The new Blyde River National Park was declared on Heritage Day, 24 September 2006. It lies in an area with over 2 000 plant species (of which 163 are Red Data plants), which is more than in the entire Kruger National Park. The park is in the Blyde River Canyon, which has one of the richest troves of plants and animals in southern Africa. Some R18 million has been allocated for infrastructure for the park over the next three years, starting with a R10-million luxury hiking trail. The park is expected to boost the local economy by R500 million over the next decade.

Transfrontier conservation areas (TFCAs)

A TFCA is a cross-border region. The conservation status of the areas within it ranges from national parks, private game reserves and communal natural-resource management areas to hunting-concession areas. Although fences, highways, railway lines or other barriers separate the constituent areas, they are managed jointly for long-term sustainable use of natural resources. Unlike in transfrontier parks, free movement of animals between the components of a TFCA is not always possible.

TFCAs aim to facilitate and promote regional peace, co-operation and socio-economic development. The success of TFCAs depends on community involvement. In turn, TFCAs are likely to provide local communities with opportunities to generate revenue.

TFCAs are expected to allow tourists easy movement across international boundaries into adjoining conservation areas.

The six identified TFCAs are the:

- Ais-Ais/Richtersveld Transfrontier Conservation Park
- Kgalagadi Transfrontier Park
- Limpopo-Sashe TFCA
- Great Limpopo Transfrontier Park
- Lubombo Transfrontier Conservation and Resource Area
- Maloti-Drakensberg Transfrontier Conservation and Development Area.

On 5 April 2006, over 120 biodiversity scientists from across the globe, including academics, experts and students met in Cape Town for a two-day science symposium. The Department of Science and Technology, in conjunction with the Copenhagen-based Global Biodiversity Information Facility (GBIF), organised the event.

South Africa is the first African country to host this symposium since its inception four years ago. This pays tribute to the country's vast biodiversity wealth and its technological research contributions towards the globally sustainable use of natural resources.

The annual science symposium forms part of the GBIF's ongoing global efforts to find ways of slowing down and eventually curbing the loss of biodiversity through long-term conservation and the sustainable use of biological biodiversity.

In June 2006, a memorandum of understanding (MoU) between South Africa, Botswana and Zimbabwe was signed for the establishment of the Limpopo/Shashe TFCA.

The proposed Limpopo/Shashe TFCA is 1 950 km^2 in extent, 270 km^2 in South Africa, 720 km^2 in Botswana and 960 km^2 in Zimbabwe.

Biosphere reserves

The National Environmental Management: Protected Areas Amendment Act, 2004 protects South Africa's biosphere reserves, which are generally formed around existing core conservation areas.

Biosphere reserves include outstanding natural beauty and biological diversity, exist in partnership with a range of interested landowners, and can incorporate development, as long as it is sustainable, while still protecting terrestrial or coastal ecosystems.

South Africa's four biospheres are the:

- Kogelberg Biosphere Reserve, which was registered with the United Nations Educational, Scientific and Cultural Organisation (Unesco) in 1998.
- Cape West Coast Biosphere Reserve, which was listed in 2000. It covers 376 900 ha that include a number of threatened vegetation types and important bird-breeding sites.
- Waterberg Biosphere Reserve in Limpopo, which was listed in 2001. It covers 1,4 million ha that include the Marakele National Park and the Nylsvlei Ramsar Site.
- Kruger-to-Canyons Biosphere Reserve, which was also listed in 2001, and covers more than 3,3 million ha that span the boundary between Limpopo and Mpumalanga. The core areas comprise 13 declared protected areas, with a major portion of the Kruger National Park as the largest core area.

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.

World heritage sites

By June 2005, there were 788 world heritage sites in 134 countries. Africa had 63 sites. A total of 154 were natural sites, 611 were cultural sites and 23 were mixed sites.

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 seven world heritage sites proclaimed by Unesco, 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; the Cape Floral Kingdom; and the Vredefort Dome.

The Vredefort Dome is an ancient extraterrestrial impact site spanning the Free State and North West provinces. Formed two billion years ago, it is the world's most ancient meteorite impact site and the third-largest, measuring 140 km wide. It was declared a world heritage site at the 29th World Heritage Committee meeting held in Durban in July 2005.

Achieving world heritage site status has added to Vredefort's economic and tourism potential. Consequently, the Department of Environmental Affairs and Tourism has allocated R18 million from its poverty-relief programme for tourism and infrastructural development at the Vredefort Dome site.

The world heritage status of Sterkfontein's fossil hominid sites was extended in July 2005 to include the Taung skull fossil site in North West and the Mokopane Valley in Limpopo.

The Cradle of Humankind has one of the world's richest concentrations of hominid fossils, evidence of human evolution over the last 3,5 million years.

Found in Gauteng and North West, the fossil sites cover an area of 47 000 ha. The remains of ancient forms of animals, plants and hominids are captured in a bed of dolomite deposited around 2,5 billion years ago.

Although other sites in south and east Africa have similar remains, the cradle has produced more than 950 hominid fossil specimens.

The R347-million Cradle of Humankind development, initiated by the Gauteng Government, is the first public-private partnership of its kind in South Africa. The aim is to develop and manage the World Heritage Site as a premier tourist destination. Other partners include the University of the Witwatersrand, which owns the Sterkfontein caves and is the major excavator of the cradle site.

On 7 December 2005, President Thabo Mbeki launched a state-of-the-art visitors' facility named Maropeng, Setswana for 'the place where we once lived', at the cradle. The centre is designed to help tourists, schoolchildren and others explore the history of humankind.

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 sustainable use of protected areas such as the Kosi Bay Lake System in KwaZulu-Natal. Nature areas in private ownership are proclaimed and are managed to curtail undesirable development in areas with high aesthetic or conservation potential.

Conservancies are formed to involve the ordinary landowner in conservation. 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 aims 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.

The Working for Wetlands Programme focuses on wetland restoration, while maximising employment creation; support for small, medium and micro enterprises (SMMEs); and transfer of skills to the beneficiaries of the programme's projects.

The programme contributes directly to the objectives of the Expanded Public Works Programme (EPWP) and is a partnership between the departments of environmental affairs and tourism, of water affairs and forestry, and of agriculture.

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

Sanbi was established on 1 September 2004 with the renaming of the NBI in terms of the National Environmental Management: Biodiversity Act, 2004. Sanbi, with its head office at Kirstenbosch National Botanical Garden in Cape Town, is an autonomous state-aided institute whose vision is to be the leading institution in biodiversity science in Africa, facilitating conservation and the sustainable development of living resources and human well-being. In addition to new biodiversity-related

initiatives linked to the Act, traditional activities undertaken by Sanbi include:

- collecting, displaying and cultivating plants indigenous to South Africa
- undertaking and promoting research into indigenous plants and related matters
- studying, researching and cultivating threatened plant species
- promoting the utilisation of the economic potential of indigenous plants
- running environmental-education programmes.

Sanbi manages eight national botanical gardens in five of South Africa's nine provinces. The gardens collectively attract over a million visitors a year, are signatories to the International Agenda for Botanic Gardens in Conservation, and are founding members of the African Botanic Gardens Network. The largest garden is Kirstenbosch, situated on the eastern slopes of Table Mountain in Cape Town. It displays 5 300 indigenous plant species, and was voted one of the top seven botanical gardens in the world at the International Botanical Congress held in Missouri Botanical Garden, United States of America (USA), in 1999. Kirstenbosch National Botanical Garden, as part of the TMNP, was included in the Cape Floral Region World Heritage Site in 2004, the first botanical garden in the world to be included within a natural world heritage site.

Kirstenbosch gets more than 750 000 visitors annually. The Kirstenbosch National Botanical Garden houses the Kirstenbosch Research Centre, the Centre for Biodiversity Conservation, Gold Fields Environmental Education Centre, the Botanical Society Conservatory, two restaurants, a conference venue, gift shops, a coffee bar, concert venues, sculpture exhibits and the Centre for Home Gardening, which includes an indigenous plant retail nursery.

The Kirstenbosch-South Africa exhibit at the 2006 Chelsea Flower Show in the United Kingdom won a gold medal – the 28th out of 31 annual entries by South Africa to the show.

Co-ordinated by the South African National Biodiversity Institute, the exhibit featured 2 500 kg semi-precious stones and flowers, and had a waterwise theme. It was sponsored by First National Bank.

The other gardens in the national network are the Karoo Desert in Worcester, Harold Porter in Betty's Bay, Free State in Bloemfontein, KwaZulu-Natal in Pietermaritzburg, Lowveld in Nelspruit, Walter Sisulu (formerly Witwatersrand) in Roodepoort/Mogale City, and the Pretoria National Botanical Garden.

The Pretoria National Botanical Garden houses the National Herbarium of South Africa, the largest in the southern hemisphere. The evolution, diversity, distribution and relationships of southern Africa's 24 000 species of plants, based on the Sanbi collection of over 1,8 million specimens in its three herbaria, are researched. There are also regional herbaria in Durban (KwaZulu-Natal Herbarium) and at the Kirstenbosch Research Centre (Compton Herbarium).

The Harold Porter National Botanical Garden boasts Disa uniflora in its natural habitat (flowering from mid-December to the end of January), as well as South Africa's national flower, the king protea *(Protea cynaroides)*.

The Walter Sisulu National Botanical Garden accommodates more than 600 naturally occurring plant species, over 230 bird species, and a number of reptiles and small mammals. These include jackal and antelope, which occur in the natural areas of the garden. This garden receives some 180 000 visitors annually and is the fastest-growing of the Sanbi-managed gardens. It covers over 275 ha and consists of landscaped and natural areas. All the garden's plants are indigenous to southern Africa.

During 2005, Sanbi completed new environmental-education, restaurant and visitor facilities at the Lowveld, Pretoria, Walter Sisulu and Free State national botanical gardens. Many of these capital projects were co-financed by the EPWP within the department. Sanbi now operates environmental-education programmes within its national botanical gardens, and outreach greening programmes focused on promoting indigenous gardening in disadvantaged schools in surrounding areas.

The Greening of the Nation Project, managed by Sanbi, is a new government-funded programme that has been initiated in various provinces of South Africa for community and school greening projects. Its activities include the greening of towns (road islands and entrances), schools, crèches, day-care centres, community parks, cemeteries, police stations, and cultural villages, and the development of community nurseries.

Many projects include the development of indigenous gardens and vegetable gardens. The programme works closely with Food and Trees for Africa, the first national non-governmental, non-profit, greening organisation in South Africa, established in 1990.

Sanbi is the management agency for the US$20-million Cape Action Plan for People and the Environment Project, which aims to conserve biological diversity within the Cape Floral Kingdom. From 1996 to 2005, Sanbi served as the implementing agency for the US$5-million Southern African Botanical Diversity Network Project that aimed to upgrade facilities and strengthen the level of botanical expertise throughout the subcontinent. The project, which was funded by the Global Environmental Facility (GEF), United Nations Development Programme, United States Agency for International Development, and the IUCN regional office for southern Africa was completed in 2005.

Sanbi also manages the Working for Wetlands Programme, with its offices based at the Pretoria National Botanical Garden.

In addition to 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 the Protea Atlas Database, one of the most comprehensive plant databases in the world.

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 objectives of the bank, which is funded by the UK-based Darwin Initiative, 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 Millennium Seed Bank Project in South Africa is part of a 10-year (2000 to 2010) international programme that aims to collect and conserve 10% of the world's seed-bearing plant species (some 24 000 species) in the Millennium Seed Bank facility of the Royal Botanic Gardens in Kew by 2010. Sanbi joined the Millennium Seed Bank International Programme in 2000. The South African collaboration aims to contribute by collecting the seed of about 2 500 plant species indigenous to the region for storage in this long-term *ex situ* conservation facility.

Some municipalities have botanical gardens that are not controlled by Sanbi. These include the Wilds and Melville Koppies in Johannesburg, the Johannesburg Botanic Garden, the Grahamstown Botanical Garden (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 in the southern Cape.

Zoological gardens

Founded in 1899, the National Zoological Gardens (NZG) of South Africa in Pretoria is the only zoo in South Africa with national status and membership 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 NZG, considered one of the 10 best in the world, extends over an area of about 80 ha. In 2005, the zoo attracted more than 600 000 visitors.

On 1 April 2006, the zoo's collection included 2 889 specimens of 213 mammal species, 1 418 specimens of 221 bird species, 4 639 specimens of 217 fish species, 118 specimens of 12 invertebrate species, 529 specimens of 113 reptile species, and 90 specimens of seven amphibian species.

These figures comprise the animals housed at the NZG in Pretoria, the two game-breeding centres in Lichtenburg and Mokopane, and the satellite zoo and animal park at the Emerald Animal World in Vanderbijlpark.

In April 2004, the NZG was declared a national research facility, subject to the provisions of the National Research Foundation (NRF).

The NRF is a government agency responsible for supporting and promoting research, and providing research facilities to facilitate the creation of knowledge, innovation and development in all fields of science and technology. (See Chapter 18: *Science and technology*.)

In 2001, the NZG established the 203-ha Emerald Animal World housed at the Emerald Safari Resort and Casino in Vanderbijlpark. The facility comprises a 189-ha game park and a 14-ha zoo.

The Emerald Animal World facility houses more than 760 animals representing 127 species of mammals, birds and reptiles. Animals that can be viewed there include white rhinoceros, hippopotamus, lion, cheetah, various antelope and reptile species, and even bats. All the animals were provided by the national zoo's satellite facilities in Lichtenburg and Mokopane.

The Johannesburg Zoological Gardens, or Johannesburg Zoo, which houses more than 10 000 animals, celebrated its centenary in 2004.

The core business of Johannesburg Zoo, which is registered as a non-profit company, is the accommodation, enrichment, husbandry and medical care of wild animals.

It is also renowned for its successful breeding programmes involving several endangered South African bird species such as the wattled crane and ground hornbill.

The zoo covers 54 ha and houses 2 070 animals of 365 species.

Breeding centres

There are a number of game-breeding centres in South Africa. The NZG of South Africa is responsible for the management of the Lichtenburg Game-Breeding Centre, which covers an area of some 4 500 ha, and the Game-Breeding Centre in 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 rhinoceros, 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, the rare tsessebe, roan antelope and black rhino.

De Wildt Cheetah-Breeding and Research Centre, situated near Pretoria, is best known for its highly successful captive-breeding programme that contributed to the cheetah being removed from the endangered list of the *South African Red Data Book – Terrestrial Mammals* in 1986.

De Wildt also breeds a number of rare and endangered African species. The most spectacular of these is the magnificent king cheetah, which is a true cheetah, but with a variation of coat patterns and colouring. De Wildt also plays a major role in the breeding and release of wild dogs. It has donated breeding nucleuses of the highly endangered riverine rabbit and suni antelope to the Kruger National Park.

The De Wildt Vulture Unit is a rehabilitation and holding facility for injured, poisoned and disabled vultures.

The Hoedspruit Endangered Species Centre in Mpumalanga was initially established as a breeding programme for the then endangered cheetah. Following the success of the cheetah-breeding programme, it has evolved into a breeding programme for other endangered African animal species. The centre caters for, among other things, five species of vulture: Cape griffins, and whitebacked, hooded, whiteheaded and lappetfaced vultures.

The Hoedspruit Centre is also known for its wild dog-breeding programme.

The Hoedspruit Research and Breeding Programme also includes the rare black-footed cat,

February 2006 marked the first anniversary of South Africa's implementation of the Kyoto Protocol.

South Africa is one of the signatories to the protocol, an amendment to the United Nations Framework Convention on Climate Change according to which countries commit to reducing their emissions of carbon dioxide and five other greenhouse gases, or engaging in emission trading if they maintain or increase emissions.

the vulnerable African wild cat, ground hornbills (in co-operation with the NZG in Pretoria), bald ibis and the endangered blue crane. Elephant, white rhino, buffalo, caracal, sable antelope, bushbuck and tsessebe have also been cared for and rehabilitated there.

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 one of the city's major attractions. Exhibits include an underwater observation area, a dolphin-research centre, various smaller tanks of 40 different species of bony fish, as well as two larger tanks that display sharks and stingrays.

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.

UShaka Marine World in Durban incorporates both 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 incorporates a unique shipwreck-themed aquarium, a penguin rookery and a 1 200-seater dolphin stadium (the largest dolphinarium in Africa). It also offers edutainment tours and special interactive activities such as snorkelling and scuba diving. In addition, it features a rocky touch-pool, where visitors can touch a starfish or sea cucumber with the help of specially trained guides.

Snake parks

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.

The Fitzsimons Snake Park in Durban houses about 250 snakes, including the world's longest (reticulated python), most venomous (boomslang, puff adder and black mamba) and rarest (long-nose tree snake and Madagascar tree boa) snakes. Up to 500 snakes hatch at the park each year. The Adventure Walk enables visitors to view a large variety of snakes that are kept in secure glass-viewing enclosures. The park also offers educational, interactive snake demonstrations, and junior and advanced herpetology (study of reptiles) classes.

The Port Elizabeth Snake Park at Bayworld has a wide variety of South African and foreign reptiles, including tortoises, boa constrictors, pythons, crocodiles, lizards and deadly venomous snakes such as cobras, mambas and rattlers. Rare and threatened species, including the Madagascar ground boa, are housed safely in realistically landscaped glass enclosures.

The Aquarium and Reptile Park situated at the NZG in Pretoria houses 80 reptile species from all over the world.

The Hartbeespoort Dam Snake and Animal Park near Pretoria features one of the finest reptile collections in southern Africa. It offers seal shows and snake-handling demonstrations.

Marine resources

The South African coastline covers more than 3 200 km, linking the east and west coasts of Africa. South Africa's shores are particularly rich in biodiversity with some 10 000 species of marine plants and animals having been recorded.

The productive waters of the west coast support a variety of commercially exploited marine life, including hake, anchovy, sardine, 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 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.

New fisheries

The department is committed to job creation and

economic growth, and to exploring new economic opportunities within the fishing sector.

The termination of South Africa's 25-year-old fisheries agreements with Japan and Taiwan has paved the way for the development of a South African fishery for large pelagic fish, such as tuna and swordfish. The first long-term 10-year commercial fishing rights have been issued in this sector as well as the abalone sector.

In addition, the department is developing nine new fisheries over the next five years, including Eastern Cape abalone, limpets, ornamental fish, East Coast rock lobster, sand soldier and Indian Ocean squid in KwaZulu-Natal. Two experimental fisheries have been opened for the KwaZulu-Natal deepwater rock lobster and octopus fisheries to determine the feasibility of developing both sectors into full-scale commercial fisheries.

Through regular scientific research, the department establishes what the optimal use of each fish species should be. This is done annually and ensures that fish stocks are managed sustainably.

Long-term rights allocations

In March 2005, the Minister of Environmental Affairs and Tourism announced 19 draft fishing policies for the allocation of long-term fishing rights in South Africa. A draft line-fish policy was also published following a series of fishing izimbizo held along the coastline of South Africa, which allowed for input from the public and stakeholders. The policies will guide the process by which the department will allocate fishing rights for periods of between eight and 15 years. This will create more stability and sustainable jobs, while providing an enabling environment for entrepreneurs.

For the first time ever, policy considerations have been codified in significant detail. South Africa is one of only a handful of countries that has codified its fisheries policies, and is perhaps the only country to have done so in such detail.

The allocation of fishing rights is managed in terms of the clustered approach to fisheries management. The 19 different fishing sectors remain grouped into four clusters. This was done in response to the call to simplify and streamline the allocation process.

The clusters allow for the design of processes that suit the different fishers involved. Cluster A comprises the most organised and capital-intensive fisheries. Cluster B comprises those fisheries that, although fairly well organised, are significantly less capital-intensive. Cluster C comprises large numbers of fishers who are poorly organised, but who have access to valuable fish stocks. Cluster D comprises those fishers who are not only poorly organised, but are also involved in very marginal fisheries.

The four clusters are as follows:

Cluster A
- hake deep-sea trawl
- hake inshore trawl
- horse mackerel
- small pelagics
- patagonian tooth fish
- south coast rock lobster
- KwaZulu-Natal prawn trawl.

Cluster B
- West Coast rock lobster (WCRL) (off shore)
- hake long line
- squid
- tuna pole
- seaweed
- demersal shark.

Cluster C
- hand-line hake
- WCRL (near shore).

Cluster D
- oysters
- white mussels
- net fishing (small nets/gillnets and beach seine/trek-nets)
- KwaZulu-Natal beach seine.

This process followed the allocations of medium-term rights in 2001, when the department moved away from allocating annual permits to the allocation of four-year rights.

By June 2006, 8 028 long-term fishing-rights allocations had been received, about twice the number expected. Rights were awarded to 1 516 successful applicants to catch about 600 000 tons of fish. In allocating these rights,the Department of Environmental Affairs and Tourism achieved real empowerment, in that 29% of the deep-sea hake trawl (14% in 2001), 66% of the pilchard catch (64% in 2001), and 61% of the offshore WCRL catch (51% in 2001) is now black-controlled.

In June 2006, Minister van Schalkwyk announced the allocation of 392 additional long-term fishing rights in the WCRL near-shore fishery sector, nearly doubling the total number of

allocations from 418 to 812. These rights will be valid for a period of 10 years.

The area where WCRL rights are allocated stretches from Port Nolloth to Gansbaai.

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 wild abalone fishery has.

These farms are creating a substantial demand for fresh kelp fronds, which are fed to cultured abalone. The department is undertaking research into seaweed cultivation to establish whether the nutrient-rich wastewater from abalone farms can be effectively used to cultivate seaweeds for abalone feed. If this 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. Research carried out in land-based tanks and cages at Rhodes University showed that this species is easily kept in captivity, growing from fingerlings to over one kilogram 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. In accordance with the White Paper, a coastal committee was established in each of the four coastal provinces. Progress has been made towards the establishment of a national coastal committee.

It was envisaged that the Coastal Management Bill, which was drafted in 2002, would be tabled in Parliament in 2006. 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 2004/05, a number of initiatives were strengthened and implemented under the Coastcare banner. These included the formulation of interpretive signage for the coast, the Adopt-a-Beach Programme and the Coastcare Induction Programme.

Mariculture

Research geared at mariculture development resulted in the development of scallop shellfish, kob and white stumpnose finfish mariculture projects and a three-year exploratory tuna-farming project. Another successful mariculture project is the culturing of sea urchins by closing the life cycle and rearing larvae to market size within 12 months.

4x4 regulations

Following the successful implementation of the 4x4 regulations that provide for the controlled use

In February 2006, the Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk, announced interventions aimed at alleviating the suffering of poverty-stricken coastal communities.

Government had spent more than R270 million over the past two years on repairing and upgrading fishing harbours, and aimed to spend another R127 million in 2006/07 to create local jobs while developing infrastructure that should result in improved economic activities. Shark-cage diving, boat-based whale watching and other non-consumptive tourism activities have been prioritised as means to address communities' social and economic needs. A draft policy on aquaculture was expected to be finalised and released for public comment in 2006.

In addressing the plight of bona fide small-scale fishers from coastal fishing communities, who use low-technology fishing gear to catch fish primarily for local sale or barter, fishers who demonstrate both great need and a historic dependency on fishing will be given access to fish and marine resources in inshore areas.

Fishers could be accommodated within the framework of subsistence fishing. A policy for subsistence fishing was expected to be released in 2006.

of off-road vehicles in coastal zones, monitoring of stretches of coast has indicated that the banning of off-road vehicles has enabled several shore-breeding birds, especially Damara tern and African black oystercatcher, to breed successfully on beaches again.

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 also increased since the ban was enforced.

In 2004, the Department of Environmental Affairs and Tourism amended the Regulations for the Control of Use of Vehicles in the Coastal Zone, and developed a guideline document for these regulations. A socio-economic study was commissioned to determine the effects of these regulations in the St Lucia region. The study was expected to be completed in 2006.

Interpretive and Informative Marine and Coastal Signage Programme

As part of its education and training programme, the department seeks to raise awareness in coastal areas. Following extensive consultation, more than 90 different themed interpretive and informative boards were developed and erected at beaches all along the coastline after the reproduction of more than 1 000 copies. These are valuable tools for increasing coastal and marine-environment awareness among beach visitors.

Adopt-a-Beach

The Adopt-a-Beach Programme was initiated to encourage groups of people to adopt or help look after a piece of coast in their region and link with others as part of a national project. Adopt-a-Beach is part of the overall Coastcare Programme and contributes towards the implementation of the awareness, education and training goals of the *White Paper for Sustainable Coastal Development in South Africa*. More than 250 groups have been registered and are being supported by the department.

By June 2006, Operation Orca had resulted in the seizure of marine products worth almost R38 million, as well as 35 vehicles, three vessels and other assets. There had been 78 convictions, breakthroughs into four syndicate operations and the first-ever long-term imprisonment of seven years for the possession and transportation of perlemoen.

The environmental protection fleet inspected 714 vessels, undertook 13 rescue operations, secured 25 arrests and issued 50 fines in 510 sea days in 2005. The department aimed to increase the number of sea days to 700 with at least one Southern African Development Community patrol per quarter.

Blue Flag Programme

Blue Flag is an international annual award given to beaches that meet excellence in the areas of safety, amenities, cleanliness and environmental standards. South Africa is the first country outside Europe to win Blue Flag accreditation for its beaches. Since the inception of the programme in South Africa, a 75% growth rate in full status and pilot Blue Flag beaches has been achieved.

The Blue Flag beaches for 2006/07 were:

- Addington Beach, Durban
- Anstey's Beach on the Bluff, Durban
- Bay of Plenty, Durban
- South Beach, Durban
- Umhlanga Rocks Main Beach
- Kelly's Beach, Port Alfred
- Well's Estate, north of Port Elizabeth
- Humewood, Port Elizabeth
- Dolphin Beach, Jeffrey's Bay
- Lappiesbaai Beach, Stilbaai
- Grotto Beach, Hermanus
- Bikini Beach, Gordon's Bay
- Mnandi Beach, Strandfontein
- Clifton 4th Beach, Cape Town
- Lucien Beach, south coast
- Marina/San Lameer Beach, south coast
- Ramsgate Main Beach, south coast
- King's Beach, Port Elizabeth
- Hawston Beach, near Hermanus
- Kleinmond Beach, near Hermanus.

Illegal cottages

The Department of Environmental Affairs and Tourism has embarked on a programme to halt illegal developments along coastal areas that compromise orderly developments and degrade the environment. Creating an environment conducive to the promotion of appropriate development, improving law enforcement and environmental quality, and ensuring that local communities benefit from orderly

development along the coast are key objectives of this programme.

The department took action against illegal developers along the Eastern Cape coastline after aerial and ground surveys were done, resulting in more than 40 criminal cases and about 60 civil cases against individuals. After court orders and interdicts, 15 houses were demolished. The department is currently expanding legal action against developments in KwaZulu-Natal and the Northern Cape.

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.

Urban environmental management

South Africa is an urbanised economy with 58% of the population living in cities and towns. By 2015, it is expected that 68% of the population will live in urban areas due to continued migration from rural areas mainly to the larger cities, which will lead to many environmental challenges in South Africa's cities.

The launch of the five-year Urban Environmental Management Programme (UEMP) in June 2006 marked a milestone in environmental co-operation between Denmark and South Africa. With their latest donation of R275 million, Denmark passed the R1-billion mark in donations towards improving environmental quality in South Africa.

Five key municipalities have been chosen as pilots for this programme, namely Cape Town, Durban, Ekurhuleni, Johannesburg and Sedibeng (Vaal Triangle). Some R85 million has been earmarked for direct support to these cities with a reserve for other 'hotspots' in future. People living in air-pollution hotspots such as the Vaal Triangle and South Durban can expect noticeable improvements over the next five years.

It is expected that the UEMP will lead to an improvement in the quality of life of nearly two million poor households in these five municipalities, whose health is affected by inadequate waste removal, and poor air quality and planning. It will contribute to economic growth by assisting cities to develop energy strategies and integrated development plans. The professional development of environmental health officers will also receive special attention.

National and provincial departments will receive R68 million to spread the lessons learnt and models developed that could lead to improvements in all municipalities.

Climatic and atmospheric change

In South Africa, climate change is evident and will continue, even if greenhouse gas (GHG) concentrations are stabilised. As such, it will continue to undermine sustainable development. Expanded desertification in the semi-arid areas of the country is already a feature of the South African landscape. Climate-change modelling suggests a reduction of the area covered by the current biomes in South Africa by 35% to 55% in the next 50 years.

The Energy Research Centre at the University of Cape Town has estimated that the yearly cost to South Africa of not acting to adapt to the effects of climate change now will be about 1,5% of gross domestic product (GDP) by 2050.

Achieving the 2013 additional renewable energy target of 10 000 giga watt hours could have a positive impact on GDP of more than R1 billion, lead to additional government revenue of almost R300 million, provide additional income to low-income households of R128 million, and produce water savings of up to 16,5 million kilolitres per year, while creating just over 20 000 new jobs simultaneously.

National Climate-Change Response Strategy

The 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 facilitate sustainable development.

Government approved accession to the Kyoto Protocol of the UN Framework Convention on Climate Change (UNFCCC) in March 2002, demonstrating South Africa's commitment to further enhancing the effectiveness of environmental legislation.

The Kyoto Protocol, which entered into force on 16 February 2005, is a legally binding instrument whereby developed countries undertake to reduce GHG 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.

The South African National Conference on Climate Change was held in October 2005 in Midrand near Johannesburg to address the growing challenge of climate change and to prepare for its implications. This was South Africa's first national conference on the topic. Attended by more than 600 representatives from government, the business sector, scientific and academic communities and civil society, the conference reflected South Africa's commitment and determination to act on climate change and to shape policy informed by the best available scientific knowledge.

In December 2005, envoys from more than 180 countries, including South Africa, attended the UNFCCC, held in Montreal, Canada, to discuss the Kyoto Protocol. More than 40 decisions that would strengthen global efforts to fight climate change were taken.

In December 2005, at the fourth Municipal Leaders Summit in Montreal, more than 190 mayors agreed to reduce emissions of GHGs by 20% before 2020, and by 80% by 2050, in support of the Kyoto Protocol.

South Africa is introducing the first carbon-development mechanism projects that use cleaner development to generate revenue from developed nations, to support the country's actions in response to climate change. Government also intends implementing the agreement it has with Business Unity South Africa on emissions, and using the National Environment Management: Air Quality Act, 2004 (Act 39 of 2004), to regulate the reporting of GHG gas emissions, and encourage cleaner production.

In June 2006, ministers and heads of delegations from 22 countries met at Kapama Lodge, South Africa, for the Ministerial Indaba on Climate Action. The indaba provided ministers with the opportunity to consider key issues for the climate-change agenda for the long term, as well as for the next round of talks under the United Nations Framework Convention on Climate Change and its Kyoto Protocol scheduled in Nairobi, Kenya, in 2006.

Erosion and desertification

Most 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 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 other things, to foster scientific and technological co-operation.

Waste management

The Department of Environmental Affairs and Tourism has prioritised four projects within the framework of the National Waste Management Strategy. They are:

- recycling
- a waste information system
- healthcare waste
- capacity-building.

Central to these are pilot projects that are being set up countrywide. The department welcomes partnerships with business to ensure that these projects are successful and become a core of better waste management in South Africa.

In 2006, the new National Integrated Waste Management Bill, which ensures that waste is dealt with according to agreed norms and standards, was published for comment.

Government aims to reduce the amount of 'big five' waste – plastics, cans, paper, glass and tyres – that reaches landfills by 70% by 2022, and has plans for minimising and treating the remaining 30%. National initiatives embarked on to realise the goal of zero waste, include agreements signed by government and members of priority waste-stream sectors such as the manufacturers of plastic bags and the waste-glass industry, and an MoU with the waste-tyre sector.

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. However, 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 of plastic bags if the ink is not environmentally friendly. In situations where the ink is acceptable, this area can be increased to 50%. The department has a toll-free line to deal with queries about plastic bags.

The plastic bags agreement and supporting regulations have dramatically decreased the environmental impact of this highly visible waste stream, with a 50% reduction in the consumption of plastic bags since the introduction of the regulations.

As part of the implementation of the plastic bag regulations, Buyisa-e-Bag, a non-profit-making company was set up to promote waste minimisation and awareness initiatives in the plastics industry. The company is expected to expand collector networks and to create jobs, as well as to kick-start rural collection SMMEs and create additional capacity in NGOs.

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.

The Radioactive Waste Management Policy, which assures citizens that there is a nuclear waste-management plan and strategy, is being implemented, starting with the creation of the National Committee on Radioactive Waste Management.

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 maintaining 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 have, or 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.

Following the Department of Justice's closure of all specialised courts in July 2006, all environmental cases now have to be heard in their own districts.

The departments of environmental affairs and tourism and of justice and constitutional development established a dedicated unit as from 1 August 2006 to deal with all cases in the Western Cape. The Department of Environmental Affairs and Tourism seconded officials to a unit that would prosecute cases in district and regional courts, and in the High Court.

By the end of 2006, over 100 prosecutors had completed specialised training in prosecuting marine-, wildlife- and pollution-related environmental crimes.

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*.)

The department is introducing a comprehensive drinking-water management programme to help municipalities ensure that the quality of drinking water is managed appropriately. Municipalities submit monthly reports on the quality of their drinking water to the department to enable it to lend speedy assistance when necessary.

Air pollution

The National Environment Management: Air Quality Act, 2004 was promulgated in 2005. The Act, which repealed the Atmospheric Pollution Prevention Act, 1965 (Act 45 of 1965), gives effect to the integrated pollution and waste-management policy to ensure that all South Africans have access to clean air.

In 2006, government introduced the first-ever South African National Standards for Ambient Air Quality. These are specifically aimed at protecting peoples' right to air that is not harmful to health and well-being, and at defining specific levels of air pollution like benzene, sulphur dioxide and particulate matter that are considered harmful. The department also hosted the first annual National Air Quality Governance Lekgotla in October 2006 to address air-quality issues and to help ensure cleaner air in all communities.

Marine pollution, poaching and sustainability

South Africa has one of world's busiest shipping routes and has experienced many oil spills over the years. It is estimated that 80% of the world's tanker traffic passes South Africa's coast. The department developed the National Contingency Plan for the Prevention and Combating of Pollution from Ships, in consultation with the South African Maritime Safety Authority and the Department of Transport. This includes disposal, recovery or stabilisation of the spilt oil and the rehabilitation of the environment.

The department successfully responded to several pollution incidents, which included, among others, the *Sea Elegance, Sealander Express, Cape Africa,* and *BBC China*. The department established the National Ballast Water-Management Task Group to develop measures aimed at regulating discharges of ballast water in South Africa's marine and coastal waters.

Sustainable Coastal Livelihoods Programme (SCLP)

The SCLP seeks alternative livelihood options for communities along the South African coast to minimise pressure on marine resources. By mid-2006, 14 SCLP coastal-development projects were being implemented with a total budget of R13,4 million.

Subsistence fishing

The implementation of the Marine Living Resources Act, 1998 (Act 18 of 1998), has facilitated the allocation of formal rights to fishers in this sector for the first time. It is an important part of the overall transformation of fisheries in South Africa. A primary goal is to allow subsistence fishers to obtain their food, or food security, through the harvesting of local resources. Consequently, the need to ensure that exploitation is sustainable is vital.

Identifying and working with fisher communities to promote orderly access has been emphasised. Implementation involves co-operation between all spheres of government and civil society.

A policy for subsistence fishing was expected to be released in 2006.

Protecting South Africa's seas

To counter illegal activities along the 3 000-km coastline, as well as the country's 1 155 000 km^2 Exclusive Economic Zone (EEZ), the Department of Environmental Affairs and Tourism has boosted its compliance unit with the appointment of more than 80 fishery control officers (FCOs) and 100 honorary FCOs, after the implementation of the Honorary Fishery Control Officers Policy. The department has

At the Reduce, Reuse and Recycle Ministerial Conference in 2005, South Africa agreed to manage waste in a holistic manner, and became one of seven countries to sign a grant agreement on the African Stockpile Programme with the World Bank worth US$1,7 million. The country is also developing guidelines for the implementation of the Globally Harmonised System of Classification and Labelling of Chemicals.

also taken delivery of four new environmental-protection vessels as part of measures to protect marine and coastal resources.

Three of the four new protection vessels, *Lillian Ngoyi, Ruth First* and *Victoria Mxenge*, have been built to patrol up to the 200 nautical mile limit from the shore. A fourth vessel, *Sarah Baartman*, patrols the most remote reaches of the EEZ and around the Prince Edward islands in the Southern Ocean regions. The vessels also conduct multilateral patrols in the Southern African Development Community (SADC) coastal states.

Lilian Ngoyi was launched in November 2004, followed by Sarah Baartman on 10 January 2005, Ruth First on 18 May 2005 and Victoria Mxenge on 23 September 2005.

In addition to performing fishery-protection duties, the vessels are equipped to conduct oil-spill countermeasure operations. The vessels are further equipped for search-and-rescue work, fire-fighting and limited towing duties.

They monitor a wide variety of resources, including rock lobster, abalone, line fish and squid, and carry out inspections of the demersal and pelagic fleets.

Three of the vessels are 47 m long and 8 m wide and can reach a top speed of about 25 knots (about 40 km per hour), which is roughly twice the speed necessary to catch most poachers.

The much-larger *Sarah Baartman* carries 18 crew members, four cadets and seven fishery inspectors.

Her top speed exceeds 20 knots. Equipped with a helicopter deck and refuelling facilities, *Sarah Baartman* can accommodate a fully laden Super Puma or Oryx helicopter. It also has hospital facilities and capacity for six 20-foot containers, which can be loaded and discharged by the vessel's own crane.

The patrol vessels are named after women who, through their courage, dedication and commitment, made a significant contribution to South Africa's liberation.

The *Florence Mkhize* speed-vessel was introduced in June 2006 to assist in combating poaching. The vessel is extremely fast (with speeds in excess of 60 knots) and consists of twin 820 kilowatt engines. It is certified as less than 25 ton and is 14 metres in length. The total cost of the vessel was R3,8 million.

The department launched the Preventative Enforcement Strategy in November 2005.

In the Eastern Cape alone, the number of abalone confiscated declined dramatically during the period from October 2005 to January 2006. In October 2005, 52 336 abalone were confiscated and at the end of November 2005 this figure had dropped to 6 926, representing a decrease of about 600%.

The figure for December 2005 and January 2006 combined was 3 216, representing a further 100% decrease. A total of 1 200 alleged poachers were prevented from diving.

Inspections were also carried out at restaurants, fish factories and shops, and commercial fishing boats at landing sites.

International co-operation

International alliances are essential for encouraging regional and international compliance with marine fisheries legislation. South Africa has played a positive role in responding to international requests to help when dealing with alleged illegal, unreported and unregulated vessels. The request at the end of 2003, from Australia, to assist in the pursuit of the *Viarsa I* is the most prominent example of this kind. The vessel was alleged to have been involved with illegal harvesting of Patagonian toothfish in Australia before she fled to the high seas in the direction of South Africa.

Vessel monitoring

The department is making it obligatory for fishing vessels to have satellite technology on board so that it can monitor their movements. Five coastal nations in the SADC have taken the innovative step of linking their vessel-monitoring systems. South Africa, Namibia, Angola, Mozambique and Tanzania

In March 2006, the Deputy Minister of Environmental Affairs and Tourism, Ms Rejoice Mabudafhasi, launched the International Year of Deserts and Desertification. She announced that the Madibaneng Soil Conservation Project (MSCP) would receive R5 million in funding. The MSCP is an innovative project that aims to rehabilitate agricultural land while introducing measures for controlling soil erosion and improving the management of grazing.

have signed an MoU that will allow them to share information about the movement of licensed boats in southern Africa.

Partnerships

To further counter illegal fishing and corruption, the department entered into partnerships with a broad spectrum of agencies, including national, provincial and local government, as well as NGOs. Co-operation ensures that resources are used more effectively, resulting in a number of high-profile prosecutions and convictions.

Other important partnerships have been forged with specialised units of the South African Police Service. In addition, SANParks and a number of provincial nature-conservation agencies conduct monitoring, control and surveillance activities within the MPAs.

Ecosystem Approach to Fisheries Management (EAFM)

In line with the Johannesburg Plan of Implementation, the department has begun to explore implementation of the EAFM. The purpose of an EAFM is to plan, develop and manage fisheries in a manner that addresses the multiplicity of societal needs and desires, without jeopardising the options for future generations to benefit from the full range of goods and services (including fisheries and recreational opportunities) provided by marine ecosystems.

Good progress has been made through national and regional initiatives in implementing practical measures to mitigate against the negative effects of fisheries on the ecosystem.

At the end of 2005, marine scientists from the Department of Environmental Affairs and Tourism were among a group of international scientists following a great white shark crossing the Indian Ocean from South Africa to Australia (within 99 days) and back. A device was temporarily attached to the shark that communicated information to a satellite. This research demonstrates the first link between two of the most important and widely separated populations of great white sharks. It also highlights the first-known round trip by an individual shark, and the fastest return trip across an ocean by any marine organism.

Transboundary research collaborations

The department has launched a project (as part of a regional initiative) to investigate the feasibility of an EAFM in the Benguela Current Large Marine Ecosystem (BCLME) region, by examining the existing issues, problems and needs related to EAFM, and developing different management and options to achieve sustainable management of resources at an ecosystem level. The BCLME Programme is a management-orientated programme aimed at boosting the infrastructure necessary to address cross-boundary problems associated with fishing, mining, oil exploration, coastal development, biodiversity and pollution.

Another programme implemented by the department is the scientific arm of BCLME, the Benguela Fisheries Interaction Training (Benefit) Programme. Benefit is a joint initiative between South Africa, Namibia and Angola to address fisheries and other marine scientific investigations of important living-marine resources and their interactions with the environment. Training staff to undertake research and to achieve the levels of expertise necessary to provide advice to fisheries' management is also an important objective of Benefit. Both the BCLME and the Benefit programmes are seen as New Partnership for Africa's Development (Nepad) initiatives, and are supported by SADC as regional projects.

West Indian Ocean Land-Based Activities Project (WIO-LaB)

WIO-LaB was launched at Robben Island on 5 November 2004. The WIO-LaB Project deals with the protection, prevention and management of marine pollution from land-based activities.

The commitment given to this project by the main donors, the United Nations Environmental Programme (UNEP) and the GEF, resulted in the appointment of a regional project manager in February 2000.

The department is assessing the effect that litter from rivers has on the oceans, is raising awareness of and educating communities about the importance of protecting the marine environment from pollution resulting from land-based activities, and has created task teams to deal with municipal water and the physical alteration and destruction of habitats.

National Policy for Seals and Seabirds

The National Policy for Seals and Seabirds in South Africa, and the National Plan of Action for Seabirds,

for reducing the incidental catch of seabirds in longline fisheries, have been finalised.

This follows growing concern over the numbers of seabirds, especially albatrosses, being killed by longline vessels in southern Africa. The plan sets out the required mitigation measures to reduce mortality of seabirds to below an interim target level of 0,05 birds/thousand hooks by South Africa's longline fisheries for hake, tuna, swordfish, Patagonian toothfish and sharks.

South Africa ratified the Agreement on the Conservation of Albatrosses and Petrels (ACAP) in November 2003. It is a multilateral agreement that seeks to conserve albatrosses and petrels by co-ordinating international activity to mitigate known threats to albatross and petrel populations. South Africa played a key role in negotiating the ACAP, and is home to many important populations of these seabirds, including those on the sub-Antarctic Prince Edward islands.

Research observer scheme

The department introduced a formal research observer scheme for the following fisheries: deep sea hake trawl; inshore hake trawl; hake longline; pelagic purse seine; South Coast rock lobster; KwaZulu-Natal prawn trawl; large pelagics (experimental); horse mackerel midwater trawl; and deep sea experimental fisheries. This observer scheme provides valuable research data on, among other things, these fisheries' influence on the ecosystem.

Chemicals

Although relatively small by international standards, the chemical industry is a significant player in the South African economy, contributing about 5% to GDP 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), as well as 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 multistakeholder forum, including labour representatives, aimed at integrating legislation.

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. It also played a part in the process of developing guidelines for the implementation of the Globally Harmonised System of Classification and Labelling of Chemicals.

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 m^3 of landfill space. South Africa saves 10 million trees annually.

Collect-a-Can celebrated its 13th birthday in April 2006. Thanks to its efforts, the recycling of colddrink cans increased from 18% in 1993 to 66% in 2003. This is higher than the recycling rate in the USA and the European Union.

According to a survey conducted by Collect-a-Can, more than 37 000 people earn a living by picking up cans for recycling.

The glass industry in South Africa has taken a proactive stance in driving glass recycling by agreeing on a model of self-regulation. This will involve a section 21 company being established and managed according to guiding principles laid down in the Glass MoU, signed on 19 May 2005.

The MoU evolved from extensive research, consultation and negotiation, and enjoys the support of the National Glass Recycling Forum, which includes the entire waste-glass value chain, as well as consumer groups. The initiative aims to increase glass-recycling levels from 20% to 50% a year in less than five years.

The official signing of the MoU also marked the launch of a comprehensive national recycling campaign aimed at addressing the challenges posed by waste glass in the environment.

Environmental injustices

The negative effect of asbestos on the environment and other environmental-injustice issues are a priority for the Department of Environmental Affairs and Tourism.

Efforts 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.

In 2006, the draft Threatened and Protected Species Regulations, and the draft National Norms and Standards for the Regulation of the Hunting Industry, concerning the breeding, trade, transport and hunting of threatened and protected species in South Africa were introduced, establishing uniform national systems that will apply the same standards countrywide.

This improves on the management of environmental resources according to provincial ordinances, which is often inconsistent, and ends activities such as canned hunting, illegal trade and unethical breeding.

The Department of Environmental Affairs and Tourism now issues lists of nationally threatened and protected species, and requires that permits be obtained for all breeding, hunting, trade and transport of listed species, thus effectively banning intensive breeding of listed large predators such as the wild dog, cheetah, lion and leopard for hunting or sale for hunting, and requires that all captive-breeding facilities, nurseries, scientific institutions, sanctuaries and rehabilitation facilities be formally registered. The Scientific Authority was also established in 2006 to help regulate and restrict trade in specimens of protected species.

Hunting by humane methods and in accordance with strict fair-chase principles by hunters registered with recognised hunting bodies is permitted. For better management of protected species, the South African National Biodiversity Institute maintains the National Hunting Register of animals that have been hunted, for what purpose, where and by what method.

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.

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)
- 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)
- SADC Protocol on Fisheries.

United Nations Framework Convention on Climate Change

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 GHG 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 GHG (the GHG excludes 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 GHG
- promote sustainable management, conservation and enhancement of sinks and reservoirs of GHG
- 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, on public health and on 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.

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 overexploitation 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.

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 constitute the overall position of South Africa on the Montreal Protocol:

- working groups were constituted to assist government in implementing 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 UNEP, are attended, where views, experiences and problems are shared to improve co-operation 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 that 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 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 were to reduce their respective methyl bromide consumption by 20%, as per the phase-out timetable.

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, as well as more than 30 botanical and horticultural organisations. Among these are:

- BirdLife South Africa
- Botanical Society of South Africa
- Centre for Rehabilitation of Wildlife
- Conservation International
- Delta Environmental Centre
- Dolphin Action Protection Group
- EcoLink
- Endangered Wildlife Trust
- Green Trust
- Keep South Africa Beautiful
- National Conservancy Association of South Africa
- Peace Parks Foundation
- South African National Foundation for the Conservation of Coastal Birds
- Trees and Food for Africa
- Wildlife and Environment Society of South Africa
- Worldwide Fund for Nature South Africa.

Acknowledgements

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10

Finance

Government's macroeconomic policies aim at meeting the challenges of South Africa's social and economic development in the context of an increasingly interdependent global environment. Increasing growth to a higher and more sustainable level of at least 6%, in line with government's Accelerated and Shared Growth Initiative for South Africa (AsgiSA), is a top priority.

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 (AG) and an independent central bank, and sets out the principles governing financial accountability to Parliament, as well as the annual budget process.

National Treasury aims to promote economic development, good governance, social progress and rising living standards through accountable, economic, efficient, equitable and sustainable public finances.

Fiscal policy framework

The Minister of Finance, Mr Trevor Manuel, presented the Budget for 2006/07 on 15 February 2006.

Tabling his 10th Budget in the National Assembly, he said the main Budget revenue in 2006/07 was expected to total R446,4 billion, with spending totalling R472,7 billion – resulting in a deficit of only 1,5% of gross domestic product (GDP).

Total tax relief in 2006/07 was expected to amount to R19,1 billion, of which R13,1 billion was in personal income tax relief to individuals.

The income threshold, below which no tax was payable by individuals, was raised to R40 000 for the 2006/07 tax year, and for taxpayers over 65 to R65 000 a year.

The maximum marginal rate of tax remained at 40%, while the threshold was raised from R300 000 to R400 000.

It was announced that the South African Revenue Service (Sars) would offer a tax amnesty to small businesses with a turnover of R5 million or less, which had not been compliant with the tax system. Taxes and penalties would be waived for the years of assessment ending on or before 31 March 2004,

subject to a non-disclosure penalty of 10% on taxable income for 2005. The first phase of the amnesty would come into effect between August 2006 and May 2007, focusing on the taxi industry.

The annual turnover threshold to qualify as a small business corporation rose from R6 million to R14 million, and the taxable threshold for the lower 10% rate would be increased from R250 000 to R300 000.

The small business income-tax-exemption threshold would also be raised from R35 000 to R40 000.

Tax on retirement funds would be halved from 18% to 9%, with effect from 1 March 2006.

The offshore foreign currency allowance for individuals was increased from R750 000 to R2 million.

On the spending side, the maximum old-age and disability grants and the Care Dependency Grant were increased by R40 to R820 a month, the Foster Care Grant by R30 to R590, and the Child Support Grant by R10 to R190 a month.

Other expenditure highlights for the Medium Term Expenditure Framework included:

- significantly increased spending on education, public health, social welfare services, housing and municipal infrastructure, local transport and water schemes
- R3,5 billion more for national roads and rail infrastructure, and R7,1 billion for the Gautrain project
- R5,4 billion to expand and equip police and improve courts' administration and the justice department's capacity
- R3,1 billion for defence modernisation and infrastructure
- R900 million to enhance foreign affairs capacity and the African Renaissance Fund
- R3,3 billion to improve the maintenance of government buildings.

Debt management

Sound macroeconomic policy and fiscal management have played a central role in building South Africa's reputation as a credible and competitive borrower. The approach to debt management has assisted in developing the financial sector as a source of capital for the public and private sectors. Improved access to capital and the development of specialised debt instruments for private borrowers have boosted domestic economic activity.

Government has focused on placing the management of national debt on a sound footing, and, as a result, debt-service costs have been reduced considerably. The fiscus has directly benefited from declining debt-service costs, which have freed additional resources for social

Consolidated national, provincial and social security fund expenditure: Functional classification[1]

	2004/05		2005/06		2006/07	
	Estimated outcome	% of total	Revised estimate	% of total	Budget estimate	% of total
General government services and unallocatable expenditure[2]	24 284,5	7,2	25 513,8	6,6	31 002,9	7,0%
Protection services:	**64 261,9**	**19,1**	**73 738,3**	**19,2**	**79 380,3**	**18,0**
Defence and intelligence	22 651,2	6,7	26 196,0	6,8	26 509,9	6,0
Police	26 787,9	8,0	30 792,7	8,0	34 286,4	7,8
Prisons	9 076,8	2,7	10 008,3	2,6	10 928,9	2,5
Justice	5 746,0	1,7	6 741,4	1,8	7 655,1	1,7
Social services:	**199 085,4**	**59,2**	**227 979,1**	**59,3**	**260 918,4**	**59,2**
Education	75 485,1	22,5	83 437,0	21,7	91 994,8	20,9
Health	42 319,4	12,6	47 751,8	12,4	53 515,6	12,1
Social security and welfare	62 462,5	18,6	74 303,4	19,3	81 896,3	18,6
Housing	6 544,2	1,9	7 666,3	2,0	9 051,7	2,1
Community development[3]	12 274,1	3,7	14 820,6	3,9	24 460,0	5,6
Economic services:	**48 565,3**	**14,4**	**57 451,6**	**14,9**	**69 397,1**	**15,7**
Water schemes and related services	5 792,8	1,7	6 108,7	1,6	7 231,2	1,6
Fuel and energy	1 902,9	0,6	2 823,7	0,7	3 204,0	0,7
Agriculture, forestry and fishing	7 127,8	2,1	8 572,8	2,2	11 218,0	2,5
Mining, manufacturing and construction	1 570,9	0,5	2 115,5	0,5	2 304,6	0,5
Transport and communications	17 862,4	5,3	19 875,7	5,2	26 796,0	6,1
Other economic services[4]	14 308,6	4,3	17 955,2	4,7	18 643,3	4,2
Subtotal:						
Votes and statutory amounts	**336 197,1**	**100,0**	**384 682,8**	**100,0**	**440 698,7**	**100,0**
Plus contingency reserves					2 500,0	
Total non-interest expenditure	336 197,1	–	384 682,8	–	443 198,7	–
Interest	48 851,2	–	51 160,0	–	52 049,0	–
Total consolidated expenditure	**385 048,3**	**–**	**435 842,8**	**–**	**495 247,7**	**–**

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 unallocatable expenditure for previous years. Data for the previous years has been adjusted accordingly.
2) Mainly general administration, cost of raising loans and allocatable capital expenditure.
3) Including cultural, recreational and sport services.
4) Including tourism, labour and multipurpose projects.

Source: ***2006 Budget Review***

expenditure. In 1998, for each Rand of revenue collected, government spent 24 cents to service debt. By 2005, only 12 cents of every Rand were being spent on debt service, and this will decrease to 10 cents per Rand by 2009.

Debt as a percentage of GDP has reached historic lows, which will increase the financial sustainability of the economy in coming years. Net government debt as a percentage of GDP is expected to decline over the medium term to 27,7%. Foreign debt as a percentage of total gross debt remains low at 13,4%.

This has contributed directly to an improved credit rating, enhancing South Africa's ability to borrow competitively in capital markets at lower rates of interest. All three major rating agencies upgraded South Africa's sovereign debt status to the top notch investment-grade ratings BBB during 2005. This translates into a lower-risk premium on South African investments, and further reduces borrowing costs.

With a stable economic environment and sophisticated financial markets, South Africa is one of a small group of countries that can finance its total borrowing requirement in the domestic market. The market has increased the attractiveness of South African assets to international investors.

Participation by international investors in the domestic bond market grew from below 11% in 2003 to more than 16,4% in 2005, reflecting positive global sentiment about the South African economy. As a result of the relative attractiveness of equity investments compared with bonds, turnover on the Bond Exchange of South Africa (Besa) declined marginally, from R8,4 trillion in 2004 to R8,1 trillion in 2005. In addition, an amount of R9,0 trillion of RSA domestic bonds traded through Euroclear.

Prudent debt management has also contributed to deeper and healthier capital and financial markets. The successful issuance of very long-term government bonds signals strong positive sentiment about the long-term future of the economy, and reflects a fundamental shift in the financing options available to South African business. The market-deepening impact of this policy is demonstrated by the expansion of the corporate bond market in recent years.

In a global environment characterised by relatively low interest rates, and subdued inflation in major world markets, the yields on government bonds continued to fall in 2005. From a comparative perspective, as demonstrated in the difference in yield, South Africa's cost of capital has fallen to a level closer to that enjoyed by developed economies. The decline in yields also reduced the real interest rate differential between South African and equivalent United States (US) bonds, from a high of 220 basis points in January 2005 to a historic low of 45 basis points in December 2005.

Financing government's borrowing requirement at the lowest cost within acceptable levels of risk will remain a central priority in the period ahead. New emphasis will be placed on improving the financial performance and corporate governance of state-owned entities, enabling them to better contribute to the development of the country's infrastructure base, and to economic growth.

National Treasury has widened the scope of risk management from a market-risk analysis of the State's debt portfolio, to a government-wide risk-management approach, which identifies and quantifies risks to the fiscus.

Legislation

National Treasury tables a significant amount of legislation in Parliament annually. Legislation passed in 2005/06 included the:

- Appropriation Act, 2005 (Act 14 of 2005)
- Taxation Laws Amendment Act, 2005 (Act 9 of 2005)
- Taxation Laws Second Amendment Act, 2005 (Act 10 of 2005)
- Adjustments Appropriation Act, 2005 (Act 21 of 2005)
- Auditing Profession Act, 2005 (Act 26 of 2005)
- Special Pensions Amendment Act, 2005 (Act 27 of 2005)
- Revenue Laws Amendment Act, 2005 (Act 31 of 2005)
- Revenue Laws Second Amendment Act, 2005 (Act 32 of 2005)
- Additional Adjustments Appropriation Act (2005/06 financial year), 2006 (Act 1 of 2006)
- Division of Revenue Act, 2006 (Act 2 of 2006).

Legislation expected to be tabled in 2006/07 included the:

- Appropriation Bill
- Taxation Laws Amendment Bill
- Taxation Laws Second Amendment Bill

- Adjustments Appropriation Bill
- Revenue Laws Amendment Bill
- Second Revenue Laws Amendment Bill
- Pension Funds Amendment Bill
- Finance Laws Amendment Bill
- Municipal Fiscal Powers and Functions Bill
- Financial Institutions (Protection of Funds) Amendment Bill.

A number of other pieces of draft legislation were under consideration and expected to be tabled in the short and medium term, pending the outcome of policy, drafting and consultation processes. These include the:

- Public Finance Management Amendment Bill, which will amend the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999), to address, among other things:
  - practical difficulties encountered in the implementing the PFMA, 1999
  - the incorporation of recent and intended budget-reform initiatives
  - improved financial regulation of public entities
  - the Direct Charges Bill, which will authorise certain withdrawals and payments from the National Revenue Fund as direct charges.

Public Finance Management Act, 1999

Transforming public-sector financial management is one of National Treasury's key objectives. To this end, National Treasury has been implementing the PFMA since 1 April 2000.

Measurable improvements in the quality of financial management in both the national and provincial spheres of government include, among other things:

- an improved linkage between planning and budgeting, whereby departments are now required to compile and table strategic plans that are consistent with their budget envelope
- strategic plans and budget documentation containing improved information on measurable objectives expressed in terms of quantity, quality and timeliness
- departments submitting monthly expenditure reports on actual expenditure incurred, as well as on projected expenditure for the remainder of the financial year
- risk-management processes now being implemented by institutions
- establishing internal audit functions and audit committees in all departments
- setting accounting standards in accordance with best accounting practices, both locally and internationally
- finalising and submitting financial statements to the AG within two months of the end of the financial year
- tabling annual reports in the legislature within six months of the end of the financial year.

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.

Exchange rate of the Rand – percentage changes

	31 Mar 2005 to 30 June 2005	30 June 2005 to 30 Sep 2005	30 Sep 2005 to 30 Dec 2005	30 Dec 2005 to 28 Feb 2006
Weighted average*	-2,4	5,6	2,0	2,1
Euro	0.3	5,3	2,1	2,4
US dollar	-6,5	4,8	0,8	2,4
British pound	-2,5	7,5	2,6	1,7
Japanese yen	-3,4	7,5	4,3	1,5

*Against a basket of 13 currencies

Source: ***Quarterly Bulletin***

National Treasury

Financial expenditure

National Treasury plays a pivotal role in managing government expenditure.

It determines financial-management norms and standards, and sets reporting policy that guides the AG's performance. It also assists Parliament, through the Standing Committee on Public Accounts (Scopa), 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 AG.

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 a banker for national departments, and oversees logistical control of stocks and assets.

Exchange-control reforms

National Treasury continues to follow a policy of gradual relaxation of exchange controls. In February 2006, the offshore foreign currency allowance for individuals was increased from R750 000 to R2 million.

Amnesty Unit

On 26 February 2003, the Minister of Finance announced an amnesty window to enable South Africans to voluntarily declare their foreign assets and to regularise such assets and tax affairs without fear of prosecution.

By February 2006, 42 672 applications had been dealt with, and a total of R68,6 billion in foreign assets disclosed. The regularisation of the foreign asset holdings and tax obligations of the vast majority of applicants means that they can now manage their financial affairs without fear of criminal or civil prosecution. It also raises the declared income tax base by some R1,4 billion, and contributes to the statistical records of Sars and the Reserve Bank.

The R2,9 billion in revenue raised through amnesty levies was assigned to joint public-private partnership investments in community infrastructure and business development in low-income neighbourhoods.

By May 2006, 20% of South Africa's companies fell in the 'super growth' category of firms that had grown considerably more than the average – up from 16% in 2005 and up from 12% in 2004 – according to Grant Thornton International.

The result placed South Africa in the top 10 on Grant Thornton's Super Growth Index, which ranks countries by proportion of super growth companies, for the third year running, reflecting the country's consistent economic growth over this period.

Retirement fund reform

At the end of 2004, National Treasury issued a retirement-fund reform discussion document for public comment. The key objective of retirement reform is to ensure that all South Africans receive an adequate income in their retirement. Many comments were received and a revised discussion paper was expected to be released in mid-2006. This will ultimately form the basis of a draft revised Pension Funds Act.

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 requested to submit budget proposals annually 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.

Introducing the system has also assisted in the monthly monitoring of provincial departments' expenditure trends, by having provincial treasuries report 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 informed of the early warning report results.

Financial policies, systems and skills development

National Treasury is responsible for financial management systems and the financial training of government officials.

It delivers services that 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
- developing financial management in national and provincial governments.

Procurement

The preferential procurement regulations give substance to the content of the Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000). This Act and its regulations apply to all three spheres of government.

In August 2006, the Governor of the Reserve Bank announced that the South African Reserve Bank and National Treasury would jointly chair the Group of Twenty (G20) in 2007.

The G20 was established in 1999 as a forum for the central bank governors and finance ministers of the world's major developed and emerging market economies to discuss issues around global economic development and financial stability.

Including both the G8 and the most influential emerging countries, the G20 is a key forum on global economic development and governance, covering two-thirds of the world's population and 90% of world output.

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 or achieving specified Reconstruction and Development Programme (RDP) goals. A contract is awarded to the bidder who scores the highest total number of points.

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.

The Supply-Chain Management Framework replaces 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.

Financial Intelligence Centre (FIC)

Government has adopted a strong stance on eradicating money laundering and financing terrorism in keeping with United Nations (UN) conventions and international standards. In 2001, it passed the FIC Act, 2001 (Act 38 of 2001), and in February 2005, it passed the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (Act 33 of 2004). The FIC started functioning in February 2003 as an autonomous government agency reporting to the Minister of Finance.

The Protection of Constitutional Democracy against Terrorism and Related Activities Act, 2004 came into operation on 20 May 2005. The Act makes the Republic of South Africa fully compliant with the UN Counter Terrorism Conventions and Protocols, as well as the African Union Convention on the Prevention and Combating of Terrorism. The Act makes terrorism and offences relating to terrorist activities, such as recruiting, assistance to commit terrorist activities and facilitating such activities, a general offence.

The mandate of the FIC is to:

- develop policy that gives effect to government's objectives of combating money laundering and financing terrorism
- identify the proceeds of crime and the financing of terrorism

- exchange relevant information with competent authorities and international equivalent organisations
- prevent and reduce the laundering of the proceeds of crime
- monitor compliance in terms of the Act
- advise the Minister of Finance on all of these matters.

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. These accountable institutions have a range of obligations, including implementing 'know-your-client' measures and reporting to the FIC when they identify suspicious transactions.

The centre analyses and stores reports from the accountable institutions. 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.

In 2005/06, the FIC received 19 793 suspicious-transaction reports, bringing the total to 44 021 by mid-2006.

In 2002, South Africa joined the 14-member-strong Eastern and Southern Africa Anti-Money Laundering Group. South Africa also became a member of the Financial Action Task Force, which is the international standards-setting body. The FIC is a member of the Egmont Group of financial intelligence units, which facilitates the exchange of information, skills and technical assistance between financial intelligence units worldwide.

Financial and Fiscal Commission (FFC)

The FFC is a constitutional body established to give advice to Parliament, legislatures and organs of state on matters of intergovernmental finance. The commission, which came into operation in April 1994, is a statutory institution and permanent expert commission dealing with intergovernmental fiscal relations.

It provides recommendations annually on the division of nationally raised revenues. The recommendations are processed through Parliament, legislatures and the Cabinet through various committees, and are taken into account when sharing such revenues between the spheres and within each sphere. The FFC Act, 1997 (Act 99 of 1997), was amended to empower the commission to investigate the financial implications associated with new policies and functions, or the shifting thereof between spheres.

Any organ of state can also ask the commission for advice on a matter pertaining to finance and fiscal relations, especially such matters as borrowing and taxation.

Budget Council

The Budget Council consists of the Minister of Finance and the nine provincial members of the executive committees responsible for finance, while the Budget Forum is the Budget Council extended to include representatives of organised local government. The mission of the two fora is to ensure that there is cohesion between national policy priorities, division of nationally raised revenues, and planning and budgeting at provincial and local spheres of government.

The fora also allow the leadership of the three spheres of government to evaluate the performance of government on key national programmes, and where deemed necessary to agree on support initiatives that would ensure attainment of national goals.

Public Investment Corporation (PIC)

The PIC, a state-owned institution that manages public servants' pension funds, was corporatised under a new law that came into effect in April 2005.

The PIC Act, 2004 (Act 23 of 2004), which replaces the Public Investment Commissioners Act, 1984 (Act 45 of 1984), protects the PIC as a legal entity and enables it to operate as a modern, professional and world-class investment manager.

The State remains the sole shareholder of the PIC, which reports to Parliament's Scopa, and whose controlling board is appointed by the Minister of Finance.

The PIC continues to use its current asset managers, namely RMB Asset Management, Stanlib, Future-Growth, Sanlam Investment Management and Old Mutual Asset Management.

The biggest contributors to the PIC's assets are public servants through the Government Employees

Pension Fund (91,29%). Other contributions come from the Compensation Commission (3,20%), Associated Institution Pension Fund (2,61%), Unemployment Insurance Fund (1,65%), Guardian Fund (0,65%) and Political Office Bearers Pension Funds (0,13%).

Assets managed by the PIC grew from R221 billion in 2000 to R461 billion as at 31 March 2005.

PIC funding of Black Economic Empowerment (BEE) has resulted in better vesting for BEE ventures, while also netting good profits for the corporation.

Macroeconomic strategy

South Africa recorded strong positive growth during 2004 and 2005 with GDP growth rising to 4,9% in 2005. This is expected to continue over the medium term. The positive outlook is underpinned by the stable macroeconomic foundation laid during the previous decade. Prudent fiscal and monetary policy with a sustainable fiscal deficit, low inflation and reduced interest rates have improved South Africa's growth potential.

In 2004, government set out the objectives of halving poverty and unemployment by 2014. A growth rate exceeding 5% a year on average between 2004 and 2014 is necessary to achieve these targets. In February 2006, government introduced AsgiSA with the objectives of growing the economy and improving the labour-absorbing capacity of the economy, leading to shared growth.

The methodology employed involves identifying the 'binding constraints' to achieving growth objectives. AsgiSA has identified the following binding constraints:

- the relative volatility and level of the currency
- the cost, efficiency and capacity of the national logistics system
- the shortage of suitably skilled labour amplified by the cost effects on labour of apartheid spatial patterns
- barriers to entry, limits to competition and limited new investment opportunities
- the regulatory environment and the burden on small and medium businesses
- deficiencies in state organisation, capacity and leadership.

A number of decisive interventions aimed at addressing these constraints and at allowing government to achieve its objectives more effectively include:

- Macroeconomic issues, including reducing the volatility of the Rand, improved estimation of revenue collections in the budgeting process, and improved expenditure management.
- The rapid increase in infrastructure spending to improve the availability and reliability of infrastructure and to reduce the cost of doing business.
- Sector-investment strategies (or industrial strategies) to promote private-sector investment. The focus will be on rapidly growing labour-intensive sectors and sectors with BEE opportunities such as business-process outsourcing, tourism and biofuels.
- Skills and education initiatives to alleviate the pressing shortage of skills, including initiatives to improve skills in areas such as Science, Mathematics, engineering, management and information technology (IT).
- Second-economy interventions to bridge the gap between the First and Second Economy, including increased participation and broader access to opportunities and education.
- Public administration issues, including the reduction of costly institutional interventions.

Government is committed to achieving the objectives set out in AsgiSA. Higher and shared

It was announced in June 2006 that South Africa's Public Investment Commission (PIC) was to create a continent-wide 25-year equity fund to mobilise local and international investment for infrastructure development in Africa.

The PIC, which includes the Government Employees Pension Fund, has around R600 billion in assets under management, making it the largest fund-management initiative in South Africa. The fund will initially focus on transport, energy, water and sanitation, and tele-communications-infrastructure investments. It will focus on projects that can contribute to the regional integration of the continent, and that will have regional impact.

The PIC will spend around R1 billion on property development – mostly in shopping centres in South Africa's townships and rural areas – over the next three years.

economic growth will allow South Africa to achieve its social objectives, namely to reduce inequality and virtually to eliminate poverty.

South African Revenue Service

In accordance with the Sars Act, 1997 (Act 34 of 1997), the service is an administratively autonomous 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 Trade and Industry on matters concerning control over the import, export, manufacture, movement, and storage or use of certain goods.

Tax system

National Treasury is responsible for advising the Minister of Finance on tax-policy issues that arise at local, provincial and national government sphere. In its 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. National Treasury and Sars co-operate in compiling tax policies.

In 2001, South Africa's source-based income tax system was replaced with a residence-based system. Residents are now taxed (subject to certain exclusions) 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.

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.

The income threshold below which no tax is payable by individuals was raised to R40 000 for the tax year beginning March 2006, and for taxpayers over the age of 65 to R65 000 a year. Changes to the tax brackets resulted in significant relief for all taxpayers, with an estimated 49% of the benefit going to those who earn less than R150 000 a year, and 24% of relief going to the income bracket R150 000 to R250 000. The maximum marginal rate of tax remains at 40%, while the threshold was raised from R300 000 to R400 000.

The domestic interest and dividend exemption for taxpayers under the age of 65 was raised from R15 000 to R16 500, and for senior citizens the threshold increased from R22 000 to R24 500. The proportion of the exemption applicable to foreign-interest income and dividends was raised from R2 000 to R2 500.

A revised tax regime for medical-scheme contributions and medical expenses was introduced in the 2005 Budget. It had the effect of raising the tax benefit for middle- and lower-income earners, while restricting the tax allowance in respect of more expensive medical schemes. Taxpayers under 65 are not taxed on, or may deduct, contributions to

medical schemes up to R500 for each of the first two persons covered under a medical scheme (taxpayer and one dependant) and R300 for each additional dependant. In addition, they can claim a deduction for medical-scheme contributions above the caps and any other medical expenses, to the extent that the total exceeds 7,5% of taxable income.

Taxpayers under 65 may claim all qualifying medical expenses where the taxpayer or the taxpayer's spouse or child is a handicapped person.

Taxpayers who are 65 years and older will continue to enjoy a full deduction of all medical expenses. These changes took effect on 1 March 2006.

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 years.

Tax returns must be submitted to Sars within the specified period. A taxpayer may apply for an extension for submitting a tax return.

People who owe Sars tax are charged interest at a rate as published in the *Government Gazette* that is linked to the rate specified 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.

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.

Turnover and payroll taxes levied by the regional service councils were repealed with effect from 1 July 2006. Local governments levy rates on the value of fixed property to finance the cost of municipal services.

Value-added tax (VAT)

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. Vendors levy and pay over the tax included in their prices, therefore VAT is paid by the final consumer. VAT is also levied on the importation of goods and services into South Africa. 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 prices on all 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 (the 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.

The renegotiated Sacu Treaty is now in force and provides a new dispensation for calculating and affecting transfers based on customs, excise and a development component.

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 and 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%. With effect from 1 March 2006, houses costing less than R500 000 attract no duty. A 5% rate applies between R500 000 and R1 million, and 8% thereafter. The 10% flat rate for companies and trusts was reduced to 8%.

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 estates of deceased non-residents consist of only certain of their 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 instruments such as leases of immovable property and unlisted marketable securities at different rates.

In February 2006, the threshold exemption for stamp duties on leases was raised from R200 to R500 per agreement, reducing the compliance burden for taxpayers and the administrative load on Sars.

Uncertified securities tax (UST)

UST at a rate of 0,25% is payable in respect of the issue of, and change in beneficial ownership in, any securities which are listed on the JSE Securities Exchange (JSE). In the case of unlisted securities, stamp duty is levied at the same rate of 0,25%. UST on the issue of securities was eliminated from 1 January 2006.

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, as from 1 August 2005, is 1% in respect of employers with an annual payroll in excess of R500 000.

Air-passenger departure tax

A tax of R120 per fee-paying passenger departing on international flights, and R60 per passenger departing to BLNS countries is payable.

Organisational performance

Sars collected R417,4 billion in taxes during the 2005/06 financial year, thus exceeding its revised target of R417,05 billion by almost R337 million, and its original target of R372,8 billion by R45 billion. The revenue haul will help trim South Africa's budget deficit for 2005/06 from 1,5% to 0,3% of GDP.

Personal income tax yielded R126 billion, company tax yielded R87,5 billion and VAT yielded R114 billion. Sars also collected R8,5 billion in transfer duties, R15,7 billion in excise duties, R18 billion in customs duties and R20,5 billion in fuel levies.

e-Filing

e-Filing (*www.efiling.gov.za*) is a secure service enabling taxpayers to submit their tax returns online. It removes the risks and inconvenience of manual tax returns. Not only can returns be submitted via the Internet, but users can also make secure tax payments online. There is also a facility to apply for tax directives, which can be obtained within 24 hours.

e-Filing in South Africa has been growing significantly since its inception, and has been delivering real business benefits to both the taxpayer and Sars.

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.

Of the total number of returns submitted by the tax deadline on 14 July 2006, 23 000 were completed through e-Filing. By July 2006, more than 45 000 individual taxpayers had registered as e-Filing users.

Filing Season

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.

The campaign's educational focus aims to help customers complete their tax returns correctly. In the past, 30% of tax returns received by Sars were either incorrectly completed, partially completed, or lacked the necessary substantiating documentation. This caused unnecessary delays for both taxpayers and Sars. The successful Filing Season campaigns since 2003 have led to a decrease in the number of incorrect returns submitted to Sars, and to the growth of the tax register.

The register for individuals grew by 10% in the year ending March 2004, and by 8% in the years ending March 2005 and 2006.

More than 2,3 million South Africans submitted their tax returns in the filing season which ended on 14 July 2006. This was an increase of almost 20% from 2005.

Gambling and lotteries

The National Gambling Board (NGB) was established in terms of the National Gambling Act, 1996 (Act 33 of 1996), which was repealed on 1 November 2004 by the National Gambling Act, 2004 (Act 7 of 2004). The Act provides for oversight of matters relating to casinos, gambling, betting and wagering, and promotes uniform norms and standards in relation to gambling throughout South Africa.

The board aims to ensure uniformity, harmonisation and integrity of the gambling industry in South Africa, by ensuring compliance with the National Gambling Act, 2004 and with other relevant legislation.

The NGB achieves this by:

- creating and establishing uniform norms and standards
- creating and establishing rules and regulations
- conducting oversight evaluations of the performance of provincial licensing authorities (PLAs)
- evaluating the compliance monitoring of licensees by PLAs
- assisting PLAs in ensuring that unlicensed gambling activities are detected
- monitoring socio-economic patterns of gambling activity
- conducting research on addictive/compulsive gambling and the socio-economic impact thereof.

Compliance

The Central Electronic Monitoring System was established in terms of the Act to detect and monitor significant events associated with any gambling machines outside casinos.

The ongoing campaign against illegal gambling, spearheaded by the board, is supported by the PLAs.

In 2005/06, the board conducted 17 inspections at licensed casinos throughout the country to ensure compliance with the FIC Act, 2001.

The South African National Accreditation Standards (Sanas) ensure that all gambling laboratories that test gambling machines and devices in the country are accredited to comply with the International Organisation for Standardisation (ISO)/IEC 17025 and ISO 9000 and technical competency in line with Sanas.

Regarding horseracing and betting, operational betting rules for bookmakers were approved and adopted as the uniform set of rules to be used by all bookmakers throughout the country.

National gambling statistics

In an effort to provide comprehensive and user-friendly information about the gambling industry, the board developed the National Gambling Statistics Database which focuses mainly on primary statistics such as turnover, gross gambling revenue (GGR) and gambling tax. PLAs are required to submit primary statistics to the board quarterly, for analysis. The results for 2005/06 showed an increase in gambling activities around the country. The GGR increased by 16% from R9 918 million (2004/05) to R11 510 million (2005/06).

Responsible gambling

The National Responsible Gambling Programme (NRGP) integrates research and monitoring, public education and awareness, training, treatment and counselling. It is the only programme of its sort to be jointly controlled by a public/private-sector partnership, involving government regulators and the industry. The NRGP is supervised by the South African Responsible Gambling Trust, which was created by the South African Advisory Council on Responsible Gambling, an initiative of the board.

The NRGP researches the possible vulnerability of particular communities, with specific reference to the role of poverty, and how problem gamblers differ from normal gamblers. It also promotes public awareness

of its multifaceted role through participation in various community-outreach projects.

The NRGP Treatment and Counselling Network is growing substantially. The problem-gambling counselling line has been greatly enhanced by the appointment of additional telephone counsellors, as well as significant upgrades to the telephone and data-recording system.

National Lotteries Board (NLB)

The NLB was established in October 1998 in terms of the Lotteries Act, 1997 (Act 57 of 1997).

The board's main activities are to:

- advise the Minister of Trade and Industry on the issuing of the licence to conduct the National Lottery
- ensure that the National Lottery and Sports Pools are conducted with all due propriety
- ensure that the interests of every participant in the National Lottery are adequately protected
- ensure that the net proceeds of the National Lottery are as large as possible
- administer the National Lottery Distribution Trust Fund and to hold it in trust
- advise the minister on percentages of money to be allocated in terms of section 26(3) of the Lotteries Act
- advise the minister on establishing and implementing a social responsibility programme in respect of lotteries
- administer and invest the money paid to the board in accordance with the Lotteries Act, 1997.

In its first five years, the NLB allocated R3 billion to over 6 100 beneficiary groups.

Between its inception in March 2000, and October 2006, R6,3 billion was contributed to the trust fund for good causes, of which R4,8 billion was allocated to more than 9 000 non-profit organisations.

In October 2006, the licence to operate the National Lottery was awarded to Gidani (Pty) Limited.

Auditor-General

The AG exists as a state institution to support democracy.

The AG is mandated by section 188 of the Constitution to audit and report on the accounts, financial statements and financial management of:

- all national and provincial state departments and administrations
- all municipalities
- any other institution or accounting entity required by national or provincial legislation to be audited by the AG.

In addition to these duties, and subject to any legislation, the AG may audit and report on the accounts, financial statements and financial management of:

- any institution funded from the national or a provincial revenue fund or by a municipality
- any institution that is authorised in terms of any law to receive money for a public purpose.

The AG has a budget of R885 744 248 and has 1 696 employees. These are divided into various business units that provide auditing services, corporate services and specialised audit work such as performance, forensic auditing, computer auditing and technical support. The AG also boasts an impressive international auditing complement.

The AG must submit audit reports to any legislature that has a direct interest in the audit, and to any other authority prescribed by national legislation. All reports must be made public.

Public-sector auditing involves the investigation and evaluation of government and related institutions regarding financial-management practices, performance and compliance with legal requirements.

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 of money by influencing its cost. Monetary policy is guided by the objectives of the Reserve Bank, which are formulated to ensure financial stability. Consistently combating 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 every two months, after which the bank 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 macroeconomic 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 who 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 a 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 clearing and settling interbank obligations.

The main instrument for managing liquidity in the money market is the repurchase transactions (repo) rate, which is 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.

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 regarding banking institutions' cash reserves; and controlling 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.

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

Growth in broad money supply (M3) rose during 2005 and early 2006, accelerating from 13% in the early months of 2005 to 21% in February 2006.

Banks' loans and advances to the domestic private sector remained relatively strong during 2005 and early 2006, registering average growth rates of 21% to 22%. Asset-backed credit (mortgage advances, leasing finance and instalment sale credit) constituted the bulk of the increase in banks' total loans and advances throughout 2005 and early 2006.

Growth in M3 and banks' total loans and advances was consistent with firm increases in nominal income, expenditure and wealth.

Following a reduction in the repo rate to 7% in April 2005, the Reserve Bank's MPC left the repo

rate unchanged at its successive meetings until June 2006.

In June 2006, the repo rate was increased by 50 basis points to 7,5%. In August 2006, it was increased to 8%. October 2006 saw another increase of 50 basis points to 8,5%.

Financial Services Board (FSB)

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 service providers, exchanges and financial markets.

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 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, or placing under judicial management or curatorship, of 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 by 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 Board, Consumer 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 2005, 34 banks, including 15 branches of foreign banks and two mutual banks, were registered with the Office of the Registrar of Banks. Furthermore, 47 foreign banks had authorised representative offices in South Africa. By the end of December 2005, the banking institutions collectively employed 122 135 workers.

Four major banks dominate the South African banking sector, namely Amalgamated Banks of South Africa (Absa) Bank Limited, which is internationally owned, the Standard Bank of South Africa Limited, FirstRand Bank Limited and Nedbank

In 2006, the Minister of Finance, Mr Trevor Manuel, was appointed to serve on the World Bank's Commission on Growth and Development, which will highlight fundamental aspects of economic growth for the attainment of development objectives, and identify forward-looking growth policies.

Limited. These banks maintain extensive branch networks across all nine provinces, and by the end of December 2005, they constituted 83,8% of the total assets (R1 677,5 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.

Industry-wide net income after tax increased to 1,1% of total assets in 2005. As a percentage of equity, industry-wide net income after tax decreased from 14,7% in 2004 to 14,5% in 2005. By the end of 2005, industry-wide net income before taxation had begun to increase to R24,9 billion, compared with R22,5 billion in 2004.

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 2005, the banking sector as a whole had a ratio of capital-to-risk weighted assets of 13,3%.

At the Financial Sector Summit held in August 2002, the constituencies of the National Economic and Development Labour Council (Nedlac) agreed on broad principles for the reform of the South African financial sector. One of the elements of the agreement signed by the principals of the Nedlac constituencies in the summit, was the need to ensure access to basic financial services.

The object of the Dedicated Banks Bill is to make banking services available in areas and to consumers to whom such services have not been readily available.

The promulgation of this Bill is expected to create an enabling environment for companies interested in entering the banking system as savings and savings-and-loans banks, by lowering the entry requirements as prescribed in the Banks Act, 1990 (Act 94 of 1990). The licensing of interested companies as savings and savings-and-loans banks and their consequent provision of financial services will assist the banking industry and the nation in improving the broader market's access to services.

The microlending industry

The Department of Trade and Industry introduced the National Credit Act, 2005 (Act 34 of 2005), to allow the credit market to function in a robust and effective manner. The National Credit Act, 2005 replaced the Usury Act, 1968 (Act 73 of 1968), and the Credit Agreements Act, 1980 (Act 75 of 1980).

Main Budget: revenue

R million	2005/06 Revised estimate	2006/07 Before tax proposals	% change
Taxes on income and profits	228 730 000	260 740 500	17,2
Taxes on payroll and workforce	5 000 000	5 600 000	12,5
Taxes on property	11 120 000	13 462 000	23,4
Domestic taxes on goods and services	152 370 000	171 537 000	15,4
Taxes on international trade and transactions	18 960 000	23 600 000	42,7
Other taxes	870 000	974 000	-25,5
Total tax revenue (gross)	**417 050 000**	**475 913 500**	**17,5**

Source: ***2006 Budget Review***

A recent review of credit laws found that interest rate caps contained in the Usury Act, 1968 and Credit Agreement Act, 1980 have not been effective in protecting consumers. Credit allocation has been distorted to the detriment of low-income clients. In addition, some institutions have reduced transparency on the full costs of credit for poor clients by circumventing the caps through the introduction of credit life insurance and other charges.

Misleading disclosure, anti-competitive practices and very high costs of credit have subsequently undermined the potential benefit of access to credit. To a large extent, problems in the microlending industry are also a symptom of the failure of the banking sector to meet the needs of low-income earners.

Consumers have historically been subject to the high cost of credit and exploitative practices by unreputable credit-providers. The legislation focuses on consumer interest as government seeks to redress imbalances in the South African consumer credit market, and to create a more efficient market in which all South Africans will be able to have access to credit at affordable rates.

The National Credit Act, 2005 aims to regulate the granting of consumer credit by all credit-providers, including microlenders, banks and retailers. This new legislative framework created formal bodies referred to as the National Credit Regulator (NCR) and the National Consumer Tribunal, which will play a vital role in ensuring enforcement, promoting access to redress, and adjudicating contraventions of the Act. The Micro Finance Regulator Council, mandated to regulate the microlending industry prior to the establishment of the NCR, had 2 056 registered entities with a gross loan book of R22,9 billion by February 2006.

The National Credit Act, 2005 is envisaged to facilitate the creation of a fair, balanced and transparent credit market.

The NCR is responsible for regulating the South African credit industry. It carries out education, research and policy development; registers industry participants; investigates complaints; and ensures that the Act is enforced.

In terms of the Act, the NCR has to promote the development of an accessible credit market to meet the needs of people who were previously disadvantaged, earn a low income or live in remote, isolated or low-density communities.

The NCR registers credit-providers, credit bureaux and debt counsellors, and enforces compliance with the Act.

In terms of the National Credit Act, 2005, the National Consumer Tribunal was created from September 2006 onwards. The task of this independent body, whose members are appointed by the President, is to adjudicate various applications and to hear cases against those who contravene the Act.

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. By 31 December 2004, 96 short-term insurers had been registered. The total gross premiums written for 2004 (unaudited figures) amounted to R42 billion.

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 investment results. Life insurance is dominant. As at 31 December 2004, 78 long-term insurers were registered. The total net premiums for 2004 (unaudited figures) amounted to R154 billion, while total assets amounted to R915,9 billion.

The Financial Advisory and Intermediary Services Act, 2002 (Act 37 of 2002), contains many of the provisions incorporated in the policyholder protection rules.

Other financial institutions

Development Bank of Southern Africa (DBSA)

The primary role of the DBSA, 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 private and public sectors, both nationally and internationally, for sustainable-development projects and programmes. The bank operates in South Africa, in the other Southern African Development Community (SADC) countries, and increasingly as a development agent and knowledge partner in the wider region of Africa south of the Sahara. Its mandate focuses on infrastructure in the wider sense – economic, social

and institutional – both through loans of its own funds and by acting as a catalyst for investments in partnership with the private sector and other development-finance institutions.

Funding

The DBSA's capital and reserves at 31 March 2006 stood at R13 billion. The bank's financial resources are made up of the share capital contribution of National Treasury, borrowings in the financial markets, repayments on loans it has granted and internally generated funds. In addition to these resources, the bank mobilises loan capital from other international sources. It 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* (KFW), the Japanese Overseas Economic Co-operation Fund and the *Agence Française de Développement*.

Strategic direction

The bank has adopted a set of stretch targets over a 10-year period to give practical effect to its commitment to the strategic development agenda of South Africa, SADC, New Partnership for Africa's Development (Nepad) and the millennium development goals.

The DBSA's institutional vision and strategic plan – Vision 2014 – which is also guided by the bank's mandate, focuses on the following key goals:

- reducing poverty by half through economic development, comprehensive social security, land reform, and improved household and community assets
- reducing unemployment by half through new jobs, skills development, assistance to small businesses, opportunities for self-employment and sustainable community livelihoods
- massively reducing the incidence of tuberculosis, diabetes, malnutrition and maternal deaths, turning the tide against HIV and AIDS, striving to eliminate malaria throughout the region, and improving services to achieve a better national health profile and to reduce preventable causes of death
- positioning South Africa strategically as an effective force in global relations, with vibrant and balanced trade with countries of both the South and the North
- providing the skills required by the economy, building capacity and providing resources across society to encourage self-employment, good citizenship and a caring society.

The level of DBSA loan approvals in South Africa and the SADC region is projected to grow to R6 billion a year by 2014, thus creating a total of 127 000 jobs in South Africa, connecting 2,4 million households to one or more basic service, and contributing R22 billion to the local economy. Towards this end, it plans to invest R46 billion (loans and equity finance) in infrastructure development and, well over R1 billion in technical assistance, capacity-building grants and knowledge development or networking.

Strategic initiatives

The bank has strengthened and replenished the DBSA Development Fund, which is a dedicated capacity-building fund established as a section 21 company, to scale up and focus the bank's grant and technical support for local capacity-building in several areas, especially feasibility studies, project and programme development, systems design and development and training. It is also providing concerted financial and institutional support to Project Consolidate, a major local public-sector capacity-building initiative established by government and spearheaded by the Department of Provincial and Local Government.

The bank is assembling the Siyenza Manje task force, consisting of engineers and project managers working jointly with government, to augment Project Consolidate, to contribute to operational and strategic capacity in distressed municipalities, and to accelerate the roll-out of basic services. It is also actively working in the areas of local investment agencies and sustainable communities, and has extensive resources deployed in the research and knowledge management areas of sustainable development.

The bank has launched the Vulindlela Academy, a specialised institutional training facility dedicated to creating and upgrading skills required for the economy, in particular infrastructural delivery, and improved productivity and sustainability. The DBSA Vulindlela Academy is supported by a local government resource centre and a wide-area local government computer network to connect municipalities to a wide range of resources and facilities.

The bank has also positioned itself to provide strategic and financial support to the South Africa Football Association in planning and co-ordinating infrastructure development for the 2010 Soccer World Cup.

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 it should achieve:

- growth in the commercial market
- growth in the development market
- business efficiency
  - service delivery
  - resource management
- sustainability.

(See Chapter 4: *Agriculture*.)

The Land Bank is the sole shareholder in the Suid-Afrikaanse Verbandversekeringsmaatskappy Beperk, which provides insurance to people indebted to the bank through mortgage loans.

The Land Bank's performance for 2005/06 was negatively affected by numerous factors, including depressed commodity prices, the strengthening of the Rand, and unstable conditions that affected farming produce.

During 2005/06, the bank concluded R986 million in BEE transactions. Afgri-Sizwe BEE consortium received R501 million of the total amount and Ushukela Milling received R485 million to acquire a strategic sugar-mill in KwaZulu-Natal. Some R8 million was allocated to chairs of agriculture at various universities while R3,5 million was made available for bursaries for previously disadvantaged students.

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, varying 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.

Collective investment schemes in property

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 Limited.

Collective investment schemes in participation bonds

Formerly called participation bond schemes, several of these schemes are being wound down. According to the Reserve Bank, the number of schemes declined from 14 in December 2003 to nine in March 2006. The amount invested with these schemes was R3,5 billion as at 31 March 2006. Six of the nine schemes had invested funds from the general public, while individuals continued to be these funds' main investors.

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 using 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.

By the end of February 2005, the FSB had recorded the submission of about 14 500 licence applications in terms of the Financial Advisory and Intermediary Services Act, 2002.

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 is 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 or dependants. 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 billion in 2001 to R60 552 billion 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 billion in 2001 to R72,492 billion 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.

In order to contribute to the build-up of retirement savings, and taking into account that interest rates have stabilised at lower levels, the tax on retirement funds was reduced from 18% to 9% with effect from 1 March 2006, at a cost of R2,4 billion.

Regulatory reforms relating to cost disclosure, the structure of commissions and governance of funds were expected to be proposed in a policy paper. Government's pension reform aims to ensure that the benefits of the favourable tax regime are passed on to retirement-fund members in the form of improved returns, and that retirement savings are not depleted by excessive charges and penalties.

Financial markets

Primary capital-market activity

Government bonds

Net issuance of fixed-interest securities by the national Government in the domestic primary bond market amounted to R21,8 billion in 2005/06, compared with R31,9 billion raised in 2004/05.

The Reserve Bank conducts weekly nominal, inflation-linked and variable-rate bond auctions on

behalf of National Treasury. In 2005/06, an average of R750 million was issued weekly, compared with an average weekly issuance of R900 million in 2004/05.

The conditions for issuances in the fixed-income market were conducive not only locally, but also globally, and the South African Government successfully issued a 10-year US$1,0 billion (R6,5 billion) denominated bond in May 2004 at a spread of 195 basis points over the benchmark US Treasury Bond.

In addition, R3,2 billion was drawn on the foreign-export credit facilities. Foreign bonds redeemed amounted to an equivalent of R5,3 billion, bringing net foreign bond issuance to R4,5 billion. This compares with gross foreign bond issuance of R14 billion in 2003/04, with redemptions totalling about R13 billion. In 2005/06, no foreign bonds were issued. The Government, however, successfully issued a 10-year R750 million (R5,5 billion) denominated bond in April 2006 at a spread of 81 basis points over the equivalent German government bond.

Three new fixed-income bonds were launched in 2005/06, namely the R205, R206 and R207 bonds. The R205 bond was issued in July 2005 with a variable coupon rate, maturing in 2012. By March 2006, R2,6 billion had been issued. The R206 bond was launched in August 2005, carrying a coupon of 7,5% and maturing in 2014. Over R4 billion was raised via the R206 bond during 2005/06. The R207 bond was launched in June 2005, with a coupon of 7,25% and maturing in 2020. By March 2006, R8,0 billion had been issued. National Treasury offered a split facility on the R194 government bond from 1 November 2005, similar to that previously offered on the R150 bond. The following bonds were also issued: the R007 bond (maturing on 28 February 2007), the R195 bond (maturing on 28 February 2008) and the R196 bond (maturing on 28 February 2009). A coupon rate of 10% applies to all three new bonds.

In May 2004, government also launched the RSA government retail bonds, with maturities of two, three and five years. From its inception to March 2006, government had raised a total of R1,9 billion through these bonds.

Government's total loan debt increased from R389,3 billion in 2003/04 to R428,1 billion in 2004/05. However, total gross loan debt as a percentage of GDP remained steady at 35,7%.

Non-governmental bond issuance

The outstanding nominal value of non-government loan stock listed on Besa increased by R42,43 billion in 2005, compared with an increase of R31,46 billion in 2004. This figure includes funds raised through other vehicles such as securitisation and short-term commercial paper. Total issuance related to securitisation and commercial paper amounted to R27,8 billion in 2005. Issuance in the non-government sector, whether through corporate bonds, securitisations or private placements, has grown significantly in the past few years. This can be attributed to more diverse instruments being used, declining interest rates, narrowing credit spreads indicating investor risk tolerance amid the search for yield, as well as credit upgrades for a number of corporate institutions. The South African corporate market is expected to grow as new asset classes emerge and new issuers continue to enter the market.

Eurorand bonds

Following four years of net redemptions, the Eurorand bond market expanded in 2004 and 2005. Improved liquidity conditions in the global financial markets led to improvements in eurorand bond market activities. Gross issuance increased to R10,1 billion in 2005, which is a 49% increase compared with the R6,8 billion issued in 2004, excluding a R1,0-billion issue not being regarded as a pure eurorand transaction. In 2005, R3,5 billion worth of eurorand bonds matured, resulting in a net issuance of R6,5 billion.

The renewed interest in this market can also be attributed to positive sentiment towards the Rand and an overall positive performance in global fixed-income markets in 2005. In the first half of 2006, gross issuance amounted to R1,4 billion, while R1,65 billion matured, bringing net redemptions to R250 million.

Germany's KFW dominated issuance in the Eurorand bond market, comprising almost 34% of total issuance during 2005. Other issuers were the European Investment Bank (EIB) (20%), Rabobank Nederland (11%) and Rentenbank (11%), while *Landsman Baden-Wuerttemburg* issued about 2%. The rest were issued by new issuers such as Eurofima, Swedish Export Credit, *Nordrhein-Westfalen, Bayerische Landesbank,* Dexia Municipal Agency and the Province of Ontario. The type of credit issued remained predominantly AAA-

rated, and the maturity structure changed to longer-dated issues. The 2010 and 2013 bonds account for 56% of total eurorand bond issuance, while the rest is concentrated in bonds maturing in five years or less.

The spreads and yields at which these bonds were issued declined during 2004, with some bonds even issued at spreads below comparable South African benchmark government bonds. The 2013 bond, for example, was tapped by the EIB at a yield of 8,95% in January 2004, and was tapped again in November 2004 at a yield of 8,22%. While coupon rates were as high as 11% in 2003, they declined to between 10% and 8% during 2004.

Uridashi bonds

In addition to the issuance of eurorand bonds, the issuance of rand-denominated bonds by foreign borrowers in the Japanese uridashi market also continued to grow during 2005 and early 2006. An uridashi bond is a foreign-currency bond sold by a non-Japanese issuer to Japanese retail investors, and generally offers a yield that is more attractive than the yields offered on similar bonds issued in Japanese yen. Rand-denominated bonds were first issued in the Uridashi market in July 2004. The total nominal value of issues for that year amounted to R2,5 billion, followed by R8,8 billion in 2005 and R1,2 billion in the first half of 2006.

Secondary capital-market activity

Domestic bonds

South African bond yields declined considerably between October 2005 and February 2006. The closing yields on government bonds declined to historically low levels on 20 February 2006, with the yields on two-year R194, four-year R153, nine-year R157 and 20-year R186 government bonds declining to 6,93%; 7,05%; 7,13%; and 6,81%, respectively. Factors that contributed to the decline in local yields include the firmer exchange value of the Rand, which served to lessen medium-term inflation concerns, and a lowering of the tax rate on interest income for the retirement-fund industry, announced in the February 2006 Budget speech. After being net purchasers of South African bonds to the value of R0,4 billion in 2004, non-residents were net sellers of bonds to the value of R10,7 billion in 2005.

From its lows in February 2006, in the months leading up to June, bond yields increased in reaction to a slightly weaker rand exchange value and external factors, such as increasing US Treasury yields as well as the potential for further US interest rate increases. In the first half of 2006, the cumulative value of non-residents' net purchases of bonds amounted to R7,7 billion.

The value of trading activity in the domestic secondary bond market at consideration amounted to R9,8 trillion in 2005, which was 3% higher than the R9,5 trillion in 2004. In the first half of 2006, the value of turnover on the bond exchange amounted to R6,4 trillion. Alongside the upward trajectory in bond yields from the end of February 2006, the daily average turnover reached R51 billion in February 2006 and accelerated further to a high of R67 billion in June.

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 actively participate. The Reserve Bank implements its monetary policy in terms of a system based on creating a shortage in the money market.

The bank refinances this shortage through weekly repurchase transactions with seven-day maturities at its policy rate, the repo rate. Thus, the bank influences other market interest rates. The daily liquidity requirement in the money market was maintained close to R13 billion throughout 2005/06.

The Reserve Bank used mainly four types of open-market operations to drain surplus liquidity from the money market, namely issuing Reserve Bank debentures, conducting longer-term reverse repo transactions, foreign exchange swaps and outright sales or switches of government bonds. Furthermore, with the redemption of the R152 bond and coupon payments made to the Reserve Bank on various bonds during February 2005, the bank was able to permanently drain R3,1 billion worth of liquidity from the market.

Equity market

The total value of equity capital raised by companies listed on the JSE Limited amounted to R41,8 billion in 2004 and subsequently increased to R82,2 billion in 2005 and R49,1 billion in the first half of 2006. The number of new listings increased in 2005, from 17 to 19, while the number of delistings declined from 39 in 2004 to

35 in 2005. Fifteen new listings were recorded in the first half of 2006. Some 984 securities were listed on the JSE Limited at the end of 2005 compared with 873 at the end of 2004, increasing to 991 in the first half of 2006.

Domestic share prices, as measured by the all-share index (Alsi), increased to new highs during 2005 and the first half of 2006. From a low on 28 April 2005, the Alsi rose by 77% to set a new record high of 22 094 on 11 May 2006. The strong increase in share prices was led by the increase of 115% in resources shares (with platinum-mining shares increasing by 185% and gold-mining shares by 131%) and 57% in industrial shares, while financial shares improved by 52% over the same period.

Factors that influenced the market during this period were low domestic interest rates, positive economic fundamentals, prudent fiscal and monetary policies, high commodity prices, expectations of continued higher corporate earnings, general optimism in global equity markets, and strong demand from foreign and local investors. From its high in May 2006, the Alsi declined by 4% to the end of June alongside weaker global equity markets and a decline in commodity prices.

Turnover on the JSE Limited, as measured in terms of the value of shares traded, reached a level of R1 031 billion in 2004, and increased to a record R1 279 billion in 2005. In the first half of 2006, turnover amounted to R1 121 billion. Liquidity, as measured by turnover as a percentage of market capitalisation, decreased from 37% in 2004 to 36% in 2005, with market capitalisation increasing from R2 566,4 billion to R3 586,1 billion over the same period. Market capitalisation in US dollar terms increased by 24% from US$442,5 billion in 2004 to US$549,3 billion in 2005.

According to the World Federation of Exchanges, South Africa was in 16th position in the world league at the end of May 2006 in terms of market capitalisation in US dollar terms. Non-residents bought a net amount of R50,2 billion worth of shares during 2005 and increased their holdings of domestic shares by a net amount of R56,5 billion during the first half of 2006.

The JSE Limited's new interest-rate exchange, Yield-X, commenced trading on 28 February 2005. This interest-rate exchange is the JSE Limited's fourth electronic clearing and settlement platform, alongside equities, financial futures and agricultural products. Yield-X aims to open up the interest-rate market to new players and new products, encouraging liquidity and market diversification.

In addition, Yield-X seeks to ensure proper price discovery for interest-rate products in South Africa. At the heart of the new exchange is an anonymous central order book, allowing for trading via a single platform with automated trade matching and guaranteed settlement. The JSE Limited expects Yield-X to emulate the success of its equities and futures trading systems over time, establishing a sophisticated interest rate derivatives market for the country.

A major benefit of Yield-X will be the elimination of bilateral counter-party risk. The JSE, through clearing-house Safcom, will guarantee all trades and offer a cradle-to-grave audit trail. Yield-X will operate in a fully regulated environment overseen by the JSE Limited and the FSB. Yield-X is targeting a range of investors, from large institutional investors, banks, corporate treasuries and intermediaries, to smaller financial institutions and retail investors who may have been previously excluded from the interest rate market.

Domestic currency market

The South African Rand appreciated by almost 20% against the US Dollar during 2004. Although part of this appreciation was due to general US dollar weakness over this period, which caused most emerging-market currencies to appreciate, the Rand was also supported by domestic economic conditions such as the decline in the inflation rate, positive economic growth, improved sentiment and an increase in official foreign-exchange reserves.

South Africa's official gross reserves increased from US$8,1 billion at the end of January 2004 to US$15,9 billion at the end of March 2005. Demand for the Rand was also fuelled by foreign portfolio investment, particularly during the last quarter of 2004.

According to Bloomberg's annual ranking report, the Rand was the second-best performing currency against the US Dollar during 2004. The analysis comprises 60 currencies from developed as well as emerging-market countries. The only currency to

marginally outperform the Rand was the Polish Zloty. The Rand also appreciated against other major currencies. Against both the Euro and the Pound, the Rand appreciated by almost 10% and compared with the Yen, the Rand appreciated by 13%.

Volatility conditions, as reflected by the implied and historical volatility indicators, rose to as high as 25,6% and 28,4%, respectively, in January 2004, but declined significantly during the rest of the year. At the end of December 2004, the implied and historical volatility indicators were at 14,9% and 13,4% respectively, indicating that volatility in the Rand exchange rate had subsided.

The average turnover in the domestic currency market increased from US$92,9 billion for the 2003 year as a whole, to US$98,0 billion for 2004. The average net daily turnover increased from US$7,7 billion to US$8,2 billion over the same period. These increases occurred mainly in the foreign exchange swap market, and were not out of line with global trends observed in the 2004 Bank for International Settlements survey of global foreign exchange activity. Domestic rand turnover comprises 0,42% of the global foreign exchange market.

During the first quarter of 2005, the Rand depreciated by almost 10% against the US Dollar, mainly as a result of developments in international currency markets. The main reason was the appreciation in the exchange rate of the US Dollar, which began early in January, caused by expectations that the Fed could increase interest rates at a faster pace than previously expected. This affected most emerging market currencies. In addition, commodity prices declined to lower levels during 2005 with a subsequent effect on the Rand, given that it is a commodity currency.

Exchange control

Exchange control is administered by the South African Reserve Bank on behalf of the Minister of Finance. The South African Reserve Bank is assisted in this task by a number of banking institutions that 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 South African 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 from R750 000 in February 2000 to R2 million in February 2006.

The following dispensations regarding 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, the following will be implemented:

- 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 and long-term insurers. Investment managers registered as institutional investors for exchange-control purposes and collective investment scheme management companies are restricted to 25% of total assets under management.
- Institutional investors may invest an additional 5% of their total retail assets in Africa directly, by acquiring foreign currency denominated portfolio assets in Africa through foreign currency transfers from South Africa, or indirectly, by acquiring rand denominated foreign exposures via inward listed African securities.
- Foreign companies, governments and institutions may list instruments on South Africa's bond and securities exchanges.
- Institutional investors will be 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 regulation became operational on 1 May 2003, after National Treasury and the Exchange Control Department of the South African 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 holds significant benefits for the economy, including expanded access to markets, increased exports and improved competitiveness.

With effect from 26 October 2004, limits on foreign direct investment (FDI) by South African corporates were abolished. Exchange control approval is, however, required. Requests by corporations are considered in light of national interest, such as the benefit to South Africa's international reserves by, for example, generating exports of goods and services. The Exchange Control Department of the South African Reserve Bank reserves the right to stagger capital outflows relating to very large foreign investments, to manage any potential impact on the foreign exchange market.

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 or share-swap transactions will be considered.

Authorised dealers may also extend foreign currency-denominated facilities to South African corporates for financing approved FDI.

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 that is 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 capital allowance for residents and emigrants respectively, of R2 million per individual (or R4 million in respect of family units emigrating).
- Emigrant-blocked assets are being unwound. Amounts of up to R2 million (inclusive of amounts already exited) are eligible for exiting without charge. Holders of blocked assets wishing to exit more than R2 million (inclusive of amounts already exited) must apply to the Exchange Control Department of the South African Reserve Bank to do so. Approval is subject to an exiting schedule and an exit levy of 10% of the amount requested.
- New emigrants wishing to exit more than R2 million (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 level of 10% of such additional amount.

Local financial assistance to affected persons and non-residents

To improve access to domestic credit in financing FDI 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 can 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 certain other financial transactions, such as portfolio investments by non-residents, securities lending, hedging, repurchase agreements, etc. In these cases, the 100% ratio still applies.

Launched on 25 October 2004, the Mzansi bank account was conceived out of the requirements set out in the Financial Services Charter. Mzansi is supported by Absa, First National Bank, Nedbank, Standard Bank and the Postbank.

By June 2006, Mzansi had led to the creation of 3,3 million new bank-account holders.

JSE Limited

Founded on 8 November 1887, the JSE is the sole licensed securities exchange in South Africa. In July 2005, after 118 years as a mutual association, the JSE celebrated its demutualisation and is now known as JSE Limited, a public unlisted company.

The management and control of the JSE Limited vests in the board, which has powers conferred upon it by the JSE's Acts, rules and the Constitution.

On 6 August 2001, the JSE Limited acquired the business and assets of the South African Futures Exchange (Safex), which is now incorporated into the JSE Limited 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.

Regulation

As the front-line regulator of its primary and secondary markets, an independent regulatory authority, the FSB, supervises the JSE Limited. The Issuer Services Division of the JSE Limited, together with two independent bodies – the Generally Accepted Accounting Practice (GAAP) Monitoring Panel and the Securities Panel Regulation – enforce compliance with GAAP and the protection of minority shareholders respectively.

The Insider Trading Directorate of the FSB operates a stringent enforcement programme, with the support of the JSE Limited, in respect of the secondary market. In turn, the JSE Limited regulates its listed companies and broking members by extensive rules and directives in line with the Securities Services Act, 2004 (Act 36 of 2004).

In November 1995, the JSE Limited 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 Limited is the largest securities exchange in Africa and has a market capitalisation of several times that of all the other African markets combined. It has the third-largest market for single stock in the world, the ninth-largest market for options and futures in the world, it accounts for over 75% of market capital in Africa, and its reserves grew from US$31 million in 1999 to US$83 million in 2005.

The JSE Limited 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 Committee of SADC Stock Exchanges (COSSE). The COSSE envisages an integrated real-time national network of securities markets in the region. The JSE Limited has offered its trading platform to these members, and the Namibian Stock Exchange has been trading on the JSE Limited's trading platform for the past eight years.

In addition, the JSE Limited has played an instrumental role in creating the globally prominent Code of Corporate Practices and Conduct (referred to as King II), a follow-up to the King I Code. The listings requirements of the JSE Limited now require that all companies provide a report in their annual financial statement on their level of compliance with King II, including progress on the novel stakeholder aspects of the code.

Consistent with the objectives of Nepad and by virtue of the JSE Limited's position in the southern African region, the JSE Limited remains committed to the concept of a Pan-African board, and is involved in trying to raise money to assist neighbouring countries to participate in this initiative.

Foreign investors

Since 1994, South Africa has restructured its economic policies to attract foreign investment. The transition has led to a significant improvement in the quality and inclusiveness of institutions. Prudent social reform has been coupled with accountable political institutions and sound macroeconomic management.

The economic rating agencies' reports confirm the presence of high levels of political stability. The JSE Limited plays a vital role in the South African economy by putting capital-providers in touch with capital-seekers. Thus, cash resources are channelled into productive economic activity, building the economy while enhancing job opportunities and wealth creation.

Listing on the JSE Limited enables capital to be raised for expanding the financing of new business

and creating new employment opportunities. In addition, it provides a secondary market for dealing in securities by bringing together buyers and sellers in a manner that ensures transparent price discovery. In this way, new investment opportunities in the country are created.

During the February 2004 Budget speech, the Minister of Finance continued to further relax exchange controls by approving foreign companies seeking to issue securities on the JSE Limited and Besa. In line with the approval, international investors have unfettered access to securities listed on the JSE Limited:

- There are no exchange controls of any kind imposed on foreign investors or any non-resident parties.
- There are no limits on the repatriation of capital or income on foreign shareholders.
- There are no withholding taxes or other penalties applied to the repatriation of capital, interest or dividends by foreign investors.
- There are no foreign ownership limits on South African securities.
- There is no separate registration process for foreign investors. All shareholders are reflected in the dematerialised register. Purchases or sales of shares by foreign shareholders are reflected in its electronic share registry by insertion of a flag.
- South Africa has a free-floating exchange rate traded in all global financial centres. The currency is one of the most liquid among upper-middle-income countries, with currency equivalent to 24% of South Africa's annual GDP traded every day.

The currency is backed by an extremely liquid and deep sovereign bond exchange (not affiliated to the JSE Limited) to which foreign investors similarly have unfettered access. JSE Limited member firms and central securities depository participants offer custodian services to foreign investors.

Product developments

The JSE Limited launched the Social Responsibility Index (SRI) in May 2004 to focus on corporate social responsibility and sustainable business practices, and to encourage socially responsible investment in South Africa. The SRI measures the triple bottom line performance, in terms of environmental, economic and social sustainability of companies listed in the FTSE/JSE All Share Index.

The SRI 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.

Driven by the quest to demystify the market and the desire to broaden the national retail investor base by encouraging a wider spread of knowledge of the financial market and the growth of an investment culture in South Africa, the JSE Limited introduced the University Investment Challenge at the beginning of 2005. This concept is rooted in the JSE-Liberty Investment Challenge, which is a simulated trading experience designed to encourage secondary school learners to learn about the market by trading phantom portfolios.

New listing requirements became effective in September 2003. These stipulate 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.

The 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 Africa's first alternative

In June 2006, South Africa's only stock exchange, the JSE Limited, listed on its own exchange.

In a momentous occasion in the history of the exchange, guests were joined by Deputy President Phumzile Mlambo-Ngcuka, and wore a variety of hats in memory of the closing day of the old trading floor nearly 10 years before.

The JSE now joins an elite number of international exchanges – including the London and New York stock exchanges, *Deutsche Borse,* Nasdaq, Euronext, the Australian Stock Exchange, the Singapore Exchange and the Hong Kong Exchanges and Clearing – that have listed on their own markets.

For investors in South Africa and abroad, the move brings heightened transparency and visibility to the trading of JSE Limited shares, which in turn has the potential to improve their liquidity and tradeability.

market for innovative companies and investors. ALTX provides an attractive investment area for investors interested in the growth potential of smaller stocks. It is the sum of a partnership between the JSE and government through the Department of Trade and Industry.

The JSE Limited continually strives to run a low-cost, highly efficient market that offers a wide range of financial products to an ever-broadening investor community. It has served South Africa well for over 118 years and is now moving into the future, determined to take its place among the world's top exchanges.

Bond Exchange of South Africa

Besa is an independent financial exchange operating under a licence granted annually 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. On 31 December 2005, Besa had 479 fixed-income securities outstanding, issued by 71 borrowers, with a total nominal value of R637 billion. Just over 67% of this debt had been issued by central and municipal government, with a further 9% issued by parastatal and utility organisations. The remaining listed debt had been issued by companies in a wide range of sectors: 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.

Vanilla bonds constitute the majority of Besa-listed instruments, but there are variations, including:

- fixed interest-bearing bonds with single and multiple redemption dates
- zero-coupon bonds
- consumer price index-linked bonds
- credit-linked notes
- variable interest-rate bonds or 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 2005, with volumes decreasing from R8,4 trillion nominal in 2004 to R8,1 trillion nominal, which is a 4% drop. The decrease in nominal turnover was also reflected in the lower number of matched trades for the year, which decreased from 328 000 in 2004 to 298 000 in 2005. Turnover in the spot market increased from 34,1% of total turnover in 2004 to 37,3% in 2005.

Although turnover figures for 2005 dropped significantly, the turnover velocity of listed debt instruments remained healthy at 13 times the market capitalisation for 2005.

While 95% of market turnover in 2005 was in government and utilities stock, there was an increasing amount of listings and turnover in corporate issuances and securitisations, which together accounted for 5% of total turnover in 2005.

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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11

Foreign relations

The Department of Foreign Affairs formulates, co-ordinates, implements and manages South Africa's foreign-policy and international relations programmes throughout the world. These are guided by a commitment to promoting:

- human rights and democracy
- justice and international law
- international peace and internationally agreed mechanisms for resolving conflicts
- Africa in world affairs
- economic development through regional and international co-operation.

The department continues to implement its strategic priorities in line with government's foreign-policy objectives, outlined in the programme of the International Relations, Peace and Security Cluster. The department's priorities are:

- consolidating the African agenda
- global governance
- South-South co-operation
- strengthening bilateral relations.

South Africa and Africa

South Africa's development is inextricably linked to the development of Africa and the southern African region. Africa faces the challenge of positioning itself to address the marginalisation of the continent by engaging global role-players on socio-economic development and facilitating a fair and just global order.

African Union (AU)

The AU is Africa's premier institution and principal organisation for the promotion of the continent's accelerated socio-economic integration, which will lead to greater unity and solidarity between African countries and peoples. South Africa was instrumental in the establishment of the AU and its organs, namely the:

- Assembly
- Executive Council
- specialised technical committees
- financial institutions
- Permanent Representative Council
- Peace and Security Council (PSC)
- Pan-African Parliament (PAP)
- Economic, Social and Cultural Council (Ecosocc)
- Court of Justice
- African Court on Human and People's Rights
- African Commission on Human and People's Rights.

The financial institutions, African Monetary Fund, African Central Bank and African Court of Justice still have to be operationalised.

The 53-member AU was officially launched in Durban on 9 July 2002, following its inaugural summit. It replaced the Organisation of African Unity, which was established on 25 May 1963 in Addis Ababa, Ethiopia. The AU's objectives include:

- achieving greater unity and solidarity between African countries and the peoples of Africa
- defending the sovereignty, territorial integrity and independence of its member states
- accelerating the political and socio-economic integration of the continent
- encouraging international co-operation
- promoting peace, security and stability on the continent
- promoting democratic principles and institutions, popular participation and good governance
- promoting and protecting people's rights
- establishing the necessary conditions to enable the continent to play its rightful role in the global economy and in international negotiations
- promoting sustainable development at economic, social and cultural level, as well as the integration of African economies
- promoting co-operation in all fields of human activity to raise living standards
- promoting research in all fields
- eradicating preventable diseases and promoting good health on the continent.

A challenge for the AU is to involve civil society in continental processes. In this regard, the Constitutive Act provides for the establishment of Ecosocc. The interim Ecosocc was launched on 29 March 2005 in Addis Ababa.

The South African Chapter was launched with nine civil-society organisations elected as a secretariat from the following sectors: women, youth, religious groups, organised labour, non-governmental organisations (NGOs), lawyers, cultural groups and people with disabilities.

On 16 September 2004, the PAP was inaugurated at Gallagher Estate in Midrand, South Africa.

The fifth session of the PAP took place in Johannesburg in May 2006. The PAP's current premises are temporary until 2010. Preparations are under way to identify a suitable site and construct the permanent headquarters of the PAP in South Africa.

The PAP is fully functional, although decisions emanating from sessions are not yet binding on member states. The current status quo of the PAP as an advisory body will continue until 2009 when it becomes a fully fledged legislative body.

South Africa has ratified the Protocol on the African Court of Human and People's Rights. The Transvaal Judge President, Justice Bernard Ngoepe, has been appointed to an 11-member judiciary to serve on the court.

Current debates in the AU revolve around the mechanisms for achieving harmony between regional economic communities (RECs) as building blocks towards achieving the long-term goal of an economically united Africa.

A committee of seven heads of state chaired by Nigerian President Olusegun Obasanjo is working on a road map towards achieving the political and economic integration of Africa.

Promoting 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 AU Assembly.

The PSC Protocol took effect in December 2003 and comprises 15 member states. The PSC was launched in Addis Ababa in May 2004. In mid-2006, the members were South Africa, Nigeria, Algeria, Ethiopia and Gabon, which will serve three-year terms; and Lesotho, Mozambique, Cameroon, Congo, Kenya, Sudan, Libya, Ghana, Senegal and Togo, which will each serve two-year terms.

As a collective security and early warning arrangement, the PSC allows for a timely and effective response to conflicts and crises 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 in place by 2008.

The AU PSC Protocol provides for the creation of the African Standby Force, to be operationalised over 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 integrating 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 AU's objectives.

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 as the socio-economic development programme of the AU is considered one of the most important developments of recent times, placing Africa at the apex of the global agenda by:

- creating an instrument for advancing people-centred 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, thus holding 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.

A major effort of the AU-mandated Nepad is to continuously factor Nepad imperatives into the outcomes of international conferences, to ensure its integration into the global multilateral system. In a wider context, countries of the South subscribe to the priorities outlined by Nepad and have pledged their solidarity and moral support, as well as an appreciation for South Africa's positive role in Nepad. To this end, the Asia-Africa Strategic Partnership was inaugurated in April 2005.

Structures

Heads of State and Government Implementation Committee (HSGIC)

The Nepad HSGIC reports annually to the summit of the AU. The chairperson of the AU Commission is an

ex-officio member of the Implementation Committee, and the AU Commission is expected to participate in steering committee meetings.

The Implementation Committee comprises 20 states (four 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 Nepad's programme of action.

Steering Committee

The Steering Committee comprises representatives of the 20 HSGIC members, and is tasked with developing the Terms of Reference for identified programmes and projects, and overseeing the Secretariat.

Secretariat

The Nepad Secretariat co-ordinates implementation of projects and programmes approved by the HSGIC. The full-time core staff of the Secretariat, located at the Development Bank of Southern Africa in Midrand, provides liaison, co-ordination, and 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.

The African Peer Review Mechanism (APRM) is the mutually agreed African instrument for self-monitoring by participating member states of the AU.

The APRM's primary purpose is to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated subregional and continental economic integration, by sharing experience and reinforcing successful and best practice, including identifying deficiencies and assessing the need for capacity-building.

As a signatory to the APRM, South Africa began its self-assessment process in January 2006. The purpose is to ensure that its policies and practices conform to the agreed values, codes and standards contained in the Declaration of Democracy, Political, Economic and Corporate Governance.

Cabinet established the focal point (the Minister of Public Service and Administration, Ms Geraldine Fraser-Moleketi) and a ministerial committee to lead the APRM in South Africa.

In July 2006, Minister Fraser-Moleketi presented the APRM Country Self-Assessment Report and Programme of Action to the APRM Country Review Team. The handing-over ceremony saw the official launch of the Country Review Mission.

Southern Africa

Angola

The signing of the Luena Memorandum of Understanding (MoU) on 4 April 2002 between the Angolan Armed Forces and the Movement for the Popular Liberation of Angola ended 20 years of armed conflict in Angola. It marked the beginning of a difficult process of rebuilding the country's physical and social infrastructure (through post-conflict reconstruction projects and programmes), the reintegration of former combatants into society, the resettlement of returning refugees, and the holding of presidential and parliamentary elections, last held in September 1992.

South Africa committed itself to assisting Angola with its post-conflict reconstruction projects and programmes. On 20 November 2000, during an official visit to Angola, Foreign Affairs Minister Dr Nkosazana Dlamini Zuma signed the Agreement on the Creation of a Joint Commission of Co-operation (JCC) between the Republic of South Africa and the Republic of Angola. The first session of the commission was held in Pretoria on 28 February 2003. Subsequently, significant progress was made in identifying, negotiating and finalising numerous agreements.

Since the Angolan Government's announcement that it was committed to holding presidential and general elections, the South African Government has offered to provide technical assistance with the preparation of the elections, if and when needed.

In May 2006, South Africa and the United Nations (UN) launched the Voluntary Repatriation for Angolan Refugees Programme to assist South Africa-based Angolan refugees in returning home.

Lesotho

The most significant and visible beacon reflecting South Africa's bilateral relations with Lesotho is the Lesotho Highlands Water Project, which, in today's terms, qualifies as a Nepad project. It was started in 1986 as a joint venture to supply water to South

Africa, especially the rapidly growing urban population in Gauteng, and to meet Lesotho's electricity needs. The project delivers about 780 million cubic metres of water to South Africa a year.

South Africa and Lesotho have agreed to engage in a strategic partnership to assist Lesotho in accelerating economic development to raise its status from that of a least-developed country.

In June 2005, South Africa and Lesotho signed the Agreement on Scientific Co-operation aimed at sharing South Africa's successes in technologies related to poverty reduction and wealth creation at community level.

Botswana

In October 2005, Botswana's President Festus Mogae visited South Africa. The following agreements were signed between Botswana and South Africa during the visit:

- Agreement on Co-operation in the Field of Search and Rescue
- MoU on Sports and Recreational Development
- Agreement on Co-operation in the Field of Arts and Culture
- Agreement on Co-operation in the Field of Agriculture and Livestock
- MoU on Health Matters
- MoU on Co-operation between Local Government Authorities.

Malawi

Malawi is one of South Africa's main trading partners in the southern African region, with the trade balance being in favour of South Africa.

South Africa-based companies, increasingly interested in linking up with and establishing a presence in Malawi, range from the finance, telecommunications and the retail sector, to those in the construction industry.

Indian Ocean islands

South Africa's political, economic and diplomatic relations with countries in the Indian Ocean islands remain strong.

South Africa, chair of the AU at the time, played a pivotal role in ensuring that peace prevailed in Madagascar, following political instability as a result of disputed election results in 2000.

It also played a meaningful role in accepting Madagascar's candidature to the Southern African Development Community (SADC) in August 2004.

South Africa, as co-ordinator of the countries of the region under the aegis of the AU, assisted in diffusing constitutional and political tension, resulting in the Fomboni Peace Agreement in 2000.

South Africa spearheaded the process of peace-building and reconciliation, as well as the return to constitutionalism. Successful elections were held in 2002. South Africa continues to play an important role in the post-conflict reconstruction and development processes. These include assistance in building institutions of governance, macro-economic planning and development, and capacity-building in the area of police training and public-service sectors.

South Africa is also involved in strengthening political and economic bilateral relations with Mauritius and the Seychelles. Sectoral relations with these countries include arts and culture, tourism and environmental management, and poverty-alleviation programmes.

On 14 January 2005, South Africa co-chaired the UN High-Level Segment of the International Meeting on the Comprehensive Review of the Barbados Programme of Action for the Sustainable Development of Small Island Developing States (Sids), held in Port Louis, Mauritius.

As custodian of the World Summit on Sustainable Development (WSSD), South Africa closely follows the plight of the Sids and their sustainable development.

Comores

The AU assisted the Comores in preparing for the elections on 14 May 2006 by ensuring enhanced electoral support, and the presence of additional observers and security. South Africa provided the largest number of troops (680) as part of the AU Force deployed in the Comores.

Mozambique

South Africa and Mozambique share co-operative and friendly political and economic relations, both in a bilateral and multilateral context.

South Africa and Mozambique's economic relationship is the strongest in the southern African region. Trade between the countries is increasing, with 57,2% of Mozambique's imports emanating from South Africa. About 26,2% of Mozambican exports are destined for the South African market.

Mozambique has been, and continues to be, a strong supporter of the SADC and an active member of the AU in the implementation of Nepad.

The Heads of State Economic Bilateral Forum and Joint Permanent Commission for Co-operation (JPCC) ensure the maintenance of sound political and economic relations between South Africa and Mozambique.

Twenty-five agreements cover various spheres of co-operation between the two countries. These include Maputo harbour, agricultural development, natural gas trade, de-mining, the Maputo Development Corridor, a joint water commission, promotion and reciprocal protection of investment, and custom administration.

In May 2006, the two countries signed an MoU aimed at enhancing bilateral co-operation on sporting and recreation programmes.

Namibia

Co-operation in various areas marks the relationship between South Africa and Namibia.

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 km^2 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.

The former Minister of Water Affairs and Forestry, Ms Buyelwa Sonjica, visited her Namibian counterpart, Dr Nickey Lyambo, in May 2006. They discussed matters concerning the Orange River, which the two countries share.

In June 2006, South Africa assisted the Namibian Government in dealing with a polio outbreak in that country, among other things, through the provision of laboratory test services and vaccine cooler boxes.

Swaziland

The Minister of Foreign Affairs, Dr Dlamini Zuma, and her former Swaziland counterpart, Senator Mabili Dlamini, established the Joint Bilateral Commission for Co-operation (JBCC) on 20 December 2004 in Swaziland, which formalised bilateral relations between the two countries.

Swaziland's new constitution came into effect on 8 February 2006.

Tanzania

Bilateral relations with Tanzania are cordial and progress is being made in a wide range of fields of mutual interest. Both countries have experienced similar constitutional developments and challenges, and they share similar views on multilateral issues. Trade between South Africa and Tanzania is steadily increasing and a number of exchanges have taken place at official level to enhance co-operation.

The Presidential Economic Commission provides the necessary co-operative framework to manage the development and implementation of bilateral projects.

On 7 April 2006, President Thabo Mbeki and the newly elected President of Tanzania, Mr Jakaya Kikwete, held bilateral political and economic talks during President Kikwete's working visit to South Africa.

South Africa needs to adopt trade and investment-promotion strategies that will facilitate the transfer of production technologies and technical capabilities through the export of high value products to and foreign direct investment (FDI) in Tanzania.

South Africa is Tanzania's fourth-largest investor. More than 150 South African companies are economically active in that country.

Zambia

South Africa has established a deep mutual bond with Zambia, as evidenced by existing bilateral agreements and an annual increase in trade and investment flow between the two countries.

In October 2005, Dr Dlamini Zuma and her Zambian counterpart, Lt Gen Ronnie Shikapwasha, held bilateral political and economic talks.

Trade between South Africa and Zambia has increased substantially since 1993, with both countries taking advantage of existing bilateral agreements to foster relations. Important South African investors in Zambia include Anglo Vaal, Shoprite/Checkers and South African Breweries.

South Africa hosted the Progressive Governance Summit in February 2006; the first such summit to be hosted in the developing world.

It brought together, among others, heads of state, organisations, experts and policy-makers.

Uganda

Official diplomatic relations between South Africa and Uganda were established on 24 June 1994.

On 12 May 2006, President Mbeki attended the inauguration of Ugandan President Yoweri Museveni in Kampala. President Mbeki paid a state visit to Uganda in December 2005 as part of South Africa's commitment to consolidating and strengthening political and economic relations between the countries.

Kenya

Kenya was expected to undergo the APRM process in 2006.

Zimbabwe

Zimbabwe celebrated 26 years of independence on 18 April 2006.

Besides their geographical proximity, South Africa and Zimbabwe also have a common and long history of regional affiliation and cultural ties. The people of Zimbabwe also played an important role in support of the liberation struggle against apartheid in South Africa.

Zimbabwe is experiencing political instability owing to the lack of progress in resolving political challenges between the Movement for Democratic Change and the ruling Zimbabwe African National Union Patriotic Front. Continuous isolation from Western countries is consistently exacerbating the Zimbabwean political, economic and social challenges.

South Africa's engagement in Zimbabwe, within the AU and SADC context, is largely focused on encouraging an all-inclusive 'party-to-party' dialogue between the main political role-players and encouraging them to find a homegrown solution as a basis for the challenges facing the country.

The relationship at government to government level between South Africa and Zimbabwe is cordial.

Ethiopia

The Minister of Trade and Industry, Mr Mandisi Mpahlwa, visited the Federal Democratic Republic of Ethiopia in June 2006 to strengthen bilateral economic relations with that country, which were revived in 1995 when South Africa opened an embassy in Addis Ababa.

South African exports to Ethiopia amounted to R165 million in 2005, whereas imports from Ethiopia, mainly vegetable products, totalled R9,2 million.

Development co-operation

South Africa is not a donor country, but development co-operation with countries in Africa is integral to the country'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

South Africa'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.

The SADC provides 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 SADC is a critical vehicle for the development of the southern African region. South Africa has been engaged in restructuring the SADC to enable it to execute evolving AU mandates and to respond to changing development challenges. Considerable work has gone into setting up new institutions, and reviewing existing ones.

One of the organ's main functions is to ensure that regional peace and security arrangements are linked to continental arrangements.

Southern African Development Community Trade Protocol

The SADC Protocol on Trade entered into force on

25 January 2000. Its objectives are to further liberalise intraregional trade in goods and services, on the basis of fair, mutually equitable and beneficial trade arrangements; to ensure efficient production within the SADC, reflecting the current and dynamic comparative advantages of its members; to contribute to the improvement of a climate for domestic, cross-border and foreign investment; to enhance the economic development, diversification and industrialisation of the region; and to establish a free trade area (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 by 2008.

Relations with central Africa

Gabon

President Mbeki visited the Republic of Gabon in August 2005.

The Agreement on the Reciprocal Protection and Promotion of Investments; Merchant Shipping and the Agreement; Agreement on Co-operation in the Field of Education, Training and Higher Education; and the Agreement on Co-operation in the Fields of Arts and Culture were signed, bringing to nine the number of agreements signed between South Africa and Gabon since 2003.

São Tomé and Principe

During Minister Dlamini Zuma's visit to the Democratic Republic of São Tomé and Principe in April 2005, a co-operation agreement was signed.

Four officials of the Ministry of Foreign Affairs, Co-operation and Communities visited South Africa for training from October to December 2005. They received English language training as well as training in protocol and etiquette, conference organisation, and diplomatic immunities and privileges.

Republic of Congo

South Africa opened an embassy in Brazzaville in the Republic of Congo in 2005. South Africa's first ambassador resident in the Republic of Congo, Ambassador WG Makanda, presented his credentials to President Denis Sassou-Nguesso on 22 July 2005.

President Mbeki visited the Republic of Congo on 30 November and 1 December 2005. The two heads of state witnessed the signature of the Protocol on Regular Diplomatic Consultations, a Trade Agreement, Agreement on the Promotion and Reciprocal Protection of Investments, Agreement on Health Matters and an MoU on the implementation of cultural co-operation.

Equatorial Guinea

South Africa's first ambassador resident in Equatorial Guinea, Ambassador LD Ngakane, presented his credentials to President Teodoro Obiang Nguema M'basogo on 2 June 2005.

Cameroon

The newly established South African High Commission in Yaounde has played an active role in strengthening relations between the two countries, and especially in fostering increased economic activity. A successful South Africa Week was hosted in September 2005, featuring cultural events, South African cuisine and a commercial display.

A number of South African companies participated in the Promote 2005 trade exhibition held in Yaounde in December 2005, reaching a wide range of business people from the region.

There is substantial potential for trade between the two countries, with Cameroon having a diversified manufacturing base and being an important supplier of timber products. A number of South African companies are active in Cameroon.

Central African Republic (CAR)

Following elections in 2005, Mr Francois Bozize was inaugurated President of the CAR in June 2005. The South African High Commissioner in Cameroon is currently responsible for relations with the CAR.

The economy of the CAR is unstable after many years of internal political instability. The AU has appealed for assistance for the Multinational Force of the Central African Economic and Monetary Community in the CAR, and for the restructuring of the Central African Army. Financial and economic assistance from bilateral and multilateral partners are also necessary to ensure that stability is maintained.

President Bozize paid a working visit to South Africa in April 2006 and signed a co-operation agreement that sets the framework for future co-operation in the areas of defence and security,

transport, energy, mines, capacity-building in the Public Service, urban and rural development, health, education, housing, trade, and the environment.

Chad

During 2005, South Africa established its first resident diplomatic mission in N'djamena. The Chadian Government has expressed its intention of appointing an honorary consul in Pretoria.

There is an increasing flow of business people between the two countries, and a number of Chadian ministers have attended various conferences in South Africa. A South African construction company has signed an agreement with the Chadian Ministry of Housing to construct 1 000 housing units in Chad, to be partially financed by a South African banking institution.

There was also interaction between the two governments on the volatile situation in the east of Chad, where more than 200 000 refugees from the Darfur region of Sudan were being sheltered.

Rwanda

South Africa and Rwanda maintain good political relations. 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.

To further strengthen this bilateral structure, the Implementation Monitoring Committee has been established at director-general level to provide the necessary co-ordinating, planning and monitoring framework to manage effective implementation of approved programmes, and to ensure the delivery of cross-cutting training and human resource capacity-building programmes.

In August 2006, Minister Dlamini Zuma and her Rwandan counterpart, Dr Charles Murigande, co-chaired the fourth session of the South African-Rwanda JCC in Kigali.

Burundi

South Africa's good relations with Burundi are demonstrated by the leading role the Government played in the Arusha Peace and Reconciliation Agreement signed by representatives of the main Hutu and Tutsi political parties, the Government of Burundi, and the National Assembly on 28 August 2000.

The agreement provided the foundation for the transition to democracy, peace and development in that country. South African diplomacy efforts, under the leadership of former President Nelson Mandela, were central in facilitating the Arusha Agreement. The pivotal point of the agreement was the political power-sharing between the Tutsis and the Hutus.

Burundi held its first democratic elections since 1993 on 4 July 2005. The 21-member South African observer mission concluded that the elections were executed in a transparent manner.

South Africa's contribution towards the establishment of peace and stability in Burundi included the deployment of South African National Defence Force (SANDF) troops, with an African peace mission in Burundi, now recapped as the UN Operation in Burundi (Onub). South Africa supported the election process financially by providing election material for the 2005 referendum and elections.

In March 2006, South Africa extended the deployment of 950 members of the SANDF as part of Onub to 31 March 2007.

Following a request from the leadership of the East African region of the AU for South Africa to continue with mediation efforts in Burundi, in May 2006 President Mbeki appointed the Minister of Safety and Security, Mr Charles Nqakula, as facilitator of the Burundi Peace Process.

South Africa has committed itself to working with the regional leadership, the Government and the people of Burundi, including the leadership of the Palepehutu-FNL, in finding a long-lasting solution to their current challenges.

In September 2006, President Mbeki attended the signing of a cease-fire agreement between the Government of Burundi and the Palepehutu-FNL. South Africa believes this agreement will herald a new dawn in Burundi's history.

Democratic Republic of Congo

The third session of the South African-DRC Binational Commission (BNC), co-chaired by President Mbeki and President Joseph Kabila, took place in Kinshasa in March 2006. The following agreements were signed:

- MoU on Co-operation in Education
- Agreement on Co-operation in the Field of Maritime Transport
- Agreement on Decentralisation.

This brought to 26 the number of agreements signed between the two countries.

In March 2006, South Africa extended the existing deployment of 110 SANDF members and deployed 14 more members – bringing the total to 124 – in the DRC, until 31 March 2007, in support of the integration and military training of the armed forces of the DRC. This included assisting in the registration of demobilised troops and in the upgrading of military centres.

By May 2006, South Africa had contributed 1 409 troops to the UN Mission (Monuc) in the DRC.

President Mbeki, supported by Deputy Minister of Foreign Affairs Mr Aziz Pahad, and South Africa's Special Envoy to the Great Lakes, Ambassador Kingsley Mamabolo, witnessed the promulgation of the DRC's Constitution in Kinshasa on 18 February 2006.

This followed the successful referendum held in 2005 when the majority of the DRC people voted in favour of the new Constitution. The country also introduced new national symbols, including a flag and a national anthem.

South Africa, together with the facilitator, former President of Botswana, Sir Ketumile Masire, played a major role in assisting the people of the DRC to find a common solution to the political challenges that have faced the country for decades.

The adoption of the Electoral Law by the Congolese National Assembly in February 2006, and its subsequent promulgation by President Kabila on 9 March 2006, paved the way for historic presidential and parliamentary elections in 2006. These were the first democratic elections in 45 years since the country gained independence from Belgium in June 1960.

A South African observer mission was deployed to observe the elections on 30 July 2006. It concluded that the elections were conducted in a climate conducive to the democratic expression of the views of the people. In September 2006, President Mbeki held bilateral discussions with President Kabila in Kinshasa.

The second round of presidential elections took place at the end of October 2006 and was won by President Kabila.

South Africa is also assisting in the economic development of the country. A number of major economic projects have been identified. These include the Bas-Congo Spatial Development Initiative (SDI), and the Inga Initiative.

Relations with North and West Africa and the Horn of Africa

The countries in 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/African Economic Community.

Algeria

The South African Embassy was established in Algiers in November 1997. In March 2006, President Mbeki paid a one-day working visit to Algeria after concluding his state visit to Italy.

Côte d'Ivoire

South Africa established full diplomatic relations with Côte d'Ivoire in May 1992. Given its firm commitment to the African Renaissance and its attendant features of stability, democratisation and development on the continent, South Africa will continue to promote the restoration of peace and stability in Côte d'Ivoire. In this regard, South Africa's mediation efforts, under the auspices of the AU, culminated in the signing of the Pretoria Agreement in April 2005.

In March 2006, South Africa extended the deployment of 46 members of the SANDF – in support of the disarmament, demobilisation and reintegration and mediation processes in Côte d'Ivoire – to 31 March 2007.

Minister Dlamini Zuma led a delegation that attended the 10th session of the International Working Group in September 2006 in Abidjan, Ivory Coast, which received reports on:

- the preparations for the elections
- progress regarding the national certification issue
- progress regarding the disarmament, demobilisation and reintegration process, including the integration of rebel forces into legitimate structures and the disarmament of militias.

South Africa's mediation efforts are expected to continue to promote the restoration of peace and stability in Côte d'Ivoire, under the aegis of the AU, the UN and in partnership with the Economic Community of West African States (Ecowas). Côte d'Ivoire is South Africa's largest trading partner in Francophone West Africa. It is hoped that as the socio-political situation in Côte d'Ivoire is restored, its economy will also gradually improve.

Egypt

Bilateral political and economic relations between Egypt and South Africa have improved greatly in recent years and this was underlined in April 1996 with the convening of the first Joint Bilateral Commission (JBC) in Cairo.

Sudan

By May 2006, South Africa had 437 troops as part of the AU force in Sudan/Darfur.

On 5 May 2006, the Government of Sudan and the Sudanese Liberation Movement (SLM) signed the Darfur Peace Agreement in Abuja, despite reservations on both sides over power sharing and security. Two rebel groups (a smaller faction of the SLM and the smallest group, the Justice and Equality Movement) rejected the accord.

The accord was brokered under the auspices of the AU and is backed by the United States of America (USA), the European Union (EU) (notably the United Kingdom [UK]) and the Arab League.

In June 2006, as part of South Africa's commitment to consolidating Africa's Agenda by fostering peace, President Mbeki held discussions with Sudanese President Omar Hasan Ahmad al-Bashir in Sudan, and also with Vice President Salva Kirr, about challenges that role-players are experiencing in implementing the Comprehensive Peace Agreement (CPA).

South Africa is engaged in a capacity- and institution-building project to aid the development of southern Sudan, as outlined in the CPA.

Morocco

Diplomatic relations between South Africa and the Kingdom of Morocco were established in 1991 when the South African interest office opened in Rabat. The 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 1998.

Sahrawi Arab Democratic Republic

South Africa has officially established diplomatic relations at ambassadorial level and recognises the right of the Sahrawis to self-determination, which is an inalienable right contained in the Charter of the UN.

Mauritania

Full diplomatic relations between South Africa and Mauritania were established in January 1995.

Minister Dlamini Zuma visited Mauritania in January 2005.

Liberia

President Mbeki, accompanied by Dr Dlamini Zuma, attended the inauguration of Africa's first female head of state, Liberian President Ellen Johnson Sirleaf, in Monrovia on 16 January 2006.

Liberia's peaceful democratic elections in October 2005 and the holding of the run-off elections in November 2005 represented a significant political breakthrough for Liberia. About 1,3 million registered voters cast their votes in the run-off elections.

South Africa signed an agreement with the Liberian Government in 2005 to provide assistance with the election and demobilisation processes.

In February 2006, the Liberian Government launched the Truth and Reconciliation Commission to investigate the human-rights abuses and war crimes that occurred during the civil war. On 17 March 2006, the Liberian Government requested the extradition from Nigeria of former Liberian President Charles Taylor.

The humanitarian situation has improved although the economy still remains weak. South Africa continues to support initiatives towards promoting peace in the country.

Nigeria

In the area of bilateral relations, a number of intensive exchanges of technical visits between South Africa and Nigeria took place in 2005. Expertise was shared in, among other things, the following areas: trade and industry, defence, health, science and technology, tourism and legislature.

All these exchanges occurred within the context of the South Africa-Nigeria BNC.

In August 2006, the Nigerian high commission, the South Africa-Nigeria Chamber of Commerce and the Department of Trade and Industry of South Africa co-hosted the Nigerian Business Investment Forum in Johannesburg.

Ghana

South Africa and Ghana enjoy strong bilateral relations. A number of exchanges took place

between these countries in 2005, including in the fields of defence, aviation and education. The South African National Heritage Council also visited its counterpart in Ghana. In 2005, students from South Africa attended the Kofi Annan International Peacekeeping Training Centre in Accra.

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, Côte d'Ivoire, is accredited to Burkina Faso on a non-residential basis.

On 13 November 2005, presidential elections were held in Burkina Faso. According to official results, President Blaise Compaoré won over 80% of the votes, returning him to the executive for a third term.

Though Burkina Faso has limited exploitable resources, opportunities exist for South African mining companies to mine gold, zinc and manganese. Since agriculture is the dominant industry, opportunities exist for the trade of various agricultural products. Spoornet is one of the few large South African 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.

Republic of Benin

Diplomatic relations between Benin and South Africa were established in May 1994. The South African ambassador to Abidjan, Côte d'Ivoire, is accredited to Benin on a non-residential basis, while Benin opened an embassy in Pretoria in 1999.

South Africa sent an advance team to Cotonou in October 2005 in preparation for the establishment of diplomatic representation. It was expected that a South African diplomatic mission would open in Cotonou, Benin, in 2006.

In March 2006, Mr Yayi Boni was elected president of Benin.

Republic of Togo

Diplomatic relations between South Africa and Togo were established in 1997. The South African ambassador to Abidjan, Côte d'Ivoire, is accredited on a non-residential basis to Togo.

After Mr Faure Gnassingbé was named Togo's President in April 2005, South Africa affirmed its commitment to building strong bilateral relations with that country.

Cape Verde

South Africa and Cape Verde established diplomatic relations in 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.

The Gambia

Full diplomatic relations between South Africa and The Gambia were established in August 1998. While South Africa's ambassador to Senegal is accredited to The Gambia as non-resident ambassador, the Gambian ambassador to the AU in Addis Ababa is accredited to South Africa as this country's non-resident ambassador.

During President Yaya Jammeh's working visit to South Africa in September 2004, the two countries negotiated and signed an agreement on a framework for co-operation.

Guinea

Diplomatic relations were established with the Republic of Guinea in February 1995. South Africa opened a diplomatic mission in Conakry in November 2005. At the invitation of the Guinean Minister of Foreign Affairs, Ms Sidibe Fatoumata Kaba, Dr Dlamini Zuma undertook a working visit to Guinea in November 2005.

In December 2005, ministers Dlamini Zuma and Kaba laid the basis for regulating political, economic and trade relations between their countries by signing a general co-operation agreement.

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.

Mali

Full diplomatic relations between South Africa and Mali were established in May 1994. 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 was appointed in November 2003.

Mali is a strong supporter of the African Renaissance initiative and Nepad.

In August 2002, the Agreement on 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. South Africa is supporting a project aimed at improving the preservation of these ancient manuscripts. They vary in content from religious treatises and poems, to documentary letters dealing with legal and commercial matters, while others relate to slavery, mathematics, astronomy, medicine and history – all of them subjects of immense interest to scholars and the African population at large. Three major objectives of the project are to:

- implement a conservation programme to protect and improve environmental storage conditions for the manuscripts
- rebuild the Ahmed Baba Centre to one of international stature while ensuring its architectural harmony with ancient Timbuktu
- promote academic study and public awareness of the magnificent and ancient African and Islamic heritage at Timbuktu.

By February 2006, the construction of the new library and archive buildings for the Ahmed Baba Centre had entered a new phase. A successful exhibition of a selection of manuscripts from Timbuktu had been presented by the Department of Arts and Culture and the Standard Bank at the Standard Bank Gallery, Johannesburg. A more extensive exhibit, prepared by Iziko Museums in Cape Town, was scheduled to visit several major centres in South Africa during 2006 and 2007.

President Thabo Mbeki launched the African Leadership Group in July 2006. This initiative seeks to encourage effective African leadership in South Africa, and the rest of Africa.

Its objectives include supporting the resolve to make the 21st century an African century, entrenching democracy and encouraging dialogue on leadership issues.

The two countries are committed to promoting democracy and good governance, and there is substantial South African involvement in the Malian gold-mining sector. Anglogold and Randgold run operations in Mali.

The first session of the South Africa-Mali JCC took place in Pretoria in August 2004.

Senegal

Full diplomatic relations between South Africa and Senegal were established in May 1994 and the two countries' representative offices were upgraded to embassy level.

Bilateral relations between South Africa and Senegal are based mainly on the Senegalese Government's strong support for the African Renaissance initiative and Nepad, and its strong commitment to promoting democracy and good governance.

Senegal is one of the 15 members of the Nepad HSIC and the AU PSC.

Tunisia

In May 2006, the Minister of Trade and Industry, Mr Mandisi Mpahlwa, and Tunisia's Secretary of State for Trade and Handcrafts, Mr Slaheddine Makhlouf, hosted the fourth session of the Tunisia and South Africa Joint Business Forum.

They signed investment agreements to be ratified. The business forum aimed to strengthen trade ties between the two countries and encourage business in both countries to explore and identify opportunities. During the forum, the Chamber of Commerce, Industry and Handcrafts of Tunisia and the Chamber of Commerce and Industry South Africa signed an MoU to create a JBC that would promote the development of bilateral relations through trade and investment.

The Tshwane Metropolitan Municipality and the Tunisian Embassy in Tshwane collaborated in a joint venture to promote African culture and fashion as an economic development project, which culminated in the Fashion in Africa Show in May 2006, in which established fashion designers from both countries participated.

Libya

The long-standing unofficial relations between South Africa and the Great People's Socialist Libyan Arab Jamahiriya (Libya) 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.

Sierra Leone

Peace and security in Sierra Leone have been sustained with the assistance of the UN Mission in Sierra Leone. The mission withdrew from the country on 31 December 2005. By June 2006, there was a 300-strong UN Integrated Office in Sierra Leone to maintain a presence in the country for 12 months.

Although the country remains poor, various accomplishments towards promoting democracy and development have been achieved. South Africa's Eskom has assisted Sierra Leone's authorities in improving and managing their electrification system. The ceremonial switch-on of the power supply to Freetown took place in April 2006. National elections are scheduled for 2007.

Niger

Niger is one of the poorest countries in West Africa and relies solely on foreign aid for its development.

In March 2006, Minister Dlamini Zuma held bilateral discussions with her counterpart, Ms Achiatou Mindaoudou. The two ministers signed a general co-operation agreement. Talks focused on the consolidation of bilateral political and economic relations between the two countries, including the planned opening of a South African diplomatic mission in Niamey in 2007, a bilateral air services agreement and the promotion of South African investment in Niger's mining and agricultural sectors.

In July 2006, President Mbeki paid a state visit to Niger, the first by a South African president.

South Africa continues to support initiatives aimed at assisting Niger in its development.

Relations with Asia and the Middle East

Asia and Australasia

Since 1994, South Africa's political and economic interaction with Asia and Australasia has increased significantly.

Over the past two decades, rapid economic growth in the People's Republic of China, India and south-east Asian countries has made Asia one of the most economically dynamic regions in the world, generating tremendous business opportunities for South Africa.

While Japan, Malaysia and Taiwan already rank among the foremost sources of foreign investment to South Africa, the significance of China and India, as future sources of investment, is expected to grow. South Africa's multinational companies are finding attractive investment opportunities in Australia, China, Indonesia and Thailand in diverse fields such as mining, minerals processing, electronic media and the petrochemical industry.

Greater Asia incorporates five central Asian states, which were formerly part of the Soviet Union. The five central Asian states (Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan and Tajikistan) offer economic opportunities in, among other things, the oil and mining sectors and related technology. Although this region offers a market for South African goods and services, the potential remains largely untapped. South Africa is also expanding and deepening its relations with the Pacific island states. These countries are natural friends of South Africa, sharing its colonial experience and development aims. Therefore, South Africa is expected to conclude diplomatic relations with all the independent and self-governing states of the Pacific, and has opened a micro-mission in Suva, Fiji, which hosts the Secretariat of the Pacific Islands Forum.

South African diplomatic representation in South Asia has similarly been increased with the establishment of a micro-mission in Colombo, Sri Lanka.

The assertiveness of this region in both global politics and economics is becoming increasingly visible, as demonstrated by the high-profile role of key Asian countries in global affairs.

China is the only developing country that is a permanent member of the UN Security Council (UNSC); Japan is an influential member of the G8; while India, Japan and Indonesia have publicly declared their intention to lobby for a permanent seat on the reformed UNSC.

South Africa and key Asian countries agree on important multilateral issues, such as the reform of the Bretton Woods Institutions, the World Trade Organisation (WTO) and the UN; international disarmament and the proliferation of weapons of mass destruction; small arms proliferation; and protection of the environment.

Several important Muslim countries such as Indonesia, Malaysia, Bangladesh, Pakistan, Brunei, Afghanistan and Indonesia are members of the 52-nation Organisation of Islamic Conference.

Key Asian countries are also committed to contributing to the implementation of Nepad. The New Asia-Africa Strategic Partnership (NAASP) is expected to re-invigorate co-operation between these two continents, as it builds on the foundation of the historic 1955 Bandung Conference. South Africa and Indonesia are the co-chairs. India has also indicated its willingness to provide funds to electronically connect members of the AU by satellite and fibre-optic network.

South Africa hosted the first NAASP Senior Officials Meeting, the first step of the NAASP, in September 2006 in Durban.

With the intention of rekindling the 'Bandung Spirit' by enhancing co-operation between the countries in Asia and Africa, Indonesia and South Africa hosted the First Asian African Sub-Regional Organisations Conference (AASROC I) and the Second AASROC (AASROC II) respectively in Bandung, Indonesia, in July 2003 and in Durban, South Africa, in August 2004. These events prepared the way for the Asian African Summit in Indonesia in April 2005, held in conjunction with the Commemoration of the Golden Jubilee of the 1955 Asian African Conference.

Several existing Africa-Asia co-operation fora, such as the Tokyo International Conference on African Development (TICAD) and the Forum on China-Africa Co-operation, are being synchronised with Nepad to serve as implementing institutions. 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 Vietnam-Africa Forum provides an important venue for greater co-operation between Vietnam and Africa.

Several key Asian countries are leading role-players of the South. They share common membership with South Africa in international organisations such as the Non-Aligned Movement (NAM), G77 and the Commonwealth. South Africa also plays a leading role in the Indian Ocean Rim Association for Regional Co-operation (IOR-ARC).

The India-Brazil-South Africa (IBSA) Dialogue Forum, established in 2004, remains of strategic importance to all three countries as a powerful global forum to drive South-South co-operation, the agenda of the South, and to champion the needs of the developing world.

President Mbeki attended the strategic trilateral summit between India, Brazil and South Africa in Brazilia in September 2006.

In the context of IBSA, the summit brought together for the first time the three heads of state and government, President Mbeki and his Brazilian and Indian counterparts President Lula da Silva and Prime Minister Manmohan Singh.

President Mbeki's visit to Brazil aimed to strengthen political, economic and trade relations between the three countries with a view to advancing and consolidating South-South relations for increased market and trade access.

The proposed FTA to be negotiated with China, India and Singapore provides an important framework for closer co-operation between the Southern African Customs Union (Sacu) and these countries in the quest for mutually beneficial trade links.

East Asia

Japan is by far South Africa's largest trading partner in this region, followed by Greater China and South Korea.

In July 2006, the Deputy Minister of Foreign Affairs, Mr Aziz Pahad, co-chaired, together with his Japanese counterpart Senior Vice Minister for Foreign Affairs, Mr Yasuhisa Shiozaki, the eighth session of the South Africa-Japan Partnership Forum in Pretoria.

Exports to Japan increased from R4 billion in 1992 to approximately R33 billion at the end of 2005, while imports from Japan in the same period increased from R5 billion to R24 billion.

Deputy President Phumzile Mlambo-Ngcuka visited Japan and Indonesia in April 2006 to strengthen North-South and South-South relations for greater market access, trade and investment, and to popularise South Africa's Accelerated and Shared Growth Initiative for South Africa (AsgiSA) and Joint Initiative for Priority Skills Acquisition (Jipsa).

Japan's investment in South Africa amounts to just 0,3 % of Japan's outward FDI.

China and South Africa are signatories to the NAASP. President Mbeki hosted Chinese Premier Wen Jiabao in June 2006, during the latter's seven-nation African visit, the first by a Chinese premier in 50 years, aimed at strengthening and consolidating political and economic relations

between South Africa and China in particular, and Africa in general.

China's economic system is the world's third-largest. South Africa is its main trade partner in Africa, accounting for 20,8% of total China-Africa trade. More than 80 Chinese companies have entered South Africa since 1998, and Chinese FDI to South Africa came to some US$199,3 million in 2004. South Africa's FDI to that country amounted to US$700 million in 2004 (excluding offshore investments by SAB Miller, and Anglo American, among others).

Despite 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.

In May 2006, South Africa hosted Korea's Minister of Foreign Affairs and Trade, Mr BAN Ki-moon, who came to South Africa as part of a tri-nation visit that included Tanzania and Rwanda.

Korea intends to strengthen relations and co-operation with African countries via the framework of the NAASP. It was the first-ever visit to this country by a Korean foreign minister.

During his visit, Mr Ki-moon met with Minister Mpahlwa and the Commissioner of the Public Service Commission to discuss such matters as UN reform, bilateral relations and socio-economic development in Africa.

South 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. The South Africa Liaison Office for Afghanistan was established in 2003, headed non-residentially by the South African high commissioner to Pakistan.

South Africa and Sri Lanka established diplomatic relations in 1994.

Total trade between South Africa and India increased from 2004 to 2005, with exports rising by 100% and imports rising by 55%, making India South Africa's 13th-largest trading partner in terms of exports and imports. India is among the top 10 investing countries in South Africa, with investment estimated at R10 billion.

Diplomatic relations between South Africa and Pakistan were established in April 1994. A letter of understanding, establishing a joint commission (JC) between the two countries, was signed in March 1999. The lifting of the Commonwealth suspensions that had been imposed on Pakistan paved the way for the normalisation of South Africa's relations with that country, and created the opportunity to engage on issues of mutual interest.

India is a key strategic partner for South Africa. In March 2006, Deputy Minister Pahad held bilateral political and economic talks with India's Minister of State for External Affairs, Mr Anand Sharma, in South Africa.

Several South African and Indian businesses belong to the Indo-South Africa CEOs Business Forum that was established in 2004 to help stimulate trade and investment between the two countries.

The existence of opportunities for closer co-operation between South Africa and India have been identified in the capital equipment; agro-processed products; autos and components; services; information and communications technology (ICT), science and technology; health; and small, medium and micro enterprises sectors.

In September 2006, Deputy President Mlambo-Ngcuka visited India to, among other things, promote the aims of AsgiSA and Jipsa.

South-east Asia

The Association of South-East Asian Nations (Asean) has emerged as one of the most important groupings within the Asia Pacific region. South Africa maintains embassies and high commissions in six of the 10 member states of Asean – Indonesia, Malaysia, Singapore, Thailand, Vietnam and the Philippines. These Asean states, as well as Myanmar (Burma), also maintain embassies and high commissions in South Africa.

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.

During 2006/07, South Africa opened missions in Bucharest, Romania; Port of Spain, Trinidad and Tobago; Ougoadougo, Burkina Faso; and Cotonou, Benin.

Economic relations with Malaysia and Indonesia remain important, due to Malaysian investment in South Africa and the size of the Indonesian market.

Malaysia has 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.

In April 2006, Deputy President Mlambo-Ngcuka visited Indonesia where she held bilateral political and economic talks with Vice President Jusuf Kalla in Jakarta, and visited Indonesian President Susilo Bambang Yudhoyono and the chairperson of Parliament, Mr Agung Laksono.

Central Asia

The economies of Kazakhstan, Uzbekistan, Turkmenistan, Kyrgyzstan and Tajikistan are all at various stages of change and development. Furthermore, all five are developing states and, like South Africa, seek investment. Economic opportunities for South Africa in the Central Asian states include infrastructure development, mining technology, energy exploitation and related mining and engineering technology, agro-processing expertise and exports, water-management expertise and infrastructure for adventure and ecotourism.

Australasia and the Pacific islands

South Africa and Australia established diplomatic relations in 1947 and have 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 a 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 Communique was signed, seeking to strengthen co-operation between South Africa and New Zealand.

The political relationship has been further strengthened through visits by numerous high-level delegations to New Zealand to gain expertise in their different fields and to 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 enhance 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. President Mbeki met with New Zealand Prime Minister Helen Clark in February 2006, ahead of the Progressive Governance Summit held in February in Hammanskraal, near Pretoria.

The South African Government wants to strengthen relations with the Pacific islands. The roving ambassador to the Pacific islands has been accredited to the Independent State of Papua New Guinea, the Fiji islands and the Solomon islands.

The high commissioner in Canberra, Australia, has been accredited to the Cook Islands, Federated States of Micronesia, the Republic of Marshall Islands, the Republic of Vanuatu and the Independent State of Samoa.

The Middle East

In the Middle East, the Department of Foreign Affairs distinguishes between two clearly identifiable subregions. On the one hand, there is the Levant, which comprises Israel, Iraq, Jordan, Lebanon, Palestine and Syria; and on the other is the Arabian/Persian Gulf Region, comprising 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 tricontinental 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. More than 7 000 South Africans embark on the Hajj pilgrimage each year.

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 continued to call on all parties to the conflict in Israel and Palestine to avoid 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.

From 31 March to 1 April 2006, Palestinian President Mahmoud Abbas (Abu Mazen) paid a state visit to South Africa for bilateral political and economic discussions.

Minister Mpahlwa visited Saudi Arabia, Oman and Qatar in March 2006.

In March 2006, Minister Mpahlwa and Deputy Minister Pahad co-hosted the second meeting of the South Africa-Saudi Arabia Joint Economic Commission in Saudi Arabia.

Representatives from Saudi Arabia were expected to visit South Africa to identify potential areas of co-operation that could be included in a future MoU between the two countries. South Africa invited Saudi Arabia to participate in the third Assembly of the Global Environment Facility in Cape Town in August 2006.

The mission aimed to identify projects for South African companies in the Maa'den Project. The South African Government has involved all relevant export councils for this purpose and established the South African Arabian Gulf Group.

In March 2006, Minister Mpahlwa hosted an investment seminar in Qatar, to attract Qatari investment in South Africa.

Also in March 2006, in the Sultanate of Oman, the minister held meetings with his counterparts from the Ministry of Economy, Foreign Trade, Defence and Foreign Affairs. He also signed two agreements on the promotion and protection of trade and investment between the Sultanate of Oman and South Africa.

Turkish FDI in South Africa amounts to US$60 million, mainly in the textile and tourism sectors. Six Turkish companies have set up plants in South Africa. There are also over 50 registered Turkish companies trading or providing services in the tourism and restaurant sectors in South Africa. Several South African companies have also set up business in Turkey.

Relations with the Americas

United States of America

Since 1994, business, civilian and governmental links with the USA have expanded exponentially and a strong, long-term working partnership has been established between the two countries.

The US Administration has identified Africa as a foreign-policy priority and has further identified South Africa as an anchor state in the region in terms of the US National Security Strategy.

The USA remains the largest single foreign investor in the South African economy since 1994, and the largest trading partner, taken as an individual country, as well as the largest donor of official development assistance.

Current economic priorities regarding the USA are two-fold: the conclusion of the Sacu-US FTA negotiations which, once completed, would have the potential of securing Africa Growth and Opportunity Act benefits for the long term; encouraging new investments in South Africa; and continuing to market South Africa as a desirable investment destination for US companies, with the emphasis on promoting economic empowerment for previously disadvantaged communities.

The Sacu-US FTA negotiations are considered important both in the context of encouraging US support for regional economic development and co-operation, as well as for the effective implementation of Nepad. The talks have the potential to improve trade flows significantly between the Sacu region and the USA, and to

contribute to regional economic growth, stability and prosperity.

Support for Nepad within the US Administration, US Congress and business sector, with particular focus on the implementation of infrastructure-development projects, is a high priority. Building local capacity for research and effective delivery is another area of co-operation with the USA in the continuing battle against communicable diseases such as malaria, tuberculosis, HIV and AIDS.

The US Presidential Emergency Programme for AIDS committed US$2,8 billion in 2005. US support for South Africa, the region and Africa's social and economic objectives is an important long-term priority.

Consultation between the South African Government, through the National Treasury and the US Agency for International Development (USAid), on the alignment of the USAid programmes with South Africa's domestic developmental priorities, is ongoing and reviewed yearly. USAid programmes in South Africa focus on strengthening the capacity of educational institutions; improving primary healthcare delivery; providing technical assistance and scholarships to improve economic capacity in the country; and enhancing the quality of, and access to, housing in South Africa.

Under the current co-operation agreement, R234 million will be directed towards South African government initiatives. This amount represents 56% of USAid's total annual budget of R546 million to South Africa, which in the past two years has been the top recipient of development assistance among the 27 African countries that USAid supports.

On behalf of South Africa, Dr Dlamini Zuma presented a R2-million cheque to victims of Hurricane Katrina and assumed the chair of the Group of 77 (G77) in January 2006.

Canada

A new minority conservative government is in power in Canada, following elections held on 23 January 2006. The new Prime Minister, Mr Stephen Harper, was sworn in on 6 February 2006. In a letter to President Mbeki he indicated that Canada wished to maintain close relations with South Africa.

In the multilateral sphere, South Africa and Canada share a like-minded approach to a number of issues such as human rights and the need for UN reform. Canada remains a strong supporter of the African Agenda and Nepad, particularly in the G8 context. Canada is actively seeking closer co-operation with South Africa in peacekeeping on the continent.

Intensive interaction takes place between a number of South African government departments and their Canadian counterparts. Closer co-operation has been developing in the fields of minerals and energy, health, science and technology, agriculture, as well as arts and culture, with the emphasis on research, skills transfer and capacity-building.

These areas are particularly significant in the context of Jipsa. An initiative to foster closer co-operation between the Foreign Service Institute of South Africa and its Canadian counterpart has also been launched.

Canada remains the largest foreign investor in the South African mining sector and has indicated its intention of increasing investments in this sector, not only in South Africa, but also on the continent as a whole. Bilateral trade, which has been growing since 1994, marginally shifted in Canada's favour during 2005. The establishment of the South Africa consulate-general in Toronto in June 2005 is expected to boost bilateral trade further.

Canada reconfirmed its commitment to development co-operation with South Africa by making available R100 million a year over the next five years. Its technical assistance programme is aimed at social upliftment, policy development and HRD.

The finalisation of the Country Development Programme Framework between South Africa and Canada, one of the first of its kind for Canada, will ensure a focused approach to Canadian development assistance to South Africa.

Annual consultations between South Africa and Canada were instituted in 2004 in terms of the Declaration of Intent signed during President Mbeki's state visit to that country in November 2003. These have developed into an effective platform to review relations in all spheres and to identify priority areas for co-operation annually.

The Caribbean

South Africa's relations with the independent member states of the Caribbean community have been strengthened and expanded. In addition to Jamaica,

the high commission in Kingston 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 also responsible for relations with the Dominican Republic.

In formulating South Africa's policy in relation to the emerging markets of the Caribbean, it is important to strengthen relations and to develop common positions on global issues such as access to the markets of the industrial North, reform of international institutions, and the promotion of the development agenda.

In this regard, special emphasis is placed on how South Africa and the rest of the African continent engage these countries in promoting the ideals of the continent and the Diaspora. The South Africa, AU and Caribbean Diaspora Conference held in Kingston, Jamaica, during March 2005, provided specific guidelines on how to take South Africa's relationship with the Caribbean forward.

The South African Government will increase its focus on strengthening relations with the Caribbean region in future. Trinidad and Tobago, the Dominican Republic and Suriname have opened diplomatic missions in South Africa.

South Africa signed a bilateral co-operation agreement with the Bahamas in May 2005, and the first JBC met in September 2005. It focused on co-operation in agriculture, arts and culture, education and health. The next JBC was expected be held in South Africa in 2006.

The fourth Joint Consultative Mechanism between Cuba and South Africa was held in the Western Cape in January 2006.

In May 2006, the Deputy Minister of Communications, Mr Radhakrishna Padayachie, visited Cuba, where he finalised and signed the South Africa-Cuba ICT Programme of Action.

Latin America

The South American Community of Nations covers 17 million square kilometres, with 361 million inhabitants, a gross domestic product of more than US$973 billion, and exports of more than US$180 billion. The developing countries in Central America and the Andean Community are playing an increasingly important role in international political bodies and formations such as the NAM and the UN.

Brazil remains a significant player in the multilateral context, particularly regarding the interests of the South. With its like-minded approach to a number of significant issues affecting the developing world, it is a strategic partner for South Africa.

In the bilateral sphere, a broad range of contacts and exchanges exist between Brazil and South Africa. The IBSA Dialogue Forum also provides a mechanism for institutionalised engagement.

South Africa attaches great importance to its relations with other like-minded countries of the Southern Cone of Latin America such as Chile, Uruguay and Argentina, and to pursuing increased co-operation in a number of fields.

A range of technical and commercial agreements are either in place or being negotiated with several of the countries in the region. In addition, the inaugural meeting of the South Africa-Argentine JC was expected to take place in 2006.

On 11 March 2006, President Mbeki led a South African government delegation to the inauguration of Chile's first female president, Dr Michelle Bachelet, in Santiago.

In June 2006, Colombia's former Foreign Minister, Ms Carolina Barco, visited South Africa for bilateral economic and political discussions with the Minister of Foreign Affairs, Dr Dlamini Zuma.

Bilateral trade flow between Colombia and South Africa is constant with the balance in favour of South Africa.

SABMiller, Anglo American, Anglo Coal and AngloGold Ashanti are among the South African companies that have operations in Colombia.

There is also significant potential for co-operation with the Mercosur (Southern Common Market) trading bloc, which consists of Argentina, Brazil, Paraguay, Uruguay and Venezuela as full members, and a steadily-increasing number of associate members in the Latin American region.

A partial preferential trade agreement with Mercosur was signed in December 2004. Negotiations towards a full FTA continue.

Relations with Europe

European Union

The advent of a new democratic political dispensation in South Africa in 1994 marked the dawn of a new era in South Africa-EU relations. The legal framework that governs South Africa's

relationship with the EU is the Trade, Development and Co-operation Agreement (TDCA), which is premised on political dialogue, trade and economic co-operation, and development co-operation.

The TDCA provides for regular, high-level structured political dialogue at ministerial level. At the highest strategic level, regular visits also take place.

The first South Africa-EU Ministerial JCC meeting was held on 23 November 2004. The JCC is a forum of the TDCA, established to monitor the implementation of the provisions of the agreement.

This enables the Minister of Foreign Affairs and her counterpart, the EU's High Representative for Common Foreign and Security Policy, to discuss bilateral, African and global issues. These include poverty-eradication, Nepad, peace-building, conflict prevention, respect for human rights, democratic principles, the rule of law, and good governance. The second Ministerial JCC took place in Brussels, Belgium, in November 2005.

Through the process of the full implementation of the TDCA, efforts are being made to implement those areas of the TDCA that were left in abeyance since it fully entered into force. The TDCA is also undergoing its first five-year review, as stipulated in the agreement.

Regarding trade and economic co-operation, the TDCA provides for an FTA by 2012. The Trade Chapter of the agreement provisionally entered into force in January 2000. The reciprocal elimination of trade tariffs and the resultant access to the EU market improved two-way trade by close to 50%, reaching a total value of R200 billion. Since January 2002, South Africa has exported to the EU an annual average of R80,6 billion worth of goods and imported R120,2 billion worth of goods from the EU. The EU is the largest source of FDI to South Africa. It accounts for 44% of the total FDI flows to South Africa, and six out of the top 10 foreign investors in South Africa are member states of the EU.

The TDCA also provides the legal basis for continued EU support for development-co-operation activities in South Africa. This support is channelled through the European Programme for Reconstruction and Development (EPRD), which was funded directly from the EU Commission's budget at a cost of €127,5 million for the period 2003 to 2006.

The new EPRD (2007 to 2013) will see the budget remaining the same or being increased slightly. The EPRD is the largest single development programme in South Africa financed by foreign donors. Further assistance from the EU comes in the form of soft loans from the European Investment Bank.

A unique feature of the TDCA is that it has a regional development dimension. To this end, up to 10% of the EPRD can be used for regional development. This provision in the agreement created a legal basis for the decision of the first South Africa-EU Ministerial Troika Meeting, that 1,5% of the amount allocated to South Africa under the EPRD would be made available for the Africa Peace Facility.

EPRD funds also serve to strengthen South Africa's democratic institutions. The EU donated R80 million in January 2005 to South Africa's Parliament and the nine provincial legislatures to help strengthen democracy and the rule of law.

African, Caribbean and Pacific States (ACP)-European Union relations

South Africa assumed full membership of the ACP group of countries in 1996. It became a qualified member of the Lome Convention in 1997 and of its successor, the Cotonou Partnership Agreement (CPA), signed in Cotonou in June 2000.

The CPA is a framework for co-operation between the 78 countries of the ACP group and the EU. The new EU members that acceded in May 2004 adopted the agreement as part of the EU's legislative infrastructure.

Qualified membership means that South Africa is excluded from the trade regime provided in the agreement and from the provisions on development assistance. South Africa can, however, tender for projects in all ACP countries and participate fully in all political instruments of the agreement. South Africa's economic relations with the EU are governed by the TDCA.

The CPA differs significantly from its predecessor in that its duration will be 20 years, with a revision clause every five years and a financial protocol for each five-year period. The agreement underscores the importance of regional economic co-operation.

The most far-reaching changes are to be introduced in the area of trade, through regional economic partnership agreements (EPAs), where non-reciprocal preferences will be gradually

abolished and regional integration processes encouraged. The present arrangements are to be maintained until December 2007 when the EPAs will have been finalised. South Africa initially participated in the EPA negotiations as an observer, but by mid-2006 its status was under review.

One of the key aspects of South Africa's membership of the ACP is its active participation in the three ACP-EU joint political organs, namely the Council of Ministers, the Joint Parliamentary Assembly and the Committee of Ambassadors.

South Africa takes part in dialogue on important issues such as peace-building, conflict resolution, respect for human rights, democratic principles and the rule of law. South Africa regularly participates in ACP summits, Council of Ministers' meetings, trade ministers' meetings and the ACP Forum on Science and Technology.

The interest and commitment shown by the EU regarding the African continent and its development is encouraging. Within that context, the European Commission (EC) and the Nepad Secretariat are closely co-operating through established structures and regular dialogue and information-sharing. They have also agreed to increase coherence between EU member states and the EC in support of Nepad projects, the AU and its institutions, and the RECs.

Benelux countries

The Belgian Government continues to take a keen interest in South and southern Africa and the Great Lakes Region, particularly the DRC. There is a regular exchange of views between South Africa and Belgium on the issues and the complicated processes necessary to reach a durable solution to the conflicts in the region.

In February 2006, Crown Prince Philippe of Belgium led a 200-strong business delegation to South Africa. Besides a number of trade agreements that were signed, the Belgian delegation also met with Deputy President Mlambo-Ngcuka for bilateral discussions.

Since 1994, the Dutch Government has consistently supported South Africa in terms of bilateral and multilateral relations. A large number of bilateral agreements have been signed and high-level bilateral ministerial meetings are held frequently.

In October 2005, Foreign Minister Bernard Bot of the Netherlands visited South Africa. He had bilateral discussions with Minister Dlamini Zuma and also met with Defence Minister Mosiuoa Lekota and Finance Minister Trevor Manuel. During this visit, several agreements were signed, including an avoidance of double taxation agreement and two defence agreements.

In May 2006, the Royal Netherlands Embassy added a further R40 million to the R15 million it had already donated to the National Reading Programme, a programme aimed at providing schools across South Africa with books, and with access to mobile libraries in areas where there are no community or public libraries.

Luxembourg and South Africa enjoy dynamic bilateral relations. High-level visits between the two states take place regularly.

German-speaking countries

Relations with Germany have expanded considerably since the introduction of the South Africa-Germany BNC in 1996. The committees of the commission work continuously to enhance economic, scientific, cultural, environmental, defence and development co-operation.

South Africa is Germany's largest trading partner on the African continent. Germany ranks with the UK and USA among the three largest economic role-players in South Africa regarding trade, investment, finance and tourism. More than 370 German companies have invested in South Africa and they collectively employ more than 65 000 people.

Germany's policies towards South Africa and the continent, bilaterally and through the EU and G8, are positive. Germany has a strong commitment towards the SADC and its programmes, which has included financial assistance, both bilaterally and through the EU.

Germany provided direct financial support for the restructuring of the SADC.

Germany has offered to share with South Africa the experience it gained when it hosted the Fifa Soccer World Cup in 2006. President Mbeki, Minister Dlamini Zuma and the Minister of Sport and Recreation, Rev Makhenkesi Stofile, visited Germany in July 2006 to hold discussions with German President Horst Koehler and Chancellor Angela Merkel on, among other things, the implementation of the African Partnership Initiative, South Africa's preparations for the 2010 Fifa World Cup, and African conflict and peacekeeping and the EU's support in such initiatives.

Switzerland is actively involved in promoting peace dialogue and humanitarian issues on the African continent.

In January 2006, South Africa and Switzerland signed a R19-million agreement to support local government capacity-building in South Africa through knowledge-sharing in the water sector.

Austria prides itself on having built up many years of experience in international peacekeeping and conflict resolution, and offers internationally recognised training courses at the Diplomatic Academy in co-operation with New York-based NGOs for South Africans and other African governments.

Besides engaging the Austrian Government at national level in support of development programmes and increased economic involvement, provincial partnerships with key Austrian provinces have also resulted in development support.

Successful initiatives between South Africa and Europe's German-speaking countries include:

- 32 development co-operation agreements with Germany tabled in Parliament
- the successful Business and Investor Congress, focusing on World Cup 2010, held in Germany
- President Mbeki's attendance of the Partnership with Africa Initiative in Bonn, Germany, in November 2005
- successful participation in trade fairs, which resulted in concluded sales of close to R30 million and the possibility of mid-term sales of over R80 million
- four investment projects worth R748 million that were secured from the automotive and metals industry (resulting in over 500 new permanent jobs) in Germany
- training courses arranged for SANDF staff in Germany, including submarine training and UN observer training
- the Minister of Science and Technology's visit to Switzerland, resulting in closer co-operation
- a trilateral agreement negotiated between South Africa and Switzerland on operational commanders' training with the DRC.

Nordic countries

South Africa enjoys excellent relations with all the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden). 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 is broad and has benefited civil society and the spheres of government.

Relations in the international arena have seen close co-operation on multilateral issues. The Nordic countries are strong supporters of Nepad. They are directly involved in conflict resolution and reconstruction projects in Africa, and have already entered into trilateral projects with South Africa, e.g. in the DRC.

In January 2006, Deputy Minister Pahad joined Nordic and African foreign ministers from Benin, Botswana, Ghana, Mozambique, Mali, Senegal, Nigeria, Tanzania, Sweden, Finland, Norway, Iceland and Denmark at the fifth session of the Nordic-African Informal Consultations in Cotonou, Benin, against the background of South Africa's commitment to promoting North-South co-operation in support of the African Agenda. Among others, they discussed the prevention of conflict in Africa, democracy, human rights and political governance, and children and armed conflicts in Africa.

The South African-Swedish BNC, co-chaired by Deputy President Mlambo-Ngcuka and Deputy Prime Minister Bosse Ringholm, was held in Pretoria in November 2005. They discussed the domestic political situation in each country, regional developments, gender issues, HIV and AIDS, trade and investment relations, the reform of the UN and the WTO.

The BNC consists of three committees dealing with political, economic, and social and development co-operation affairs.

Bilateral consultations between Finland and South Africa, held biannually, took place in Pretoria in April 2005.

United Kingdom and Ireland

Relations between the UK and South Africa are based on strong historical ties over the past two centuries. During 2005, the UK hosted the G8 Meeting in Gleneagles, Scotland, where substantial decisions were reached on African debt relief and measures to support the implementation of Nepad.

In line with the recommendations of the Commission for Africa initiated by Prime Minister Tony Blair in 2005, it is anticipated that the UK will play a leading role in implementing the 2005 G8 decisions and assisting Africa in meeting the millennium development goals (MDGs).

The UK Department for International Development also launched a southern African regional plan in February 2006 aimed at ameliorating the underlying causes of poverty and responding to natural and man-made emergencies.

Prime Minister Blair visited South Africa in February 2006 to attend the Progressive Governance Summit. In May 2006, President Mbeki held discussions with Prime Minister Blair in London.

Minister Dlamini Zuma led the South African delegation to the seventh session of the UK-South Africa Bilateral Forum held in London in May 2006.

The Irish and South African governments agreed to set up the Ireland-South Africa Partnership Forum to boost co-operation between the two countries. The inaugural meeting of this structured, high-level and multisectoral engagement was scheduled for June 2006. Irish Deputy Prime Minister Mary Harney visited South Africa in March 2006 and held bilateral consultations with Deputy President Mlambo-Ngcuka. In November 2006, Deputy President Mlambo-Ngcuka paid an official visit to Ireland.

Mediterranean Europe

From 28 February to 1 March 2006, Minister Dlamini Zuma represented South Africa at the Innovative Financing for Development and Combating Pandemics Conference in Paris, convened by French President Jacques Chirac.

Countries that attended the conference, including India, Brazil, South Africa, Germany, UK and France, signed a declaration to advance the achievement of the MDGs.

Bilateral relations between South Africa and France are directed by institutionalised mechanisms such as the MoU on Political Dialogue, and joint commissions on trade and industry and education; arts, culture, science and technology; and sport. Economic relations between France and South Africa continue to strengthen. South African Airways recently procured Airbus aircraft as part of its comprehensive fleet-modernisation programme.

In September 2006, South Africa and France signed a partnership agreement setting out joint development projects worth R3,1 billion. The Framework Charter Partnership covers the fields of service delivery, small business, job creation and energy efficiency.

President Mbeki held bilateral political and economic discussions with Italian President Carlo Azeglia Ciampi, Prime Minister Silvio Berlusconi and Mayor of Rome, Mr Walter Veltroni, during a state visit to that country in March 2006.

Deputy Minister Pahad paid an official visit to Athens, Greece, from 27 January to 1 February 2006, and held bilateral political and economic discussions with his counterpart, Mr Evripidis Styliandis.

South Africa and Greece also have strong cultural ties through the Hellenic community in South Africa, which plays a positive and constructive role in the reconstruction and development of South Africa.

In March 2006, President Mbeki attended the inauguration of Prof. Cavaco Silva as Portugal's new president. In July 2006, Deputy Foreign Minister Pahad and his Spanish counterpart, Secretary of State Dr Bernardino Leon Gross, held discussions in South Africa on, among other things:

- bilateral political and economic matters
- the Spanish 'New Plan for Africa'
- proposed trilateral co-operation projects in Burundi
- the Sudan and Côte d'Ivoire, the DRC, Equatorial Guinea and Western Sahara
- the Iranian nuclear issue
- the comprehensive reform of the UN.

In November 2006, Deputy President Mlambo-Ngcuka paid an official visit to Portugal.

Central Europe

On 20 February 2006, Deputy Minister Pahad held bilateral political and economic discussions with his Hungarian counterpart, Political State Secretary for Foreign Affairs, Mr András Bársony, in Pretoria. The Republic of Hungary is a newly admitted member to the EU. Hungary is one of South Africa's most important trading partners in Central Europe.

In March 2006, President Mbeki congratulated Prime Minister Ferenc Gyursany on the election victory of the Socialist Party and its coalition partner, the Free Democrats.

In January 2006, the Republic of Croatia presented President Mbeki with its letter of credence.

In December 2004, the Bulgarian Vice President, Mr Angel Marin, paid an official visit to South Africa to strengthen political and economic ties. The two countries signed agreements on co-operation in the fields of culture, healthcare, health science and policing. Notes were exchanged on the ratification

by both parliaments of the Convention on Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.

On 16 March 2006, the Deputy Minister of Foreign Affairs, Ms Sue van der Merwe, held political and economic discussions with her Romanian counterpart, State Secretary for Global Affairs Dr Teodor Bacorshi, in Pretoria. The discussion focused on aspects such as closer co-operation in the fields of defence and technology as well as bilateral trade.

Eastern Europe

The historical links between South Africa and the Russian Federation are strong. The former Union of Social Socialist Republics supported the struggle for liberation in South Africa.

In April 1999, the Intergovernmental Committee on Trade and Economic Co-operation (ITEC), between the Russian Federation and South Africa was established. During the fifth ITEC session in October 2005 in Moscow, considerable progress was achieved in further strengthening mutually beneficial co-operation. The Intergovernmental Agreement on Co-operation in the field of Maritime Transport and MoU in the Sphere of Astronomy and Nuclear Research was signed.

In order to strengthen existing and explore new opportunities for nuclear research collaboration between South Africa and the Joint Institute for Nuclear Research (JINR), the Department of Science and Technology hosted a senior Russian nuclear research delegation from the JINR in February 2006.

On 12 January 2006, the Minister of Foreign Affairs, Dr Nkosazana Dlamini Zuma, visited the United Nations (UN) Headquarters in New York, United States of America, to assume the position of chairperson of the Group of 77 (G77) on behalf of South Africa.

The G77 is the largest coalition of developing countries in the UN, providing the means for the countries of the South to articulate and promote their collective economic interests and enhance their joint negotiating capacity on all major international economic and development issues in the UN system, promote South-South co-operation, and strengthen economic and technical co-operation among developing countries themselves.

During its tenure as chair of the G77, South Africa will be committed to enhancing the position of the group as a constructive and responsible partner in promoting North-South relations in support of the development agenda of the South.

Additionally, the importance of the developing countries' need to co-ordinate common positions among themselves on global issues is increasingly being recognised.

Multilateral diplomacy

The adoption of the UN World Summit Outcome document in New York by more than 150 heads of state and government marked one of the most prominent efforts during 2005 to protect and strengthen multilateralism.

A series of studies and reports informed the preparations for the summit, notably the Cardoso Report on the UN and Civil Society; the Report of the High-Level Panel on Threats, Challenges and Change; the Jeffrey Sachs Millennium Project Report *Investing in Development*; and the *In Larger Freedom* Report of the UN secretary general. All these contributions held out the promise that large-scale reform of the UN was within the grasp of UN member states.

Expectations of wholesale change and reform of the UN, however, proved not to be realistically attainable. The 2005 Review Summit nonetheless agreed on a number of reforms to address events and issues that continue to undermine global peace and security and the multilateral system of governance.

South Africa remains an active participant in these ongoing efforts to implement the 2005 World Summit Outcome document to reform the UN, even more so in its current position as chair of the G77, where it leads negotiations on behalf of all 132 developing countries.

It also believes that the multilateral system should be fully engaged in human development and poverty eradication, starting with the achievement of the MDGs; the common struggle to address environmental degradation; the pursuit of an overarching human-rights agenda; the promotion of democracy and good governance; and all efforts to combat terrorism and the proliferation of weapons, both of mass destruction and small arms.

South Africa maintains that issues such as these pose major threats to world peace and security. Through participation in organisations and groups such as the UN, the AU, the NAM, the G77 and the Commonwealth, South Africa seeks to ensure that national interests and objectives, as well as those of the continent and developing countries generally, are taken on board in discussions in multilateral fora and reports.

United Nations General Assembly (UNGA)

South Africa's priorities for participation in the UNGA, its main committees and organs, include:

- pursuing an overarching human-rights agenda, including the right to development
- promoting global peace and security
- protecting and promoting multilateralism, international law and the centrality of the UN Charter
- addressing human development, poverty eradication and environmental degradation
- advancing the active follow-up and implementation of the MDGs, international development goals and the outcomes of major UN conferences
- advancing South-South co-operation through active participation in the NAM and other South-South co-operation arrangements
- promoting the reform of the UNSC General Assembly, Ecosocc, and regional organisations, and generally revitalising the UN system
- promoting the Common Africa Position on the reform of the UN, including the equitable representation of Africa on the UNSC
- disarmament, arms control and non-proliferation of both weapons of mass destruction and conventional arms
- implementing the Johannesburg Plan of Action of the WSSD
- humanitarian assistance
- promoting the AU and Nepad in the UN context
- promoting gender mainstreaming
- supporting the global campaign against terrorism.

President Mbeki led the South African delegation to the 2005 Millennium Review Summit held at the beginning of the 60th Session of the UNGA in September 2005. Its main purpose was to review the implementation of the Millennium Declaration and to make decisions on a comprehensive package of UN reform measures.

While the summit succeeded in some respects, it failed to take decisions on certain key issues (notably the reform/expansion of the UNSC and the absence of any reference to disarmament and non-proliferation). Particularly in the area of development, the outcome of the 2005 Millennium Review Summit was disappointing in that little progress was made with the promotion of the development agenda of the South. One significant positive outcome of the summit was the universal acceptance of the MDGs as benchmark measures of progress towards development.

President Mbeki attended the UNGA61 in September 2006.

United Nations reform

The adoption of the 2005 World Summit Outcome by more than 150 heads of state and government did, however, set in motion a number of reforms in the UN system that include establishing:

- a peace-building commission
- a human rights council

President Thabo Mbeki met his Russian counterpart, Mr Vladimir Putin in South Africa in September 2006 to discuss strengthening relations between South Africa and the Russian Federation.

It was the first-ever visit by a Russian head of state to South Africa.

The presidents discussed the status of political and economic relations between their countries, including efforts to promote economic relations through the Intergovernmental Committee on Trade and Economic Co-operation.

They also discussed the promotion of the African Agenda, regional developments in the Southern African Development Community, conflict resolution and peacekeeping in the Sudan and Côte d'Ivoire, as well as the situation in the Democratic Republic of Congo, non-proliferation and the peaceful use of nuclear energy, the Middle East and the reform of the United Nations.

The two governments signed co-operation agreements on friendship and partnership that set the framework for co-operation in most areas; one on co-operation in space; one on co-operation in health and medicine, and one protecting intellectual property rights in defence industry co-operation.

- implementing management reforms in the UN Secretariat
- reviewing the mandates of UN activities and programmes
- finalising the comprehensive convention against terrorism and developing a broader counter terrorism strategy
- maintaining and strengthening political momentum for development
- establishing new functions for Ecosocc.

Member states agreed on the establishment of the Peace-Building Commission before the deadline set by the World Summit of 31 December 2005. Progress was also made with implementing certain management reforms in the UN Secretariat. Other issues, however, required further attention during 2006.

South Africa supported and actively participated in all negotiations, during the main part of UNGA60, related to the implementation of the 2005 World Summit Outcome. It will continue to do so to bring these reforms to a fruitful conclusion.

United Nations Security Council

The comprehensive reform of the UNSC remains work in progress.

The fifth extraordinary assembly of the AU convened in Addis Ababa, Ethiopia, on 31 October 2005 to consider a report from the Committee of Ten (C10) Heads of State and Government, that had been mandated to present and advocate for the Common African Position with other regions of the world.

The AU Assembly reaffirmed the Common African Position and stressed the importance of African unity.

The African resolution on UNSC reform was tabled in the UNGA in December 2005. The sixth ordinary session of the AU Assembly of Heads of State and Government in Khartoum, Sudan, in January 2006, decided to maintain the resolution before the UNGA. All member states were asked to co-sponsor the resolution.

The AU Heads of State and Government further decided to renew the mandate of the C10 Heads of State and Government, and that the expanded follow-up mechanism should continue consultations to promote and support the Common African Position on UN reform, including the reform of the UNSC.

The assembly asked the C10 to submit a progress report on this issue to the next ordinary session of the Assembly in July 2006.

South Africa has been elected as a non-permanent member of the UNSC.

Human rights

A commitment to promoting human rights is one of the central considerations in the implementation of South Africa's foreign policy. South Africa is a major player in the development of international human rights law at the UN, continually evaluating the effectiveness of existing human-rights treaties and proposing additional instruments.

South Africa is spearheading, in conjunction with members of the AU, a process which will initiate the elaboration of complementary standards to update and strengthen the International Convention on the Elimination of All Forms of Racial Discrimination. This process is undertaken within the framework of the mechanisms established to follow up the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, hosted by South Africa in 2001.

South Africa plays a meaningful role in the process of deepening the core values of democracy, good governance and the rule of law, both at regional, national and international levels, through its membership of and active participation in the various democracy fora.

South Africa played a critical role in the UN Commission on Human Rights. It also participated in initiatives leading up to the UN Millennium Review Summit in New York on UN reform in the area of human rights and the establishment of the UN Human Rights Council.

South Africa is a bureau member of the UN Ad Hoc Committee on the draft International Integral Convention on the Promotion and Protection of the Rights and Dignity of Persons with Disability, and continues to play a leading role in the follow-up and implementation of the Beijing Declaration and Platform for Action adopted in 1995.

Humanitarian issues

South Africa plays an active role in supporting humanitarian causes globally, with a particular focus on the African continent. In 2005, the South African Government donated R140 million to the UN World Food Programme and the Food and Agricultural Organisation (FAO) to support sustainable food-security and livestock programmes in seven southern African countries. During the same period, R8,7 million was also transferred to various UN

humanitarian agencies in support of projects alleviating the plight of vulnerable groups such as women, children, internally displaced persons and refugees in Africa, Palestine and Iraq.

During 2005, South Africa rendered logistical, in-kind and monetary assistance to victims of natural disasters, including the famine in Niger, the earthquake in Pakistan and Hurricane Katrina in the USA.

Environment

The signing of a number of multilateral environmental agreements and the hosting of the WSSD in 2002 placed South Africa at the forefront of environmental diplomacy.

As a party to the UN conventions on climate change, desertification and biodiversity, South Africa is committed to reducing poverty and the loss of biodiversity by 2010. South Africa is also firmly committed to the protection of the oceans and the sustainable management of its marine resources.

It has ratified all the major treaties dealing with marine, maritime, fisheries and Antarctic matters, such as the UN Convention on the Law of the Sea and its related instruments, the International Maritime Convention, the UN FAO Compliance Agreement and the Antarctic Treaty.

Disarmament

South Africa continued to reinforce its role as an active and substantive role-player on disarmament, non-proliferation and arms-control issues at national, regional and international levels.

It actively participated in the various nuclear disarmament and non-proliferation fora, including the 2005 Nuclear Non-Proliferation Treaty (NPT) Review Conference. The failure by some states to implement their obligations under the NPT (particularly on nuclear disarmament) and to roll back agreements made at previous conferences created a climate which made it difficult to make progress with key challenges facing the nuclear disarmament and non-proliferation regime.

Together with other role-players in the nuclear field, South Africa actively participated in the meetings of the policy-making organs of the International Atomic Energy Agency (IAEA). Important issues considered by the IAEA Board of Governors included the implementation of NPT safeguards in the Islamic Republic of Iran and the Democratic People's Republic of Korea.

Relevant South African nuclear experts participated in various IAEA technical and expert meetings that hold potential benefits for not only the South African nuclear industry, but also for accelerated economic growth on the African continent. South Africa hosted various inspections undertaken by the IAEA in accordance with South Africa's Safeguards Agreement and the Additional Protocol with the Agency.

South Africa actively participates in the structures of the Chemicals Weapons Convention and the Biological and Toxic Weapons Convention (BWC), to which it is a state party. South Africa was elected chair of the Executive Council of the Organisation for the Prohibition of Chemical Weapons in March 2006. South Africa continues to emphasise the importance of the BWC and the need to strengthen it to adequately address the threat posed by the possible use of biological and toxic weapons by terrorists and other non-state actors.

As a follow-up to the 2001 UN Programme of Action (UNPoA) on small arms and light weapons, South Africa was an active participant in negotiations to develop an international instrument to enable states to trace illicit small arms. Although the UN instrument that was adopted in December 2005 is not legally binding, its provisions on marking, record-keeping and co-operation in tracing nonetheless present a workable framework to assist states to trace illicit small arms and light weapons. South Africa actively participated in the development of the African Common Position for the UN Review Conference on the UNPoA as adopted in January 2006.

South Africa was admitted as the first African state to join the Wassenaar Arrangement (conventional arms and dual-use technology-control regime) in December 2005, and became a full participating state in the arrangement on 28 February 2006.

In the context of South Africa's participation in various international arms-control bodies, such as the Nuclear Suppliers Group, the Zangger Committee and the Missile Technology Control Regime, South Africa continues to promote the principle of access to advanced technologies for peaceful purposes, thereby ensuring that non-proliferation controls do not become a means whereby developing countries are denied access to technologies required for their development.

Crime and crime prevention

Following its ratification of the UN Convention against Transnational Organised Crime and its three supplementary protocols: The Protocol Against Smuggling of Migrants by Land, Air and Sea; The Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children; and the Protocol Against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition, South Africa participated in the Conference of the Parties (CoP) of the Convention against Transnational Organised Crime in October 2005. The CoP will take place regularly to provide guidance to parties on how to implement the convention. Following its ratification of the UN Convention against Corruption, South Africa participated in the first CoP of the Convention against Corruption in 2006.

The Kimberly Process Certification Scheme (KPCS)

The KPCS is a voluntary tripartite international forum, intent on preventing the use of diamonds in the promotion of conflict while encouraging the contribution of diamonds to prosperity. The KPCS forum comprises all major diamond producing, trading and processing countries, the diamond industry and civil society.

The department participates actively in the standing bodies of the KPCS. One of the department's primary objectives in monitoring the KPCS and participating in the business of KPCS standing and ad hoc bodies is to support government's efforts to ensure that the collective interests of African diamond-producing countries are protected.

North-South dialogue

The Department of Foreign Affairs serves as the focal point for North-South dialogue, engaging key global economic institutions such as the WTO, the Organisation for Economic Co-operation and Development (OECD) and the World Intellectual Property Organisation. To achieve this objective, South Africa ensures that the development agenda remains part of the focus of key economic fora, particularly the annual G8 (Group of Seven most-industrialised nations plus Russia) Summit and World Economic Forum meetings.

The most important developments during 2005/06 were the G8 Gleneagles Summit outcomes, South Africa becoming a member of the OECD's Development Centre, and the WTO Ministerial Conference in Hong Kong, which resulted in a compromise deal being arrived at that is regarded as a workable platform to keep the Doha Development Agenda afloat. South Africa's presence at and participation in North-South dialogue fora enhances its commitment to attaining the MDGs.

The 2006 G8 Summit in Saint Petersburg was the first to be hosted by the Russian Federation since joining the group. The summit focused on international energy security, health issues with a specific focus on communicable diseases and education development. South Africa attended and participated in the summit as a considered strategic outreach partner of the G8, along with India, China, Brazil and Mexico, as was the case in 2005.

South-South co-operation

In advancing the development agenda of the South and within the overall context of promoting multilateralism, South Africa participated in the second South Summit in June 2005 in Doha, Qatar.

Progressively, the importance of South-South co-operation is being acknowledged, especially in terms of global, regional and country-level efforts to achieve the MDGs. Rather than being a substitute for North-South co-operation, the modalities of South-South co-operation are complementary. South African foreign policy seeks, among other things, to persuade the international community to support the efforts of developing countries to expand such co-operation.

Through active participation in other co-operation arrangements such as IBSA, South Africa seeks to contribute to strengthening South-South co-operation and the development of innovative co-operation programmes.

Global finance

The Department of Foreign Affairs has in its engagements solicited the international community to fulfil its Monterrey commitments. It recognises the need for increased and more predictable resources for development. As such, it supports initiatives such as the Action Against Hunger and Poverty to implement innovative financing mechanisms for development on a public, private,

domestic or external basis, to complement official development assistance.

As one of the G20 countries within the Bretton Woods Institutions (BWIs), the department contributes to developing pragmatically the global partnership between developed and developing countries. Within this context, South Africa is committed to the continuous review of the representivity, operations and strategies of the BWIs and more effective participation by developing countries in these bodies.

Social development

South Africa chaired the 44th session of the UN Commission for Social Development in 2006, delivering the statement that focused on the important role of, among other things, indigenous knowledge systems in poverty eradication, on behalf of the G77.

Participation in UN budgetary and programmatic issues

Over the past five years, South Africa played a prominent role in the context of UN budgetary and programmatic issues.

South Africa's Auditor-General served on the UN Board of Auditors from 2000 until the end of 2006. The Auditor-General was also re-elected in 2005 as the External Auditor for the UN Industrial Development Organisation for the period 2006 to 2008.

The Minister of Public Service and Administration, Ms Geraldine Fraser-Moleketi, was elected vice president of the second UN Committee of Experts on Public Administration and Finance for the period 2006 to 2009. She was also a member of the first Committee of Experts on Public Administration that served the UN from 2002 to 2005. Another South African, Judge Mervyn King, who chaired the King Committee on Corporate Governance in South Africa, has been elected chairperson of a high-level steering panel to evaluate governance in the UN.

Active participation in administrative and budgetary issues is aimed at ensuring, to the fullest extent possible, that UN programmes as well as budgetary and administrative priorities adequately cater for development and poverty eradication. In this regard, priority areas for South Africa include the funding of UN structures and programmes that focus on Africa and Nepad, as well as sufficient funding for peacekeeping operations on the continent.

For the 2006 regular budget of the UN, South Africa's assessed contribution was US$4,983 million. Its contribution to the UN peacekeeping budget was expected to be in the region of US$2,5 million. It further contributed US$460 076 to the international criminal tribunals for Rwanda and former Yugoslavia.

South Africa met its financial obligations to the UN for 2006 in full, on time and without pre-conditions, thus resulting in the country again being one of only a few UN member states to meet their membership obligations on time. As a result, South Africa was again honoured by being included on the secretary general's 'Roll of Honour' of countries that paid their dues in full and on time.

South African representation on United Nations bodies and organs

South Africa strives to be active in all bodies and functional committees of the UN dealing with its foreign-policy priorities or objectives, and thus serves on the following:

- Ecosocc (1995 to 1997, 2001 to 2003, 2005 to 2007)
- International Law Commission (2002 to 2006): Professor John Dugard
- International Criminal Tribunal for Yugoslavia (2005 to 2009): Judge J Moloto
- Human Rights Council (HRC), successor to the Commission on Human Rights (2006). The first election of the members of the HRC was held by the UNGA on 9 May 2006. South Africa was elected to the HRC by 179 votes from 191 countries.
- International Criminal Court (2003 to 2009): Judge M Pillay

On 13 March 2006, the former Secretary General of the United Nations (UN), Mr Kofi Annan, and his wife, Nane, visited South Africa for three days.

This was Annan's first visit to South Africa since he took over the leadership of the UN in 1997.

He met with President Thabo Mbeki and visited former President Nelson Mandela.

He also visited the Hector Peterson Memorial in Soweto and delivered a speech to the National Assembly in Cape Town.

- International Tribunal for the Law of the Sea (2005 to 2014): Judge A Hoffmann
- Committee on the Elimination of Racial Discrimination (2005 to 2008): Ambassador P January-Bardill.

South Africa currently serves on the following subsidiary bodies of the Ecosocc:

- Commission for Social Development (2001 to 2005, 2006 to 2009)
- Statistical Commission (2002 to 2005, 2006 to 2009)
- Commission on the Status of Women (2002 to 2006)
- Committee for Programme Co-ordination (2003 to 2005, 2006 to 2008)
- Governing Council on Human Settlements (2004 to 2007)
- Intergovernmental Working Group of Experts on International Standards of Accountancy and Reporting (2003 to 2005, 2006 to 2008)
- Commission on International Trade Law (2005 to 2007)
- Commission on Sustainable Development (2002 to 2005, 2007 to 2010)
- Commission on Population and Development (1998 to 2001, 2007 to 2010)
- Commission on Crime Prevention and Criminal Justice (2007 to 2010).

In May 2006, South Africa signed an agreement with the United Nations' (UN) World Food Programme (WFP) to establish the WFP Regional Bureau for southern Africa in South Africa.

The WFP has been active in southern Africa for some time, after the Department of Foreign Affairs previously gave priority approval to the WFP to open up a regional logistics unit in Johannesburg to co-ordinate the UN inter-agency relief effort for the subregion.

Through the agreement, this office would become upgraded to a permanent regional office. The WFP is the premier international organisation for food-aid distribution and has been playing an important facilitation role as the major supplier of food and non-food assistance to victims of humanitarian crises in the southern African region.

United Nations Country Team (UNCT) in South Africa

The United Nations Development Programme (UNDP) seeks to implement programmes that are relevant to government's transformation and development imperatives.

South Africa's voluntary contribution to the UNDP for 2005/06 was R950 000, which went towards the operational costs of development programmes in South Africa.

The UNDP has a county office in Pretoria, which is headed by the resident representative, who is also the UN resident co-ordinator for all UN operational activities in South Africa.

The UN Development Assistance Framework (UNDAF) is a mechanism to establish an integrated framework for co-operation for development assistance between the UN system, represented through 16 UN funds, programmes and agencies present in South Africa and government. The UNDAF reflects the priorities conveyed to the UN by government and is based on the Common Country Assessment (CCA).

The previous UNDAF ended in December 2006. The department worked with the UNCT in South Africa and numerous other departments to prepare the new UNDAF, which will guide UN support in South Africa from 2007 to 2010. In this process, a CCA has been drafted by government and accepted by the UN and a new UNDAF.

Commonwealth

The Commonwealth comprises 53 member countries on every continent and major ocean, making up a quarter of the world's population and generating 20% of global trade.

Members range from micro-states in Polynesia to members of the G8, the smallest and poorest to the richest and most populous, with cross-cutting affiliations straddling the North-South divide.

The Commonwealth is united by its shared ideals and common traditions manifested in similar structures of governance, public administration and law, a common working language, and commercial and business practices and understanding. It is an important multilateral institution, both uniting and serving its member countries and providing a lobby on global issues.

Its programmes of action, such as the Commonwealth Fund for Technical Co-operation, the Commonwealth Youth Programme and the

Commonwealth Foundation, are focused on capacity-building, economic and social development, the removal of disparities in living standards across the world, and the alleviation of poverty and illiteracy. These programmes are committed to the UN MDGs, Nepad and the plight of small and less-developed countries.

The Commonwealth Heads of Government Meeting (CHOGM) takes place biennially. South Africa hosted the CHOGM in 1999 under the theme *People-Centred Development – Challenge of Globalisation.* Malta hosted the CHOGM in November 2005 under the theme *Networking the Commonwealth for Development*, also focusing on world trade, migration and terrorism.

Aside from the Final Communiqué, which addresses different issues of concern to the Commonwealth, heads of government also issued the Malta Declaration on Networking the Commonwealth for Development, the Valletta Statement on Multilateral Trade, and the Gozo Statement on Vulnerable Small States.

South Africa made numerous contributions to the Malta Communiqué, in particular on issues relating to the MDGs, the African Agenda and Nepad, and addressing health, education and debt relief. South Africa also supported strong positions on trade liberalisation, climate change and terrorism.

South Africa actively partakes in the various ministerial meetings and governing bodies of the Commonwealth. Meetings of ministers of finance have devoted resources in support of the Monterrey Consensus; justice ministers have drafted model anti-terrorism legislation and control over money laundering; and ministers of education and of health have adopted codes of conduct in the recruitment of health workers and teachers.

Non-Aligned Movement

The NAM with its 114 member states is the largest political grouping of countries outside of the UN, making it an important lobby group of developing countries in global affairs.

South Africa formally joined the movement in 1994 and has played a leading role ever since. The XII Summit of Heads of State or Government was hosted in Durban, KwaZulu-Natal, in 1998, when South Africa, as is the practice, also took over the chair from Colombia.

South Africa chaired the NAM until 2003 when Malaysia assumed chairpersonship. In its capacity as immediate former chair, South Africa served on the NAM Troika until the XIV Summit in Havana, September 2006.

In 2002, Minister Dlamini Zuma initiated the so-called 'Zimbali Process', which was a series of discussions at ministerial level aimed at revitalising the movement. South Africa further hosted a joint ministerial meeting of the NAM Committee on Palestine, including the NAM Security Council Caucus in 2002, which was addressed by presidents Mbeki and Yasser Arafat.

While it was chair of the movement, South Africa set for itself the objective of strengthening South-South co-operation on the one hand and North-South dialogue on the other. Regular meetings with, among others, the G8 and EU followed, and relations with the G77 were strengthened in general.

One of the proposals made by the Zimbali Group to the XIII Summit was that the role of the Troika of past, present and future chairs of the NAM should be enhanced. In the spirit of this decision, several Troika meetings took place during Malaysia's incumbency as chair.

Such a meeting was held in January 2006 near Hermanus in the Western Cape. At this meeting, the Troika agreed on the necessity to find a concise, focused and action-oriented outcome document for the XIV NAM Summit, the need to revisit methodology issues, and the need to enhance existing co-ordination between the NAM and the G77.

Agreements concluded between January 2005 and March 2006

Date signed	Country	Title
4 February 2005	Cuba	Letter of Intent on Education.
17 February 2005	Angola	Agreement concerning Co-operation in the Field of Electricity.
17 February 2005	Angola	Agreement for the Reciprocal Promotion and Protection of Investments.
17 February 2005	Angola	Agreement of Co-operation in the Field of Social Protection and Re-Integration. Entered into force: 17.2.2005.
17 February 2005	Angola	Protocol on Defence Co-operation.
28 February 2005	UK	Memorandum of Understanding on Bilateral Co-operation in the Field of Sport and Recreation.
3 March 2005	Turkey	Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.
3 March 2005	Turkey	Agreement regarding Mutual Assistance between their Customs Administrations.
8 March 2005	Namibia	Agreement regarding Scientific and Technological Co-operation. Entered into force: 8.3.2005.
9 March 2005	AU	Memorandum of Understanding contributing South African Police Service monitors to the Civilian Component of the AU Mission in Darfur Region of the Republic of Sudan. Entered into force: 9.3.2005.
18 March 2005	Russian Federation	Agreement concerning Protection of Classified Defence and Defence-Industrial related Information. Entered into force: 18.3.2005.
22 March 2005	Gabon	Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.
22 March 2005	Gabon	Protocol for Regular Diplomatic Consultations. Entered into force: 22.3.2005.
8 April 2005	São Tomé & Principe	Co-operation Agreement. Entered into force: 8.4.2005.
12 April 2005	Democratic Republic of Congo (DRC)	Agreement on Development Co-operation concerning Public Service Support. Entered into force: 12.4.2005.
15 April 2005	Mozambique	Agreement regarding the Waiver of Visa Requirements for Holders of Ordinary Passports. Entered into force: 29.4.2005.
15 April 2005	Mozambique	Memorandum of Understanding on Economic Co-operation.

Agreements concluded between January 2005 and March 2006

Date signed	Country	Title
29 April 2005	DRC	Agreement on Co-operation in the Field of Agriculture. Entered into force: 29.4.2005.
29 April 2005	DRC	Agreement regarding Mutual Assistance between their Customs Administrations.
29 April 2005	DRC	Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.
29 April 2005	DRC	Memorandum of Understanding relating to Co-operation on Capacity-Building for the Congolese National Police. Entered into force: 29.4.2005.
29 April 2005	DRC	Statement of Intent on Promotion of Good Governance and Decentralisation.
29 April 2005	Multilateral	Memorandum of Understanding on Co-operation in the area of Public Service and Administration. Entered into force: 29.4.2005.
2 May 2005	Mali	Agreement on Defence and Technical Co-operation.
6 May 2005	Tunisia	Memorandum of Understanding concerning Military Co-operation. Entered into force: 6.5.2005.
16 May 2005	AU	Agreement on the Material and Technical Organisation of the Meeting of African Ministers responsible for Air Transport, Sun City, 16 to 19 May 2005. Entered into force: 16.5.2005.
6 June 2005	Lesotho	Agreement on Scientific and Technological Co-operation. Entered into force: 6.6.2005.
9 June 2005	Norway	Declaration of Intent on Co-operation in the Fields of Arts and Culture.
25 June 2005	European Union	Additional Protocol to the Agreement on Trade, Development and Co-operation. Entered into force provisionally: 1.5.2004.
7 July 2005	United Nations	Memorandum of Understanding contributing Resources to 'United Nations Operation in Burundi'. Entered into force:1.6.2005.
12 July 2005	Switzerland	Memorandum of Understanding on Air Services. Entered into force: 12.7.2005.
26 July 2005	Greece	Agreement on Co-operation in the Fields of Arts and Culture.
26 July 2005	Malaysia	Agreement on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.

Agreements concluded between January 2005 and March 2006

Date signed	Country	Title
2 August 2005	Gabon	Agreement concerning Merchant Shipping.
2 August 2005	Gabon	Agreement of Co-operation in the Fields of Education, Training and Higher Education.
2 August 2005	Gabon	Agreement on Co-operation in the Fields of Arts and Culture.
19 August 2005	France	Declaration of Intent on Co-operation on French Language Training between the Department of Foreign Affairs of South Africa and the Embassy of the Republic of France in South Africa.
22 August 2005	Indonesia	Memorandum of Understanding on Scientific and Technological Co-operation. Entered into force: 22.8.2005.
13 September 2005	Brazil	Memorandum of Understanding on Co-operation in the Field of Human Settlements.
18 September 2005	Argentine	Agreement on the Establishment of a Binational Commission.
22 September 2005	Tanzania	Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.
22 September 2005	Tanzania	Agreement for the Promotion and Reciprocal Protection of Investments.
22 September 2005	Tanzania	Agreement on the Establishment of a Presidential Economic Commission.
24 September 2005	United Arab Emirates	Bilateral Agreement on Economic, Trade and Technical Co-operation.
26 September 2005	Kuwait	Agreement on Economic and Technical Co-operation.
26 September 2005	Kuwait	Trade Agreement.
30 September 2005	Senegal	Agreement on Scientific and Technological Co-operation.
4 October 2005	Chile	Declaration of Intent concerning Defence Co-operation.
6 October 2005	Angola	Letter of Intent.
11 October 2005	Netherlands	Declaration of Intent on a Framework for Co-operation and a Bilateral Commission.
18 October 2005	Zambia	Agreement on the Establishment of a Commission for the Operation of the 1996 General Agreement on Co-operation in the Economic, Social, Scientific, Technical and Cultural Fields. Entered into force: 18.10.2005

Agreements concluded between January 2005 and March 2006

Date signed	Country	Title
25 October 2005	Botswana	Agreement on Co-operation in the Fields of Arts and Culture. Entered into force: 25.10.2005.
25 October 2005	Botswana	Agreement on Co-operation in the Fields of Agriculture and Livestock Farming. Entered into force: 25.10.2005.
25 October 2005	Botswana	Agreement on Co-operation in the Field of Sport Development. Entered into force: 25.10.2005.
25 October 2005	Botswana	Agreement regarding the Co-ordination of Aeronautical Search and Rescue Services. Entered into force: 25.10.2005.
25 October 2005	Botswana	Memorandum of Understanding on Co-operation in the Field of Health.
25 October 2005	Botswana	Memorandum of Understanding on Co-operation at Provincial and Local Government Level. Entered into force: 25.10.2005.
10 November 2005	Lesotho	Memorandum of Understanding on Co-operation in the Field of Health.
11 November 2005	African Union	Memorandum of Understanding relating to Technical Assessment Mission and the Country Review Visit to the Republic of South Africa. Entered into force: 11.11.2005.
17 November 2005	Zimbabwe	Agreement for the Establishment of a Joint Commission on Defence and Security. Entered into Force: 17.11.2005.
17 November 2005	Zimbabwe	Memorandum of Understanding concerning the Secondment of the Air Force of Zimbabwe Personnel to the South African Department of Defence. Entered into force: 17.11.2005.
1 December 2005	Congo	Protocol on Regular Diplomatic Consultation. Entered into force: 1.12.2005.
4 December 2005	Guinea	Agreement on a Framework for Co-operation.
5 December 2005	Rwanda	Memorandum of Understanding on Police Co-operation.
8 December 2005	Mozambique	Agreement on Health Matters.
12 December 2005	Australia	Memorandum of Understanding on Sports Co-operation between Sport and Recreation South Africa and the Australian Sports Commission. Entered into force: 12.12.2005.

Agreements concluded between January 2005 and March 2006

Date signed	Country	Title
12 December 2005	Uganda	Agreement on Police Co-operation. Entered into force: 12.12.2005.
12 December 2005	Uganda	Agreement regarding the Establishment of a Joint Permanent Economic Commission. Entered into force: 12.12.2005.
12 December 2005	Uganda	Memorandum of Understanding concerning Defence Co-operation. Entered into force: 12.12.2005.
12 December 2005	Uganda	Memorandum of Understanding on Bilateral Co-operation in the Field of Sport and Recreation.
12 December 2005	Uganda	Memorandum of Understanding on Diplomatic Consultations.
23 February 2006	DRC	Memorandum of Understanding on Co-operation in the Field of Human Settlements.
16 March 2006	DRC	Agreement on Co-operation in the Field of Maritime Transport. Entered into force: 16.3.2006.
16 March 2006	DRC	Agreement on Decentralisation. Entered into force 16.3.2006.
16 March 2006	DRC	Memorandum of Understanding on Education Co-operation. Entered into force: 16.3.2006.
18 March 2006	DRC	Agreement on a Framework for Co-operation. Entered into force: 18.3.2006.

Agreements concluded between January 2005 and March 2006

Date signed	Country	Title
4 February 1985	Multilateral	Statute of the Centre for Science and Technology of the Non-Aligned and other Developing Countries. RSA acceded: 9.1.2006.
10 March 1988	Multilateral	Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation. (SUA Convention) RSA acceded: 8.7.2005. Entered into force: 6.10.2005.
10 March 1988	Multilateral	Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf (SUA Protocol). RSA acceded: 8.7.2005. Entered into force: 6.10.2005.
6 October 1999	Multilateral	Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women. RSA acceded: 18.10.2005.
21 May 2003	Multilateral	World Health Organisation Framework Convention on Tobacco Control. RSA ratified: 19.4.2005.
11 July 2003	Multilateral	The African Convention on Preventing and Combating Corruption. RSA ratified: 11.11.2005

Acknowledgements

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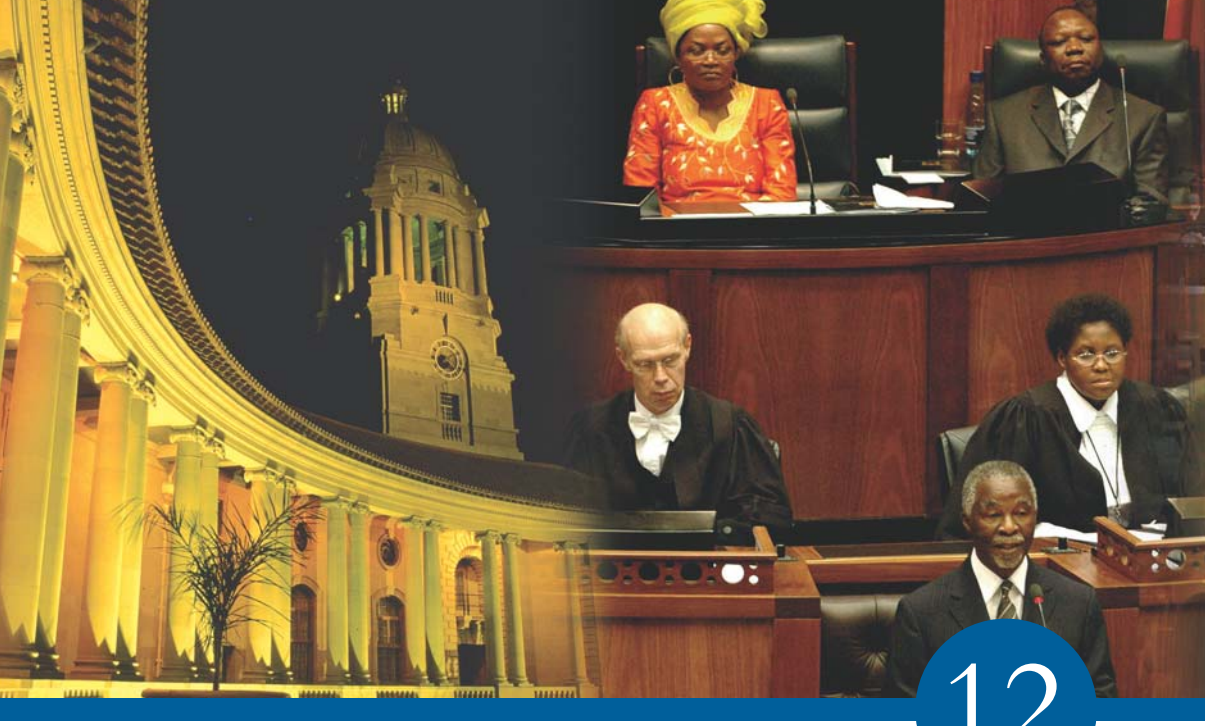


12

Government system

The Constitution

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) was the result of remarkably detailed and inclusive negotiations that were carried out with an acute awareness of the injustices of the country's non-democratic past. 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.

On 8 May 2006, President Thabo Mbeki addressed a joint sitting of Parliament to mark the 10th anniversary of South Africa's Constitution.

The Preamble

The Constitution's Preamble states that the Constitution aims 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 in which every citizen is equally protected by law
- build a united and democratic South Africa that is able to take its rightful place as a sovereign state in the family of nations.

Founding provisions

According to Chapter One, South Africa is one sovereign, democratic state founded on the following values:

- human dignity, the achievement of equality and the advancement of human rights and freedom
- non-racialism and non-sexism
- supremacy of the Constitution
- universal adult suffrage, a national common voters' roll, regular elections and a multiparty system of democratic government to ensure accountability, responsiveness and openness.

Fundamental rights

The fundamental rights contained in Chapter Two of the Constitution seek to protect the rights and freedom of individuals. The Constitutional Court (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 and to motivate and facilitate public participation in the legislative process. The website *www.parliament.gov.za* encourages comment and feedback from the public.

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.

NCOP Online! *(www.parliament.gov.za/ncop)* links Parliament to the provincial legislatures and local-government associations. It 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 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.

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 a Master 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, Mr Mbeki worked in Botswana, Swaziland, Nigeria and Zambia 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.

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 assists 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.

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 regarding 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

Cabinet ministers and deputy ministers, 15 November 2006

Portfolio	Minister	Deputy Minister
Agriculture and Land Affairs	Lulama Xingwana	Dirk du Toit
Arts and Culture	Pallo Jordan	Ntombazana Botha
Communications	Ivy Matsepe-Casaburri	Radhakrishna Padayachie
Correctional Services	Ngconde Balfour	Loretta Jacobus
Defence	Mosiuoa Lekota	Mluleki George
Education	Naledi Pandor	Enver Surty
Environmental Affairs and Tourism	Marthinus van Schalkwyk	Joyce Mabudafhasi
Finance	Trevor Manuel	Jabu Moleketi
Foreign Affairs	Nkosazana Dlamini Zuma	Aziz Pahad and Sue van der Merwe
Health	Manto Tshabalala-Msimang	Nozizwe Madlala-Routledge
Home Affairs	Nosiviwe Mapisa-Nqakula	Malusi Gigaba
Housing	Lindiwe Sisulu	
Intelligence Services	Ronnie Kasrils	
Justice and Constitutional Development	Brigitte Mabandla	Johnny de Lange
Labour	Membathisi Mdladlana	
Minerals and Energy	Buyelwa Sonjica	
Provincial and Local Government	Sydney Mufamadi	Nomatyala Hangana
The Presidency	Essop Pahad	
Public Enterprises	Alec Erwin	
Public Service and Administration	Geraldine Fraser-Moleketi	
Public Works	Thoko Didiza	Ntopile Kganyago
Safety and Security	Charles Nqakula	Susan Shabangu
Science and Technology	Mosibudi Mangena	Derek Hanekom
Social Development	Zola Skweyiya	Jean Benjamin
Sport and Recreation	Makhenkesi Stofile	Gert Oosthuizen
Trade and Industry	Mandisi Mpahlwa	Rob Davies and Elizabeth Thabethe
Transport	Jeff Radebe	
Water Affairs and Forestry	Lindiwe Hendricks	

regulatory framework for the protection of the rights of cultural, religious and linguistic communities.

Traditional councils

The stipulations of Chapter 12 of the Constitution and the advent of democracy required the transformation of the composition of traditional councils. Therefore, current legislation has transformed the composition of traditional councils to provide for elements of democracy (40% of members must be elected) and gender representivity (one third of members must be women).

Legislation has also opened a window of opportunity for municipalities and traditional councils to achieve co-operative governance. Traditional councils have been given a strong voice in development matters and may now enter into partnerships and service-delivery agreements with government in all spheres. Government believes that the envisaged partnerships will go a long way towards accelerating service delivery in rural areas.

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 that have traditional leaders, namely the Eastern Cape, KwaZulu-Natal, the Free State, Mpumalanga, Limpopo and North West.

The Traditional Leadership and Governance Framework Act, 2003 (Act 41of 2003), provides for the establishment of local houses of traditional leaders. Provincial legislation in this regard was expected to be finalised in 2006, and local houses were expected to be established by 2007.

The national and provincial houses of traditional leaders enhance the co-operative relationships within national and provincial government, while the establishment of local houses of traditional leaders will deepen and cement the relationship between municipalities and traditional leaders on customary law and development initiatives.

Commission on Traditional Leadership Disputes and Claims

President Thabo Mbeki appointed the Commission on Traditional Leadership Disputes and Claims in October 2004, in terms of Section 23 of the Traditional Leadership and Governance Framework Act, 2003. In terms of Section 25(2), the commission is mandated to hear cases on:

- whether a traditional leadership position was established in accordance with customary laws
- the title of an incumbent traditional leader being challenged
- claims by communities that wish to be recognised as traditional communities
- whether established 'tribes' are legitimate
- disputes around traditional authority.

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. Premiers are appointed by the President of the country.

Decisions are taken by consensus, as is the case 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, concurrent 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 regarding national policy decisions
- strengthening the capacity of provincial governments to implement government policies and programmes

Provincial governments, as on 15 November 2006

Eastern Cape	
Ms Nosimo Balindlela	Premier
Mr Gugile Nkwinti	Agriculture
Mr Mkhangeli Matomela	Education
Mr Mbulelo Sogoni	Economic Affairs, Environment and Tourism
Mr Billy Nel	Finance
Ms Nomsa Jajula	Health
Mr Sam Kwelita	Housing, Local Government and Traditional Affairs
Mr Thobile Mhlahlo	Safety, Liaison and Transport
Mr Christian Martin	Roads and Public Works
Ms Noxolo Abrahams-Ntantiso	Sport, Recreation, Arts and Culture
Ms Thoko Xasa	Social Development
Free State	
Ms Beatrice Marshoff	Premier
Mr Casca Mokitlane	Agriculture
Ms Mantsheng Tsopo	Education
Mr Neo Masithela	Tourism, Environmental and Economic Affairs
Mr France Morule	Public Safety and Liaison
Mr Sakhiwo Belot	Health
Mr Joel Mafereka	Local Government and Housing
Mr Pule Makgoe	Treasury
Mr Seiso Mohai	Transport, Roads and Public Works
Ms Zanele Dlungwana	Social Development
Ms Suzan Mnumzana	Sport, Arts and Culture
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
Mr Brian Hlongwa	Health
Ms Nomvula Mokonyane	Housing
Mr Firoz Cachalia	Community Safety
Ms Barbara Creecy	Sport, Arts, Culture and Recreation
Mr Kgaogelo Lekgoro	Social Development
Mr Ignatius Jacobs	Public Transport, Roads and Works

KwaZulu-Natal	
Mr Sibusiso Ndebele	Premier
Mr Mtholephi Mthimkhulu	Agriculture and Environmental Affairs
Ms Ina Cronjé	Education
Ms Weziwe Thusi	Arts, Culture and Tourism
Dr Zweli Mkhize	Finance and Economic Development
Ms Neliswa Nkonyeni	Health
Mr Mike Mabuyakhulu	Local Government, Housing and Traditional Affairs
Mr Meschack Hadebe	Social Welfare and Population Development
Ms Lydia Johnson	Public Works
Mr Bheki Cele	Transport, Community Safety and Liaison
Mr Amichand Rajbansi	Sport and Recreation
Limpopo	
Mr Sello Moloto	Premier
Dr Aaron Motsoaledi	Education
Mr Saad Cachalia	Provincial Treasury
Mr Charley Sekoati	Health and Social Development
Ms Maite Nkoana-Mashabane	Local Government and Housing
Mr Collins Chabane	Economic Development, Environment and Tourism
Ms Dikeledi Magadzi	Agriculture
Dr Joyce Mashamba	Sport, Arts and Culture
Mr Justice Pitso	Roads and Transport
Ms Samson Ndou	Security and Liaison
Ms Machuene Semenya	Public Works
Mpumalanga	
Mr Thabang Makwetla	Premier
Mr Madala Masuku	Agriculture, Conservation, Environment and Land Administration
Mr William Lubisi	Economic Development and Planning
Mr Siphosezwe Masango	Education
Mr Pogisho Pasha	Health and Social Development
Mr Jabulani Mahlangu	Local Government and Housing
Ms Candith Mashego-Dlamini	Public Works
Ms Mmathulare Coleman	Finance
Mr Nomsa Mtsweni	Culture, Sport and Recreation
Mr Fish Mahlalela	Roads and Transport
Ms Dinah Pule	Safety and Security

Northern Cape	
Ms Dipuo Peters	Premier
Ms Tina Joemat-Petterson	Agriculture and Land Reform
Mr Gomolelo Lucas	Education
Mr Pakes Dikgetsi	Finance and Economic Affairs
Ms Shiwe Selao	Health
Mr Boeboe van Wyk	Housing and Local Government
Ms Thembi Madikane	Safety and Liaison
Mr Goolam Akharwary	Social Development
Mr Kagisho David Molusi	Sport, Arts and Culture
Mr Pieter Saaiman	Environmental Affairs and Tourism
Mr Fred Wyngaardt	Public Works, Roads and Transport
North West	
Ms Ednah Molewa	Premier
Mr Ndleleni Duma	Arts, Culture and Sport
Mr Mandlenkosi Mayisela	Agriculture, Conservation and Environment
Mr Darkey Africa	Economic Development and Tourism
Mr Frans Vilakazi	Local Government and Housing
Rev Johannes Tselapedi	Education
Ms Nomonde Rasmeni	Health
Ms Maureen Modiselle	Finance
Mr Jerry Thibedi	Transport, Roads and Safety
Mr Howard Yawa	Public Works
Ms Nikiwe Mangqo	Social Development
Western Cape	
Mr Ebrahim Rasool	Premier
Mr Kobus Dowry	Agriculture
Mr Leonard Ramatlakane	Community Safety
Mr Cameron Dugmore	Education
Ms Tasneem Essop	Environment Planning and Economic Development
Ms Lynne Brown	Finance and Tourism
Mr Pierre Uys	Health
Mr Richard Dyantyi	Local Government and Housing
Mr Marius Fransman	Transport and Public Works
Ms Kholeka Mqulwana	Social Services and Poverty Alleviation
Mr Whitey Jacobs	Cultural Affairs, Sport and Recreation

- integrating provincial growth and development strategies (PGDS) within national development plans
- improving co-operation between national and provincial spheres of government
- improving co-operation on fiscal issues
- 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.

Local government

There are 283 municipalities in South Africa. They are focused on growing local economies and providing infrastructure and services.

In accordance with the Constitution and the Organised Local Government Act, 1997 (Act 52 of 1997) (which formally recognises organised local-government associations), organised local government may designate up to 10 part-time representatives to represent municipalities and to participate in proceedings of the NCOP.

South African Local Government Association (Salga)

Salga represents the interests of local government in the country's intergovernmental relations system with a united voice.

Salga aims, among other things, to:

- transform local government to enable it to fulfil its developmental role
- enhance the role of provincial local-government associations as provincial representatives and consultative bodies on local government
- raise the profile of local government
- ensure full participation of women in local government
- act as the national employers' organisation for municipal and provincial member employers
- provide legal assistance to its members, using its discretion in connection with matters that affect employee relations.

Salga is funded through a combination of sources including a national government grant, membership fees from provincial and local government associations that are voluntary members, and donations from the donor community for specific projects.

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 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, Tshwane (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.

Metropolitan councils may decentralise powers and functions. However, all original municipal, legislative and executive powers are vested in the metropolitan council.

In metropolitan areas, there is a choice of two types of executive system: the mayoral executive system where executive authority is vested in the mayor, and the collective executive committee system 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.

The Local Government: Municipal Structures Act, 1998 provides for ward committees whose tasks, among others, are to:

- prepare, implement and review integrated development plans (IDPs)
- establish, implement and review a municipality's performance-management system
- monitor and review a municipality's performance
- prepare a municipality's budget
- participate in decisions about the provision of municipal services
- communicate and disseminate information on governance matters.

Integrated development plans

In terms of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), all municipalities are required to prepare IDPs. Integrated development planning is a process by which municipalities prepare five-year strategic plans that are reviewed annually in consultation with communities and stakeholders.

The aim is to achieve service delivery and development goals in municipal areas in an effective and sustainable way. National and provincial-sector departments, development agencies, private-sector bodies, non-governmental organisations and communities all have a key role to play in preparing and implementing IDPs.

The department advises role-players on how to co-ordinate and improve development planning, and provides platforms for knowledge-sharing. It has developed a supporting intergovernmental planning framework, which provides greater clarity as to the type and role of appropriate planning at each government level. The IDP Nerve Centre was established to provide an information co-ordination service to strengthen intergovernmental planning.

A key area of strategic support to local government in 2006 was that of the integrated development planning process. In April 2006, a national analysis was undertaken of all draft IDPs, with all provinces and key national sector departments participating. By July 2006, 90% of municipalities had completed their IDPs.

Training

The Local Government Leadership Academy is an initiative of the Department of Provincial and Local Government. It is aimed at enhancing the

The 2006 Progressive Governance Summit took place in Hammanskraal, Gauteng, in February 2006. This was the first time that the summit took place in a developing country.

The summit brought together heads of state and government dominated by centre-left parties across the world, which collectively form the Progressive Governance Network. Formed in 1999, in the context of the trend towards a unipolar world, the network brings together leaders from both developed and developing worlds.

leadership competencies of both the appointed and elected officials in local government.

The academy is responsible for developing and implementing the Municipal Leadership Development Programme (MLDP), which is based on the curriculum framework developed between the department, Salga, the Local Government Sector Education and Training Authority, the South African Management and Development Institute (Samdi) and the Government Communication and Information System (Government Communications).

The programme will help municipal officials to apply knowledge acquired in their leadership and management work. Successful completion of the course will earn officials the National Certificate in Leadership Development in Local Government.

The need to implement the programme was prompted by such factors as the need to familiarise the new municipal leadership with the operations of local government so that they would be equipped to achieve the aim of a society in transition and the realisation of a well-grounded and advanced system of local government.

A pilot MLDP was expected to be implemented in Project Consolidate (PC) district municipalities from the end of 2006 onwards.

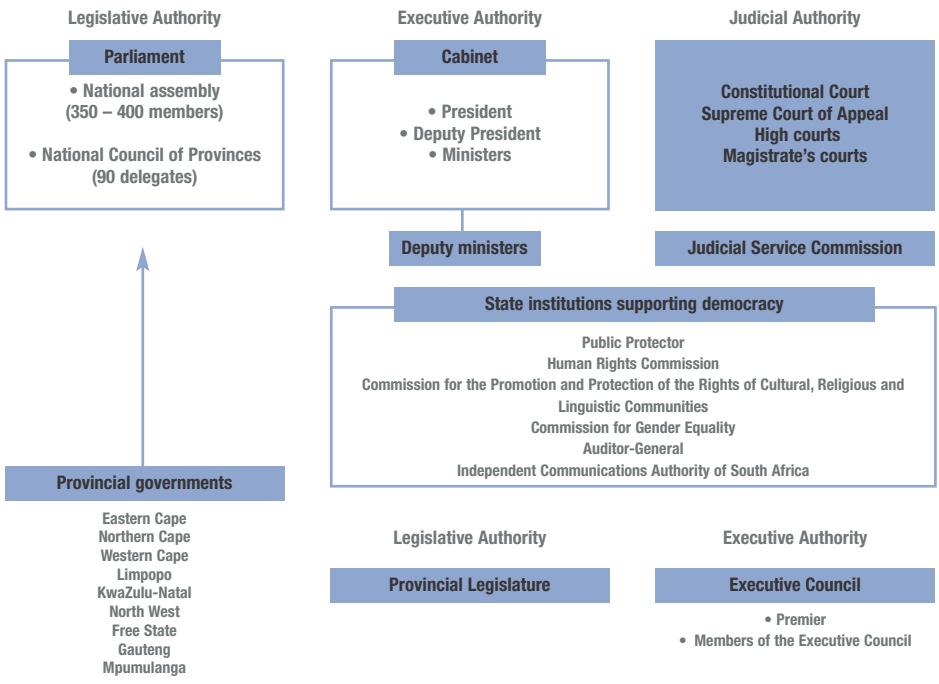
Legislation

The Local Government: Municipal Systems Act, 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 provided residents with an opportunity to compare this performance with that of others.

It also regulates public-private partnerships. The Act allows municipalities significant powers to corporatise their services, to establish utilities for service delivery, or to enter into partnerships with other service-providers. The Act provides for the adoption of a credit-control policy for 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.

Structure and functions of the South African Government



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. It fosters transparency at local government level through budget and reporting requirements.

The Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004), regulates the power of a municipality to impose rates on property; excludes certain properties from rating in the national interest; provides 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.

The Local Government: Municipal Property Rates Act, 2004 will be implemented in phases.

Municipal Infrastructure Grant (MIG) Programme

The MIG entered its third year of implementation in 2006/07. It is aimed at providing grant funding to municipalities to implement infrastructure that will allow them to provide at least a basic level of service to poor households. The MIG Programme is multisectoral, and sector departments play a pivotal role during the project lifecycle in supporting municipalities in delivering infrastructure services.

Since the inception of the MIG in 2004/05, government had contributed R9 876 billion by the end of March 2006 towards assisting municipalities in addressing infrastructure backlogs.

For the 2006/07 Medium Term Expenditure Framework (MTEF), R21 457 billion was allocated, comprising the capital allocations of R20 247 billion for all municipalities. The remaining R1 220 billion was made available to selected municipalities according to needs (for bucket-toilet eradication, Special Municipal Infrastructure Fund commitments and bulk infrastructure).

In 2005/06, government set aside R54 billion for the MIG. By the end of March 2006, the entire sum had been transferred to municipalities, but actual expenditure stood at R39 billion, which meant that the rate of spending on municipal infrastructure was at 72%.

Some 12 million person days of employment were created between 1 April 2004 and the end of December 2005. At the end of December 2005, 1 060 small, medium, and micro enterprises and 297 Black Economic Empowerment companies were involved.

To assist with the roll-out of the MIG at local level, project management units (PMUs) have been established to expand the project-management capacity performed by municipalities. This implies that municipalities should have dedicated human resources (HR) to perform project management to enhance the implementation of projects funded through the MIG and other municipality-managed infrastructure projects. An amount of a minimum of 0,5% and a maximum of 5% of the allocation (limited to R3,5 million) is allowed for the funding of PMUs in municipalities.

Relevant capacity is required in municipalities for implementing infrastructure services. Capacity is being developed in municipalities by establishing a pool of retired engineers to mentor graduates and students without experiential training, as well as semi-skilled HR in municipalities. The initiative will form part of the programme initiated by government through the Development Bank of Southern Africa called 'Siyeza Manje', which aims at providing hands-on support to municipalities for the acceleration of infrastructure service delivery.

Project Consolidate

To ensure that municipalities are not held back by poor performance and the attendant problem of service-delivery backlogs, the Department of Provincial and Local Government rolled out PC.

Over 70% of the 9 319 councillors who were elected in the 2006 local government elections participated in councillor induction sessions undertaken by the Department of Provincial and Local Government and the South African Local Government Association. This was part of government's capacity-building efforts at local government level.

A successful mayors' conference that was held in Cape Town in May 2006 provided an opportunity for mayors and representatives from all three spheres of government to interact and engage on the five-year strategic priorities for local government.

PC is a hands-on programme that allows national and provincial government, with private-sector partners, to find new ways of working with local government. It provides targeted focus and capacity-building to 136 municipalities identified for assistance.

The specific objectives of the programme are, among other things, to:

- rally the local government sphere in discharging its service-delivery and development mandate
- realise the people's contract and mobilise social partners around this programme
- entrench a people-centred orientation in the entire public sector and a new approach to local government's mode of operation
- establish a new and practical benchmark for local government performance excellence.

By September 2006, 218 experts had been deployed to 80 PC municipalities.

The PC municipalities continue receiving focused attention and support from national and provincial government. Some of the actions undertaken in the last quarter include the convening of a successful national workshop with about 1 000 engineers in March 2006. A significant purpose of this workshop was to make delegates aware of government's municipal infrastructure programme and of ways they can provide support.

Government and communication

The vision of Government Communications 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 producing and distributing government information products (including the *South Africa Yearbook* and *Pocket Guide to South Africa)* and for buying advertising space in bulk.
- 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 developing 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 access to public information that can assist them in becoming active citizens.
- Corporate Services provides financial management, administrative services, and HR administration and development.

The chief executive officer of Government Communications is the official spokesperson for government.

Government Communications is central to developing communication strategies and programmes for government's transversal campaigns. It also assists departments with specific campaigns and events, as well as in developing departmental communication structures.

Government Communications is responsible for maintaining the website, Government Online *(www.gov.za)*, which includes an information portal for general information about government, and a services portal, which is a source of information about all the services rendered by national government.

Government Communications leads or is involved in various communication partnerships and joint processes, including:

- An intersectoral programme to set up Thusong Service Centres (formerly multi-purpose community centres), providing information about how to access government services, as well as some government services at the centres themselves. By the end of September 2006,

The Integrated Sustainable Rural Development Programme (ISRDP) and the Urban Renewal Programme (URP), which run projects to improve service delivery and alleviate poverty, continue to focus on their key target groups – the poor, marginalised, underdeveloped and disadvantaged. The programmes aim to maximise the impact of all government resources and know-how in the 21 identified rural and urban nodes. Following a review of progress on the nodes, Cabinet approved the proposed financial interventions to support the nodes, within the framework of government's priority programmes.

A guide for national departments' participation in implementing the ISRDP and URP has been finalised.

In August 2006, the Department of Provincial and Local Government hosted a conference for important players and stakeholders in the field of Local Economic Development (LED), with the purpose of developing a shared understanding of good LED practice and of motivating more effective implementation. The conference themed *Partnering to Build a Sustainable Economy for All* aimed to mobilise South Africans to work together in stimulating regional and local economies to realise objectives of the Accelerated and Shared Growth Initiative.

87 Thusong Service Centres were in operation. A strategy for setting up one Thusong Service Centre in each of the country's municipalities by 2014 has been approved.

- Institutional support to the Media Development and Diversity Agency (MDDA), set up under the MDDA Act, 2000 (Act 14 of 2002), for which the Minister in The Presidency is the responsible minister.
- The development of the new coat of arms launched on Freedom Day, 27 April 2000, and the redesign of the national orders.
- The process towards the transformation of the advertising and marketing industry.
- The Academy of Government Communication and Marketing, in collaboration with the University of the Witwatersrand School of Public and Development Management, Unilever and the Mandela-Rhodes Foundation.
- The international marketing campaign led by the International Marketing Council (IMC).
- The Imbizo Campaign of direct interaction between government and the public.

(See chapters 5 and 6: *Arts and culture* and *Communications*.)

International Marketing Council

The IMC was established in 2000 to create a positive and united image for South Africa, and to give the country a strategic advantage in an increasingly competitive marketplace. Its mission is to:

- articulate a brand for South Africa, which positions the country to attract tourism, trade and investment
- realise international relations objectives
- establish an integrated approach within government and the private sector towards the international marketing of South Africa
- build national support for Brand South Africa.

The IMC's main objective is the marketing of South Africa through the Brand South Africa Campaign.

The IMC has succeeded in changing perceptions by hosting branding and investment missions in important markets overseas.

Another foray into international markets involved emblazoning 20 London taxis with the colours of South Africa's flag to raise awareness of South Africa's offerings among international traders, investors and travellers, with back-up information on the web portal, *www.southafrica.info.*

In November 2005, the council implemented its first in-bound mission which saw the country hosting a group of six science and technology writers from the United States of America (USA). The exercise showcased South Africa's cutting-edge science and technological achievements.

Other IMC activities internationally have involved advertising in publications such as *The Economist* and *Time* magazine.

European readers of *The Economist*, the world's leading business publication, voted advertisements promoting Brand South Africa among the 10 most memorable.

Through country managers in the USA, United Kingdom and India, the IMC lobbies the media, maintains supportive relationships with South African and local corporates, and co-ordinates all activities that provide marketing opportunities for South Africa.

Domestically, the IMC has continuously applied the following tools to facilitate the enhancement of national pride:

- The Communication Resource Centre is a state-of-the-art facility monitoring media coverage on South Africa anywhere in the world. Government

In August 2006, the International Marketing Council of South Africa (IMC) hosted the 2010 National Communication Partnership one-day conference on behalf of the 2010 National Communication Partnership Task Team that aimed to mobilise all those who would be promoting South Africa before, during and after the 2010 Fifa World Cup.

The conference will be held annually in the run-up to the 2010 Fifa World Cup to help build the 2010 National Communication Partnership.

communicators use the centre in formulating messaging concerning various issues relating to South Africa that are covered internationally.
- The Information Resource Centre collects, collates and makes accessible a vast spectrum of positive information about South Africa.
- The web portal *www.southafrica.info* is the official national gateway to the country for national and international Internet users, realising over 2,2 million page views a month, and containing over 25 000 pages of information which is updated daily.
- *The South African Story II* is the second version of the IMC booklet filled with facts, quotes and anecdotes that illustrate the extraordinary South African story and current challenges facing the country.

Parties in the National Assembly at midnight, 15 September 2005, after floor crossing

Party	Seats before	Seats after	Seats won	Seats lost
ANC	279	293	14	–
DA	50	47	2	5
IVP	28	23	–	5
UDM	9	6	–	3
ID	7	5	–	2
NNP	7	–	–	7
ACDP	7	4	–	3
VF Plus	4	4	–	–
Nadeco	–	4	4	–
UCDP	3	3	–	–
PAC	3	3	–	–
MF	2	2	–	–
UIF	–	2	2	–
Azapo	1	1	–	–
UPSA	–	1	1	–
FD	–	1	1	–
PIM	–	1	1	–

Source: *Beeld*

- The Brand Champion Programme through which highly skilled professionals are tasked with positioning the brand among South Africans and weaving the values of the brand into the fabric of society. The Brand Champion Team engages organisations, corporates and individuals, through workshops, to ensure that everybody who is well-positioned to interface with tourists, investors and traders is armed with an understanding of the Brand South Africa values and is also an ambassador of the brand.
- The *Alive with Possibility* newsletter is a weekly online communication tool showcasing positive stories coming out of South Africa.
- The *Boundless Opportunities* newsletter, which is produced in partnership with the JSE Securities Exchange Limited, targets stakeholders of the JSE, including all international exchanges.

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.

A number of intergovernmental structures promote and facilitate co-operative governance and intergovernmental relations between the respective spheres of government.

These include:
- 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 quarterly. These fora are supported by technical committees.
- A number of intergovernmental fora that facilitate co-operative governance and inter-governmental relations.

To improve integration among all spheres of government in both policy development and implementation, the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), was promulgated in August 2005.

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).

In the 2004 elections, the African National Congress (ANC) clinched victory in all nine provinces, gaining 279 of the 400 seats in the National Assembly.

The Democratic Alliance (DA) followed with 50 parliamentary seats, the Inkatha Freedom Party (IFP) was third with 28 seats, the United Democratic Movement won nine seats, while the New National Party and the Independent Democrats secured seven seats each. The African Christian Democratic Party won six seats, the Freedom Front Plus four, and the Pan Africanist Congress and the United Christian Democratic Party three each. The Minority Front and Azanian People's Organisation won two seats each.

The ANC also gained the highest number of votes in the provincial results and won 69,68% of the national votes.

During the floor-crossing window, which closed at midnight on 15 September 2005, the ANC gained 14 members from other parties, including four from the DA, bringing its total in the 400-member house to 293. The DA lost five seats in total. Several new parties emerged.

Local government elections took place on 1 March 2006. The ANC strengthened its position, polling 66,34% from just under 60% in the previous municipal elections held in 2000.

This gave the ANC 5 718 of the 8 380 local government seats in South Africa's 283 municipalities.

The DA received 14,77% of the votes, taking 1 107 local government seats, followed by the IFP with 8,05% (738 seats).

The IEC recorded a 48,42% voter turnout, which was almost similar to the 48,07% recorded in the 2000 municipal elections.

Ninety-seven political parties contested the elections.

Disaster management

The Disaster Management Act, 2002 (Act 57 of 2002), provides for the establishment of the Intergovernmental Committee on Disaster Management and the 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 warnings 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 that 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

The Department of Public Service and Administration leads the modernisation of the Public Service by assisting government departments to implement their management policies, systems and structural solutions within a generally applicable framework of norms and standards, to improve service delivery.

Size of the Public Service

By the end of March 2006, the Public Service had 1 045 412 employees (excluding members of the South African National Defence Force). The aggregate size of the Public Service has remained remarkably constant within a 1% range of this figure over the past five years. Of these employees, 67% are attached to the social services sector (health, social development and education), followed by 20% in the criminal justice sector.

Restructuring of the Public Service

The department has made good progress in transforming HR management in the Public Service through new policies and agreements, including an agreement on transforming and restructuring the Public Service. The ability of the Public Service to rise to the challenges of the Accelerated and Shared Growth Initiative for South Africa (AsgiSA), as outlined by President Mbeki in his State of the Nation Address in February 2006, depends on HR capacity and its sound management.

Areas such as recruitment and selection, performance management, HR planning, the challenge of HIV and AIDS, and employment equity

need more attention if the Public Service is to maximise its human potential as envisioned in Chapter 10 of the Constitution.

Cabinet has approved a series of recommendations for strengthening the HR function in the Public Service. These recommendations include the roles and responsibilities of departmental HR components, legislative interventions and reforms required to strengthen compliance, and a competency framework for HR components in departments to execute their powers and functions, together with support interventions that will improve the delivery of HR services in the Public Service.

A review of the Senior Management Service (SMS) policy was completed in early 2006. The overall objective of the review was to determine, examine and investigate the effectiveness of policies and interventions in this area.

The review focused specifically on the recruitment, selection and retention of senior managers; mobility to enable government to deploy individuals across departments at national and provincial level; training and promoting a high standard of ethical conduct; quality of management; service delivery; the capacity to implement development programmes.

Work on the *Personnel Expenditure Review* started in 2005/06 and was expected to be completed in 2006/07. The review will be used as the basis for a new public-sector remuneration policy. Key focus areas of the revised policy are the remuneration of professionals and other scarce occupations, the creation of dual or parallel career paths for professionals and managers, greater differentiation in remuneration based on performance, and a total rewards approach for public servants.

Since the first democratic elections in 1994, there has been a significant increase in the number of political parties in South Africa.

A total of 97 parties participated in the 2006 municipal elections compared with 79 in the 2000 municipal elections, representing growth of 19%.

There were 17 000 voting stations in the 2004 general elections, compared with 19 000 stations in 2006. In the municipal elections alone, 45 189 candidates countrywide participated.

This represented a 50% increase in candidates participating, compared with 2000.

Management Policy and Procedure on Incapacity Leave and Ill-Health Retirement (PILIR) for the Public Service

In August 2005, Cabinet approved the roll-out of PILIR for the Public Service. The policy was implemented in 2006/07. A pilot exercise achieved excellent results, reducing the number of recommendations for ill-health retirement by half.

The objectives of PILIR are to:

- intervene and manage incapacity leave in the workplace to accommodate temporarily or permanently incapacitated employees
- facilitate the rehabilitation, reskilling, realignment and retirement of temporarily or permanently incapacitated employees, where appropriate.

PILIR adopts a holistic approach to health-risk management; prevents abuse of sick leave by managing incapacity or ill-health as far as possible; adopts a scientific approach to health-risk management based on sound medical, actuarial and legal principles; and implements health-risk management that is consistent, fair, objective, cost-effective and financially sound.

Medical assistance restructuring

Medical aid is one of the standard service conditions that employees expect from an employer of choice. Following extensive research that began in 1999, three major problems were identified with prevailing arrangements:

- unequal access to medical benefits for all employees
- the absence of cost-effectiveness in the delivery of healthcare benefits to members of existing schemes
- the limited range of options available to employees who can afford additional cover.

The Government Employees Medical Scheme (Gems) was established to address these issues. It was registered in accordance with the Medical Schemes Act, 1998 (Act 131 of 1998), in January 2005, and public-service employees began enrolling in January 2006. Gems is a restricted scheme for public-service employees. The scheme attracts both employees who have enjoyed medical

cover on open medical schemes and those employees who were previously unable to afford medical cover. By June 2006, the percentage of employees previously uncovered who had joined the scheme voluntarily comprised 40% of all Gems members. By June 2006, Gems had over 8 500 principal members covering 28 000 dependants.

Macro-organisational issues

Creating the ability for government departments to co-ordinate their efforts is one of the perennial problems faced in public administration. As a means of achieving co-ordination and unified government, the Department of Public Service and Administration has been working towards creating a single public service.

A sound governance framework has been put in place for the management of the Single Public Service Project. Five work streams – service delivery, information and communications technology (ICT), HR management and development, anti-corruption and legislation – report regularly to the Government and Administration Task Team on the Single Public Service. The first draft of legislation for the Single Public Service was expected to be submitted to Cabinet in November 2006. Simultaneously, National Treasury and the Department of Public Service and Administration are developing legislation on public entities.

Community Development Worker (CDW) programme

The CDW programme is one of the primary public-sector reform interventions to enhance development and the implementation of the Batho Pele principles, especially access. The CDWs are pivotal in bringing government closer to the people, and in ensuring that community members become directly involved in the delivery of state services.

By the end of May 2006, 3 158 candidates had been trained, with 1 039 candidates deployed full-time in provincial departments. It was envisaged that by August 2006, a total of 3 000 CDWs would be deployed as full-time public servants. Another 1 000 candidates were expected to be recruited to undergo the year-long learnership programme. Each candidate receives a monthly stipend of R888.

Some 543 CDWs were deployed in the 21 nodal points. All municipalities have a substantial number of CDW deployees, and at least 10 per municipality.

Strengthening institutional performance

Integrated Provincial Support Programme (IPSP)

Since its inception, the IPSP has supported five provinces (Eastern Cape, Limpopo, Free State, KwaZulu-Natal and Mpumalanga) in implementing successful innovative service-delivery initiatives.

Some of these initiatives, such as the review of PGDS, have started informing national and provincial policies and approaches aimed at achieving poverty alleviation, effective rendering of basic services and good governance. The financial support of the IPSP ended in July 2006. Different mechanisms of sustaining the strategic thrust and positive contribution of the programme within provinces were being investigated.

Service-delivery improvement

Batho Pele (People First)

A strategy has been formulated to revitalise Batho Pele (People First) in government, identifying new 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.

The campaign focuses on taking services to the people. This involves developing a comprehensive, integrated 2014 access strategy for the Public Service.

The following measures have been implemented as part of the campaign:

- public servants dealing directly with the public can now be identified by name tags
- ministers and public-service commissioners pay unannounced visits to service-delivery centres
- 289 senior managers, as part of Project Khaedu, spend time in service centres, assisting with service delivery and gaining first-hand experience.

The African Public Service Day (APSD) and Public Service Week (PSW) are organised and hosted annually. The PSW focuses on public servants, recognises their efforts and considers the way in which they serve communities. It specifically aims

Government's Programme of Action is available on Government Online *(www.gov.za)*. The information is updated regularly to keep the public informed of the implementation process.

to benefit women, young people and people with disabilities. The PSW offers opportunities for public servants to rededicate themselves to the roots of their profession by rendering service to the people.

The APSD celebrates the spirit of inter-governmental relations, with the express objective of rebuilding the continent through efficient and effective service delivery.

Research, learning and knowledge management

The Learning and Knowledge Management Programme has grown into a government-wide initiative to share knowledge and best practices, to learn from peers, and to provide platforms for innovation.

A number of learning networks have grown into self-sustaining platforms for communities. These include the Batho Pele Network, the Extended Public Works Learning Network, the HR Forum, and a monitoring and education (M&E) network. A forum for government researchers and policy analysts working within the governance and administration environment has also been established.

Some 12 000 copies of the learning journal, *Service Delivery Review,* are distributed to senior managers and practitioners across the Public Service yearly. The Annual Service Delivery Academy has grown into an event where more than 500 practitioners come together to learn and share success stories.

Other deliverables in the area of research, learning and knowledge management include a sector-analysis programme to strengthen an understanding of service-delivery constraints across the sectors, especially in housing and health.

In 2006, the Department of Provincial and Local Government published the Local Government Municipal Performance Regulations for municipal managers and managers directly accountable to them, for implementation as from 1 August 2006, to further strengthen the performance and accountability of municipalities.

The regulations provide a uniform framework that local, district and metropolitan municipalities can apply while taking into account their unique conditions. The regulations also provide for practical mechanisms and enablers in implementing, monitoring and evaluating service delivery and development.

Among other things, the regulations require that remuneration be based on competence; be market-related and appropriate to local conditions; and that municipal managers' performance agreements be directly linked to their municipal integrated development plans, and be based on the five key performance areas of local government.

Employment practices and career management

HR management in the Public Service propagates a culture of performance, hence the emphasis on developing competency and HR planning linked to strategic plans and to service-delivery improvement.

In 2002, the Competency Framework for the SMS was 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.

Following the development of the framework, a competency-assessment tool was tested for validity, reliability and lack of cultural bias in a number of departments. Following the presentation of the outcome of this study, Cabinet decided in February 2005 that this tool could be safely used voluntarily by government departments. By mid-2006, a phased roll-out was under way.

The Department of Public Service and Administration has finalised the development of a competency framework for middle managers. Accompanying the framework is a guide to assist in implementing the competency framework that was circulated to departments early in 2006.

In December 2005, the Minister of Public Service and Administration, Ms Geraldine Fraser Moleketi, presented proposals to Cabinet to implement an accelerated development programme for middle managers. The objective of the Sustainable Pools Scheme is to prepare participants from designated groups, especially black women, to compete successfully for vacant senior-management positions.

The concept is one of talent development that takes the form of accelerated development training to create a sustainable pool of upwardly mobile managers. Samdi and the department are running the initiative. Three provincial administrations (KwaZulu-Natal, Western Cape and Mpumalanga)

and two national departments (Trade and Industry and Home Affairs) are targeted for participation.

Cabinet approved the first group of middle managers' enrolment in the programme in 2006.

The minister submitted to Cabinet new numeric employment-equity targets in respect of women at senior management levels, and of people with disabilities at all levels. Cabinet approved a target of 50% gender representivity at senior management levels to be achieved by 31 March 2009, and a 2% target for persons with disabilities to be achieved by 2010. Cabinet also approved the implementation of programmes that will speed up and support the achievement of these targets in the Public Service.

The minister's performance-management mandate is largely limited to the performance-management system of the SMS. The minister approved proposals to improve the SMS performance-management and development system for implementation on 1 April 2006. A system for managing the performance of other levels was also finalised and issued to departments for voluntary use.

Benefits

Pension provisioning restructuring

The Public Service Co-ordinating Bargaining Council (PSCBC) has finalised two collective agreements, namely the PSCBC Resolution 12 of 2002 and PSCBC Resolution 7 of 2003. The agreements provide for the introduction of new benefits (orphans' pension and funeral benefits), the restructuring of identified existing benefits (spouses' pension percentage), as well as a new procedure for changing employers' contribution rates to the Government Employees Pension Fund. The agreements also deal with the recognition of non-contributory service as pensionable service for employees disadvantaged by past discriminatory pension practices.

Housing

Resolution 2 of 2004, in terms of which the previous home-owner allowance scheme assisted only employees repaying a bond on their property, has been repealed and replaced with a housing allowance.

The housing allowance is a monetary sum that the employer pays every month in addition to an employee's salary to assist in the payment of rent or instalments on homes.

The maximum value of a housing allowance is not automatically provided. As part of the agreed phasing-in process, the housing allowance will be increased from R100 per month over five years to a maximum of R403 per month. The maximum allowance will also be revised quarterly to provide for changes in the interest rate, whereafter it will be fixed on 1 January 2009.

Leave

With the adoption of Resolution 7 of 2000, the leave benefits of public servants were restructured in line with current practices, as well as the requirements of the Basic Conditions of Employment Act, 1997 (Act 75 of 1997). The restructured benefits include annual leave, sick leave, incapacity leave, family responsibility leave, maternity leave, adoption leave, leave for occupational injuries and diseases, leave for union activities and special leave.

According to the agreement, annual leave became an entitlement for the first time. This means that should employees terminate their services in the course of a leave cycle, or should they be unable to take such leave due to operational reasons, unused credits are payable to them. Another added value is the introduction of the benefit of incapacity leave. Should employees, after their normal sick leave, require additional leave to recover from a serious illness or injury, incapacity leave may be granted, subject to an investigation by the employer.

In 2006, the Minister of Public Service and Administration, Ms Geraldine Fraser-Moleketi, and the Indian Minister for Personnel, Public Grievances, Pensions and Parliamentary Affairs, Mr Suresh Pachouri, signed the Memorandum of Understanding on Co-operation in the Field of Governance, Administration and Other Related Areas.

Some of the areas in which the South African and Indian governments have agreed to co-operate include mentorship and exchange programmes to facilitate skills transfer, human resource development, the training of public officials and joint training programmes for senior management.

Fighting corruption

The battle against corruption remains extremely high on government's agenda. Government departments have been provided with a new guide to establishing minimum anti-corruption capacity. The revised guide provides practical examples of successful implementation.

A training programme dealing with the requirements has also been developed for roll-out during 2006. At national level, the National Anti-Corruption Forum (NACF) has developed and adopted the National Anti-Corruption Programme (NAP) at its second National Anti-Corruption Summit in March 2005. Resolutions informing the programme pertain to ethics, awareness, prevention, combating, oversight, transparency and accountability. Government has made R7,7 million available for its implementation. The NACF is assuming the responsibility of driving the NAP. This programme is a tangible example of co-operation between government and non-government sectors, and reflects the commitment of the leaders of these sectors to fight corruption.

The first project of the programme focusing on the Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004), has been completed. The project has developed guidelines on the Act. It will contain a section explaining the Act in plain language, which will be translated into all 11 languages.

In April 2007, South Africa will host the Global Forum V on Fighting Corruption and Safeguarding Integrity. This premier intergovernmental event will bring together 1 500 government leaders and experts, as well as representatives from international organisations and civil society. The forum will provide for the exchange of information and good practice on fighting corruption, and will offer Africa and South Africa an opportunity to showcase its anti-corruption gains.

Human-resource development (HRD)

The HRD Strategy for the Public Service was launched in April 2002 to maximise people development, management and empowerment through quality skills development to accelerate transformation and service delivery. The strategy is supported by various laws such as the Skills Development Act, 1998 (Act 97 of 1998), the Skills Development Levies Act, 1999 (Act 9 of 1999), and the *1997 White Paper on Public Service Training and Education*. The vision of an integrated human-resource management (HRM) system underpins the implementation of the strategy.

A review of the implementation of the HRD Strategy 2002 – 2006 is planned to inform the development of the second edition of the HRDS 2007 – 2010 for the public sector. The second HRD Strategy will be aligned with new initiatives such as AsgiSA, the Joint Initiative on Priority Skills Acquisition, PGDS and departmental HR plans.

Through the first HRD Strategy, the number of unemployed graduates was reduced, and learnerships and internships in government departments were increased. Through this programme, departments have been able to build capacity, especially in areas of scarce skills. Internship and mentorship guides have been reviewed to deal with the challenges that have inhibited effective implementation of the programmes. Improvements include a uniform framework that will regulate the appointment of interns and learners in the Public Service.

Relationships with Higher Education institutions and professional bodies in the domain of public administration have been strengthened.

Proposals have been made regarding a framework to improve the physical working environment. Draft modernised office norms and a policy on government-wide immovable asset management have been developed. A plan for improving the physical work environment of national departments' headquarters in Pretoria and in the Tshwane Municipality is being implemented.

Employee health and wellness

The Public Service Regulations were amended in 2002 to include mandatory minimum standards for managing HIV and AIDS in the Public Service. In terms of the amended regulations, the heads of all government departments are obliged to implement minimum standards that outline what programmes must be put in place to support infected and/or affected employees, as well as to prevent stigma and discrimination against such employees.

Despite some challenges, implementation of the minimum standards is proceeding well and the programme has been recognised and documented as a best-practice model by the International Labour Organisation.

While the initial focus of the Public Service workplace programme was on managing HIV and AIDS, the PSCBC Resolution 8 of 2000 acknowledged the need for a comprehensive programme to deal with employee health and wellness.

The focus of the programme is being expanded to include all health- and wellness-related issues that might influence employees' ability to perform. The Public Service Employee Health and Wellness Programme encompasses:

- the current HIV and AIDS Programme
- the Employee Assistance Programme
- occupational health and safety
- disaster management
- health promotion and disease prevention.

Public-service information

A draft document on principles and practices for the government-wide M&E System has been drafted. By September 2006, M&E skills levels in departments were being assessed to guide the development of training courses. Reporting formats were being designed and a database integrating information, including departments' strategic plans, quarterly reports and annual reports was to be deployed in March 2007.

The Public Management Watch, a system established by the cluster to monitor the management performance of government departments, will be developed soon to provide a report for Cabinet on the state of governance and administration in the Public Service.

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 government when and how to intervene in the interest of enhanced service-delivery through the use of ICT.

The council has a critical role to play in enhancing delivery of state services.

It has been involved in investigating, formulating and developing 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 to make recommendations on the use of open-source software in government. Another working group investigated knowledge management in government. All ICT projects will be brought in line with the objectives of the Gateway project.

Batho Pele Gateway Services Portal

The Batho Pele Gateway Services Portal was launched at nine Thusong Service Centres countrywide on 3 August 2004.

The Department of Public Service and Administration has transferred responsibility for providing the content for the Gateway Services Portal (accessed via South Africa Government Online *[www.gov.za]*) to Government Communications. It is supported by content managers in every department to ensure that services offered to the public are fully and accurately reflected.

On 1 May 2006, a revamped Batho Pele Gateway Portal went live. The current portal is staged in a new technology platform that is more secure and that can accommodate provincial and local government services information. The portal is accessible in seven languages in the new portal, namely English, isiZulu, isiXhosa, Afrikaans, Sesotho, Setswana and Sesotho sa Leboa. The other four official languages were expected to be represented by March 2007.

The Gateway Call Centre (1020) is also operational. The next phase of the Gateway Project involves making service transactions available online.

Centre for Public Service Innovation (CPSI)

The CPSI has driven innovative service delivery in the Public Service for a number of years.

The CPSI strives to create opportunities for enhancing access to government services through innovative means. In partnership with the State Information Technology Agency (Sita), Government Communications, Universal Services Agency and the Department of Public Service and Administration, the CPSI piloted the General Services Counter (GSC) in nine Thusong Service Centres. The GSC allows citizens to access information and services using the Batho Pele Gateway Portal. By mid-2006, the CPSI was rolling out the GSC to 54 existing Thusong Service Centres.

As part of the mandate to improve service delivery, the CPSI and Sita piloted the CDW-Gateway Project that provides satellite-enabled

laptops to CDWs for citizens to access the Batho Pele Gateway Portal for information and services.

The annual CPSI Public-Sector Innovation Awards recognise individuals, projects and programmes directed at enhancing public-service delivery.

A series of publications of innovation at work are published by the CPSI.

State Information Technology Agency

Sita is the only public entity reporting to the Minister of Public Service and Administration. It is a private company, established in terms of the Sita Act, 1998 (Act 88 of 1998), to enable government to improve service delivery to the public by providing IT, information systems and related services.

Sita works on a number of strategic initiatives that form the core of its work programme for the 2006 MTEF. These include the Batho Pele Gateway Project, E-Health, E-Education and the integrated financial management system. In 2005/06, Sita focused internally on the Tswelopele turnaround strategy that has contributed to increased revenues and a sounder financial position for the organisation as a whole.

Sita's future direction will be driven, firstly, by the implementation of a government tele-communications and convergence strategy that will put it at the leading edge of technology, and by the introduction of voice-over-IP technology, which could significantly reduce costs to government; and secondly, by PC, the government programme that aims to help municipalities create capacity for service delivery. Sita will contribute IT solutions.

International and African affairs

Minister Fraser-Moleketi chairs 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, in the International Institute for Administrative Sciences, and in the activities of the United Nations (UN) pertaining to public administration. In addition, the ministry continues to conclude 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 Secretariat, the Ministry of Public Service and Administration spearheaded the development and adoption of a continental programme on governance and public administration.

The programme focuses on institutional capacity, research and data availability, as well as innovation and training in the Public Service across all African countries. It has been adopted as a programme of the African Union.

In addition to this comprehensive programme, South Africa has also been called upon to provide direct assistance to other countries. As part of a bilateral agreement, the Democratic Republic of Congo (DRC) requested that the South African Government provide technical assistance in the arena of governance and public administration.

African Peer Review Mechanism (APRM)

South Africa was one of the signatory countries to the APRM. The Minister of Public Service and Administration was designated the focal point for the South African process in September 2004, and she is in charge of the overall responsibility for leading the process, also chairing the APRM Governing Council. An interdepartmental committee and interim secretariat, which is located within the Department of Public Service and Administration, was established to assist Minister Fraser-Moleketi in setting up the necessary structures to implement the mechanism in South Africa.

Key departments critical for providing data on the four thematic areas of the APRM were identified, namely the departments of public service and administration, trade and industry, justice and constitutional development, foreign affairs, The Presidency, National Treasury and Statistics South Africa.

The first national consultative conference took place in September 2005 with the dual purpose of formally launching the mechanism in the country and kick-starting implementation through the inauguration of a national governing council (NGC).

South Africa hosted the country support mission in November 2005. The mission was led by Prof. Adebayo Adedeji, member of the APRM Panel of Eminent Persons.

The mission was satisfied with the preparatory work undertaken by South Africa. This led to the signing of a memorandum of understanding between President Mbeki and Prof. Adedeji (on behalf of the APRM Forum and Panel of Eminent Persons), to commit South Africa to the process and to the conditions outlined in the APRM guideline documents.

The NGC and provincial governing councils facilitated mobilisation and consultation through national and provincial conferences, district and sectoral workshops, and various communication mechanisms such as outdoor broadcasting events. Small group discussions with communities in rural areas were facilitated by CDWs and ward committees.

The country self-assessment report was submitted to the APRM Panel of Eminent Persons in June 2006. South Africa hosted the APRM Review Mission from 9 to 25 July 2006. The mission consulted with stakeholders at national level and in the provinces of Gauteng, North West, Northern Cape, Western Cape, Free State, Mpumalanga and KwaZulu-Natal. The corporate governance expert members of the mission consulted with additional stakeholders in July 2006.

The review mission was expected to submit their draft Review Report to the South African Focal Point at the beginning of October 2006. South Africa was to have the opportunity to comment on the Review Report after which it was to be submitted to the African Peer Review Forum of Heads of State. The APRM process enabled maximum participation in the development and implementation of a programme of action to improve the quality of life of all South Africans.

APRM documents are available on the APRM website (*www.aprm.org.za*).

Governance and Administration Cluster

A national cluster system comprising six Cabinet committees and five corresponding administrative structures of Fosad was introduced in 1999.

In December 2005, directors-general signed the Public Service Pledge, marking their commitment to leading the campaign for integrity in the Public Service, and in the provision of service delivery to all people.

These structures are the Governance and Administration Cluster; Social Cluster; Economic Cluster; Justice, Crime Prevention and Security Cluster; and International Relations, Peace and Security Cluster.

The Governance and Administration Cluster is co-chaired by the directors-general of the Department of Public Service and Administration, the Department of Provincial and Local Government and Samdi.

The cluster has three broad priorities:

- to address the capability needs of the developmental State
- macro-organisation of the State
- planning, implementation and M&E.

Public Service Commission (PSC)

The PSC derives its mandate from sections 195 and 196 of the Constitution. Section 195 sets out the values and principles governing public administration, that should be promoted by the commission. These values and principles are:

- a high standard of professional ethics
- efficient, economic and effective use of resources
- a development-orientated public administration
- provision of services in an impartial, fair and equitable way, without bias
- responding to people's needs and encouraging the public to participate in policy-making
- accountable public administration
- fostering transparency
- the cultivation of good HRM and career-development practices
- a representative public administration with employment and personnel-management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past.

In terms of section 196(4) of the Constitution, the functions and powers of the commission are to:

- promote the values and principles, as set out in section 195, throughout the Public Service
- investigate, monitor and evaluate the organisation, administration and personnel practices of the Public Service, in particular, adherence to the values and principles set out in section 195, and public-service procedures
- propose measures to ensure effective and efficient performance within the Public Service
- give directives aimed at ensuring that personnel procedures relating to recruitment, transfers, promotions and dismissals comply with the values and principles set out in section 195

- report on its activities and the performance of its functions
- investigate and evaluate the application of personnel and public-administration practices, and report to the relevant executive authority and legislature
- investigate grievances of employees in the Public Service concerning official acts or omissions, and recommend appropriate remedies
- monitor and investigate adherence to applicable procedures in the Public Service
- advise national and provincial organs of state regarding personnel practices in the Public Service.

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 PSC is structured around the following key performance areas:

Labour-relations improvement

Sound labour-relations policies and good HRM have to be advanced to maximise human potential to ensure the effective use of all the resources necessary to promote an acceptable and transparent public administration.

To meet this challenge, the OPSC's Labour-Relations Improvement Unit:

- investigates grievances lodged with the PSC and makes recommendations to executing authorities
- investigates, monitors and evaluates labour-relations policies and trends in the Public Service and makes recommendations in that regard
- monitors and evaluates the capacity and ability of departments to implement recommendations made, and monitors compliance with grievance rules generally.

The number of grievances handled by the PSC increased from 392 in 2005 to 486 in the year until March 2006. This may be attributed to the new grievance rules that set stringent time frames for departments to adhere to. In terms of the grievance rules, departments have only 30 days in which to deal with grievances (although this time period may be extended if agreed to by the aggrieved party). If a grievance is not resolved to the satisfaction of the aggrieved party, he or she may request that it be referred to the PSC.

The grievance rules have been translated into all official languages and are available on the PSC website (*www.psc.gov.za*).

Public-administration investigations

This unit is responsible mainly for audits and forensic investigations into public-administration practices. This entails investigating complaints lodged and requests emanating from, among others, executing authorities, public servants and whistle-blowers.

The unit also conducts research on general public-administration trends, and gives advice, makes recommendations and publishes reports, such as the *Report on Financial Misconduct,* on these trends.

Most of the investigations relate to anonymous complaints regarding maladministration and irregularities pertaining to HR and procurement practices. Furthermore, the unit undertakes cross-functional investigations in collaboration with other organs of state, such as the Public Protector.

Professional ethics and human resource reviews

The approach of the PSC is to address corruption proactively and in an integrated manner, focusing on the creation of an ethics-management infrastructure.

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 implementing the projects identified in the strategy.

In 2005/06, the commission undertook several activities to implement the strategy and to build the capacity of the Public Service to prevent and fight corruption. These included:

- Providing anti-corruption training.
- Providing secretariat services to the NACF.
- Launching a generic professional-ethics statement to inculcate and maintain a culture of integrity and ethos within the Public Service.
- Implementing the NAP of the NACF.
- Establishing the toll-free, 24-hour National Public Service Anti-Corruption Hotline facility (0800 701 701) to which fraud and corruption can be reported. By May 2006, the hotline had generated 1 681 corruption-related and

1 056 service-delivery complaint cases for further handling and investigation by departments. Consistent with the resolutions of both the 1999 and 2005 national anti-corruption summits, the hotline is expected to play a continuous role in the fight against corruption.

The PSC's activities in respect of HRM and development mainly focus on:

- researching latest trends relating to strategic HR issues
- providing professional advice on strategic HR practices and reviewing HR processes within the Public Service
- developing programmes to ensure the promotion of good HR strategies, practices and principles.

The PSC continuously conducts reviews to ensure that it promotes good HR strategies, practices and principles. One of the pillars the PSC uses is the *White Paper on Transformation of the Public Service*, which states that each department at national and provincial level is required to draw up HR strategies designed to meet the specific needs of public servants. Departments are expected to be in line with HR policy objectives/ legislative frameworks as may be required by the PSC, the Department of Public Service and Administration and other stakeholders. In line with its role in HR research and reviews, the PSC undertook various projects during 2005/06.

Disability

According to recent statistics on the State of Representativeness in the Public Service as at February 2006, people with disabilities comprised 0,02% of the Public Service, which was a decline from the 0,25% achieved in 2002.

In March 2006, the PSC outlined the following objectives:

- strengthening links with organisations for people with disabilities
- ensuring that affirmative action plans are included in the HR plans of national and provincial departments with specific reference to redressing numeric targets for people with disabilities
- partnering relevant stakeholders (Samdi and the departments of labour and of public service and administration) to raise awareness and increase sensitisation on disability issues.

In this regard, the PSC intends to review the progress made, and to come up with strategies to assist departments in meeting the disability targets.

Toolkit on recruitment and selection

The Public Service is a labour-intensive employer and the quality of its services is directly dependent on the quality and performance of its employees. The manner in which recruitment and selection is conducted should reflect fairness and transparency.

The purpose of the toolkit is to assist in various areas of recruitment and selection. It addresses, among other things:

- principles and underlying recruitment and selection practices
- the dynamics of recruitment and selection with the focus on the importance of various role-players
- a framework for policy development.

HIV and AIDS in the Public Service

During 2005/06, the PSC undertook a study to assess the impact of HIV and AIDS in the Public Service. The primary focus of the study was to determine the extent to which the Public Service was implementing the policy framework.

It also sought to identify opportunities and threats regarding HIV and AIDS in the workplace, and best practices to minimise such threats and to optimise opportunities. The report on the evaluation of the policy framework on managing HIV and AIDS in the Public Service was released in June 2006.

In December 2005, Cabinet examined progress in meeting employment-equity targets in the Public Service. It was noted that while in the past few years an increasing number of persons with disability had been employed, the target for 2005 had not been met. The meeting approved a 2% target for persons with disability by 2010.

By December 2005, women made up 29% of management in the Public Service, only 1% short of the target for 2005. However, at the level of director-general, women accounted for only 19%. It was agreed that issues such as training, addressing the work environment, and dealing with high turnover rates among females needed to be addressed. Given the experience gained in the past few years in this area, Cabinet decided on a 50% equity target for women at all levels of the Senior Management Service by 2009.

Gender-mainstreaming initiatives

As a result of the slow progress in achieving affirmative action, and the resulting detrimental impact in achieving gender equality, the PSC undertook a study to assess the progress of gender mainstreaming and to provide implementable strategies. According to statistics gathered by the PSC on the state of representivity in the Public Service as at February 2006, females comprised 28,7% of the Public Service, which was a shortfall of 1,3% from the set target of 30%. The challenge for the PSC is to ensure that women are not only mainstreamed into senior management positions, but also that a conducive environment is created for them.

Affirmative action

In accordance with section 196 of the Constitution, the PSC has a major role to play in monitoring progress towards greater representivity in the Public Service. It is against this mandate that the PSC undertook a comprehensive audit of affirmative action in the Public Service. Some of the objectives were to:

- develop a conceptual framework which provides for a shared understanding of empowerment issues in HRM within the framework of affirmative action
- determine the extent to which government departments have complied with the policy and legislative requirements and measures, taking into account national and provincial demographics
- present a comprehensive analysis, based on the above, of the success and failures of affirmative action, and recommend requirements for further implementation.

Most departments did not identify barriers to fulfilling affirmative-action requirements. In instances where barriers were identified, a combination of factors was mentioned, of which unavailability/scarcity of skills from designated groups was the most cited factor.

Leadership and performance improvement

This unit facilitates the performance management of heads of national and provincial departments, monitors practices affecting public-sector leadership, and assesses the performance of government departments.

The PSC has developed a framework for evaluating heads of departments (HoDs). All qualifying HoDs should be evaluated according to this framework at the end of each financial year. Their performance agreements are filed with the commission, for quality- and compliance-control purposes.

A system to measure organisational performance has also been developed.

Service delivery and quality assurance

This unit promotes improved service delivery through public participation and quality audits of a performance, management or regulatory nature. Through diagnostic assessments and recommendations, the unit advises departments about improving their service processes, including their ability to comply with government prescripts such as the Promotion of Administrative Justice Act, 2000 (Act 3 of 2000).

Governance monitoring

This unit promotes the constitutional values and principles underpinning good governance, and, through the implementation of various strategic projects, contributes to improved governance practices in the Public Service.

A key priority of the commission is to ensure the implementation of the Public Service Monitoring and Evaluation System (PSM&ES), which focuses on the performance of individual public-service departments. The PSM&ES is based on the nine values and principles set out in section 195 of the Constitution. In applying the system, problem areas are identified, priority areas communicated, good practice noted and departments given an opportunity to reflect on their own performance.

The unit is responsible for managing this system and for undertaking departmental assessments continuously.

The fourth annual edition of the *State of the Public Service Report* afforded the commission the opportunity to comment on the state of the Public Service by referring to internal research conducted, as well as limited external research.

In promoting the use of M&E practices, the PSC has presented its work at international fora such as the Joint American and Canadian Evaluation Association Conference in Toronto, and the Malaysian Evaluation Association Conference in Kuala Lumpur. The PSC papers were well received, confirming that South Africa has made great strides in the field of M&E. The PSC has also played an

active role in the formation of the South African M&E Association.

South African Management Development Institute

Samdi is responsible for:

- creating a public sector that understands and encourages the concept of lifelong learning as an investment in human capital
- shaping a public-sector learning framework to address the needs of the two economies through sustained development in a wide range of skills, particularly in scarce skills areas such as financial and project management
- supporting the activities of the Governance and Administration Cluster by providing transversal HRD programmes aimed at enhancing the capacity of the State to deliver services to its citizens
- developing the potential of public-service officials through relevant, practical and targeted skills development and training interventions that are primarily aimed at reducing service-delivery blockages
- participating in a structure within which management-development institutes across the continent can contribute to the upliftment and growth of African nations, particularly those undertaking post-conflict reconstruction processes.

Samdi has been working closely with the DRC and Sudan in strengthening their post-conflict development processes.

Samdi has developed a programme for strengthening the capacity of members of the executive to execute their responsibilities. Due to the varying nature of responsibilities at provincial level, Samdi has initiated a partnership with provinces to develop individual learning strategies, informed by a training-development needs analysis, to ensure that the appropriate skills are shared at the right time with the right people. This programme has been piloted in the Northern Cape, and the lessons learnt will be used to further strengthen and shape the programme for implementation in other provinces.

The Integrated Management Development Programme was established to ensure a comprehensive approach to developing public-service managers. It consists of the:

- Presidential Strategic Leadership Development Programme for senior managers on levels 13 to 16
- Advanced Management Development Programme for middle managers on levels 9 to 12
- Emerging Management Development Programme for junior managers on levels 6 to 8
- Foundation Management Development Programme for first-line supervisors on levels 3 to 5.

The first three programmes are accredited through tertiary institutions, while the fourth is a skills programme at National Qualifications Framework Level 4. Samdi introduced the Foundation Management Programme to ensure that there is a sustainable pool of potential management candidates upon which government can draw to implement its programmes and activities.

The institute provides capacity-building through Corporate Resource Management Training, which includes programmes such as Supply Chain Management Training and HRM Training to strengthen government delivery systems.

Government priorities around gender mainstreaming, anti-corruption, and induction and reorientation programmes are also presented to public servants.

During 2005/06, Samdi delivered 80 000 person training days, which resulted in 18 625 persons being trained. The pillars of establishing a quality management system and the process of developing a strategy for the institutionalisation of a Samdi learning methodology have been identified, and an instructional design framework achieved.

In 2006/07, Samdi continued providing programmes to build competence to improve accountability, to deliver results, and to manage people and strategic management. In addition, the following three new programmes received attention:

- government-wide M&E training
- the Accelerated Management Development Programme
- induction and reorientation programmes.

The institute will be developing norms and standards for capacity-building for all departments at national, provincial and local government level, to ensure that an appropriate skills and competency base is developed that can respond effectively to the service-delivery requirements of the country.

Home affairs

The Department of Home Affairs provides individual status-determination services.

The department has a network of offices in all provinces. Mobile offices or units service areas on a regular pre-arranged basis where the establishment of fixed offices is not warranted.

The department is divided into five functional-support 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, a division of the Department of Home Affairs, 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 manufacturing and supplying fingerprint ink to the South African Police Service (SAPS), and printing postage stamps for the DRC and Lesotho.

Negotiations on the rationalisation of the Government Printing Works' services with provincial printing facilities are in progress.

Civic services

The Branch: Civic Services is responsible mainly for population registration and civic services. Population registration entails recording personal particulars in the Population Register with a view to issuing identity documents (IDs); identification by means of fingerprints and photographs; and dealing with matters pertaining to the status of persons, such as births, marriages and deaths.

Civic services entail issuing passports, registering foreign births, determining citizenship, and issuing certificates of naturalisation or resumption of South African citizenship.

Most of the programmes that form part of the Home Affairs National Identity System (Hanis) were at an advanced stage or near completion by August 2006. By April 2006, 23 645 384 million records (79% of the target of 30 million) had been digitised. This will assist all law-enforcement agencies in their verification and identification processes, and will also be of great value to other institutions such as banks where client verification will be faster. Over 14 million digital records had been absorbed into Hanis by August 2006 and the target for completing this was February 2007.

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 hosted by the Department of Home Affairs, stores and provides citizenry-identification information, including unique identification numbers, addresses, birth dates and marriage status. Information on this system is used for various purposes, including identity validation. In essence, this system forms the core of citizenry-information systems within the department.

Evolving technology, modern government structures and the need for more secure systems led to the department embarking on a programme to re-engineer the Population Register. This will align its function with the current government dispensation and future needs of both the Government and third-party institutions. This project is closely aligned with the implementation of the Home Affairs National Identification System (Hanis), which was approved by government in January 1996.

The focus of the project is on providing a more scalable, adaptable, efficient, secure and interoperable database. Features 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 deconsole units. By mid-August 2006, most of the programmes that formed part of Hanis were at an advanced stage or nearing completion. These included populating the Fingerprint Identification System by converting over 40 million fingerprint records.

Immigration

The Branch: 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 South Africa illegally.

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 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 works closely with the South African Revenue Service and with the SAPS to ensure effective border control.
- A computerised visa system was instituted to curb the forgery of South African visas and is being extended to all South African missions abroad.

The final immigration regulations came into effect on 1 July 2004. The release of these regulations followed the signing of the Immigration Amendment Act, 2004 (Act 19 of 2004), into law on 12 October 2004.

The immigration policy aims to:

- discourage illegal migration into South Africa by encouraging foreign nationals to apply for different permits to legalise their stay in the country
- create an enabling environment for foreign direct investment in South Africa
- attract scarce skills required by the economy in accordance with the 2014 vision of eradicating poverty and underdevelopment.

The final immigration regulations furthermore aim to establish a new system of immigration control to ensure that:

- temporary and permanent residence permits are issued as expeditiously as possible and according to simplified procedures
- security considerations are fully satisfied and the State regains control over the immigration of foreigners to South Africa
- economic growth is promoted through the employment of needed foreign labour, foreign investment is facilitated, the entry of exceptionally skilled or qualified people is enabled, skilled HR are increased, and academic exchange programmes in the Southern African Development Community region (SADC) are facilitated
- tourism is promoted
- the contribution of foreigners to the South African labour market does not adversely affect existing labour standards and the rights and expectations of South African workers
- a policy connection is maintained between foreigners working in South Africa and the training of South African citizens
- a human rights-based culture of enforcement is promoted.

The Directorate: Refugee Affairs manages refugee services in South Africa. It has established the Asylum Seekers Unit and Country of Origin Information Unit.

These units advise refugee-reception offices on policy-related matters and on the background information of an applicant's country of origin. After being recognised, refugees are issued with refugee IDs, which give them access to the basic services in South Africa, including basic healthcare, education and employment.

The South African Government, through the Department of Home Affairs, issues UN travel documents to refugees. Since May 2005, refugees have been issued with a refugee smart ID, which contains security features that are not forgeable.

By mid-2006, Refugee Affairs was engaged in eradicating a backlog of asylum applications amounting to 111 153, to ensure that the deserving applicants were duly recognised.

This will also assist the department to identify the skills of refugees that can be actively used in the South African economy.

This directorate seeks to professionalise the functioning of the refugee regime in preparation for mass influxes in the future, the main focus as a measurement point being the 2010 Fifa Soccer World Cup.

The department also seeks to assist those who wish to return to their countries of origin after changes in the circumstances that led to their forced migration, by engaging in campaigns of voluntary repatriation jointly with the UN High Commissioner for Refugees, and later declaration and application of cessation clauses, e.g. the Angolan Repatriation Programme.

The department received 6 177 applications from refugees in 2005, while 3 331 IDs and 308 smart cards were issued.

The number of travel documents issued for refugees in 2005 totalled 4 951.

The Directorate: Information Co-ordination manages information on the National Immigration Branch (NIB) to facilitate regional and national operations.

The directorate's main objectives are to:

- establish an information repository, which acts on risks and urgent immigration matters
- ensure dynamic real-time support on tactical and legal matters to immigration officers globally.

Between May and December 2005, mobile units from the Department of Home Affairs:

- collected 52 479 identity document (ID) applications
- registered 11 339 births
- collected 4 232 Lokisa Ditokomane campaign applications
- issued 825 temporary identity certificates
- collected 213 passport applications
- issued 5 931 certificates (including births, marriages and deaths)
- registered 347 marriages
- distributed 1 561 IDs to the respective applicants.

Future systems will include the roll-out of a library system to accommodate paper correspondence and an incident-reporting system to capture and analyse events across the country.

A 24-hour operational centre will be established where immigration-related enquiries and incidents from the department's regional offices, border posts and South African missions abroad will be attended to.

Visas

Foreigners who wish to enter South Africa must be in possession of valid and acceptable travel documents. They must have 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 South Africa are examined by immigration officers at recognised ports of entry, to determine whether such persons comply with the requirements.

Control of sojourn

Foreigners who are in the country illegally and who are therefore guilty of an offence may 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 may also be prosecuted.

Permanent residence

Government allows 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 to 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 new regulations, regions will be responsible for issuing permits previously issued by the regional committees in respect of permanent residence. They will also do so in respect of temporary residence.

Enquiries in this regard may be made to the nearest office of the Department of Home Affairs in South Africa, to missions abroad, or to the Director-General of Home Affairs for the attention of the Directorate: Permitting 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 exempt 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 visitors' permits for the mentioned period will be issued, provided such persons can produce evidence to prove their bona fides.

Foreigners who are citizens of countries that are exempted from visa requirements for less than 90 days may likewise obtain visitors' permits at a port of entry. Such foreigners enjoy an exemption for the period only. Foreigners who require a visa prior to proceeding to South Africa, or who intend to enter South Africa for any period longer than the period for which they are exempt from the visa requirement, must apply for and obtain a visa prior to proceeding to the country.

Foreigners who intend to accept an offer of employment, start a business, take up studies or enter South Africa for any purpose for which a temporary residence permit is provided for in the Act, must apply for an appropriate temporary residence permit via the South African diplomatic representative in their countries of origin/residence. In countries where there are no representatives, applications must be submitted in the nearest country where there is a foreign representative.

In May 2006, the Department of Home Affairs conducted a community outreach programme among the !Xun, Khwe and Khomani San communities in Platfontein, Northern Cape. The Minister of Home Affairs, Ms Nosiviwe Mapisa-Nqakula, handed over 200 identity documents (IDs) to residents of the indigenous tribes. It was the first time they had ever had IDs, having previously held South African Defence Force-issued identification cards, and had never had access to basic government services such as social grants. The minister also solemnised marriages and registered births on site.

The outcome must be awaited outside South Africa and applicants may only proceed to South Africa once the permit as applied for has been issued to them.

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 extension of temporary residence permits must be submitted at least 30 days prior to the expiry date of the permit, to the nearest regional/district office of the Department of Home Affairs where the applicant is employed. Any enquiries related to temporary residence permits may be directed to the nearest district/regional office of the Department of Home Affairs in South Africa, to South African diplomatic representatives abroad, or to the Director-General of Home Affairs, for the attention of the Directorate: Permitting.

Removal of undesirable persons

In terms of legislation, the Minister of Home Affairs may order the deportation of any person who is declared undesirable or prohibited, other than an asylum seeker.

These are foreign nationals who are in South Africa illegally and should be deported to the countries of which they are citizens or territories where they have rights of domicile or residence.

Any person who has become a deportation subject may, pending his or her deportation, be detained in a manner and at a place determined by the Director-General of the Department of Home Affairs.

The Directorate: Deportations ensures that the detention of illegal foreigners meets the requirements of the Immigration Act, 2002.

Acknowledgements

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13

Health

The Department of Health promotes the health of all South Africans through a caring and effective national health system (NHS) based on the primary healthcare (PHC) approach.

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 (AHPCSA).

Regulations in the private health sector are effected through the Council for Medical Schemes.

The Medicines Control Council 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 use 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
- liaising with health departments in other international agencies and countries.

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

The policy on universal access to PHC, introduced in 1994, forms the basis of healthcare delivery programmes and has had a major impact on the South African population.

Fifty-three health districts were established in line with the new metropolitan and district municipal boundaries. The number of people using these facilities increased significantly across provinces between 2003/04 and 2004/05.

In the Eastern Cape, PHC headcounts increased from 13,9 million in 2003/04 to 17,7 million in 2004/05. During the same period in KwaZulu-Natal, the figure increased from 18,5 million to 18,8 million, and in Mpumalanga from six million to 6,5 million. PHC usage rates for under-five-year-olds also increased in the Eastern Cape, Mpumalanga and Western Cape.

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.

By September 2005, 21 000 community members had participated in a number of healthy lifestyle campaigns initiated by the department during 2005/06.

More than 2 000 people underwent eyesight, oral health, blood glucose, blood pressure and body mass index screenings during these campaigns.

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 medical aid schemes 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 launched the Community Health Worker (CHW) Programme in February 2004. It is estimated that there are 40 000 such workers in the country.

This category of health workers is an important element of the Presidential initiatives aimed at addressing health and fighting poverty. The massive expansion of the CHW Programme is a vital part of the Social Cluster's contribution to the Expanded Public Works Programme. The programme will

result in the integration of health and social programmes.

The Department of Health sees this cadre of health workers as community-based generalist health workers. Their training combines competencies in health promotion, disease prevention, PHC and health-resource networking, as well as co-ordination.

Health budget

The budget for the public health sector has grown from R33 billion in 2002/03 to R517 billion in 2006/07, and is expected to grow to R60,8 billion in 2008/09.

Health policy

By promoting a healthy lifestyle, the NHS aims to improve public health through disease prevention. 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 to:

- improve the governance and management of the NHS
- promote a healthy lifestyle
- contribute towards human dignity by improving the quality of care
- improve the management of communicable and non-communicable diseases
- strengthen PHC, emergency medical services and hospital service-delivery systems
- strengthen support services
- plan, develop and manage human resources (HR)
- plan, budget, monitor and evaluate
- draft and implement health legislation
- strengthen international relations.

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.

In 1999, the department established 28 pilot sites in six provinces. The initial applications were teleradiology, tele-ultrasound for antenatal services, telepathology and tele-ophthalmology. By 2006, South Africa had 57 telemedicine sites.

The system facilitates frequent contact between doctors in underdeveloped and developed centres. It also provides the academic professionals from major South African medical academic institutions with the opportunity to extend their educational capabilities to healthcare professionals throughout the rural communities of South Africa, without having to provide facilities and teachers in every rural location.

The initial telemedicine evaluation done by the Medical Research Council (MRC) found that access to specialist radiologist reporting was possible within an hour, compared with five to seven days in the past. Telemedicine has improved medical practitioners' ability to diagnose and manage various medical conditions, particularly those related to trauma and chest diseases, and has reduced professional isolation.

In 2001, head injury referrals between the Witbank and Pretoria academic hospitals averaged 10 a month compared with an average of 48 a month in the absence of telemedicine. A telemedicine research test-bed was set up between Tonga Hospital and three clinics in Mpumalanga for clinical research and the development and evaluation of new telemedicine technologies. Preliminary results showed that the number of referrals had dropped.

Legislation

The National Health Act, 2003 (Act 61 of 2003), provides a framework for a single health system for South Africa. It highlights the rights and responsibilities of health-providers and -users, and ensures broader community participation in healthcare delivery from a health facility up to national level.

The Act provides for the right to emergency medical treatment, to have full knowledge of one's condition, to exercise one's informed consent, to participate in decisions regarding one's health, to be informed when one is participating in research, to confidentiality and access to health records, the right to complain about service, and the right of health workers to be treated with respect.

It establishes provincial health services and outlines the general functions of provincial health departments.

In May 2006, the Minister of Health, Dr Manto Tshabalala-Msimang, launched the National Consultative Health Forum.

The forum will bring together more than 250 people representing health professionals, researchers, health activists, the private health sector and organised labour for discussions on key strategic health issues.

These include:
* tuberculosis, HIV and AIDS
* recruitment and retention of health professionals
* transformation of the health sector.

The Traditional Health Practitioner's Act, 2004 (Act 35 of 2004), was promulgated early in 2005. According to the Act, a council for traditional health practitioners and a Presidential task team on traditional medicine will be established.

The Nursing Act, 2005 (Act 33 of 2005), provides for the introduction of mandatory community service for nurses. This should contribute significantly to efforts to ensure equitable distribution of nurses to meet the health needs of communities.

The Act seeks to ensure that nursing-education programmes are registered with the National Qualifications Framework (NQF) so that nurses can gain recognised credits and retain them for future studies. This will replace the old-fashioned and time-consuming processes of nurses who wish to further their studies having to repeat courses.

The main objectives of the Act are to:
- serve and protect the public in matters involving health services provided by the nursing profession
- ensure that the council serves the best interests of the public and does so in accordance with national health policy
- promote the provision of acceptable nursing care
- regulate the nursing profession and the way in which nurses conduct themselves
- promote the operations and functions of the council and the registrar
- promote liaison regarding health, nursing education and training standards
- ensure that the council advises the minister on matters affecting the profession
- provide for the registration of nurses and the keeping of registers.

The Mental Healthcare Act, 2002 (Act 17 of 2002), introduced a process to develop and redesign mental health services in line with the rights of mental-healthcare users, as guaranteed by the Constitution.

This legislation grants basic rights to people with mental illnesses, and prohibits various forms of exploitation, abuse and discrimination.

The Act provides for the:
- empowerment of the users themselves so that they can engage service-providers and society
- allocation of adequate resources
- commitment to the cause of mental health at all levels of society.

To achieve this, a series of innovative processes and procedures regarding the care, treatment and rehabilitation of mental-health users, as well as clear guidelines on good practice in relation to the role of mental-healthcare practitioners, will be introduced. This includes establishing provincial review boards to conduct systematic reviews of quality-assurance practices.

Although the Act reserves the right to involuntary hospitalisation, it also contains accompanying conditions for strict admission and reviewing processes and procedures before any decision on psychiatric referrals may be made.

All provinces have established independent mental-health review boards, charged in terms of the Mental Healthcare Act, 2002 to oversee care, treatment and rehabilitation of those patients who were admitted without consent.

Supplementary healthcare practitioners, April 2006

Basic ambulance assistants	26 924
Ambulance emergency assistants	5 100
Environmental health practitioners	2 718
Medical technologists	4 895
Occupational therapists	2 886
Optometrists	2 603
Physiotherapists	4 892
Psychologists	6 059
Radiographers	5 395

Source: Health Professions Council of South Africa

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 Convention on the Rights of the Child, which affirms the State's obligation 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 provinces, especially those with a school health programme, to embark on a major training campaign of PHC nurses.

The nurses will be trained to:

- provide children with health education
- 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 policy was expected to be intensified in 2006.

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.

The Department of Health has provided funding to the Council for Medical Schemes to develop infrastructure for the management and implementation of the Risk Equalisation Fund (REF), which is the first step in the process towards SHI.

The REF will be used to address the existing residual risk rating in the medical schemes industry and will contribute to improving the efficiency of private healthcare centres by encouraging competition on the basis of quality of services.

Medicine administration

The Department of Health established the Directorate: Pharmaco-Economic 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, and 97% of facilities having copies of the standard treatment guidelines, compared with 59% in previous surveys.

Health team

National Human Resource Plan (NHRP) for Health

Over the years, the health system has had to deal with the loss of experienced health professionals from rural to urban areas, from the public to private sector, and from South Africa mainly to developed countries.

In April 2006, the Department of Health launched the NHRP, which aims to provide skilled HR for healthcare.

The National Health Act, 2003 requires that the National Health Council (NHC) formulates policy and guidelines for the development, distribution and effective use, as well as the management of HR, within the NHS.

It aims to address the problems of recruitment, training and retention of health professionals.

South Africa, like many other low- and middle-income countries in the world, faces serious challenges in the area of HR for health.

The country has played a significant role in ensuring that the migration of health personnel remains high on the global health agenda.

Physicians

By April 2006, 33 220 doctors were registered with the HPCSA. These included doctors working for the State, those in private practise and specialists. The majority of doctors practise in the private sector. In selected communities, medical students supervised by medical practitioners provide health services at clinics.

In terms of the Continuing Professional Development (CPD) system, all doctors, irrespective of earlier qualifications, must obtain a specified

Since April 2006, forensic mortuaries have been vested under the authority of provincial departments of health. The transfer process introduced the country's first comprehensive forensic pathology service.

The Department of Health has established a directorate to oversee the service. In 2006, an assessment of the service was conducted, and challenges in capacity to deliver quality service were identified.

A modernisation plan to improve the quality of the forensic service has been developed. The plan includes the refurbishment of some of the selected mortuaries and the building of new ones. More than R1,5 billion has been allocated for the implementation of the plan over the next three years.

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 a doctor being deregistered.

Applications by 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 completing this service are they allowed to register with the HPCSA and entitled to practise privately.

Community service for a range of professional groups, such as physiotherapists, occupational therapists and psychologists, was initiated in 2003. Community service aims to improve access to quality healthcare for all South Africans, especially in underserved areas, and gives young professionals the opportunity to develop skills, and acquire knowledge, behaviour patterns and critical thinking that will help them in their professional development.

There were 3 380 health professionals allocated to community service in 2006, in the following categories:

- dentists – 184
- pharmacists – 473
- medical doctors – 1 324
- clinical psychologists – 104
- dieticians – 161
- environmental health practitioners – 208
- occupational therapists – 244
- physiotherapists – 280
- radiographers – 274
- speech therapists – 128.

To regulate the recruitment of South African health professionals by other countries, the department assisted in developing a code of ethical recruitment for members of the Commonwealth.

Clinical associates

To address the workload at health facilities, the Minister of Health, Dr Manto Tshabalala-Msimang, announced that a new cadre of health professionals called clinical associates would be introduced from January 2007.

The first 100 students will be trained at the universities of Pretoria, Walter Sisulu and Witwatersrand. They will complete a three-year degree programme with significant on-site training in district learning centres. Upon graduation, they will work under the supervision of medical officers in district hospitals and PHC level.

The scope of practice will include diagnosis and treatment, including performing minor surgery.

Oral health professionals

By 1 April 2006, 955 oral hygienists and 443 dental therapists were registered with the HPCSA. There were 4 799 dentists by 1 April 2006.

Dentists are subject to the CPD and community-service systems.

Registered medical interns, practitioners and dentists, 2002 – 2006

	2002	April 2006
Dentists	4 560	4 799
Medical interns	2 306	2 864
Medical practitioners	30 271	33 220

Source: Health Professions Council of South Africa

Oral health workers render services in the private and public sectors.

Pharmacists

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.

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 medicine, make it more affordable, improve marketing and dispensing practices, and promote consumer interests.

In August 2006, the South African Pharmacy Council had 10 971 registered pharmacists. Some 534 pharmacists engaged in community service in 2005.

By August 2006, 4 064 pharmacies were registered with the council.

As of July 2005, every institutional pharmacy is required to have the services of a responsible pharmacist so that the public will enjoy the same standard of pharmaceutical service as that of the private sector.

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 roles of the nursing council are to protect and promote public interest, and to ensure the delivery of quality healthcare by prescribing minimum requirements for the education and training of nurses and midwives, approving training schools, and registering or enrolling those who qualify in one or more of the basic or post-basic categories.

At the end of 2005, there were 191 269 registered and enrolled nurses and enrolled nursing auxiliaries, which was 3,7% more than in 2004. The nursing profession represents more than 50% of the total professional HR of health services.

Similarly, the council had registered 27 481 persons as student and pupil nurses or pupil nursing auxiliaries by the end of 2005, representing growth of 1,2% compared with 2004.

The draft Charter of Nursing Practice will introduce a revised scope of practice for all categories of nursing practitioners. The Scope of Practice will be accompanied by revised regulations for all categories of nursing training.

Registered and enrolled nurses per province, December 2005

	Registered nurses	Enrolled nurses	Nursing auxiliaries	Students in training
Eastern Cape	12 176	2 837	5 341	3 059
Free State	7 175	1 256	3 049	1 047
Gauteng	26 754	9 023	15 625	8 698
KwaZulu-Natal	19 445	12 404	9 689	8 750
Limpopo	7 540	2 861	5 834	1 797
Mpumalanga	4 774	1 730	2 241	598
North West	6 495	2 134	4 096	1 320
Northern Cape	1 936	498	926	355
Western Cape	13 239	4 342	7 849	1 857
Total	**99 534**	**37 085**	**54 650**	**27 481**

Source: South African Nursing Council

Allied health professions

In 2005, the following practitioners were registered with the AHPCSA:

- Ayurveda 122
- Chinese medicine and acupuncture 656
- chiropractors 506
- homeopaths 726
- naturopaths 158
- osteopaths 62
- phytotherapists 28
- therapeutic aromatherapists 1 123
- therapeutic massage therapists 346
- therapeutic reflexologists 1 935

National Health Laboratory Service (NHLS)

The NHLS is a single national public entity. With over 250 laboratories serving 80% of the country's population, it is the largest diagnostic pathology service in South Africa. All laboratories provide laboratory diagnostic services to the national and provincial departments of health, provincial hospitals, local authorities and medical practitioners.

The NHLS conducts health-related research, appropriate to the needs of the broader population, into HIV and AIDS, tuberculosis (TB), malaria, pneumococcal infections, occupational health, cancer and malnutrition, among other things. The NHLS trains pathologists as well as medical scientists, technologists and technicians in pathology disciplines, and occupational health practitioners.

Its specialised divisions comprise the:

- National Institute for Communicable Diseases, whose research expertise and sophisticated laboratories make it a testing centre and resource for the African continent, particularly in relation to several of the rarer communicable diseases
- National Institute for Occupational Health, which investigates occupational disease and has laboratories for occupational environment analyses
- National Cancer Registry, which provides epidemiological information for cancer surveillance
- Antivenom Unit, which produces sera for anti-snake venom and reagents.

Biovac Institute

A public-private partnership (PPP) agreement, which came into effect on 1 April 2003, was concluded between the South African Government, through the Department of Health and a strategic equity partner, the Biovac Consortium.

The PPP between the Biovac Consortium – a consortium comprising Biovac Holdings, Heber Biotec, Bionet, Disability Employment Concerns Trust and the Department of Health – is now known as the Biovac Institute.

Its aim is to develop and restructure the State's vaccine assets to ensure the country has the required domestic capacity to respond to local and regional vaccination needs.

Provincial health departments

Provincial health departments 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 developing 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. Between 1994 and 2004, more than 1 300 clinics were built or upgraded.

Hospitals

By June 2006, there were 400 provincial public hospitals. The private health sector takes care of some seven million principal members of medical aid schemes.

Ongoing programmes are in place to improve the quality of hospital services. The Charter of Patients'

Registered and enrolled nurses, 2003 – 2005

	2003	2005
Registered nurses	96 715	99 534
Enrolled nurses	33 575	37 085
Nursing auxiliaries	47 431	54 650
Students in training	23 661	27 481

Source: South African Nursing Council

Rights has been developed, as well as a set of 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.

By February 2006, the Department of Health was finalising the Hospital Improvement Plan, aimed at addressing the maintenance of buildings, provision and maintenance of equipment, and historical backlog because of neglect in psychiatric hospitals.

The plan will also deal with issues of hospital governance and improved quality of care. Working together with the provinces, government was to determine additional authority that was expected to be delegated to hospital management by September 2006, to ensure that they were held accountable for the functioning of hospitals.

All maternal deaths are closely investigated as part of the maternal-death surveillance and enquiry process.

The renewal of hospital stock focused initially on renovation and maintenance, but has progressed to major rebuilding under the Hospital Revitalisation Programme. The budget allocation for the programme is R1,4 billion in 2006/07; R1,7 billion in 2007/08; and R1,9 billion in 2008/09.

The programme, among other things, aims to retain health professionals, especially in remote underserved areas of South Africa, by improving their working environment. With 48 hospitals enrolled in the programme, the state-of-the-art George Hospital in the Western Cape is one of the facilities to benefit from this programme.

The total cost of revitalising this hospital is R90 million. This 265-bed facility serves 550 000 people in the region.

In addition, by mid-2006, eight new hospitals were being designed, bids had been invited for another 16, and 24 were being constructed. Two were expected to be opened in Limpopo and the Eastern Cape in 2006.

Four had already been opened, including Kimberley and Chief Albert Luthuli hospitals.

Emergency medical services (EMS)

Provincial departments of health are responsible for EMS, which include ambulance services. Emergency-care practitioners receive nationally standardised training through provincial colleges of emergency care.

Some universities of technology also offer diploma 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's Professional Board for Emergency Care.

The Department of Health plays a co-ordinating role in the operation, formulation of policy and guidelines, and development of government EMS.

The provision of ambulances increased in many provinces, benefiting especially rural parts of the country. Between 2003/04 and 2004/05, there was a significant increase in the availability of ambulances in the Eastern Cape, KwaZulu-Natal, Mpumalanga and Gauteng. The number of emergency calls and patients transported routinely also increased in these provinces between 2003/04 and 2004/05.

During 2006/07, all provinces were required to produce plans to strengthen EMS, as this field is experiencing a shortage of paramedics.

Private ambulance services also provide services to the community. Some also provide aeromedical services to the private sector.

The South African Military Health Service of the South African National Defence Force plays a vital supporting role in emergencies and disasters. (See Chapter 17: *Safety, security and defence*.)

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 the 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 *(www.soulcity.org.za)* and loveLife *(www.lovelife.org.za)*. Both focus on health promotion and the use of the mass media to raise awareness of the prevention of illness, and to enable people to manage their health more effectively.

Soul City has pioneered one of the most successful multimedia edutainment initiatives – *Soul Buddyz* – and is known for its sound research-based approach. *Soul Buddyz* is a real-life television drama specifically developed to empower eight- to 12-year olds and the adults in their lives. The third series was televised in 2006.

The Department of Health has developed the Health Charter in partnership with various stakeholders.

It seeks to facilitate and effect transformation of the health sector in the following key areas:

- access to health services
- equity in health services
- quality of health services.

It also seeks to ensure the urgent transformation of the national health system into a co-operative, constructive and mutually beneficial relationship, in such a manner as to reflect the diversity and meet the various healthcare needs of South Africans.

The charter will ensure that health-providers conduct their business in a manner that is ethical, honest and fair, and that satisfies the needs of consumers. This includes issues such as overservicing or overcharging, and exploiting healthcare professionals for ends that might contradict their ethical codes.

The charter also covers the issue of foreign-owned multinationals in terms of the implementation of Broad-Based Black Economic Empowerment.

loveLife focuses on teenage sexuality and relationships, and the prevention of HIV-infection and related conditions. It reaches adolescents aged between 12 and 17 and takes a straightforward approach to addressing the underlying factors that fuel the spread of HIV, teenage pregnancy, and sexually transmitted infections (STIs), including society's reluctance to address youth sexuality, the impact of peer pressure and sexual coercion, a sense of pessimism, poverty and the obstacles that keep young people away from South Africa's public health clinics.

Apart from mass-media advertising campaigns backed by a helpline, loveLife also 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.

The Health Systems Trust conducts research and helps build appropriate delivery systems for PHC. Funded partly by the Department of Health, it has supported the development of the district health system, monitors the quality of care at public-sector clinics, and facilitates 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 have partnered government in developing and implementing tobacco-control measures.

Established national health NGOs – such as the St John Ambulance and the South African Red Cross – continue to focus on emergency care and first-aid capacity. They 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 are pursuing a high-profile campaign in support of expanded treatment.

Faith-based organisations (FBOs) are among 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 such as 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 – particularly through the Polio-Free Initiative – and reducing the national backlog of 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

The Council for Medical Schemes regulates the private medical aid scheme industry in terms of the Medical Schemes Act, 1998 (Act 131 of 1998). The council is funded mainly through levies on the industry in terms of the Council for Medical Schemes Levies Act, 2000 (Act 58 of 2000). There are more than 160 medical schemes, with a total annual contribution of about R35 billion, servicing about seven million subscribers.

Medical schemes are the single largest financing intermediary, accounting for nearly 7% of all healthcare expenditure. This is followed by provincial health departments at 33%, and households (in terms of out-of-pocket payments directly to healthcare providers) at 14% of all healthcare expenditure.

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 families are unable to bear the cost in terms of the standard means test, patients are classified as hospital patients. Their 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.

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:

- provides improved protection for members by addressing the problem area of medical insurance, 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, several chronic conditions were 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 STIs.

The appropriate and timeous 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

The Transnet Foundation's healthcare train, the Phelophepha, meaning 'good clean health', provides rural people in South Africa with essential healthcare services.

Since its inception in January 1994:

- the train has operated for 36 weeks a year
- over 460 000 patients have been treated in the various clinics on board the train
- more than 746 000 individuals have been reached through school screening, health education and counselling
- a distance of more than 15 000 km has been covered.

and disability from preventable diseases by making immunisation accessible to all children.

In South Africa, it is recommended that children under the age of five be immunised against the most common childhood diseases. Immunisation should be administered at birth, six weeks, 10 weeks, 14 weeks, nine months, 18 months and five years of age. Childhood immunisations are given to prevent polio, TB, diphtheria, pertussis, tetanus, *haemophilus influenzae* type B, hepatitis B and measles.

Polio and measles

There have been no confirmed measles deaths since 2000, as 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.

The Department of Health observed the National Polio Eradication Week from 2 to 8 April 2006. This was a concerted drive to raise awareness of the value of immunisation and the prevention of childhood diseases by vaccination. The World Health Organisation's (WHO) set routine immunisation coverage target for fully immunised children under the age of one is 90%.

By mid-2006, the overall routine immunisation coverage for South Africa was less than 80%.

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 the Intercountry Certification Committee to achieve polio-free certification.

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.

South Africa's nurses and doctors are well-trained to treat all diseases using the IMCI strategy. Diseases such as pneumonia, malaria, meningitis, diarrhoea and malnutrition are easily managed. In South Africa, the IMCI strategy has been adapted to include assessment and classification of HIV.

Malaria

Malaria is endemic in the low-altitude areas of Limpopo, Mpumalanga and north-eastern KwaZulu-Natal. About 10% of the population lives in malaria-risk areas.

The department has strengthened the roll-back malaria strategy in these provinces. Between 2004 and 2005, the number of malaria cases and deaths dropped by 46% and 38% respectively, due to the increase in the number of houses covered by the indoor residual spraying programme using DDT in full and improved collaboration with neighbouring countries. Coverage with indoor residual spraying increased to 83% during 2004/05, and was expected to increase further to 90% during 2006/07.

Through the innovative multinational Lubombo Spatial Development Initiative involving Mozambique, South Africa and Swaziland, malaria prevalence in Mozambique has been reduced by 82%, and by 96% in KwaZulu-Natal compared with 2002.

South Africa is a signatory to the Abuja Declaration, which undertakes to reduce malaria morbidity and mortality by 50% by 2010.

In February 2006, the Department of Science and Technology allocated R11 million to the South African Malaria Initiative (Sami).

Sami was initiated in 2005 by the African Centre for Gene Technologies, a joint venture between the universities of Pretoria and the Witwatersrand, as well as the Council for Scientific and Industrial Research.

The aim is to encourage collaboration between various local malaria researchers and to establish networks with other key players on the African continent.

An estimated 20% of deaths among children under the age of five in Africa are attributed to malaria. An estimated 40% of the world's population lives in areas where the risk of malaria is high, resulting in some one to two million deaths annually.

Sami's research will focus on:

- drug discovery and pre-clinical development of novel potential anti-malarial compounds
- new and improved diagnostics
- molecular epidemiology and parasite-vector interactions.

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 to strengthen control programmes in the subregion.

To monitor the disease effectively, the MRC, together with the national and provincial departments of health, has developed a malaria-information system to obtain information about the disease and operational aspects pertaining to control programmes. Through these public-private partnerships, malaria is being controlled effectively in southern Africa. However, to ensure that the incidence of malaria continues to decline, increased intercountry collaboration is 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 controlled and restricted use of DDT 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.

Insecticide-treated nets are another intervention that has had an impact, reducing the number of malaria deaths, particularly among children under the age of five years.

Tuberculosis

In 2005, more than 300 000 people suffered from TB, with at least 12% of TB patients defaulting on their treatment.

The worst-affected provinces are the Eastern Cape, Western Cape, KwaZulu-Natal and Gauteng, which contribute about 80% of the country's total TB burden.

The TB cure rate for smear-positive cases remains low at 50,1%, with a successful treatment completion rate of 62,9%. The MRC has put multidrug-resistant TB at 6,7% in previously treated patients.

Failure to complete TB treatment poses a major challenge. Government spends R400 on treating every patient with normal TB. When patients discontinue treatment and develop a multidrug-resistant form of TB, the cost of treatment dramatically increases to R24 000, including hospitalisation and more expensive drugs.

The Department of Health has implemented the Directly Observed Treatment Short-Course Strategy (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 correctly
- the treatment, laboratory results and outcome are documented
- appropriate drugs are provided 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.

The TB-Control Programme is being strengthened by:

- appointing TB co-ordinators in each health district
- strengthening the laboratory system
- strengthening the implementation of Dots
- mobilising communities to ensure that patients complete their treatment.

Government launched the TB Crisis-Management Plan on World TB Day, 24 March 2006. The TB plan identifies four districts that have high numbers of TB cases and low cure rates. These districts are Amatole and Nelson Mandela metropoles in the Eastern Cape, the City of Johannesburg in Gauteng, and eThekwini Metro in KwaZulu-Natal.

The department has also selected KwaZulu-Natal and Eastern Cape as two provincial focus areas for enhanced interventions against TB.

The key elements of the plan focus on strengthening TB service-delivery systems and processes, and embarking on an intensive communication and social mobilisation campaign.

The aim is to increase the smear conversion rate in the short term and the cure rates in the medium

term in these districts and provinces. Each province will be responsible for addressing the following critical issues:

- making available adequate financial and HR responsible for TB at all levels
- ensuring access to laboratory services
- strengthening the TB reporting and recording system
- strengthening referral systems to ensure proper treatment and follow-up of transferred patients and patients requiring treatment for co-infections
- implementing a highly visible social mobilisation and media campaign
- strengthening the supervision system to ensure facility and community-level health workers receive adequate mentoring and support.

In the second half of 2006, cases of extreme drug-resistant TB (XDR TB) were reported. XDR TB is a multidrug resistant TB that does not respond to at least three of the second-line TB treatments.

The Department of Health has been ascertaining supply of additional drugs, Capreomycin and Para Amino Salicylic Acid, to deal with XDR TB.

HIV and AIDS

South Africa's Comprehensive HIV and AIDS Care, Management and Treatment Plan to address the challenges posed by HIV and AIDS is one of the largest in the world.

Expenditure on dedicated programmes for HIV and AIDS within provincial health budgets grew from R330 million in 2002/03 to R1,7 billion in 2005/06 and is projected to increase to R2,4 billion by 2008/09.

By September 2006, progress had been made in the various aspects of the plan:

- In accordance with the plan, each of the 53 health districts in the country had at least one service point providing comprehensive HIV- and AIDS-related services, including antiretroviral treatment (ART), from prevention to terminal palliative care.
- 250 laboratories had been certified to provide support to the programme.
- three pharmacovigilance centres had been established to monitor and investigate adverse reaction to treatment.

By the end of September 2006, over 213 000 patients had been initiated for ART. By September 2006, 273 facilities were implementing the comprehensive plan across all districts. Forty-three CD4 count, 11 viral load and seven PCR machines were operational in laboratories across the country.

More than R3,4 billion has been allocated for the procurement of ARV drugs until the end of 2007. Government is involved in ongoing initiatives to reduce the prices of relevant medication.

Health facilities providing voluntary counselling and testing increased from 3 369 in 2004/05 to 4 390 in 2005/06.

By September 2006, the prevention programme included prevention of mother-to-child transmission, with 3 000 facilities in operation, covering 87% of health facilities. Post-exposure prophylaxis is provided in almost all hospitals and trauma centres for sexual-assault survivors and health professionals exposed to HIV.

On 11 April 2006, Minister Tshabalala-Msimang launched the Accelerated Prevention of HIV and AIDS Initiative as part of an extensive initiative regarding prevention by the member states of the Africa region of the WHO.

More than 1 060 health professionals have been recruited to support the programme. Some 7 600 health professionals have been trained in the management, care and treatment of HIV and AIDS. Government is also improving working conditions so that it can recruit and retain more health professionals.

This includes providing a scarce skills allowance for certain categories of health professionals (doctors, pharmacists and specialist nurses) and a rural allowance for health professionals working in less developed parts of the country. This is in addition to steadily improving salary packages.

Nutritional supplements are provided to those who need them, as part of the comprehensive response to HIV and AIDS, as a complement to the appropriate forms of treatment. Between April 2004 and September 2006, about 480 000 qualifying TB and HIV-positive patients have accessed this service.

Support and care for those affected by HIV and AIDS is expanding, through growing programmes such as home- and community-based care. By September 2006, there were 45 step-down care facilities, 732 support groups and 1 176 home-based-care organisations providing services in the communities.

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.

Saavi is a holistic vaccine-development initiative that has three locally developed products undergoing the regulatory process preceding the first phase of human trials. Saavi activities cover the broad spectrum of vaccine-development components, including laboratory research and development, immunology testing in animals, community education, ethical protocol development, actual modelling, data collection and management, laboratory testing and planning for clinical trials.

Saavi works closely with many international organisations, including the African AIDS Vaccine Programme and the International AIDS Vaccine Initiative. It receives funding from various organisations, including the HIV Vaccine Trials Network of the United States' National Institute of Health, and the European Union.

Home- and community-based care

Home- and community-based care is a central tenet of the care component of the comprehensive response to HIV and AIDS. This service is provided mainly through NGOs and through community-based organisations (CBOs).

South Africa has the largest antiretroviral (ARV) treatment programme in the world, with 213 000 patients initiated on ARV treatment by the end of September 2006, and an estimated additional 90 000 to 100 000 patients initiated in the private and non-government sector.

Government also provides free, high-quality condoms for the prevention of sexually transmitted diseases, including HIV-infection and re-infection, as well as the prevention of unplanned pregnancies. In 2005/06, the distribution of male condoms increased to 386 million. Some 1,3 million female condoms were distributed in the same period.

The objective of the home- and community-based care programme is to ensure:

- access to care, and follow-up through a functional referral system
- that children and families who are affected and infected by HIV and AIDS access social-welfare services within their communities.

Non-governmental organisations

The Department of Health increased the annual budget allocated for the support of NGOs involved in the response to AIDS and TB from R49 million in 2005/06 to R56 million in 2006/07.

Reproductive health

Government has introduced a number of programmes to support women and men in making their reproductive choices. Among these are the Family Planning Programme, which provides for counselling; a range of choices of family-planning methods such as contraceptives, access to legal termination of pregnancy and sterilisation under specific conditions; as well as education on sexuality and healthy lifestyles. These services are provided free of charge at PHC facilities.

The Department of Health has developed a card for women's reproductive health to improve continued care and to promote a healthy lifestyle. The card is retained by the patient and facilitates communication between health services. Pregnancy Education Week is held annually in February 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 providing 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.

Eight critical areas within the youth and adolescent health policy guidelines have been identified, namely:

- sexual and reproductive health
- mental health
- substance abuse
- violence
- unintentional injuries
- birth defects and inherited disorders
- nutrition
- oral health.

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.

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.

The programme aims to screen at least 70% of women in their early 30s within 10 years of initiating the programme. It 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 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 was amended to improve access and alleviate the pressure on existing termination services. The system of designating services will be changed to ensure that more public health facilities offer termination procedures.

The Department of Health supports training in abortion care and providing contraception.

Access to termination-of-pregnancy services has improved and requests for such services continue to increase annually. In 2004, about 70 000 women accessed termination-of-pregnancy services and 62% designated facilities were functional.

The facilities offering termination services are mainly hospitals (90%), with only about 10% of services offered by PHC facilities. Access for women in rural areas is poor, as most hospitals are located in urban areas.

A study commissioned in 2000 to evaluate the health impact of the Choice on Termination of Pregnancy Act, 1996 showed that while the rate of incomplete abortions remained unchanged, there was a significant reduction in morbidity from complications arising from incomplete abortions compared with a similar study conducted in 1994.

The Subdirectorate: Women's Health has developed contraception service-delivery guidelines. The subdirectorate is reviewing the national guidelines for managing survivors of sexual offences, and is developing a policy for managing survivors of sexual offences.

Environmental health

In terms of the National 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 to evaluate their medicinal value as part of government's campaign to fight HIV, AIDS, TB and other debilitating and chronic diseases and conditions.

In 2006, the MRC initiated toxicology studies to further study selected indigenous plants to assess their potential medicinal efficacy. In addition, the Department of Health was planning a national workshop for local and international experts on African traditional medicines.

The launch of the centre was the result of a research programme initiated by the Department of Health and the MRC. It aims 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. Traditional claims will also be channelled through this centre.

Government supports research by universities and science councils into the efficacy of many traditional medicines used for various conditions.

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 health 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 department has established a traditional medicine directorate to develop and implement policy on traditional medicine, and to co-ordinate the activities of the National Reference Centre for African Traditional Medicine.

Tobacco control

An estimated 25 000 South Africans die each year from tobacco-related diseases.

South Africa continues with its tobacco-control efforts and has been selected as co-ordinator of the Africa group on health matters. It is part of the WHO process of implementing the International Framework Convention on Tobacco Control (FCTC).

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 are permitted to 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. The Tobacco Products Control Act, 1993 (Act 83 of 1993), was amended to provide for, among other things, the:

- prohibition of advertising and promotion of tobacco products
- prohibition of the free distribution of tobacco products and the receipt of gifts or cash prizes in contests, lotteries or games
- prescription of maximum yields of tar, nicotine and other constituents in tobacco products.

The Act is in line with the provisions of the WHO's 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.

In 2005, South Africa became one of the few countries to have satisfied the FCTC.

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 stop smoking may contact the National Council Against Smoking's Quit Line on (011) 720 3145.

Research indicates that the prevalence of smoking among the adult population decreased from 36% in 1996 to 22% in 2003. Smoking among the youth decreased from 23% in 1999 to 18,5% in 2002.

Alcohol and substance abuse

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 demand for treatment for cocaine addiction reported in Cape Town, Durban and Gauteng, has levelled off.

Over time, there has been a dramatic increase in the demand for treatment for heroin as the primary drug abused 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 a problem, but treatment-demand indicators are stable.

Inhalant or solvent use among young people 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.

Draft regulations on the labelling of alcoholic beverages were published in the *Government Gazette* in February 2005. The regulations define an alcoholic beverage as any drink for human consumption with an ethyl alcohol content of above 1%.

The regulations propose a number of messages that should be printed in black and white, covering at least 12,5% of the container label or promotional material of an alcohol product.

The health message can be in any of the South African official languages, but must be in the same language as that of the container label or promotional material. The regulations prohibit any claims of health benefits that may be derived from consuming alcoholic beverages.

Contravention of these regulations can lead to a fine or imprisonment of up to five years, or both.

Violence against women and children

The Department of Health has implemented a series of concrete measures to eliminate violence against women and children.

To raise awareness of this grave social problem, the 16 Days of Activism for 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, assisted the Department of Health in compiling and adopting the sexual assault policy and clinical management guidelines for the management of sexual-assault cases. These were distributed to provinces for implementation.

Training of health-providers in victim empowerment and trauma management is ongoing.

Violence prevention

The Department of Health plays an important role in preventing violence. PHC professionals are being trained in victim empowerment and trauma support. Healthcare professionals are also receiving advanced training in managing complicated cases of violence in secondary-level victim-empowerment centres, established by the department in some provinces. There are also violence-prevention programmes in place in schools 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, aims to improve the population's health status, safety and quality of life. This is achieved through public health-orientated research aimed at preventing death, disability and suffering arising from crime, violence and unintentional incidents of injury. The 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, foetal alcohol syndrome (FAS) and neural tube defects. Implementation of policy guidelines for managing and preventing 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

On 2 May 2006, government launched the 365 Days of Action Against Gender and Child-Directed Violence Campaign.

The concept emanated from an identified national need to make the 16 Days of Activism For No Violence Against Women and Children Campaign a year-long initiative.

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.

Oral health

The Department of Health set aside R2 322 million in 2006/07 to ensure an efficient oral health service.

The department's policy on promoting oral health has shifted from curative, hospital and urban-based oral healthcare to integrating oral healthcare in the Road to Health Chart for babies, as part of the Healthy Lifestyles Campaign.

In 2006/07, the department was expected to champion the regulations on fluoridating water supplies, in collaboration with stakeholders such as the Department of Water Affairs and Forestry, provincial and local government, the South African Association of Water Utilities and South African Local Government Association.

Chronic diseases, disabilities and geriatrics

The Department of Health has identified the fight against chronic diseases such as cancer, hypertension, diabetes and osteoporosis as a priority area over the next five years.

The five-year plan is premised on the development of meaningful strategies for preventing diseases such as cancer, with special emphasis on healthy lifestyles, including physical activity. The department has embarked on an outreach promotion programme – Healthy Lifestyles – that advocates against tobacco consumption, and advocates physical activity, healthy nutrition, safe sex and safe alcohol usage.

The campaign aims at empowering communities with the necessary knowledge and skills to respond appropriately to some of the harmful lifestyle-related diseases. Government has initiated the following activities to strengthen the campaign:

- a multisectoral task team consisting of people from the private sector, public sector and NGOs
- house-to-house health education
- health-screening services
- community-based food garden projects
- health walks to promote regular physical activity
- celebrating Healthy Lifestyles awareness days
- izimbizo to promote healthy lifestyles.

Healthcare professionals from each province have been trained in managing 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 people with disabilities 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 to approval by a committee appointed by the Minister of Health.

All assistive devices for the prevention of complications, and 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.

By mid-2006, the department was assessing all public hospitals for accessibility to people with disabilities, strengthening policy on free healthcare for people with disabilities, and facilitating the implementation of the International Classification of Functioning, Disability and Health.

The eighth World Conference on Injury Prevention and Safety Promotion took place at the International Convention Centre in Durban in April 2006.

About 1 200 participants attended the conference to discuss issues such as road safety, violence prevention, safe communities, and workplace and home safety.

It was also developing a strategy on orientation and mobility services for the blind.

By mid-2006, guidelines on the implementation of the National Rehabilitation Policy had been finalised, and the revision of the price list for orthotic prosthetic devices completed.

In supporting the health needs of the elderly, the department's policy is to keep the elderly in the community with their families as long as possible.

The department continues to develop national policy guidelines on the management and control of priority diseases or 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 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 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 provinces. These raise awareness of abuse in all its subtle forms.

In partnership with the Department of Social Development, the Department of Health has implemented the integrated nutrition programme for vulnerable children alongside the luncheon clubs for the elderly, to allow for interaction between senior citizens and children.

It was also involved in developing survey indicators for the WHO Study on Ageing. The study seeks to create a multicountry platform for data collection, which results in a reliable source of health information about adult populations aged 50 years and older.

In 2006/07, the department was expected to implement a long-term home-administered oxygen programme in all provinces, and to facilitate the establishment of stroke units in provinces to ensure that they are fully equipped to deal with this disease.

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 employers' and employees' attention 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 that 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 to evaluate present miners for possible compensational occupational lung diseases either until they die or are compensated maximally.

The Compensation Commissioner for Occupational Diseases is responsible for paying benefits to miners and ex-miners who have been certified to be suffering from lung-related diseases contracted as a result of their working conditions.

Mental health

The promotion of mental health is one of the cornerstones of South Africa's health policy. The Mental Healthcare Act, 2002 provides for the care, treatment, rehabilitation and administration of mentally ill persons. It also sets out the different procedures to be followed in the admission of such persons.

The strategic plan for 2006/07 prioritised plans to integrate mental health as part of the minimum basket of care at PHC level and as part of general health services.

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, post-traumatic stress and generalised anxiety disorders. Research is also undertaken into mood, psychotic and dementia disorders, as well as other major psychiatric disorders. 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 (OR Tambo, previously 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. Passengers travelling from such areas must be in possession of valid yellow-fever vaccination certificates. 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 harmful, injurious or adulterated products, or misrepresentation as to their nature; as well as against unhygienic manufacturing practices, premises and equipment.

Integrated Nutrition Programme (INP) 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 fundamental to the success of the INP and includes:

- 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
- contributions to household-food security.

The INP targets nutritionally vulnerable or at-risk communities, groups and individuals for nutrition interventions, and provides appropriate nutrition education to all.

To improve the nutritional status of patients with debilitating illnesses, in 2005/06 the Department of Health provided over 378 000 patients with nutritional supplementation, and finalised revised guidelines to improve the nutritional status of patients with debilitating health conditions.

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 monitoring compliance and for 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 using 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. (See Chapter 8: *Education*.)

It 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 schools in the area.

Acknowledgements

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Estimates of National Expenditure 2006, published by National Treasury
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Medical Research Council
National Health Laboratory Service
South African Nursing Council
South African Pharmacy Council
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14

Housing

Access to housing and secure accommodation is an integral part of government's commitment to reducing poverty and improving the quality of people's lives.

The Department of Housing determines, finances, promotes, co-ordinates, communicates and monitors the implementation of policy for housing and human settlement.

The Department of Housing's expenditure increased from R4,2 billion in 2002/03 to R9,5 billion in 2008/09, representing an average growth rate of about 8% from 2002/03 to 2005/06, and accelerating to 21,5% from 2005/06 to 2008/09.

The Integrated Housing and Human Settlement Development Grant, representing transfers to provinces, has consistently taken about 93% of the total expenditure on the Vote. Expenditure on the grant will increase from R4,97 million in 2006/07 to R8,7 billion in 2008/09.

The department completed 115 175 sites and 137 657 units in 2005/06, using 95% of the grant.

From 2006, government plans to spend R23 billion on subsidies for 500 000 housing units over the next three years.

In 2005/06, the nine provinces spent 95% of the Integrated Housing and Human Settlement Development Grant allocated to them for that financial year, plus roll-overs from previous years.

Legislation and policy

Comprehensive Housing Plan

The Minister of Housing, Dr Lindiwe Sisulu, announced 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, which aim to eradicate informal settlements in South Africa in the shortest possible time.

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 aims to change spatial settlement patterns by building multicultural communities in a non-racial society.

With the N2 Gateway Project, the biggest housing project ever undertaken, government is piloting the integration of communities and of different income groups; a auditing and updating

the database of housing needs to ensure the list and choice of beneficiaries is credible; building human settlements with basic economic and social amenities; and pursuing a new way of inter-government relations.

Despite delivering 1 831 000 new subsidised houses between 1994 and March 2005, with another 57 065 sites serviced and 52 548 houses built between April and September 2005, the housing backlog continued to grow. To accelerate housing delivery, the department is simplifying the administration of housing subsidies by:

- collapsing the income qualification categories so that qualifying households receive the same housing subsidy amounts
- extending the reach of the housing programme by allowing households earning up to R7 000 a month (up from R3 500 per month) to qualify for housing subsidies
- upgrading informal settlements.

The comprehensive housing plan is being implemented through a pilot project in each province that will improve the living conditions of 103 000 households in informal settlements. The informal-settlement upgrading projects provide for phased, area-based development and fund community participation and project management as an integral part of housing projects. Eradicating or upgrading all informal settlements by 2014/15 is the prime target.

The plan's strategic focus includes ensuring the delivery of affordable housing in sustainable and habitable settlements. The plan's strategic priorities are to:

- accelerate housing delivery
- improve the quality of housing products and environments to ensure asset creation
- ensure a single, efficient formal housing market
- restructure and integrate human settlements.

The first phase of 705 units was ready by August 2006, with 30% of all units going to backyarders, and 70% to residents of informal settlements in Langa, Gugulethu, Bonteheuwel, Bokmakierie and Nyanga who had applied.

The department's other priority is the Cosmo City Project in Johannesburg, where 441 families took occupation of their houses in December 2005. Other pilot projects in the provinces to which funds have been redirected are Soweto-on-Sea in Port Elizabeth where 37 000 units are expected to be built, Duncan Village, and Winnie Mandela in Tembisa, where 8 206 units are to be built.

Key focus areas identified by the comprehensive housing plan include:

- accelerating housing delivery as a key strategy for poverty alleviation
- using housing provision as a major job-creation strategy
- ensuring that property can be accessed by all as an asset for wealth creation and empowerment

Housing subsidy bands, 2006/07

Income category	Previous subsidy	New subsidy	Contribution	Product price
Individual, project-linked and relocation assistance subsidies				
R0 – R1 500	R31 929,00	R36 528,00	None	R36 528,00
R1 501 – R3 500	R29 450,00	R34 049,00	R2 479,00	R36 528,00
Aged, disabled and health-stricken groups				
R1 501 – R3 500	R31 929,00	R36 528	None	R36 528,00
Institutional subsidies				
R0 – R3 500	R29 450,00	R34 049,00	Institution must add capital	At least R36 528,00
Consolidation subsidies				
R0 – R1 500	R18 792,00	R21 499,00	None	R21 499,00
R1 501 – R3 500	R16 313,00	R19 020,00	R2 479,00	R21 499,00
Consolidation subsidy: Aged, disabled or health-stricken groups R1 501 – R3 500	R18 792,00	R21 499,00	None	R21 499,00
Rural housing subsidies				
R0 – R3 500	R29 450,00	R34 049,00	None	R34 049,00
People's Housing Process				
R0 – R3 500	R31 929,00	R36 528,00	None	R36 528,00
Emergency Programme				
Temporary assistance	R26 874,00	R31 952,00	None	R31 952,00
Rural housing subsidies				
Services	R13 137,82	R15 029,00	None	R15 029,00
Houses	R18 792,00	R21 499,00	None	R21 499,00
Fast-Tracking Programme				
Transitional Housing	Up to R12 176,00 per unit			
Public-Sector Hostels Redevelopment Programme		Previous grant		New grant
Family units		R29 450,00		R34 049,00
Individual units (per bed)		R7 234,00		R8 512,25

Source: Department of Housing

- leveraging growth in the economy, combating crime and promoting social cohesion
- using housing development to break down barriers between the First Economy residential property boom and the Second Economy slump
- using housing as an instrument for the development of sustainable human settlements in support of spatial restructuring
- diversifying housing products by emphasising rental stock.

Rental housing for the poor

About 1,8 million South African households in the middle- to lower-income groups live in rented accommodation, as opposed to about 5,2 million households that own property. At national level, 45% of households earn between R0 and R800 per month, while 45% of households at metropolitan level fall within the R801 to R3 200 income bracket. Nationally, 71,14% of households rent accommodation, and 71,76% of people renting in metropolitan areas live in formal structures. Black households are the largest percentage of renters, followed by coloured households. The demand for rental housing nationally was expected to increase by about 105 670 units a year until 2006 in the middle- to lower-income groups.

There is a dire need for public rental housing for the poor, which the Department of Housing aims to address by means of various options.

The department has formulated an affordable rental-housing programme for people in the low-income bracket who may live in housing stock arising out of:

- provision made by previous departments
- public-sector hostels for housing migratory labour in the previous dispensation
- municipal rental stock which has not been transferred to the households who inhabit the units, and which will continue to be used as rental accommodation because of the low economic status of the households

In his Budget Speech on 15 February 2006, the Minister of Finance, Mr Trevor Manuel, announced the scrapping of transfer duties for houses costing less than R500 000. Transfer duties of 5% will be payable on properties costing between R500 000 and R1 million.

In February 2006, the Department of Housing and Amalgamated Banks of South Africa launched a R400-million housing project at Olievenhoutbosch Extension 36, south of Pretoria. The project comprises 5 480 housing units, made up of 3 049 subsidised, 1 168 bonded and 1 263 rental units built on 180 hectares of land.

Part of the land will be used for the development of 17 business sites, three schools, two clinics, 10 churches and a public open space.

It aims to achieve 70% black ownership and 30% female participation.

- new high-rise housing stock that will be built for the specific purpose of accommodating low-income households in rental accommodation.

By November 2006, a new Community Rental Programme had been developed and was being finalised for implementation.

Breaking New Ground (BNG) Programme

To ensure quality, innovation and choice, the National Home-Builders Registration Council (NHBRC) and Amalgamated Banks of South Africa (Absa) ran an innovation hub competition in which all registered home builders and contractors who use alternative building technologies exhibited them in Rosslyn, outside Pretoria. During the competition, 17 show houses were completed, proving that quality houses can be built with the current subsidy of R36 000. Houses built under the BNG Programme were expected to be between 40 m^2 and 45 m^2 in size and would allow for a two-bedroom house with a bathroom, kitchen and dining room.

Rental Housing Act, 1999 (Act 50 of 1999)

The Rental Housing Act, 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 others, 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 that the tenant 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 expiry of the lease.

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 (Act 63 of 200)

The Home Loan and Mortgage Disclosure Act, 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 aims to promote 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 also 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.

In March 2005, the Department of Housing revived the Financial Services Charter by signing a memorandum of understanding with four major banks – Absa, First National Bank, Standard Bank and Nedcor.

On 23 February 2006, the Minister of Housing, Dr Lindiwe Sisulu, signed a memorandum of understanding with her Democratic Republic of Congo (DRC) counterpart, Mr John Tibasima, in a joint partnership aimed at various housing projects in the DRC.

Tibasima was in South Africa to study government administration, the administration of housing, the role of various spheres, financing and planning of human settlements, policy-making and statutes.

The banks pledged R42 billion to be released into the affordable housing market by 2008.

By 30 September 2005, the banks had lent R16,7 billion to the target market and were expected to report to the Charter Council on their activities.

As a second phase of this initiative, subject to possible risk-sharing mechanisms, the creation of mechanisms to raise funds in the market through an appropriate conduit which would be guided in line with principles set by housing and the intervention of the Ministry of Finance, the banks would increase their investment beyond R42 billion in the target market.

Engagements in the charter process are ongoing. The banks were expected to flight a generic consumer-education programme aimed at informing potential borrowers of their rights and obligations, and those of banks, through various media. Another campaign was expected to raise awareness of the initiative and of the basis on which members of the target group could access affordable housing finance products and subsidies from the Department of Housing. Government initiated a programme to bridge the gap as identified by the banks as a barrier to entry to affordable housing finance products, and developed a programme of financial support for households with incomes ranging from R3 501 to R7 000.

Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998)

In terms of the Housing Consumer Protection Measures Act, 1998, residential builders have to register with the NHBRC and are obliged to enrol all new houses under the NHBRC's Defect Warranty Scheme.

The Act aims 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, 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 (Act 19 of 1998)

The Prevention of Illegal Eviction and Unlawful Occupation of Land Act, 1998 prohibits 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.

Social housing

The Department of Housing finalised the Social Housing Bill, which was expected to be introduced to Parliament in the second half of 2006.

The Bill is expected to assign the responsibilities of national, provincial and local government on matters pertaining to social housing.

It will also ensure that relevant institutional arrangements and capacities required by the Social Housing Programme are in place, including the establishment of the Social Housing Regulatory Authority.

The department is intensifying its working relationship with community-based organisations and various non-governmental organisations (NGOs) that include the Federation of Urban (and Rural) Poor, Built Environment Support Group, Kuyasa Fund, Utshani Fund and Rooftops to build a strong and cohesive housing sector.

In September 2005, the department signed the Social Contract for Rapid Housing Delivery with 47 other key stakeholders.

Each signatory committed to becoming a member of the Plenary Assembly, aimed at reviewing and monitoring progress in achieving the ideals of the Social Contract for Rapid Housing Delivery. The first Plenary Assembly met in March 2006 to look at issues such as development planning, land and legal matters, delivery, consumer education, capacity-building and communication, development planning and the housing supply chain.

The social contract brings together all sectors in a mobilised and cohesive housing sector that seeks to help government achieve the goal of eradicating all informal settlements by 2014.

Public-Sector Hostel Redevelopment Programme

The Department of Housing is replacing the hostels policy with one that will create humane living conditions, and will 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. The new technical norms and standards for redeveloping hostels will give rise to new guidelines for turning sector hostels into family units.

In July 2006, First National Bank (FNB) announced an increased investment in housing in South Africa of some R2 billion.

Together with government, FNB aims to deliver 3 000 bonded houses in the Joe Slovo settlement, situated in the Langa township in Cape Town. It has pledged to invest some R600 million in the project.

Houses, which are priced between R150 000 and R250 000, will be offered to people who earn between R3 500 and R7 500 per month.

Besides the R600 million, FNB has also started an R800-million housing deal to build houses in Soweto, and has invested R368 million to build some 1 000 houses in Johannesburg in 2006, bringing the total investment to just under R2 billion.

Capacity-building

One of the major constraints in housing delivery is the lack of capacity, in terms of an efficient workforce and the installation of appropriate technology, equipment and systems for monitoring, evaluation and reporting purposes.

The Department of Housing continues to assist provinces in ensuring 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, have been developed.

The Department of Housing has undertaken several initiatives to support small enterprises within housing and to promote Black Economic Empowerment and gender mainstreaming.

Based on extensive consultation with stakeholders in the construction and housing industry, the department has developed a framework for emerging contractor support that has resulted in a support programme that is focusing initially on training emerging contractors.

Through the NHBRC, R10 million has been set aside to develop a pool of housing entrepreneurs who will enhance delivery of low-cost housing. By August 2006, tenders for Construction Education and Training Authority-accredited service-providers had been issued and the NHBRC had trained 1 740 emerging home builders, of which 610 (35% of the total) were women.

The NHBRC has committed R7 million to training the youth through the National Youth Service Project, which aims to support nation-building by involving young people in delivering crucial government services.

The NHBRC is involved in the construction of houses in the Modimolle Ministerial Special Project, which was initiated to complement the emerging home-builder training. The project targeted 200 learners and had trained 65 of them by the end of August 2006.

To give women contractors better access to housing projects, the department has ring-fenced 10% of provincial housing department's allocation to projects undertaken by female developers or contractors. In 2005, provincial government departments allocated 288 housing-development projects worth R1,9 billion countrywide to emerging female contractors.

Emergency housing

The National Housing Programme for Housing Assistance in Emergency Housing Circumstances was instituted in terms of the Housing Act, 1997 (Act 170 of 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 as permitted by 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 emergency situations, such as when:

- their existing shelters have been destroyed or damaged
- their prevailing situation poses an immediate threat to their lives, health and safety
- they have been evicted or face the threat of eviction.

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.

Emergency Housing Circumstances Programme

In November 2005, government approved a policy regarding fast tracking the housing solution for people living in areas of stress by using the Emergency Housing Circumstances Programme. Pilots under the programme were to be implemented in Gauteng, the Eastern Cape and Western Cape.

In Gauteng, the pilot was to be implemented in Protea South (Johannesburg Region), Tsakane Extension 10 (Ekurhuleni) and Sicelo Shiceka Extension 5 (Sedibeng). The Eastern Cape's pilot programme would be implemented in Klipplaat in the Ikwezi Municipality that was hit by a tornado in February 2005. By the end of August 2006, 57 houses had been completed and 12 houses were in various stages of completion.

The programme was expected to be implemented in Bardale in Mfuleni, and in Happy Valley in Oostenberg in the Western Cape.

Housing subsidies

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, the People's Housing Process (PHP), rural subsidies and institutional subsidies.

The department has designed a housing scheme to effectively cater for people with disabilities. People with visual impairment and other disabilities will receive an additional amount to the normal subsidy to make their homes more accessible and comfortable, in accordance with their physical needs.

Disabled beneficiaries may receive special additions to their houses to enable them to live independently. These additions have been tailor-made to accommodate the variety of special housing needs.

Such special additions to houses entail concrete aprons and ramps to facilitate access, special grab-rails in bathrooms, kick plates on doors, visible doorbells and special access arrangements to toilets.

Project-linked subsidies

This housing subsidy mechanism enables a qualifying household to access a complete residential unit, which has been 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 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 institutions 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 to take transfer within the first four years of receiving the subsidy.

Institutions must also invest capital from their own resources in the project.

Total projects per province, June 2006

Eastern Cape	460
Free State	639
Gauteng	1 146
KwaZulu-Natal	568
Limpopo	578
Mpumulanga	378
Northern Cape	260
North West	262
Western Cape	579
Total	**4 870**

Source: Department of Housing

Total beneficiaries per province, June 2006

Eastern Cape	247 694
Free State	138 146
Gauteng	433 095
KwaZulu-Natal	281 341
Limpopo	150 978
Mpumulanga	122 507
Northern Cape	38 364
North West	161 035
Western Cape	217 866
Total	**1 781 026**

Source: Department of Housing

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 must enter into a relocation agreement 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

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, for the building of houses or for 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 (Act 95 of 1998). The council protects the interests of consumers and regulates the home-building industry.

The NHBRC is a section 21 company established to provide for the protection of housing consumers through a home warranty scheme, and to regulate the home-building industry through the registration of builders and the setting of ethical and technical standards for the residential building industry.

The Housing Consumer Protection Measures Act, 1998 extends the NHBRC home-warranty scheme to government housing subsidy schemes.

The NHBRC raises revenue from fees charged for the registration of home builders and the enrolment of new houses under its warranty scheme.

National Housing Finance Corporation

The Department of Housing established the NHFC as a development-finance institution in 1996, to ensure that every low- and moderate-income household gains access to housing finance.

Following a review of the NHFC's mandate to enable the parastatal to function as a financial institution, legislative amendments were introduced and the NHFC was made a housing bank. In 2006/07, the NHFC was expected to deliver at least 25 000 units and to provide finance for the poor and middle-income groups.

National Urban Reconstruction and Housing Agency

Nurcha was formed in May 1995 as a partnership between the South African Government and the Open Society Institute of New York, United States of America (USA), to arrange finance for the construction of housing.

Over the years, Nurcha has raised additional financing through Swedish, Norwegian and other agencies in the USA, and through the Futuregrowth Fund, Overseas Private Investors' Corporation and Rand Merchant Bank. It is a tax-exempt, non-profit-making company. By the end of 2005/06, Nurcha had supported the building of 153 897 houses.

Programmes

Nurcha uses a variety of interventions to arrange and package finance such as bridging-finance loans for those delivering housing to low-income households, infrastructure and community facilities.

Housing subsidy expenditure according to subsidy instruments from April 1994 – June 2006

Total number of subsidies								
	Project linked	Individual	Con-solidation	Insti-tution	Hostel redevelop-ment	Rural	Emergency housing	Total
Total	2 075 012	165 891	272 206	69 183	171 602	122 178	5 307	2 881 379

Source: Department of Housing

Nurcha has programmes to assist small/emerging contractors by lending them money to build subsidy housing and related infrastructure, and infrastructure and/or community facility projects.

To assist contractors and developers who are unable to access bridging finance from a bank, Nurcha has developed innovative finance programmes, and has entered into agreements with financial intermediaries who ensure the appropriate flow of finance to projects. Applicants are normally contractors who also require financial and project-management support.

Nurcha lends money directly to established developers and contractors developing subsidy housing, affordable housing in the R80 000 to R250 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 (no contribution is necessary for emerging contractors).

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.

Servcon Housing Solutions

Servcon was established in 1994 as a 50-50 joint venture between the Department of Housing (representing government) and the Banking Council of South Africa, now the Banking Association of South Africa.

When the agreement was renewed in 1998, 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.

By 28 February 2006, Servcon had normalised 32 233 properties, and anticipated achieving the full target of 33 306 by 31 March 2006.

By early 2006, steps had been initiated to transform Servcon into a special purpose vehicle that will play a leading role, in conjunction with municipalities and provinces, in identifying and acquiring well-located land for housing.

Government departments and parastatals have been engaging in discussions to identify and release well-located land for housing.

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, 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.

By the end of August 2006, the Department of Housing was compiling a framework for environmentally sound housing that identified gaps and provided guidelines for environmentally friendly homes.

The department was also collaborating with the Danish International Aid Agency (Danida) on a project that aims to supply subsidised housing with efficient energy. Danida has contributed R13 million to the project.

In the first half of 2005/06, the SHF contributed to policy development in this sector by releasing position papers on public housing and housing co-operatives that also documented best-practice case studies.

It was expected that the SHF would be consolidated under the new Social Housing Regulatory Authority once the new social housing policy and Bill were introduced. SHF functions would continue at existing funding levels, with the department having budgeted transfers of R81 million for the SHF over the medium term.

Peoples' Housing Partnership Trust (PHPT)

The Department of Housing established the PHPT in 1997 to create the capacity to facilitate subsidy support for the PHP, which is the process of owners literally building their own homes. In terms of the National Housing Policy: Supporting the PHP, the PHPT's mandate is to capacitate national, provincial and local government, and civil society, to participate in and support the PHP.

The trust gets limited grant funding from the department and raises revenue through grants from provinces for PHP projects.

Rural Housing Loan Fund

The RHLF was incorporated in 1997 as a subsidiary to the NHFC, but has existed as a separate entity since 2002. It is a wholesale lending institution that raises money and lends it, to enable institutions to provide low-income people in rural areas with housing finance.

Thubelisha Homes

Thubelisha Homes is a section 21 company that was established to procure and develop housing stock for rightsizing. To achieve this, Thubelisha has to determine the number, nature and location of the housing stock that is required; secure funding to finance 'rightsizing' housing stock; procure or develop and finance relevant rightsizing stock; evaluate the clients for 'rightsizing' stock; and grant credit to qualifying clients.

Government gave Thubelisha a R50-million start-up grant with which to commence operations. Thubelisha gets subsidies through government programmes to 'rightsize' clients.

Thubelisha Homes' mandate has been expanded to include the project management of housing projects and integrated sustainable developments, as well as the construction of affordable housing and related services.

Thubelisha supports the BNG Programme in various ways, and provides products and support services that include:

- project and construction management and audits
- subsidy and claims administration
- accounts administration
- contractor development and skills transfer.

Thubelisha offers graduates a six-month practical training programme and exposure to the subsidised housing market and construction industry via its Experiential Programme. In partnership with Women For Housing, Thubelisha has initiated the Contractor Development Programme, which will access resources, provide contractors with regular work, and formalise structured career and business development for emergent contractors.

Thubelisha was appointed project manager and implementing agent of the N2 Gateway Project. Thubelisha is project managing the upgrade of 750 backyard shacks in Orlando East that are let by Soweto home owners. This project differs from other subsidised housing projects as no policy governs it. The new structures are built free of charge to the home owner, with two- or three-roomed options and communal ablutions.

Acknowledgements

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Justice and correctional services

The Department of Justice and Constitutional Development aims to uphold and protect the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), and the rule of law. It also aims to render accessible, fair, speedy and cost-effective administration of justice in the interest of a safer and more secure South Africa.

The department's four national core branches are Court Services, Master of the High Court, Legal Advisory Services, and Legislation and Constitutional Development. Corporate Services provides support. The National Prosecuting Authority (NPA) forms a separate programme on the department's Vote.

To ensure the efficiency of its services and to enhance accessibility, the NPA, Court Services and the Master of the High Court have established provincial and local structures linked to courts to co-ordinate the implementation of national policy. Legal Advisory Services has also established state attorney offices in Pretoria, Johannesburg, Cape Town, Bloemfontein, Kimberley, Port Elizabeth, East London, Thohoyandou and Durban to provide services at a decentralised level.

The following constitutional institutions form part of the department:

- the South African Human Rights Commission (SAHRC), which promotes and monitors the observance of human rights in South Africa
- the Commission on Gender Equality (CGE), which aims to create a society free from gender discrimination and any other forms of oppression
- the Public Protector, which investigates any conduct in state affairs, or in public administration in any sphere of government, that is alleged to be improper, or which results in any impropriety or prejudice.

The department administers the following public entities:

- the Special Investigating Unit (SIU), which provides professional forensic investigating and litigation services to all state institutions at national, provincial and local level to combat maladministration, corruption and fraud, and to protect state assets and public money
- the Legal Aid Board, which provides legal aid and representation to as many indigent people as possible at the State's expense.

The department's budget for 2006/07 was R7,3 billion, of which R1,5 billion was for the NPA, R2,4 billion for the Court Services Programme, and R986 million for chapter nine institutions.

Judicial system

The Constitution 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 decision of a court binds all organs of state and persons to whom it applies.

Chapter Eight of the Constitution makes provision for the following courts:

- Constitutional Court
- Supreme Court of Appeal
- high courts, including any high court of appeal that may be established by an Act of Parliament to hear appeals from high courts
- magistrates' courts
- any other court established or recognised in terms of an Act of Parliament, including any court of a status similar to either high courts or magistrates' courts.

In line with this, Parliament has also established special income tax courts, the Labour Court and the Labour Appeal Court, the Land Claims Court, the Competition Appeal Court, the Electoral Court, divorce courts, 'military courts' and equality courts.

The Minister of Justice and Constitutional Development, Ms Brigitte Mabandla, is leading a process to rationalise high courts. The Superior Courts Bill, which was introduced in Parliament in 2005, will abolish the last remnants of the homeland-based supreme courts, and will usher in new provincial divisions of the High Court in each province. Their jurisdiction and capacity will be determined in accordance with people's needs. This will result in the opening of high courts in Mpumalanga and Limpopo, which the Pretoria High Court currently services.

Constitutional Court

The Constitutional Court, situated in Johannesburg, is the highest court in all constitutional matters. It is the only court that may adjudicate disputes between organs of state in the national or provincial sphere concerning the constitutional status, powers or functions of any of those organs of state, or that may decide on the constitutionality of any amendment to the Constitution or any parliamentary or provincial Bill. The Constitutional Court makes the final decision on whether an Act of Parliament, a provincial Act or the conduct of the President is constitutional. It consists of the Chief Justice of South Africa, the Deputy Chief Justice and nine Constitutional Court judges.

Justice Pius Langa is Chief Justice of South Africa and Justice Dikgang Moseneke is Deputy Chief Justice.

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 consists 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 high courts are binding on magistrates' courts within the respective areas of jurisdiction of the divisions.

High courts

There are 10 high 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 (Mthatha), Ciskei (Bhisho), 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.

Chapter Nine institutions are organisations established by Chapter Nine of the South African Constitution. These independent organisations have as their general mandate the strengthening of constitutional democracy in South Africa.

They are subject only to the Constitution and the law. They must be impartial and must exercise their powers and perform their functions without fear, favour or prejudice.

Chapter Nine institutions are the Public Protector; South African Human Rights Commission; Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities; Commission on Gender Equality; Auditor-General; and the Electoral Commission.

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 to impose a penalty. Except where minimum or maximum sentences are prescribed by law, their penal jurisdiction is unlimited and includes handing down a sentence of life imprisonment in certain specified cases.

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.

Other high courts

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.

Decisions of the Constitutional Court, the Supreme Court of Appeal and the high courts are an important source of law. These courts are required to uphold and to enforce the Constitution, which has an extensive Bill of Rights binding all state organs and all persons. The courts are also required to declare any law or conduct that is inconsistent with the Constitution to be invalid, and to develop common law that is consistent with the values of the Constitution and the spirit and purpose of the Bill of Rights.

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 per province at one or more places in each regional division to hear matters within their jurisdiction. Unlike the High Court, the penal jurisdiction of regional courts is limited by legislation.

Magistrates' 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 resources in an equitable manner; and addressed the imbalances in the former homeland regions.

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 regional courts have a higher penal jurisdiction than magistrates' courts (district courts), an accused cannot appeal to the Regional Court against the decision of a district court, only to the High Court.

By March 2005, there were 366 magistrates' offices, 50 detached offices, 98 branch courts and 228 periodical courts in South Africa, with 1 833 magistrates.

The department created 40 new magistrates' posts in 2005/06 and filled 1 000 vacancies at courts in support of the judiciary and the prosecution.

Criminal jurisdiction

Apart from specific provisions of the Magistrates' Courts Act, 1944 (Act 32 of 1944), or any other Act, jurisdiction regarding sentences imposed by district courts is limited to a period of not more than three years' imprisonment, or a fine not exceeding R60 000. A 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 by 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. A 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 the circumstances pertaining to the offender, the Directorate of Public Prosecutions (DPP) decides in which court a matter will be heard and may even decide on a summary trial in the High Court.

Prosecutions are usually summarily disposed of in magistrates' 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 courts and high courts)
- 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 courts and high courts)
- 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 violated, 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 offenders prove that circumstances beyond their control, or that any other good and sufficient reason, prevented them 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.

Community courts

Unlike normal courts, community courts, like the Hatfield Community Court in Pretoria, have flexible hours.

The business community and other formations of civil society contribute significantly to the establishment and sustainability of these courts.

By September 2005, 13 community courts had been established. Four were fully operational and had been formally launched. These are Hatfield, Fezeka (Gugulethu), Mitchell's Plain and Cape Town. Another nine pilot sites commenced in Durban (Point), KwaMashu, Mthatha, Bloemfontein, Thohoyandou, Kimberley, Phuthaditjaba, Hillbrow and Protea (Lenasia).

By September 2005, 9 685 cases had been finalised since the start of the first Community Court in April 2004, with a 96% conviction rate.

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 operates twice a week at the Magistrates' Office in Roodepoort. In 2005, a new tax court facility was opened in Megawatt Park, Sunninghill, Gauteng.

Family courts

A 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 integrated and specialised services to the family as the fundamental unit in society
- facilitate access to justice for all in family disputes
- improve the quality and effectiveness of service delivery to citizens who have family law disputes.

To ensure the proper and efficient functioning of maintenance courts, government has introduced initiatives that include appointing and training 140 maintenance investigators and providing them with training, creating 427 maintenance clerk and 86 maintenance investigator clerk positions to improve service delivery, and facilitating the development of Magistrates' Guidelines for the Implementation of Maintenance and Operation Isondlo.

By September 2006, Operation Isondlo, which was launched in Limpopo in December 2005, had brought relief to thousands of women struggling to recoup outstanding maintenance payments. This initiative aims to guard against the risk of the family unit degenerating and children being driven to a life of crime, by encouraging more mediation and the involvement of all stakeholders in maintenance matters, and by inculcating a culture of respect for the law and its attendant processes.

Equality courts

The role of equality courts 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 magistrates' and high courts, each to be presided over by trained magistrates or judges appointed as presiding officers. The Act further authorises the Minister of Justice and Constitutional Development to appoint the Equality Review Committee to monitor the implementation of the Act's provisions.

By the end of August 2005, 70 sexual offences courts were in session and 30 more were expected to be operational by March 2006. These specialised courts allow sexual offences cases to be handled with sensitivity to avoid secondary victimisation of traumatised victims.

By the end of 2005/06, 260 designated equality courts were expected to be functioning and dealing with matters of discrimination. Section 16(1)(a) of the Promotion of Equality and Prevention of Discrimination Act, 2000 provides that every high court is an equality court for its area of jurisdiction. Infrastructure is provided for this purpose as new courts are set up. Over 1 290 magistrates and 300 clerks of court have been

trained in equality matters. The equality court services were expected to be extended to another 100 courts in 2006/07.

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 magistrates' 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 regarding 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 courts

The limit of cases involving civil claims is R7 000. By June 2006, there were 154 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.

An average of 120 commissioners are appointed for small claims courts annually.

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.

A national programme aims to strengthen and roll out small claims courts to rural and peri-urban areas by pursuing the strategic objectives of:

- providing access for all, especially the poor and the vulnerable
- establishing systems and rules of court that are accessible and easy to understand
- providing trained administrative support staff
- attracting and retaining commissioners.

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 chiefs' 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.

Towards transforming partnerships

A key aspect of the transformation of the justice system concerns the department's key strategic partners and stakeholders. The considerable effort put behind transforming prosecution and allied services into a prestigious professional force, in accordance with the Constitution, is paying off.

By February 2006, of the 218 judges, 53% (115) were white, 31% (68) were African, 3% (16) were coloured and 9% (19) were Indian. Overall, 16% were female and 84% male. In terms of the lower court judiciary, at the end of February 2006, of the 1 833 magistrates, 48% (893) were white, 37% (683)

During 2005, 983 407 cases were registered in district courts, of which 958 254 were cleared from the roll. In regional courts, 81 724 cases were registered and 80 168 cases were cleared from the roll.

The outstanding court roll at the end of December 2005 was 157 251 and 46 893 for the district and regional courts respectively. An average of four hours and 12 minutes per day were performed in district courts and four hours in regional courts. The district courts managed a conviction rate of 87,4%. The regional courts managed a conviction rate of 70,8%.

In the high courts, 1 348 new cases were registered during 2005. A further 1 067 cases were carried over/outstanding from 2004, resulting in a workload of 2 145. Of these, 1 492 were cleared from the roll, leaving an outstanding roll of 923, which were carried over to 2006. The high courts managed to perform an average of three hours and 32 minutes per day. The conviction rate in the high courts was 85%.

were African, 8% (121) were coloured and 7% (131) were Indian. Overall, 30% were female and 70% male.

A comprehensive human resource development (HRD) strategy to widen the pool of women and black legal practitioners was expected to be finalised during 2006/07.

The transformation of the judiciary is intimately linked with the transformation of the legal profession and of legal scholarship. The department has worked in partnership with law schools in transforming the curriculum of the basic law degree to bring it in line with modern best practices. In addition to encouraging law schools to widen access to students from previously disadvantaged communities, these institutions will further be encouraged to forge linkages with leading law firms, with prominent practitioners and with relevant international organisations. This will:

- ensure the relevance of the training they offer to the practical demands of the cutting edge of the profession
- expose students, especially those from previously disadvantaged communities, to the profession and vice versa to facilitate professional training prospects
- engage the legal profession in the evolution of a new legal system that fully expresses the constitutional and cultural aspirations of the new dispensation.

The department will play its part in assisting law graduates through its internship programme. The internship programme will also provide research training to give much-needed assistance to state legal officers, prosecutors, public defenders, the judiciary and the magistracy.

Transformation of the legal profession includes ensuring that judicial services are accessible to the poor, the uneducated and the vulnerable. This entails establishing a physical presence in rural areas and in townships, as well as offering affordable fees and providing speedy and empathetic services. It also entails facilitating access of all aspects and levels of the profession to aspirant lawyers, especially to those from previously marginalised backgrounds.

The provision of alternative dispute-resolution mechanisms is another key aspect of transforming justice services, thus making justice more accessible and more affordable.

The department gives prominence to integrating and modernising justice services through technology. It seeks to evolve simplified, cheaper and faster processes geared for the poor and vulnerable in townships and rural areas. It seeks to achieve this in partnership with its customers, with other government departments and with stakeholders.

Capacitating courts and restructuring the court system

In 2006, the department was in the third year of its five-year courts turnaround strategy, through the Re Aga Boswa *We Are Rebuilding* Project, which seeks to enhance court efficiency. It will complete the restructuring programme for courts. The project also institutionalises a new customer-focused court-management model that ensures that court managers are entrusted with managing courts, and that judges and magistrates invest more time in their judicial work. This will result in increased court hours and better-quality judgments.

The rationalisation of high courts and the redemarcation of magisterial districts is also part of the restructuring programme. This entails the rationalisation of service areas of the supreme courts in the former homelands and self-governing states to align them with the new constitutional order. In 2004, the Minister of Justice and Constitutional Development proclaimed new magisterial districts aligned to the new municipal boundaries.

Saturday courts and other additional courts were established to assist in decreasing the backlog of cases. Various new regional-court posts were created and filled, impacting positively on decreasing case backlogs.

Some 25 district courts were expected to be opened, and 15 regional court magistrates were appointed in 2006.

The department operates 46 integrated justice court centres throughout the country to improve co-operation between criminal justice role-players in case management. After leading to a reduced case cycle, this initiative was expected to be rolled out to another 40 courts in 2006/07.

Re Aga Boswa seeks to affirm the principle of separation of powers as enshrined in the Constitution to ensure that magistrates and judges who are also heads of courts are further relieved of administrative

functions to concentrate on their judicial work, as this is expected to lead to increased court productivity and to improved quality of judgments.

By June 2006, through Re Aga Boswa, 58 area-court manager and 217 court-manager positions had been created countrywide and were being filled.

The roll-out of Re Aga Boswa integrated the implementation plan of the justice, crime prevention and security service charter for victims of crime to ensure that there was sufficient capacity to implement the charter. A dedicated telephone line was launched in 2005/06 to provide victims of crime direct access to the courts.

The court process pilot project was initiated in 2000 to pilot business process re-engineering and electronic filing of documents and dockets. Lessons learned through the project about court scheduling, case management and general court administration processes were incorporated into the Re Aga Boswa Project.

National Prosecuting Authority of South Africa

Section 179(1) of the Constitution established a single NPA, which consists of the National Director of Public Prosecutions (NDPP), who is the head of the NPA, DPPs and prosecutors as determined by an Act of Parliament.

The NPA structure includes the National Prosecuting Services (NPS), the Directorate: Special Operations (DSO), the Witness-Protection Programme (WPP), the Asset Forfeiture Unit (AFU) and specialised units such as the Sexual Offences and Community Affairs (Soca) Unit, the Specialised Commercial Crime Unit, the Priority Crimes Litigation Unit and the Integrity Management Unit.

In terms of the NPA Act, 1998 (Act 32 of 1998), the DSO is a distinct and autonomous directorate.

In May 2005, President Thabo Mbeki appointed the Khampepe Commission of Inquiry into the Mandate and Location of the DSO.

By September 2006, the commission had completed its report after receiving written and oral submissions from various parties. Most of its hearings were held in public.

The commission recommended that the DSO be retained within the NPA, but that political oversight and responsibility for the law-enforcement component of the DSO be conferred on the Minister of Safety and Security. Prosecutors working for the DSO would continue to receive instructions from the NDPP, which would remain accountable to the Minister of Justice and Constitutional Development.

Over the next three years, some 890 additional prosecutors' posts are expected to be created, which will allow for the deployment of at least two prosecutors per court.

In 2006/07, the NPA was expected to employ more personnel in addition to the 2 187 prosecutors and 196 senior public prosecutors who deal with criminal cases in the lower courts.

Office of the National Director of Public Prosecutions

The Office of the NDPP is the head office of the NPA. The prosecuting authority vests in the NDPP and the DPP. 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, 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 objective of the DSO is to prioritise, investigate and prosecute particular manifestations of serious and organised crime that threaten the South African democracy and economy.

Consequently, focus areas have been defined to include complex financial crime, syndicated organised crime and high-level corruption affecting business integrity and state administration. The core business of the DSO has been layered by a selection of investigations, where racketeering, money laundering and the forfeiture of the proceeds of crime form the main activities.

The primary client of the DSO is government, which has a fundamental interest in combating and suppressing insidious (and apparently victimless) organised crime. Equally, complainants from the private sector and regulatory bodies (for example

Sars, the Financial Services Board and the South African Reserve Bank) base their expectations on how the DSO deals with financial crimes.

Rare individual complainants form part of the DSO's client base, when they are affected by large-scale money rackets or organised violence.

The DSO renders services that include the determination, investigation and prosecution of crime to restore justice, to enhance public confidence in governance and to reduce crime through deterrence.

Products are realised through accurate assessments of crime threats, impact-driven and opportune investigations, successful prosecutions, confiscation of contraband, and forfeiture of ill-gotten gains and compensations, where warranted.

Asset Forfeiture Unit

The AFU was created in 1999 in terms 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.

Between 2000 and 2006, more than R1 billion in proceeds from crime was frozen and nearly R100 million was paid into the Criminal Assets Recovery Account.

Special Investigating Unit

The broad legislative mandate of the DSO has been reduced to four crime focus areas to enable the DSO to carry out its mandate successfully. These are:

- organised crime
- organised corruption
- serious and complex financial crime
- racketeering and money laundering.

By July 2006, the investigation of the SIU into irregular social grant payments in the Department of Social Development, at the request of the Minister of Social Development, Dr Zola Skweyiya, and paid for by that department, had removed some R1,5 billion in irregular grants from the system.

The joint efforts of the department and the SIU resulted in 110 000 grants being cancelled, saving taxpayers over R400 million a year.

The investigation focused on civil servants registered on the Social Pension System who received social grants.

Between July 2005 and July 2006, some 44 000 government employees receiving grants were investigated. The 21 588 found to be on the system irregularly were to face disciplinary action.

The SIU aimed to cancel another 125 000 grants worth R500 million in 2006.

The SIU investigation also tried to recover money from those able to repay the irregular grants they had received, whether being government employees or not.

The next phase of the investigation would focus on private individuals receiving social grants irregularly.

With almost a quarter of South Africa's population of over 40 million people receiving social assistance grants, the SIU expects to investigate up to five million cases over the next few years to clean up the system.

By September 2006, the National Prosecuting Authority had attained its target of finalising 5% more cases in a financial year. The number of cases that were diverted from the criminal justice system more than doubled in 2005/06 from an average of 1 208 cases diverted a month in 2004, to an average of 2 800 a month in 2005.

Implementing the diversion programme helped 89 425 children avoid the punitive justice system between 1999 and 2006. The lower courts attained an 85% conviction rate in 2005/06, and case cycle times rose from 17% to 19% of cases older than the target set by the Department of Justice and Constitutional Development.

During 2005/06, 935 commercial-crime trials were finalised with a conviction rate of 94,22% with some courts averaging over six hours a day.

The corruption probe at the Department of Correctional Services' facilities led to a saving of R3,4 billion for the medical aid scheme of the department, and to 90 officials being criminally prosecuted and charged internally.

Other important fraud cases being tackled aggressively by the SIU are at driver's licence-issuing centres. By March 2006, more than 1 000 licence centres had been found to be non-compliant, with 1 294 criminal investigations pending, and 359 private individuals and 31 civil servants arrested, mostly on charges of selling fraudulent driver's licences.

Among other key corruption cases probed by the SIU were fraud cases in the WPP in KwaZulu-Natal.

The SIU also targeted local government, with 24 municipalities in five provinces being investigated.

Sexual Offences and Community Affairs Unit

The Soca Unit was established in September 1999 through a Presidential proclamation and with a specific mandate that includes:

- formulating policy regarding capacity-building, sensitising and scientific functional training in respect of the prosecution of sexual offences and gender-based violence
- co-ordinating the establishment of special courts for the adjudication of sexual offences and gender-based violence
- facilitating and/or formulating research techniques for the prosecution of sexual offences, gender-based violence, maintenance and child justice
- developing and implementing community-awareness programmes and plans for the participation of non-governmental organisations (NGOs) in the processes and procedures aimed at preventing or containing sexual offences
- developing training, plans and mechanisms regarding the prosecution of sexual offences, gender-based violence, maintenance and child justice.

The Department of Justice and Constitutional Development, in conjunction with the South African Police Service (SAPS) and the departments of social development and of health, have established several Thuthuzela care centres for victims of sexual offences.

The Thuthuzela care centres are 24-hour one-stop service centres where victims have access to all services that include police, counselling, doctors, court preparation and prosecutors. The main objectives of these centres are to eliminate secondary victimisation, to reduce case-cycle time and to increase convictions.

Specially trained police investigators, medical personnel, community volunteers, social workers and prosecutors work together. They ensure that the victim is not further traumatised in the process of reporting the incident, and that the information needed to secure a prosecution and conviction is passed seamlessly from one person to another.

These multipurpose 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).

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 fitted with one-way glass partitions adjacent to the courtrooms. Where it is impossible to provide such rooms in

In 2006, the Department of Justice and Constitutional Development announced the members of the Steering Committee for the Legal Services Charter. The draft charter seeks to address:

- access to justice by poor, uneducated communities
- quality and affordable delivery of legal services to citizens
- accessibility of legal services to communities
- entry requirements to the legal profession
- equal opportunities of legal services among legal practitioners
- access to legal work, including state and parastatal contracts by black practitioners
- the role of the legal profession in promoting equality in the judiciary
- transforming governance structures of the legal profession
- a unified regulatory framework for the legal profession
- empowering historically disadvantaged black legal practitioners
- skills development, employment equity, ownership and management within the legal profession.

existing buildings, other rooms away from the courts are used by providing a closed-circuit television (CCTV) 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 part-time or as volunteers. Given the specialised nature of the work and the scarcity of this resource, the department has decided to appoint about 34 intermediaries on contract.

The Draft Criminal Law (Sexual Offences) Amendment Bill, 2003 aims to provide intermediaries to all vulnerable witnesses in sexual-offence cases, where appropriate.

By 2005, 54 sexual offences courts, with an average conviction rate of 62%, had been established. Many of those cases dealt with protecting the rights of children. Of the 54 courts, 26 were blue-print compliant. Infrastructure is to be provided to make the remainder compliant. Permanent positions will also be created with the Magistrates' Commission to capacitate sexual offences courts.

By May 2006, more than 50 000 victims had been prepared for court by 66 court-preparation officials employed by the NPA.

National Prosecuting Services

The mission of the NPS is to raise the levels of productivity in the NPA and to make it efficient and credible.

It has to ensure proper planning of court rolls, prioritisation, and proper preparation and arrangement for all cases to be heard, as well as the avoidance of unreasonable delays.

Specialised Commercial Crime Unit

The Pretoria-based Specialised Commercial Crime Unit was established in 1999 as a pilot project to bring specialisation to the investigation and prosecution of commercial crimes emanating from the commercial branches of the SAPS in Pretoria and Johannesburg.

Three new courts and offices were established in the Johannesburg and Pretoria central business districts for specialised commercial-crime cases. Similar courts were established during 2004/05 in Durban and Port Elizabeth.

The Specialised Commercial Crimes Unit continues to achieve an above-average conviction rate.

In 2005/06, 935 commercial-crime trials were finalised with a conviction rate of 94,22%, with some courts operating for an average of over six hours a day.

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.

The office aims to:

- combat and reduce crime
- create a culture of civil morality
- enhance public confidence in the office and in the criminal justice system (CJS)
- enhance prosecutions through the evidence of vulnerable and intimidated witnesses.

It also provides 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.

Legal practitioners

The legal profession is divided into two branches – advocates and attorneys – who are subject to strict ethical codes.

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. Attorneys who wish to represent their clients in the High Court are required to apply to the registrar of a provincial division of the High Court. Such an attorney may also appear in the Constitutional Court. 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 persons who intend to be admitted as attorneys and who have satisfied certain degree requirements prescribed in the Act, are exempted from service under articles or clerkship. However, such persons must satisfy the society concerned that they have 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.

Other legal practitioners

In terms of the NPA Act, 1998, state advocates and prosecutors are separated from the Public Service in certain respects, notably by the determination of salaries.

State attorneys derive their power from the State Attorney Act, 1957 (Act 56 of 1957), and protect the interests of the State in the most cost-effective manner possible. They do this by acting on behalf of the State in legal matters covering a wide spectrum of the law.

State attorneys are involved in the drafting of contracts where the State is a party, and also act on behalf of elected and appointed officials in the performance of their duties, e.g. civil and criminal actions instituted against ministers and government officials in their official capacities.

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 unfair discrimination
- the right to life.

Since 1994, and in keeping with the cultivation of a human-rights culture, the focus is gradually shifting from an adversarial and retributive CJS to that of a restorative justice system. The Service Charter for Victims of Crime seeks to consolidate the present legal framework in South Africa relating to the rights of and services provided to victims of crime, and to eliminate secondary victimisation in the criminal justice process.

The ultimate goal is victim empowerment by meeting victims' needs, whether material or emotional.

Crime prevention

The Department of Justice and Constitutional Development is one of the five 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 to:

- promote legislation to create an effective CJS
- create an effective prosecution system
- create an effective court system for the adjudication of cases
- co-ordinate and integrate the departmental activities of all role-players involved in crime prevention.

Integrated justice system (IJS)

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, 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 was published in May 2003.

Issues that are receiving specific attention include the overcrowding in prisons and awaiting-trial prisoner problems (currently being dealt with by the Department of Correctional Services), as well as bail, sentencing and plea-bargaining (currently being dealt with by the Department of Justice and Constitutional Development).

Government at all levels wants to eliminate duplication of services and programmes. The need for strategic alignment of cluster activities has also been raised at a series of other governmental meetings and fora.

Benefits of proper alignment include:

- less duplication of services
- effective use of scarce and limited resources and skills
- joint strategic planning and a planned approach instead of reacting to problems.

During the latter half of 2002, the IJS Board responded to the challenge and initiated a process to co-ordinate and align activities beyond the IJS. In response to this, a development committee was established in 2003 and mandated to align the shared objectives of 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 the improved safety and security of citizens.

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

By September 2005, the Cabinet had endorsed proposals by the JCPS Cluster to review the CJS.

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 department's specific objectives, the IJS Board co-ordinates the broader and shared duty to integrate the information flow throughout the CJS.

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 on improved court and case administration.

Child justice

The department continues to prioritise access to justice for vulnerable groups, including:

- Implementing relevant legislation and enabling policy, for example, accelerating the finalisation of the Child Justice Bill. By mid-2006, Cabinet had approved the Sexual Offences Bill.
- Ensuring assistance from prosecutors and public defenders for child maintenance.
- Enforcing the right of children to receive support from earning parents.
- Prioritising child justice and all cases involving children, especially those in prison awaiting trial.

Victim-Empowerment Programme (VEP)

The VEP aims to improve services rendered to crime victims.

The NPA has court-preparation officials on contract who provide support to crime victims, especially abused children, in preparing them for court proceedings.

The Service Charter for Victims of Crime, approved by Cabinet, is expected to go a long way towards assisting crime victims.

By February 2006, some important elements of the charter were in place, including:

- toll-free lines in all provinces
- training of victim assistance staff who will assume duty at service-delivery points by 2007/08
- a set of complaints mechanisms.

Integrated justice case-flow management centres

Case-flow management centres provide an integrated solution to managing cases through the court system, facilitated by IT that allows the monitoring of aspects such as case-cycle time and court rolls.

Contributing to interdepartmental and cluster co-ordination and co-operation

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. National Treasury, the judiciary and the Department of Home Affairs are also represented on the committee.

Children awaiting trial

National and provincial action plans to fast-track all children awaiting trial in prisons and police cells, have led to a reduction in children awaiting trial from over 1 775 in January 2005 to 1 243 in January 2006.

Specific interventions to address the backlog of cases pending trial include moving away from placing children who are in trouble with the law in correctional detention centres. Children awaiting trial will be placed under home-based supervision, in places of safety or in the care of parents or caregivers. Three child-justice centres have been established in Port Elizabeth, Bloemfontein and Port Nolloth.

The National Inter-Sectoral Committee on Child Justice monitors and evaluates all child-justice issues and reports to the JCPS Cluster. This forum has also been established at regional level.

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 this 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 (HR) interventions.

The e-Justice Programme has evolved into the Information and Systems Management Programme, which has 25 projects in addition to the three main ones, i.e. Court Process Project (CPP), Digital Nervous System (DNS) Project and Financial Administration System (FAS) Project. The e-Justice Programme is funded mainly by the Justice Vote, but is supplemented with donor funding from the European Union Commission, the Royal Netherlands Embassy and the Irish Embassy.

With the completion of the DNS I project in March 2005, the department embarked on DNS II to establish a virtual private network, the first time in government, for the department to improve response times and the transfer of e-mail traffic over the network, and to enhance service delivery. In this regard:

- 221 sites were migrated
- eight sites were deployed
- bridging training was conducted in 190 sites and 5 796 users were trained
- full training was offered to six offices and 52 users were trained.

By May 2006, the Department of Justice and Constitutional Development was rolling out information and communications technology to all departmental sites with 15 users and less, thus connecting the smaller, mostly rural sites to the department's infrastructure and networks.

Court Process Project

The CPP, which was initiated in 2000, seeks to re-engineer the way in which court services are delivered. It is aimed at providing courts with the necessary tools to deal with caseloads and general management more effectively.

This project also links, for the first time, the police, prosecutors, courts, prisons and social-welfare facilities at selected pilot sites. It incorporates the flow of processes that affect departments in the IJS, namely the departments of safety and security, of correctional services, of social development, of justice and constitutional development and the NPA.

The system is live at the Durban Centre of Excellence (CoE).

Financial Administration System

The FAS is tasked with automating and administering trust accounts in the magistrates' courts, the State Attorneys' offices and the Guardian's Fund in the master's offices.

The Justice Deposit Account System was enhanced and rewritten to accommodate functionality, allowing the system to seamlessly interface with private banking institutions. The enhanced system was successfully piloted at Bafokeng Magistrate's Court in North West.

Legislative and constitutional development

The Legislative and Constitutional Development Branch of the Department of Justice and Constitutional Development is responsible for promoting, maintaining and developing the Constitution and its values by researching, developing and advancing appropriate legislation.

It includes research activities of the South African Law Reform Commission (SALRC), which involve extensive reviews of wide areas of law and legal practice.

The legislative development component of the branch is responsible for researching, developing and promoting appropriate legislation affecting the department's line functions.

The constitutional development component of the branch is also responsible for promoting the independence and effectiveness of Chapter Nine institutions, and for administering the Constitution, which includes monitoring the implementation of the Constitution and the Bill of Rights.

Between 1994 and 2005, the department promoted more than 113 Bills. The department's legislative programme was dominated by three main themes:

- legislation to give effect to the spirit of the constitutional dispensation
- legislation to address crime issues in South Africa
- legal reform.

Regulation of Interception of Communication and Provision of Communication-Related Act, 2002 (Act 70 of 2002)

This Act aims to regulate the interception and monitoring of certain communications and prohibits such interception and monitoring, except in cases where such interception or monitoring has been authorised by a judge of the High Court in the case of suspected serious offences. This Act, while protecting the rights of law-abiding individuals, is expected to contribute to the fight against serious organised crime.

Citation of Constitutional Laws Act, 2005 (Act 5 of 2005)

Since the Constitution of the Republic of South Africa is the supreme law of the country, it should be treated differently from other Acts of Parliament. This Act is intended to change the reference to the Constitution by providing that no Act number will be allocated to it in future.

It is also intended to substitute the short titles of all Constitution Amendment Acts that have been enacted since the commencement of the Constitution, so as to provide for the consecutive numbering of those Acts.

Constitutional Matters Amendment Act, 2005 (Act 15 of 2005)

This Act amended the Public Funding of Represented Political Parties Act, 1997 (Act 103 of 1997), to further regulate the allocation of monies from the Represented Political Parties Fund to political parties participating in the national and provincial legislatures, where a member of a legislature becomes a member of another party while retaining membership of that legislature, or where an existing party merges with another party, or subdivides into more than one party, or subdivides and any one subdivision merges with another party.

The Act also amended the Determination of Delegates (National Council of Provinces) Act, 1998 (Act 69 of 1998), to provide for the determination of certain delegates of a provincial legislature, which has been reconstituted on account of changes of party membership and mergers or subdivisions.

Judicial Matters Amendment Act, 2005 (Act 22 of 2005)

This Act amended a number of different Acts of Parliament, which are administered by the Department of Justice and Constitutional Development. The amendments are technical in nature and address identified practical problems.

Repeal of the Black Administration Act and Amendment of Certain Laws Act, 2005 (Act 28 of 2005)

This Act repeals the Black Administration Act, 1927, which contains many provisions regulating the lives of black persons in a manner in conflict with the Constitution.

Other legislation

Some important legislation that is being promoted by the department includes the Judicial Service Commission (JSC) Amendment Bill and the Child Justice Bill. The proposed Child Justice Bill will

create a new system for dealing with children in trouble with the law.

Superior Courts Bill

The Bill is intended to rationalise the structure and functioning of South Africa's superior courts.

Compulsory HIV-Testing of Alleged Sexual Offenders Bill

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.

Criminal Law (Sexual Offences) Amendment Bill

The Criminal Law (Sexual Offences) Bill emanates from an investigation by the SALRC and proposes a comprehensive review of existing legislation dealing with sexual offences. It aims to bring this area of law into line with the new constitutional dispensation and to provide greater protection against the sexual abuse of women and children, especially girls.

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 for all organs of state, scrutinise and amend international agreements, draft legislation and subordinate legislation and attend relevant parliamentary portfolio committees as legal advisers for all national departments. The component hosts the National Forum Against Racism and facilitates South Africa's participation in the International Court for Criminal Justice.

International affairs

The main functions of the Directorate: International Affairs in the Department of Justice and Constitutional Development are to identify and research 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 level with foreign states 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).

The directorate co-ordinates human-rights issues at international level under the auspices of the United Nations (UN) and the African Union (AU).

The functions of the directorate are divided into six broad categories:

- regular liaison with SADC states
- co-ordinating all Commonwealth matters pertaining to the administration of justice
- interacting with other international bodies, such as the United Nations (UN), the Hague Conference and the International Institute for the Unification of Private Law
- interacting with foreign states outside the SADC region
- negotiating extradition and mutual legal-assistance agreements with other countries
- preparing 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 said crimes in South Africa and beyond the borders of the country in certain circumstances
- deal with the arrest of certain persons accused of having committed said crimes and their surrender to the ICC in certain circumstances
- enhance co-operation by South Africa with the ICC.

Legal structures

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.

Each year, the value of estates under the supervision of the masters' offices amounts to about R18 billion. This includes about R2,5 billion in the Guardians' Fund.

The key statutory functions of the masters' offices are to:

- control the administration of deceased and curatorship estates
- control the administration of insolvent estates and the liquidation of companies and close corporations
- control the registration and administration of both testamentary and inter vivos trusts
- manage 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
- assess estate duty and certain functions with regard thereto
- accept and take custodianship of wills in deceased estates
- act as an office of record.

Deceased estates

On 15 October 2004, the Constitutional Court declared section 23 and regulations of the Black Administration Act, 1927 unconstitutional. In 2005, legislation to repeal the Black Administration Act, 1927 was finalised.

This decision implied that the Master of the High Court takes over the powers of supervision in all deceased estates, and that all estates have to be administered in terms of the Administration of Estates Act, 1965 (Act 66 of 1965), as amended. All intestate estates must be administered in terms of the Intestate Succession Act, 1987 (Act 81 of 1987), as amended.

This will ensure that all South Africans are treated equally, and that the dignity of each person is respected.

The institutional structures are the following:

- The Chief Master heads the national office and is responsible for co-ordinating all the activities of the masters' offices.
- There are masters' offices in Bhisho, Bloemfontein, Cape Town, Durban, Grahamstown, Johannesburg, Kimberley, Mafikeng, Polokwane, Port Elizabeth, Pietermaritzburg, Pretoria, Thohoyandou and Mthatha.
- Suboffices are located in places where the High Court does not have a seat, but where workloads require the presence of at least one assistant master.
- At service points, officials attached to the Branch: Court Services deliver services on behalf of, and under the direction of, the master. Each magistrate's court is a service point. Each service point has at least one designated official who is the office manager or a person of equal rank. They only appoint masters' representatives in intestate estates of R50 000 or less, in terms of section 18(3) of the Administration of Estates Amendment Act, 2002 (Act 47 of 2002).

Curatorships

On 26 December 2004, the Mental Healthcare Act, 2002 (Act 17 of 2002), came into operation, recalling the Mental Health Act, 1973 (Act 18 of 1973).

The new Act provides that where a person falls within the ambit of this Act, the master can appoint an administrator to handle the affairs of the person. The administrator, in this instance, replaces the appointment of a curator, as done in the past.

In terms of the Prevention of Organised Crime Act, 1998, the master also appoints curators in these estates to administer the assets of persons and legal entities attached by the AFU, in terms of a court order.

Guardian's Fund

The fund holds and administers funds, which are paid to the master on behalf of various persons known or unknown. These include minors, persons incapable of managing their own affairs, unborn heirs, missing or absent persons, or persons having an interest in the money of an usufructuary, fiduciary or fideicommissary nature.

The money in the Guardian's Fund is invested with the Public Investment Commission and is audited annually. Interest is calculated monthly at a rate per year determined from time to time by the Minister of Finance. The interest is compounded annually at 31 March. Interest is paid for a period from a month after receipt up to five years after it has become claimable, unless it is legally claimed before such expiration.

Five years after the money has become claimable, the master pays the unclaimed money to the Receiver of Revenue Payment Register. This does not mean that the owner of the money cannot claim the money from the Guardian's Fund. However, 30 years after the money has become claimable, the money is forfeited to the State. Every September, the master advertises unclaimed amounts in the *Government Gazette*.

Rules Board for Courts of Law

The rules board is a statutory body empowered to make or amend rules for high courts, the Supreme Court of Appeal and the lower courts.

It also develops rules and court procedures to ensure a speedy, inexpensive civil justice system that is in harmony with the Constitution and technological developments, and is accessible to all South Africans.

Justice College

The Justice College provides vocational training to all officials of the Department of Justice and Constitutional Development. It also presents training to autonomous professions such as magistrates and prosecutors.

Training is integral to the department's efforts to widen and improve citizens' access to justice. The Justice College is being transformed by reviewing governance structures, processes and systems, and revamping the curriculum to ensure that the college serves the training and development needs of all its stakeholders.

The transformed college will extend training to all professionals and officials of the department, including state attorneys, masters, family advocates, registrars, court managers and interpreters.

Training interpreters is also a departmental priority. The college continues presenting courses that focus on complex concepts and has launched management-training courses for senior interpreters to facilitate and develop their leadership skills.

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 counsellors, reports to the court and makes recommendations. These 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. The functions of the Family Advocate have been extended to include maintenance and domestic-violence matters.

Inquiries take place at the request of the court, one or both parties to the litigation, or at 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 as well as in lower courts.

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 Children's Act, 2005 (Act 38 of 2005), provides for the extension of the role of the Family Advocate to areas such as mediation and the facilitation of family-group conferences.

Legal Aid Board

The Legal Aid Board has completed the roll-out of a national infrastructure of four regional offices, 57 justice centres and 35 satellite offices. It employs more than 1 500 staff of whom more than 1 000 are legal professionals.

The board continues to provide legal assistance to the indigent, in accordance with the Constitution and other legislative requirements. This is carried out through a system of in-house outsourcing to private lawyers (a system of judicare) and co-operation partners.

With its national infrastructure in place, the board focuses on improving access to clients and communities, and on improving the quality of delivery of legal services.

The Legal Aid Board has increased the number of state-funded criminal and civil cases from 115 000 in 2001 to 340 244 in 2005.

In 2005, the board spent about R100 million of its R561-million budget on 42 000 cases that were referred to private legal practitioners.

Public Protector

The Public Protector investigates complaints from the public or on own its initiative against government at any level, its officials, persons performing public functions, corporations or companies where the State is involved, and statutory councils.

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.

Magistrates' Commission

The Magistrates' Commission ensures 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 of Justice and Constitutional Development 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

The SALRC is an independent statutory body, established by the SALRC Act, 1973 (Act 19 of 1973). The SALRC and its secretariat are responsible for research in respect of the law of South Africa with a view to advising government on the development, improvement, modernisation and reform of the law of South Africa in all its facets, by performing, among others, the following functions:

- executing the law-reform programme of the SALRC by conducting legal research, including legal comparative research, by developing proposals for law reform and, where appropriate, by promoting uniformity in the law
- preparing legislative proposals
- establishing a permanent, simplified, coherent and generally accessible statute book, complying with the principles of the Constitution
- consolidating or codifying any branch of the law
- assisting parliamentary committees during the deliberation of draft legislation emanating from the SALRC
- advising ministers and state departments on proposed legislation and recommendations of the SALRC.

Judicial Service Commission

In terms of the Constitution, the President, in consultation with the JSC, appoints the Chief Justice and the Deputy Chief Justice, and the President and Deputy President of the Supreme Court of Appeal. 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 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 to the administration of justice.

When appointments have to be made, the commission gives public notice of the vacancies that exist and calls for nominations.

The JSC shortlists suitable candidates and invites them for interviews. Professional bodies and members of the public are afforded the opportunity to comment before the interviews or to 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.

South African Human Rights Commission

In terms of section 184(1) of the Constitution, the SAHRC must:

- promote respect for human rights and a culture of human rights
- promote the protection, development and attainment of human rights
- monitor and assess the observance of human rights in South Africa.

The work of the commission is divided into the following programmes:

- Strategic Management and Support Services
- Commissioners
- Legal Services
- Research and Documentation
- Education and Training

Strategic Management and Support Services ensures that the operations of the commission comply with constitutional and legislative imperatives, guides the functioning of the commission to align with its strategic objectives and national priorities, and positions the commission favourably within the human-rights field regionally, nationally and internationally.

Commissioners raise the profile of the SAHRC, make strategic interventions, provide leadership in relation to human-rights issues and contribute to the development of human-rights-related and organisational policy.

The commission plays a special role in the development of human rights in Africa through work with the relevant organs of the SADC, AU and the African Commission on Human and People's Rights. It is a member of the International Co-ordinating Committee of African National Human Rights Institutions and has been instrumental in setting up other national human-rights institutions in Africa.

Legal Services investigates individual and systemic human-rights violations and provides appropriate redress. Mediations, decisions, findings and opinions of the commission and litigation are used to secure redress for individuals and communities.

An important mechanism through which the commission addresses systemic violations of human rights is through the convening of public inquiries and hearings.

Research and Documentation monitors and assesses the observance of human rights, in particular economic and social rights, the right to equality and the right of access to information. In addition, the programme monitors and intervenes in the legislative process and liaises with Parliament. It maintains a leading human-rights library and documentation centre.

The commission is mandated by the South African Constitution to request annual reports from government on progress made in the realisation of economic and social rights. This function is carried out by the Economic and Social Rights Unit.

The Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 gives the commission specific responsibilities in addition to its overall mandate to secure the right to equality. The Equality Unit functions as the focal point for the commission's activities in this area. The unit monitors equality courts and contributes to legislative developments and reform. Once the promotional aspect of the Act comes into place, the programme will receive and analyse equality plans, request regular reports relating to the number of cases adjudicated by the equality courts, and submit an annual report to Parliament.

The Promotion of Access to Information Act, 2000 places specific obligations on the commission. It co-ordinates implementation in this arena, including monitoring and research, making recommendations for the improvement and development of the Act, and providing an annual report to Parliament.

Education and Training conducts educational interventions on human rights and the commission's focus areas, conducts community outreach and awareness programmes, develops human-rights education and training material, and ensures the institutionalisation of human-rights education.

Public outreach activities within the commission focus on poverty-stricken communities in rural and peri-urban areas. The commission has developed the Omnibus Outreach Programme. This is a multifaceted tool for engaging with communities, encompassing a large range of educational interventions ranging from workshops, seminars, presentations, site visits and walkabouts to widespread campaigns, events and advocacy initiatives.

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. It also provides training and builds capacity both in South Africa and on the African continent regarding human-rights themes, challenges and issues.

Commission on Gender Equality

Chapter Nine 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 has the following powers and functions:

- developing, conducting or managing information and education programmes to foster public understanding of matters pertaining to the promotion of gender equality and the role and activities of the commission
- monitoring and evaluating the policies and practices of state organs, statutory and public bodies, as well as the private sector, to promote gender equality
- 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.

Complaints are received from the public at large and dealt with either through personal consultations, telephonically or in writing, including electronically.

In cases where the complaint does not fall within the CGE's mandate, it may be referred to a relevant institution or forum.

During 2004/05, the CGE attended to 1 132 complaints.

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.

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.

By July 2006, work was continuing to preserve the TRC's material and research. An allocation of R5 million for victims who testified before the TRC and who requested educational support was transferred to the National Student Financial Aid Scheme.

Correctional services

The Department of Correctional Services contributes towards maintaining and protecting a just, peaceful and safe society by enforcing court-imposed sentences and detaining inmates in safe custody while maintaining their human dignity.

It is also responsible for facilitating the correction of offending behaviour and the general development of all offenders as part of their rehabilitation, including those subject to community corrections.

In pursuing these objectives, the department has developed the *White Paper on Corrections* that embodies its long-term strategic policy and operational framework. These recognise corrections as a societal responsibility and put rehabilitation at the centre of all the department's activities.

In transforming the CJS in general, and the delivery of correctional services in particular, several milestones were attained in 2005/06, which included:

- Thirty-six CoEs were launched in all six correctional services regions. Where possible, such centres will be launched at all 241 correctional centres. The centres were prioritised for other interventions, including training in the new rehabilitation model Offender Rehabilitation Path. The CoEs, in which practical rehabilitation programmes have begun to yield fruitful results, are producing rehabilitated graduates and professionals in plumbing, carpentry, electrical engineering and teaching.
- The national curriculum programme was expected to see the department implementing the National Curriculum Statement for Grade 10 in its CoEs in 2006/07, as part of its commitment to ensuring that education is a key tenet of rehabilitation. The Durban Westville correctional centre achieved a 100% matriculation pass rate in 2004 and 2005, producing inmates who are

prospective teachers, communication specialists, public relations officers and artists.
- By mid-2006, the department was registering all its youth centres as full-time schools to ensure the transformation of CoEs into rehabilitation centres of education, knowledge and information.

By mid-2006, the department was developing a new policy framework and restructuring the system to centralise the principled participation of various role-players, including family, communities, NGOs, faith-based organisations (FBOs), community-based organisations (CBOs) and the CJS.

This programme seeks to improve confidence in the system, to optimise stakeholder participation and to strengthen family relations, while improving the management of rehabilitation programmes outside correctional centres.

The new programme was expected to improve the implementation of diversion programmes, non-custodial sanctions for offenders who pose limited danger to society, and the role of society in preventing crime and in correcting offending behaviour.

The budget allocation for social reintegration increased by 9,15% (from R313,3 million in 2005) to R342 million in 2006.

Offender accommodation

The department strives to provide adequate prison accommodation that complies with accepted standards. By March 2006, offenders were housed in 237 active correctional centres countrywide, including:
- eight correctional centres for female offenders only
- 13 youth correctional facilities
- 129 correctional centres for male offenders only
- 87 correctional centres for both male and female offenders.

Three correctional centres were closed down for renovations.

In centres where male, female and juvenile offenders are accommodated, female and juvenile offenders are housed in separate designated sections.

Overcrowding in prisons

By 31 December 2005, South Africa's correctional centres collectively housed 160 213 inmates, while accommodation was available for only 114 354. This means that general overcrowding was in the region of 137,64%. Of the total population, 113 820 inmates were unsentenced.

The average cost of incarceration was estimated at R123,37 a day.

By June 2006, South African correctional centres accommodated an offender population of 158 032 people and were overpopulated by more than 50 000 people.

Government assigned the Department of Correctional Services to lead an intercluster task team to develop a comprehensive strategy for reducing overcrowding, for consideration by Cabinet during 2006/07. The strategy is expected to raise proposals regarding the location of the function, dedication of appropriate resources and programmes for effective management of inmates who, in terms of the Constitution, are considered innocent until proven guilty.

Regional and area commissioners countrywide were expected to identify alternative facilities for incarcerating awaiting-trial detainees (ATDs) in correctional centres in the interim to reduce overcrowding in police holding cells. The ATD population decreased from 52 313 in January 2005 to 46 393 in March 2006.

Managing the special remission of sentences reduced overcrowding in correctional centres between June and August 2005 by over 31 000 sentenced offenders, from 187 000 to just over 156 000, thus saving over R70 million in running costs.

Four new-generation prisons in Kimberley, Klerksdorp, Leeuwkop and Nigel are expected to be completed in 2007. Similar facilities are expected to be built in the Eastern Cape, Western Cape, KwaZulu-Natal and Limpopo. All eight prisons will have 3 000 beds each.

Construction of another four new-generation correctional centres in Paarl, East London, Port Shepstone and Polokwane, announced in 2006,

To improve its capacity for delivery, the Department of Correctional Services employed over 3 000 entry-level personnel members in 2005/06 to enable it to phase in a seven-day working week. Over 8 000 officials were promoted and social workers' working conditions improved.

was expected to start in 2008. By June 2006, the environmental-impact assessment, the feasibility study and the identification of public land for the Limpopo centre were under way.

Safety and security

One of the core objectives of the department is to ensure that every correctional centre has a secure environment with a correcting influence. This refers not only to the prevention of escapes from custody, but also to the creation and maintenance of an environment in which there is a significantly low prevalence or absence of inmate abuse, violence, corruption and negligence.

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 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.

Through the implementation of national and regional escape-prevention strategies, the department succeeded in reducing the number of escapes from 171 in 2004/05 to 120 in 2005.

The number of escapes decreased by 90,3% between 1996 and 2005.

The department is upgrading and intensifying the use of equipment to increase the level of security in prisons. This will ensure 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.

The department is rolling out a biometric security system and state-of-the-art fencing with CCTV. By August 2006, the system had been launched in 62 of the targeted 66 correctional-service sites. The system includes a biometric fingerprinting system to manage inmate visitations.

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 all offenders is reviewed regularly, and if their behaviour, or any other aspect affecting their 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 children under the age of 18 who were awaiting trial or sentenced is alarming. A breakdown of the nature of the crimes of those in custody on 31 March 2006 revealed that there were 745 economic-related offences, 1 184 aggressive offences and 308 sexual offences. A further 107 juveniles were detained for drug-related and other offences.

Of the crimes committed by 36 929 sentenced youths between the ages of 18 and 25, 20 492

were aggressive, 9 434 economical, 8 606 sexual, and 3 245 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 Boksburg (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 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 correctional centres countrywide. By 31 March 2005, there were 173 infants under the age of five in correctional centres with their mothers. Policy on such infants clearly stipulates that mothers and children are kept in a separate unit within the correctional centre, 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 childcare practices to build 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, to engender a sense of responsibility in them, and to 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 sport 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. It 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 their 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,

On 12 May 2006, the Minister of Correctional Services, Mr Ngconde Balfour, and the Zambian high commissioner to South Africa, Mr Lesley Mbula, signed a historic co-operation agreement aimed at improving correctional service delivery within the two countries and the Southern African Development Community. The agreement is set to promote and institutionalise co-operation in various aspects of prison management.

Inmates per security category as at 31 March 2006

Sentence categories	Women	Men	**Total**
Maximum security	261	37 341	**37 602**
Medium security	1 412	57 947	**59 359**
Minimum security	20	1 251	**1 271**
Total	**1 693**	**96 539**	**98 232**

Source: Department of Correctional Services

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:

- strict pursuance of ethical codes by health professionals
- regular health-quality inspections
- strict compliance with rules of confidentiality and privacy regarding 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.

Sentence length breakdown as at 31 March 2006

Sentence length	Number
<6 months	5 088
>6 – 12 months	4 188
>12 – 24 months	3 815
2 – 3 years	10 423
3 – 5 years	10 642
5 – 7 years	8 831
7 – 10 years	18 060
10 – 15 years	23 901
15 – 20 years	11 287
>20 years	9 537
Life	6 803
Death	13
Other sentenced	1 232
Total sentenced	**113 820**

Source: Department of Correctional Services

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.

The Minister of Correctional Services approved the department's HIV and AIDS Policy in October 2002. In 2006, the department conducted a health-needs assessment based on government priority areas, as well as a survey of HIV and AIDS prevalence among inmates and staff.

The department is implementing the Comprehensive Plan on Prevention and Care of HIV and AIDS of the Department of Health, which includes providing antiretroviral (ARV) therapy to offenders who qualify for this treatment by referring them to the nearest accredited public healthcare facility to start treatment.

The department is also collaborating with the Department of Health to assess identified correctional centres for accreditation as ARV-therapy providers.

The first correctional centre to be accredited by the Department of Health for providing ARV therapy was Grootvlei in the Free State. The Qalakabusha, Pietermaritzburg and Durban Westville centres were expected to be accredited next.

The department's HIV and AIDS Policy caters for:

- 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.

In 2005/06, the department facilitated 35 400 awareness sessions on HIV and AIDS and other health-related aspects.

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 objective is to provide all offenders with three nutritious meals per day and to provide for therapeutic and special diets when prescribed by a medical doctor. The system also allows for religious and cultural diets.

In its efforts to ensure compliance in this regard, a contract was negotiated with an external service-provider to render catering services to the offenders and to train staff and offenders who work in the kitchens.

Because of budgetary constraints, the department decided on phased implementation. The first phase has seen implementation at seven large management areas, which benefit about one-third of the inmate population. An added advantage is that on their release, trained offenders will be able to participate effectively in the catering arena.

Rehabilitation

Rehabilitation aims to provide treatment and development programmes to offenders in partnership with the community. This will enhance personal and social functioning, and will 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:

The Department of Correctional Services has introduced compulsory rehabilitation programmes for all offenders. Penalties for refusing to participate include the removal of certain privileges.

- 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.

In March 2005, the Department of Correctional Services, in conjunction with the Department of Arts and Culture, launched the Arts Against Crime Project. The project involves artists visiting correctional centres and engaging with offenders to impart their love of the various art forms. It also aims to assist offenders in discovering and honing their own artistic skills. The Department of Correctional Services believes that exposure to, and participation in, the various art forms by offenders is of therapeutic value to them.

In 2006/07, Samuel Beckett's play *Waiting for Godot* was staged at Pollsmoor by a cast drawn from inmates, as part of the Arts in Prison Project run by the department in collaboration with the Department of Arts and Culture.

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 multi-disciplinary approach in which all role-players are

involved, i.e. those concerned with custodial, training, educational, psychological, religious-care and social-work functions, recreational sport and library projects, as well as self-sufficiency and life skills programmes.

Institutional committees have statutory decision-making competency regarding the safe custody of offenders, individual participation, subgroup and group programmes, as well as 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 to improve the skills of offenders to facilitate their reintegration into society.

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
- mainstream education (grades 10 – 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. This 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, and arts and culture activities as far as possible.

Inmates are trained in 14 of the department's training centres throughout the country in various fields such as IT, brick-laying, woodwork, welding, etc. In 2004, about 11 government departments purchased a range of items produced in the department's workshops, generating revenue of about R3 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 where trainees from Paarl and Franschhoek graduated with technical skills in garment-making, cabinet-making, upholstery and other fields early in 2005.

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.

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 completing their MA degrees in Clinical or Counselling Psychology provide services without remuneration under the supervision of their respective universities.

By July 2006, there were 55 psychologists available in the department, which is the highest number ever. This gave 73,14% more people (up from 10 292 to 17 820) access to their services between 2004/05 and 2005/06.

Social work services

Social Work Services aims to provide professional services to help offenders cope more effectively with problems relating to social functioning, and to prepare them for reintegration into the society.

Social Work Services provides structured treatment 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.

Spiritual care of offenders

Spiritual-care services are rendered through needs-based programmes within a multi-disciplinary context to persons who are in the care of the

department. This is done in partnership with churches or FBOs and other role-players to rehabilitate offenders and reintegrate 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.

The department employs full-time chaplains and part-time spiritual workers from various religious backgrounds.

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.

The Parole Review Board (PRB) was launched on 4 May 2006 to review decisions regarding the parole of sentenced inmates, signalling the department's intent to consider or review parole more holistically, by taking into account issues of fairness and objectivity as expected by citizens, and to ensure that there is recourse and alternative structure of appeal where rehabilitated offenders or members of the public representing offender interests can make representation on their parole.

The PRB does not replace correctional supervision and parole boards.

The PRB has to ensure that it can oversee the many parole matters that the 52 parole boards deal with, and handles parole applications from 240 correctional centres.

The PRB's work would be in vain if offender profiling and interventions regarding assessment and comprehensive rehabilitation programmes for offenders did not create conditions conducive to their rehabilitation, parole and social integration. Involving communities in this regard, as outlined in the *White Paper on Corrections*, is important in helping to break the cycle of crime.

The PRB will have to consider various issues in reviewing parole decisions, including existing programmes for offender rehabilitation based on risk-profile management output, sentence planning and needs-based interventions and professional treatment, where necessary.

As at 31 March 2006, there were 22 695 parolees.

The implementation of the Correctional Services Act, 1998 changed the department's policy concerning releasing offenders. The most significant changes included increasing the role of the community in decision-making and opportunities granted to victims of crime to express their views for consideration before a decision was made.

There are 52 correctional supervision boards countrywide tasked with deciding on the placement of offenders before the expiration of their sentences on either correctional supervision or parole. They are chaired by people appointed from the community where the board sits. Representatives from the Department of Justice and Constitutional Development, the SAPS and two additional community members serve on each board.

The PRB comprises members of the National Council on Correctional Services and is chaired by a

The Department of Correctional Services is implementing a skills-retention policy to attract and retain scarce specialist and professional skills, and is ensuring that its correctional officers' and relevant professional employees' salaries are improved.

A recruitment drive resulted in 50 new recruits being appointed in the Eastern Cape, particularly King William's Town and Middledrift, as from September 2006. Many of them are specialists and professionals such as teachers, social workers and nurses, appointed to alleviate the shortage of such skills in the province.

Judge of the Supreme Court. Other members that serve on the board are a member of the NPA, two community members and a representative from the Department of Correctional Services.

Also significant to the new concept of parole placement is that the victim now has a say in the placement of the offender. A victim may ask to be present during the hearing or to make a presentation at the time when the offender is considered for parole.

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.

Four corrections programmes have been developed and accredited, marking a real focus on root causes of crime in society, namely anger management, a sexual offenders programme, HIV and AIDS awareness and pre-release programmes. Participation in rehabilitation programmes will soon be compulsory.

The *White Paper on Corrections* is founded on the belief that the Department of Correctional Services should be an institution for rehabilitation, and that rehabilitation and social integration of offenders should be a responsibility of society. The department has entered into partnerships with NGOs, FBOs and CBOs in rendering reconciliation and moral renewal programmes for offenders and communities, so that rehabilitated offenders may be released into a receptive environment, thus ensuring that both offenders and their victims, or affected families and communities, achieve closure.

Engaging with the faith community aims to encourage them to play an important role in reintegrating offenders in society, by assisting with job creation, for example.

The department intends including the accreditation of skills-development institutions or facilities in line with the call for offenders to enjoy appropriate and effective training during their rehabilitation. The department intends launching intensive community-outreach programmes such as Operation Masibambisane, to create platforms and avenues of interaction with provincial government structures, local government councils, as well as civic and traditional structures to enhance community involvement in the rehabilitation and social integration of offenders.

Community corrections

Plans are being implemented to make community correction offices more accessible to the majority of offenders and the community, especially in rural areas. The final location and decentralisation of the offices was envisaged by the end of 2006/07. On 31 March 2005, there were 172 fully functional offices and 21 suboffices.

Supervision of parolees

Parolees are subject to certain conditions as well as supervisory measures aimed at gradually re-integrating 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. Contravention 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 monitoring parolees.

Based on their risk profile, parolees are placed in minimum, medium or maximum supervision categories.The conditions for parole may include periods of house-arrest, restriction to a specific magisterial district, compulsory attendance of treatment programmes and rendering compulsory community service.

Persons awaiting trial may also be placed under correctional supervision. Because little is known about their criminal record prior to conviction, they are classified under the maximum supervision category.

Monitoring includes visits to the parolee's home and workplace, telephonic liaison and reports to the Community Corrections Office.

The department aims to increase the number of personnel responsible for managing and controlling persons sentenced to community corrections.

Correctional supervision

Correctional supervision, an alternative sentencing option available to law courts, entails that upon conviction, offenders are sentenced to a period of correctional supervision. Correctional supervision provides the opportunity to deal with some offenders outside the walls of correctional centres. 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, probationers can be referred to the court of first hearing for consideration of an alternative sentence or, in certain cases, be admitted directly to correctional centres to serve the remainder of their sentences.

According to section 117(e) of the Correctional Services Act, 1998, it is 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.

As at 31 March 2006, there were 14 184 probationers.

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.

Offenders whose parole has already been approved may under certain circumstances be allowed to spend weekends at home for the consolidation of family ties, preparation for release, or for reasons that involve the reintegration of the offender into society. Offenders may also be granted compassionate leave under certain circumstances, such as attending burials of close family members.

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.

Employee organisations

Employees of the Department of Correctional Services subscribe to the Labour Relations Act, 1995 (Act 66 of 1995). Two labour unions are active in the department, namely the Police and Prisons' Civil Rights Union and the Public Servants' Association.

Because the department renders an essential service, its members are not allowed to embark on strike action.

Anti-corruption

Cabinet approved a three-pronged anti-corruption strategy in 2002, which focuses on:

- corruption prevention
- investigation of corruption, fraud and serious maladministration
- disciplinary sanction of members found to be involved in corruption, fraud or serious mismanagement.

The department's efforts at building an ethical and secure correctional system are ongoing. It launched a special three-month training programme in July 2006 for over 880 managers to equip them with the required skills to improve ethical behaviour and to fight corruption. The R4-million training programme comprises nine modules that include:

- ethos in correctional services
- evolution of corruption and factors contributing to corruption
- understanding corruption and factors contributing to it
- understanding anti-corruption strategies
- risk management

- conflict, diversity and change management
- ethical reasoning and decision-making
- professional ethics for the Public Service.

To combat fraud and corruption in correctional services, the department is collaborating with the SIU. The results of this partnership include:

- over 27 medical practitioners being investigated and 16 appearing in court, resulting in one conviction, a suicide case and over R300 million in recoveries and savings in medical aid claims of more than half a billion rand
- the approval of a new code of conduct that closed gaps in the disciplinary system that led to losses worth millions due to, among other things, the completion of cases being delayed and suspensions being prolonged
- the signing of an MoU with the South African Management Development Institute and the Tshwane University of Technology to close gaps in the department's integrated anti-corruption strategy
- analysing the final report of the Jali Commission to ensure that the entire report is handled without duplication of actions or omitting cases
- establishing a departmental task team to develop a plan of action in response to the recommendations of the Jali Commission
- the department's in-house anti-corruption campaign to create a secure and ethical correctional system.

International co-operation

The Department of Correctional Services has established relations with organisations such as the American Correctional Association, the IPCA and the International Corrections and Prisons Association (ICPA).

The department endorsed the Charter of Fundamental Rights for Prisoners at the 11th UN Congress on Crime Prevention and Criminal Justice in April 2005. It will continue to participate in multilateral fora such as the ICPA, the Conference of Commissioners for East and Southern Africa, and the UN.

In conjunction with other African states, the department is developing a programme that will result in full compliance with the UN minimum standards on the treatment of offenders. Participation in binational commissions and joint commissions of co-operation has resulted in the department hosting several delegations from various countries, as well as the Commission on Human and Peoples' Rights under the AU.

Ministers responsible for prison management and correctional services in SADC countries are continuing efforts to implement the July 2003 Johannesburg Declaration on Corrections. The declaration seeks to include the field of corrections in the work of regional and continental multilateral structures.

In August 2006, the inaugural SADC Games of Prisons and Correctional Services Officials were held in Durban, KwaZulu-Natal.

Over 600 correctional officials from six SADC countries competed in soccer, netball, athletics and volleyball.

The games coincided with an extraordinary three-day Conference on Eastern, Southern and Central African Heads of Correctional Services (Cesca) and a one-day workshop of Cesca member states where an integrated strategy for HRD on corrections in Africa was discussed. The conference aimed to strengthen correctional services on the continent and to pave the way for the creation of an all-African correctional services body that will play a more critical role in post-conflict reconstruction and development, in countries such as Somalia, Rwanda and the Democratic Republic of Congo.

About 100 commissioners and senior officials of correctional and prisons services from 13 countries, attended.

Acknowledgements

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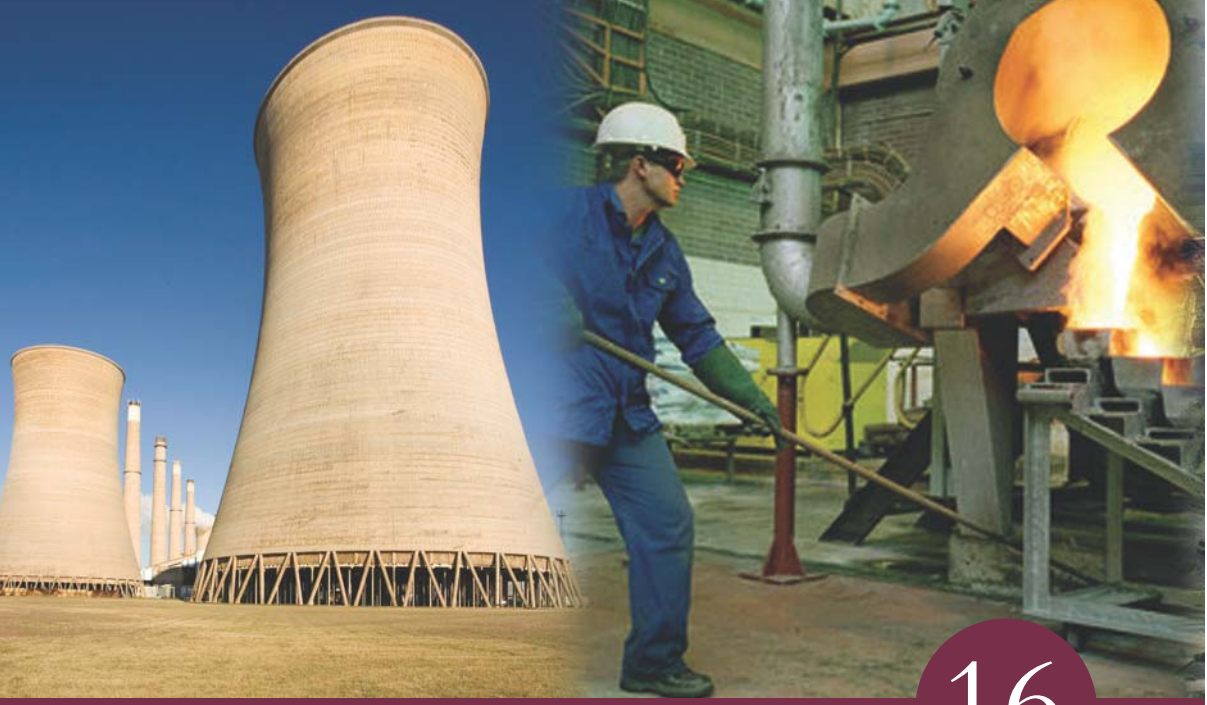

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Minerals, energy and geology

The aim of the Department of Minerals and Energy is to formulate and implement an overall minerals and energy policy to ensure the optimum use of minerals and energy resources.

The department's Electricity and Nuclear Branch is responsible for electricity and nuclear-energy affairs. The Hydrocarbons and Energy Planning Branch is responsible for coal, gas, liquid fuels, energy efficiency, renewable energy, designated national authority and energy planning, energy data and statistics, the roll-out of integrated energy centres and the establishment of a national energy database.

The objective of the Mineral Development Branch is to transform the minerals and mining industry and to promote the sustainable development of the industry for the benefit of all South Africans.

The Mine Health and Safety Inspectorate (MHSI) is responsible for implementing mine health and safety legislation.

The Mineral Regulation Branch regulates the mining and minerals industry to achieve transformation and to contribute to sustainable development.

Policy

The Minerals and Petroleum Resources Development Act (MPRDA), 2002 (Act 28 of 2002), 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 its application in terms of the requirements of the MPRDA, 2002, for the conversion of all the old-order rights into new rights.

Although the charter has produced a growing number of Black Economic Empowerment (BEE) deals and joint ventures, the quality of deals and how broad-based they are has raised concern.

It is still too early to assess the impact of the Act on achieving representative management in the sector. Although over 70% of the mining industry's labour force is black, less than 5% of managerial

positions are held by black people. The effectiveness of the regulatory measures will be assessed by 2009, when all mining companies are expected to have 40% of managerial positions held by HDIs.

The provisions of the MPRDA, 2002 have necessitated the establishment of the National Mining Promotion System (NMPS). This online system allows the department to improve mineral licensing administration, investment promotion and the registration of rights. The NMPS enables the department to improve on turnaround time when processing applications, and to maintain proper management and administration of mineral-related rights and permits.

Between the promulgation of the MPRDA, 2002 and June 2006, the department had received 7 500 applications for all types of rights, which was a tenfold increase over the number of applications that were received annually during apartheid. Over 80% of these applications were for new prospecting rights.

In 2005/06, the department received 6 785 mining-licence applications, of which 957 were rejected mainly for being incomplete, 191 were withdrawn, 861 refused for not complying with the Act, and 912 issued.

The Mining Titles Registration Amendment Act, 2003 (Act 24 of 2003), was promulgated in November 2003. The purpose of the 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). This transfers the functions relating to the registration of minerals rights from the ambit of the Act into the duties and functions of the Director-General of the Department of Minerals and Energy.

The Diamonds Amendment Act, 2005 (Act 29 of 2005), introduces a new era in the regulation of the diamond trade in South Africa by combining the regulation of the diamond trade with the precious metals trade through the Diamond and Precious Metals Regulator. This regulator will replace the South African Diamond Board, which handled both promotion and regulation. These functions are now to be split. The regulator will focus only on the administration of the law, while the newly established State Diamond Trader will have the promotion of the diamond industry as one of its functions.

The trader will also be responsible for acquiring and supplying rough diamonds to the industry and for promoting research and development. A diamond-export centre will control diamond exports. For diamonds and precious metals, local companies will now be able to access the raw

material and rough diamonds, which up to now have been sold on international markets predominately. Consequently, South Africa's capabilities in the cutting and polishing industry, as well as in the jewellery manufacturing industry, are expected to expand, creating jobs.

The Precious Metals Act, 2005 (Act 37 of 2005), provides for the acquisition of smelting, refining, using and disposing of precious metals, with the emphasis on increased value addition.

Mine environmental management

Mine environmental management, which forms an integral part of the management of mineral and petroleum resources, focuses on:

- Strengthening enforcement to prevent mining legacies from occurring. This relates to the effective implementation of the MPRDA, 2002 and other short- and long-term strategies to strengthen environmental enforcement.
- Identifying mine-pollution 'hot spots' and implementing regional closure strategies to direct operational mines in addressing and managing pollution and mining waste within these areas.
- Rehabilitating abandoned and ownerless mines in accordance with a priority ranking system and a dedicated database.

Some R120 million has been allocated over 2005/06 and 2006/07 for the rehabilitation of these mines, with abandoned and ownerless asbestos dump sites being the first priority. Some R18 million has been set aside for the rehabilitation of abandoned uranium mines in the Karoo and Free State.

The Department of Minerals and Energy has allocated R32 million to water-pumping subsidies, in response to ongoing problems with mine water, especially on the Witwatersrand.

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.

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 regarding 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.

International processes and structures such as the African Mining Partnership (AMP) have been established to champion, among other things, 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 was instrumental in establishing the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development.

The 14th session of the United Nations (UN) Commission on Sustainable Development (CSD) held in New York in May 2006 focused on the central role that energy has in furthering sustainable development, It gave developing countries such as South Africa an opportunity to identify barriers to sustainable energy development, and to propose key policies and measures that can redress these obstacles to sustained economic growth, social upliftment and environmental consideration. It intended to assist in implementing the JPI.

Sustainable development on the African continent

In support of the implementation of mining-related Nepad issues, the department played an important role in conceptualising the AMP, a mining ministers' partnership that was launched in 2004 to drive the minerals and mining agenda of Nepad.

The third AMP met in Cape Town in February 2006. The projects assigned to countries to ensure that they contribute to growing Africa's economy by using minerals, included a partnership between South Africa and Mali involving the exchange of training programmes in the area of beneficiation.

The Intergovernmental Memorandum of Understanding (MoU) on the Western Power Corridor Project (Westcor) was signed in October 2004. Westcor is a Nepad flagship programme intended to pilot hydroelectric energy of the Inga rapids site in the Democratic Republic of Congo (DRC). It will ensure security of supply in the Southern African

Development Community (SADC). The participating utilities are those of Namibia, South Africa, the DRC, Botswana and Angola. A joint-venture company has been formed to initiate studies determining the viability of the project and to build, own, and operate the infrastructure.

Black Economic Empowerment

The Department of Minerals and Energy continues to support BEE suppliers in pursuance of the Liquid and Fuels Charter. On 30 November 2004, the department and individual members of the Southern African Petroleum Industry Association signed an MoU aimed at the creation of the Supplier Development Agency. The agency opened its doors for trading on 1 April 2005.

The agency's primary objectives are to source potential BEE suppliers, to accredit the suppliers to combat fronting, to develop suppliers to meet the performance levels of the industry, and to source opportunities for BEE suppliers from industry.

To accurately assess the level of compliance with targets as set out in the Liquid Fuels Charter, the Department of Minerals and Energy commissioned Empowerdex to perform a five-year review. This revealed that the level of compliance was not as high as expected and showed that only 3,8% of procurement spending, or about R103 billion, went to BEE companies.

By February 2006, the liquid fuels industry employed 8 817 people. Of these, 68% were black, which was an increase of 3% since 2003.

Mining industry

Preliminary figures for 2005 indicate that South Africa's mining contributed R94,3 billion or 6,9% gross value added, which is an increase of R6,83 billion from the previous year. The trend where foreign revenue earnings are dominated by platinum-group metals (PGMs) at US$3,8 billion, followed by gold at US$5,3 billion, also continued in 2005.

However, the gold sector has been declining due to the challenges of ageing infrastructure in deep mines. The industry faces challenges of commodity-price cycles and is also affected by the currency fluctuations and business models that are not aligned with current rand value.

The Department of Minerals and Energy, in collaboration with its partners, labour and business, is evolving a strategy to manage the decline of the sector and the impact on workers.

South Africa produces 14% of the world's gold, and has 41% of the world's known reserves. It is estimated that 21 000 tons (t) of undeveloped resources, about one-fifth of the world's unmined gold, still remains. These ores are increasingly difficult to exploit due to the great depths where they are situated and their fairly low-grade quality.

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 of 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.

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. Government has dedicated significant time and resources to engaging the Richtersveld community in developing a comprehensive and beneficial resolution.

A memorandum of agreement was signed with the community in February 2006 and the subsequent conclusion of a settlement with the community was expected to accelerate the recapitalisation of Alexkor, enabling the mine to implement its short-term turnaround plan and drive its exploration and expansion programme. In the meantime, the Department of Public Enterprises was proceeding with transferring community services such as the hospital, school, airport and other non-core services managed by Alexkor to the relevant authorities. A consultant was appointed to support the establishment of a municipality.

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.

According to the Labour Force Survey, in the formal sector, a downturn in the mining industry in

recent years is reflected in the falling share of mining in total; employment went from 7,8% in September to 5,1% in September 2005.

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 MHSI, established in terms of the Mine Health and Safety Act (MHSA), 1996 (Act 29 of 1996), is responsible for protecting the health and safety of persons working at mines or affected by mining activities.

The activities of the MHSI are unequivocally focused on achieving a safer and healthier mining industry for all.

The MHSI works closely with industry and worker unions to reduce the incidence of mine accidents, with stakeholders committing themselves to continuously reducing fatalities by at least 20% a year. The inspectorate is also pursuing a strategy to eliminate silicosis and noise-induced hearing loss or occupational deafness by 2013, and to reduce the social costs of diseases and injuries to vulnerable communities, in particular. Overall, the 2005 accident rate was the lowest recorded in the history of South African mining, but the department aims to reduce it further and achieve parity with international rates by 2013.

In the 10 years since the MHSA, 1996 was introduced, there has been a significant decrease in fatalities at mines. In 1995, there were 533 fatalities and 7 717 injuries. By the end of 2005, fatalities stood at 202 and injuries at 3 961. The fatality rate for mines dropped by 16% from 0,25 fatalities per million hours worked in 2004, to 0,21 in 2005. The injury rate decreased by 8% in the same period.

The Mine Health and Safety Council advises the Minister of Minerals and Energy on the continued development of a revised regulatory framework for the industry. Projects aimed at raising awareness on the prevention, treatment and care of HIV and AIDS in the mining industry include the:

- Powerbelt Project, which focuses on coal-mining areas
- Lesedi Project in Virginia, Free State
- Lechabile Project in Welkom, Free State
- Bambisanani Project in Lusikisiki, Eastern Cape
- Carletonville Home-Based Care Project, Gauteng.

The Chief Inspector of Mines also proposed a strategy for dealing with deaths associated with HIV and AIDS, following a non-life-threatening mine accident.

The Safety in Mines Research Advisory Committee has a programme to overcome barriers to improved occupational health and safety performance. The programme comprises:

- cultural change
- rockfalls
- rockbursts
- explosions and fires
- machinery and transport systems
- airborne pollutants
- physical hazards (noise, temperature, radiation, etc.)
- occupational diseases (the effect of HIV and AIDS on tuberculosis and silicosis)
- special projects (surveys for quantifying risk prevalence).

Mine Qualifications Authority (MQA)

The MQA aims 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 MQA is responsible for:

- developing and monitoring the implementation of a sector skills plan
- registering skills-development facilitators at workplaces within the sector
- approving work-skills plans and annual training reports of companies in the sector
- developing unit standards and qualifications
- maintaining the quality of standards, qualifications and learning provision in the sector
- establishing, registering, administering and promoting learnerships

- administering existing apprenticeship systems
- administering and disbursing skills-development levies.

The MQA has introduced several initiatives to address skills shortages that specifically aim to support transformation across the mining and minerals sector. Two strategic documents support BEE in the mining industry. The Service Level Agreement signed with the Department of Labour commits to targets set by the National Skills Development Strategy that are underpinned by equity principles aimed at accelerating Broad-Based BEE and employment equity.

Therefore, of all people trained, 85% should be black, 54% women and 4% people with disabilities.

The second strategic document that supports BEE in the mining industry is the MQA Mining Charter Support Strategy. In support of the Mining Charter, the MQA has introduced the Executive Preparation Programme; the Graduate Development Programme; a bursary scheme, including support for under-graduate practical training; the Universities Employment Equity Project; and support for small-scale miners. The MQA also supports small, medium and micro enterprises in the sector by means of grants for training in small-scale mining, mineral beneficiation, jewellery manufacturing and diamond processing.

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. It covers 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 Limited, the world's largest gold refinery
- the Nuclear Fuels Corporation (Nufcor)
- Colliery Technical Services, which includes the Colliery Training College
- Rescue Drilling Unit
- Collieries Environmental Control Services
- the Council for Scientific and Industrial Research's Mining Technology Division (Miningtek).

South Africa's mineral reserves, 2005

Commodity	Unit	Reserves	%	World ranking
Alumino-silicates	Kt	51	37,4	1
Antimony	t	250	6,4	3
Chrome ore	Kt	5 500	72,4	1
Coal	Mt	28 559	6,0	7
Copper	Kt	13	1,4	14
Fluorspar	Mt	80	16,7	2
Gold	t	36 000	40,1	1
Iron ore	Mt	1 500	0,9	9
Lead	Mt	3 000	2,0	
Manganese ore	Kt	4 000	80,0	1
Phosphate rock	Kt	2 500	5,0	n/a
Platinum-group metals	Kg	70 000	87,7	1
Silver	t	10	1,8	9
Titanium minerals	Kt	244	29,8	2
Uranium	t	298	9,6	4
Vanadium	Kt	12 000	27,0	1
Vermiculite	Kt	80	40,0	1
Zinc metal	Kt	15	3,3	6
Zirconium minerals	Kt	14	19,4	2

Mt=megaton, Kt=kiloton, t=ton, n/a=not available, Kg=Kilogram

Source: Minerals Bureau

Junior and small-scale mining

The Department of Minerals and Energy is committed to ensuring that the small-scale mining sector becomes sustainable.

Numerous small-scale mining projects have received technical assistance to enable them to comply with legislation, or financial aid to help them get started. In 2005, the department created the Small-Scale Mining Board with the mandate of finding and implementing solutions to overcome identified limitations within the small-scale mining sector.

The board will give priority to quality projects that will serve the poor and contribute to economic development.

The small-scale mining sector includes:

- artisanal or subsistence mining operations (new entrants)
- suboptimal formal mining operations
- entrepreneurs with start-up capital.

Within the department, the Directorate: Small-Scale Mining helps aspiring small-scale miners:

- to establish a legal entity
- to identify mineral deposits
- with environmental impact assessments (EIAs)
- with legal and contractual arrangements and mineral rights
- to calculate a reserve estimation of the selected deposits
- to carry out mining-feasibility studies
- to perform market studies
- to develop their mining equipment.

The Small-Scale Mining Board co-ordinates a substantial amount of expert capacity and experience, and specialises in planning and developing viable mining projects through their pre-feasibility stages.

The National Small-Scale Mining Development Framework also assists 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 also 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, which are legalised and converted into sustainable operations
- undercapitalised operations which require expansion or optimisation
- first-time entrepreneurs interested in greenfield projects.

The South African Small-Scale Mining Chamber (SASSMC) was launched in July 2005 in Kimberley, Northern Cape.

The SASSMC represents the interests of small-scale miners nationally. Its objectives include positioning small-scale mining member companies to use available mining opportunities in and beyond South Africa's borders. It also aims to provide a model for small-scale mining that can be used as a basis to link up with the SADC and the AMP.

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 96% 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, chrome and vanadium – 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, Free State, Limpopo and the Eastern Cape.
- Copper, phosphate, titanium, iron, vermiculite and zirconium are found in the Phalaborwa Igneous Complex in Limpopo.

South Africa's reserves of six commodities rank highest in the world. These are:

- manganese
- chromium
- PGMs

- gold
- alumino-silicates
- vanadium.

Due to the small domestic market for most commodities, South Africa's mineral industry is export-orientated. Alumino-silicates contribute 44%, ferrochromium 54%, chrome ore 57%, manganese ore 20,2% and ferromanganese 15,9% while vanadium and antimony also contribute significantly towards the export market.

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 its 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.

South Africa's total sales of primary minerals increased by 6,5% to R125,2 billion in 2004. Total processed mineral sales increased by 27% from R27,8 billion in 2003 to R35,3 billion in 2004.

The combined total for primary and processed mineral sales is estimated to have increased by 10,3% from R145,5 billion in 2003 to R160,5 billion in 2004.

Domestic primary mineral sales revenue increased in 2004 by 3,2% to R89,6 billion.

The value of exports of primary minerals in 2004 increased by 3,2% to R89,6 billion.

The Directorate: Mineral Economics (Minerals Bureau) of the Department of Minerals and Energy monitors and analyses all mineral commodities regarding South African and global supply and demand, marketing and market trends.

Gold

World demand for gold increased by 4,9% to 4 036 t in 2005. The average gold price traded at US$445/oz.

World mine supply increased by 49 t to 2 519 t, but South African gold production fell by 13,4% to 294,8 t in 2005. Provisional data for 2005 indicates that total gold sales decreased by 14,9% to US$3,87 billion.

Coal

In 2005, South African mines produced 245 million tons (Mt) of coal. Of this figure, 174 Mt was used locally, at a value of R14,69 billion, with export sales totalling 71,4 Mt at a value of R21,17 billion. South Africa has around 28,6 billion tons of recoverable coal reserves, making it the seventh-largest holder of coal reserves in the world.

Platinum-group metals

South Africa's PGM production increased by 9,6% to 302,9 t in 2005 , while PGM revenue increased by 16,8% to US$6,04 billion. The average platinum price for 2005 was 6% higher at US$897/oz, while the average palladium price was 12,6% lower at US$201/oz. World demand for platinum increased by 1,8% to 208,7 t in 2005.

South Africa's mineral production, 2005

Commodity	Unit	Reserves	%	World ranking
Aluminium	Kt	866	2,9	10
Alumino-silicates	Kt	235	38,0	1
Antimony	t	4 967	3,2	3
Chrome ore	Kt	7 645	44,5	
Coal	Mt	243	5,2	5
Copper	Kt	103	0,8	18
Fluorspar	Mt	365	5,0	
Gold	t	341	13,8	1
Iron ore	Mt	39,3	3,3	
Lead	Mt	38	1,3	13
Manganese ore	Kt	4 282	14,8	
Nickel	Kt	40		
Phosphate rock	Kt	2 735	1,9	
Platinum-group metals	Kg	286 157	57,8	1
Silver	t	72	0,4	
Titanium minerals	Kt	–	–	–
Uranium	t	887	2,1	4
Vanadium	Kt	23	48,0	1
Vermiculite	Kt	197	41,0	1
Zinc metal	Kt	32	0,4	22
Zirconium minerals	Kt	–	–	–

Mt=megaton, Kt=kiloton, t=ton, n/a=not available, Kg=Kilogram

Source: Minerals Bureau

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 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 10,3% annually. Demand depends on the fortune of the world's steel and stainless steel industries.

Export earnings from ferrous minerals increased by 70,45% from R4,84 billion in 2004 to R8,25 billion in 2005, despite the fact that higher dollar earnings were severely discounted by a much higher average Rand/Dollar exchange rate ratio for 2005. Higher prices also affected total ferrous sales, which rose by 45,2% to R11,63 billion.

Industrial minerals

This sector comprises a wide variety of mineral products with local sales accounting for over 85% of revenue. In dollar terms, domestic total sales increased by 19% to US$925 million. In rand terms, local sales increased by 17% to R6 billion and export sales decreased by 5% to R1 billion.

During 2005, 83% of local sales comprised aggregate and sand (38%), limestone and lime (22%), phosphate-rock concentrate (data withheld) and sulphur (4%).

Exports were dominated by dimension stone (26%), vermiculite (19%), andalusite (19%), fluorspar (22%) 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.

International prices of processed minerals surged strongly during 2004 on the back of vigorous growth in demand in China and the East. As a result, export sales earnings were at an all-time high of US$4,096 billion in 2004, and up 48% from US$2,762 billion in 2003.

Other minerals

This sector is dominated by diamonds, with support from hydrocarbon fuel, uranium oxide and silver. Revenue from these minerals increased by 6,5% to R125,2 billion in 2004.

New investment potential remains strong in this sector, which has recovered enormously through new investments in operations since 1994. This compensates for the rapid demise in the demand for uranium oxide in nuclear applications since the late 1980s.

Energy

The Department of Minerals and Energy's Energy Policy is based on the following key objectives:

- attaining universal access to energy by 2014
- providing accessible, affordable and reliable energy, especially to the poor
- diversifying primary energy sources and reducing dependency on coal
- good governance, which must also facilitate and encourage private-sector investments in the energy sector
- environmentally responsible energy provision.

Estimates suggest that R107 billion will be needed between 2005 and 2009 to meet the country's growing energy needs. Eskom will invest R84 billion over the next five years. The balance of R23 billion is reserved for independent power producer (IPP) entrants.

By May 2005, the department was in the process of procuring 1 000 megawatts (MW) through IPPs, which are expected to be commissioned in 2008.

The refurbishment of three power stations – Camden in Ermelo, Grootvlei in Balfour, and Komati in Middelburg – will result in an additional 3 800 MW to the system.

Eskom is expected to spend about R12 billion (nominal rand) on recommissioning these stations, representing about 40% of the cost of a new station. About 10% of the costs will go towards improving environmental performance such as particulate emissions and water controls.

At least 36 000 jobs are expected to be created, directly and indirectly, during both construction and operational phase activities.

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 MW. Total liquid-fuel 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.

This energy intensity is above average, with only 10 other countries having higher commercial primary energy intensities. It is largely a result of the economy's structure, with dominating large-scale, energy-intensive primary mineral beneficiation and mining industries.

Coal, as the major indigenous energy resource, is relied on 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 consistently engaging members of the Organisation of Petroleum Exporting Countries through diplomatic channels to increase production.

Energy efficiency

The Energy Efficiency Strategy, which was approved in March 2005, sets a national target for energy-efficiency improvement of 12% by 2015.

All state-owned enterprises have been requested to make energy efficiency a part of their shareholders' compacts. In addition, large companies have joined forces with the Department of Minerals and Energy and Eskom by signing an energy-efficiency accord, committing themselves to targets contained in the department's strategy.

To assist households to be more energy-efficient, the department initiated an appliance-labelling campaign, starting with refrigerators. Labels on household appliances inform consumers how energy-efficient their appliances are. Labels will also be introduced for vehicles to indicate the fuel consumption of the vehicle as well as its carbon dioxide emissions.

The department, in collaboration with the Department of Public Works and Eskom, is retrofitting government buildings to make them more energy-efficient. In 2006, the South African National Standards 204 for commercial buildings were being finalised. The department is in the process of establishing the National Energy Efficiency Agency as a subsidiary of the Central Energy Fund (CEF) to, among other things, oversee the implementation of energy efficiency and demand-side management projects, as well as the measuring and verification of these projects.

The CEF houses the South African National Energy Research Institute, which is designed to generate new ideas to develop practical guidelines for taking advantage of natural resources of clean and renewable energy.

Energy statistics

Detailed, complete, timely and reliable statistics are essential to monitor the energy situation in South Africa. In addition, energy statistics on supply, trade, stocks, transformation and demand are the basis for any sound policy decision.

The Department of Minerals and Energy, in collaboration with Statistics South Africa, is responsible for providing energy data and statistics. It has embarked on a programme to strengthen the expertise and experience of the department's staff to be able to collect, verify, analyse and publish energy statistics. In addition, it intends to reduce the backlog in the provision of energy balances to one year.

Energy statistics are made available through publications such as the *Energy Digest,* and *Energy Price Report,* as well as in electronic format and on the department's website.

The department, through the Energy Bill, intends to make the provision of energy data mandatory.

Integrated Energy Planning (IEP)

IEP involves estimating how much energy all consumers (e.g. industry or households) will need in future to deliver certain services, and then identifying a mix of appropriate sources and forms of energy to meet these needs in the most efficient and socially beneficial manner.

In terms of the *Energy White Paper, 1988*, the department will ensure that an integrated resource-planning approach is adopted for large investment decisions by energy suppliers and service-providers, in terms of which comprehensive

evaluations of the economic, social and environmental implications of all feasible supply- and demand-side investments will have to be undertaken.

The Department of Minerals and Energy published IEP1 in 2003, and is expected to publish IEP2 in 2007.

Integrated energy centres (IECs)

One of the many approaches that the department has taken to address energy poverty is IECs – one-stop energy shops owned and operated by a community co-operative and organised as a community project.

IECs provide a bouquet of energy services; making energy easily available, promoting awareness of the different energy sources and services, providing capacity-building, and promoting local empowerment and development through energy provision.

Each local IEC is linked with the Integrated Development Plan (IDP) of the particular area, which is implemented through the Integrated Sustainable Rural Development Strategy. This results in the provision of wider energy choices being integrated with other projects like supplying water, and building schools and clinics. The community owns this process through a community-based co-operative, and dictates how their needs are met, especially as they were involved in developing the IDPs.

By mid-2006, five IECs had been established in Greytown, KwaZulu-Natal; Matatiele, Eastern Cape; Kgalagadi and Moshaweng both in Kuruman, Northern Cape; and Mutale in Limpopo.

The Minister of Minerals and Energy has approved the IEC Strategy and action plan that will facilitate the roll-out of sustainable IECs in the poverty nodal areas as well as in district and local municipalities.

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 obtained from coal (18%), illuminating paraffin (7%) and a small amount from liquid petroleum gas (LPG).

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 households having access to electricity.

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 of the world's electricity production.

About 75% of South Africa's primary energy needs are provided by coal. This is unlikely to change significantly in the next two decades, due to the relative lack of suitable alternatives to coal as an energy source.

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 27% of South Africa's production is exported internationally, mainly through the Richards Bay Coal Terminal, making South Africa the fourth-largest coal-exporting country in the world.

South Africa's coal is obtained 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 2005. Of these, a relatively small number of large-scale producers supply coal primarily to electricity and synthetic fuel producers. About 47% of South African coal mining is done underground and about 53% is produced by opencast methods.

The coal-mining industry is highly concentrated, with six companies, namely Ingwe Collieries (BHP Billiton), Anglo Coal, Sasol Mining, Eyesizwe Coal, Kumba Coal and Xstrata Coal accounting for 91% of the saleable coal production. The 11-largest mines account for 70% of the output.

South African coal for local electricity production is among the cheapest in the world. The

In May 2006, the gold price broke through the crucial US$700 a troy ounce level for the first time since 1980.

Platinum also reached a new all-time high and was up nearly 4%, trading at US$1,237 an ounce.

beneficiation of coal, particularly for export, results in more than 65 Mt of coal discards being produced annually.

The remainder of South Africa's coal production feeds the various local industries. About 110 Mt is used for electricity generation, 41 Mt for petrochemical industries (Sasol), 8 Mt for general industry, 7 Mt for the metallurgical industry, and 7 Mt is purchased by coal merchants and sold locally or exported.

The key role played by South Africa's coal reserves in the economy is illustrated by the fact that Eskom ranks first as steam coal user and seventh as electricity generator in the world. Sasol is the largest coal-to-chemicals producer.

By international standards, South Africa's coal deposits are relatively shallow with thick seams, which make them easier and, usually, cheaper to mine.

Coal is expected to maintain its share of the overall electricity generation market until 2020. Total discards on the surface could reach more than two billion tons by 2020, should none of this material be used. As a result, the Department of Minerals and Energy is investigating ways to promote and encourage the economic use of discards.

Environmental concerns pose the main challenge to coal as an energy source. Not only does the burning of coal cause air pollution, but the mining activities to extract coal also affect the environment negatively. The department and the coal-mining industry are therefore fostering the introduction of clean coal technologies into the South African arena.

The department is giving priority to rolling out the Basa Njengo Magogo Programme that entails the top-down ignition of coal fire, which has been shown to reduce smoke by 80% to 90% in laboratory test conditions, and means that less coal is burnt and less carbon dioxide emitted.

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). These Acts are administered by the Department of Minerals and Energy; while part of the Hazardous Substances Act, 1973 (Act 15 of 1973), related to groups III and IV of hazardous substances, is administered by the Department of Health.

The main organisations directly involved in the nuclear sector are the following:

- The Department of Minerals and Energy, which plays a leading governance role regarding 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, which undertakes and promotes research and development in the fields of nuclear energy, radiation sciences and technology, medical-isotope manufacturing, nuclear liabilities management, waste management and decommissioning. Necsa's reactor-produced radioisotopes are exported to more than 50 countries.
- The NNR, which oversees safety regulation of nuclear installations at Necsa's Pelindaba site, 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), which issues licences for group III hazardous substances (electronic-product generating X-rays, other ionising beams, electrons, neutrons or other particle radiation or non-ionising radiation) and group IV hazardous substances (radioactive material outside a nuclear installation, 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, which is responsible for electricity generation. It is government-owned through the public entity, Eskom, which reports to the Minister of Public Enterprises.
- iThemba Laboratories, which is responsible for medical isotopes and medical applications. This public entity falls under the Department of Science and Technology.
- Nufcor, which 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

The liquid-fuels industry was licensed for the first time in 2005. The objectives of the licensing framework as detailed in the Petroleum Products Amendment Act, 2003 (Act 58 of 2003), include:

- promoting an efficient manufacturing, wholesaling and retailing petroleum industry
- facilitating an environment conducive to efficient and commercially justifiable investment
- promoting the advancement of HDIs
- creating employment opportunities and small businesses in the petroleum sector.

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. South Africa imports about 60% of its crude oil requirements.

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.

PetroSA is responsible for exploring and exploiting oil and natural gas, as well as producing and marketing synthetic fuels produced from offshore gas at the world's largest commercial gas-to-liquids plant in Mossel Bay, in the Western Cape.

Sasol

Sasol operates the world's only coal-based synthetic fuels facility, producing LPG from low-grade coal. Sasol mines coal and converts it into synthetic fuels and chemicals through proprietary Fischer-Tropsch technologies. The company also has chemical manufacturing and marketing operations in Europe, Asia and the Americas. Its larger chemical portfolios include polymers, solvents, olefins and surfactants and their intermediates, waxes, phenolics and nitrogenous products.

Sasol produces crude oil in offshore Gabon, refines crude oil into liquid fuels in South Africa, and retails liquid fuels and lubricants through a growing network of retail centres and service stations. In the first quarter of 2004, Sasol started supplying Mozambican natural gas to customers and to its petrochemical plants in South Africa. The company is also developing two gas-to-liquid fuel joint ventures that will incorporate the proprietary Sasol Slurry Phase Distillate Process.

Sasol's focus is on the manufacturing, refining and marketing of automotive and industrial fuels and oils, with a growing interest in gas. Its entry into hydrogen- and methane-rich gas production and exploration has extended into southern and West Africa.

In industry, Sasol provides premium fuels and lubricants that meet or exceed stringent specifications. It also produces jet fuel, fuel alcohol and illuminating kerosene.

Sasol is a signatory of Responsible Care, a worldwide initiative that strives to improve performance in safety, health and the environment.

Central Energy Fund

The CEF is involved in the search for appropriate energy solutions to meet the future energy needs of South Africa, the SADC and the sub-Saharan African region. This includes oil, gas, electrical power, solar energy, low-smoke fuels, biomass, wind and renewable energy sources. The CEF also manages the operation and development of the oil and gas assets and operations of the South African Government.

The CEF, through its integrated oil company subsidiary, PetroSA, is involved in exploration for oil and gas onshore and offshore in South Africa and the rest of Africa. It is also involved in the production of environmentally friendly petroleum fuels and petrochemical products from gas and condensate at its synfuels refinery outside Mossel Bay, and the management of oil-storage facilities. The Strategic Fuel Fund manages South Africa's strategic crude oil reserves.

The CEF has established the Energy Development Corporation (EDC) to pursue commercially viable investments in renewable

energy (except for natural oil and other already commercialised and developed energy technologies in southern Africa). The EDC's focus is on niche areas, and commercial and development projects that catalyse the renewable energy sector and social projects that benefit previously disadvantaged communities.

CEF subsidiary Oil Pollution Control SA provides oil-prevention control and clean-up services, mainly in South African ports and coastal areas. CEF subsidiary Petroleum Agency South Africa (Pasa) manages the promotion and licensing of gas exploration, development and production in South Africa and the coastal areas offshore as part of creating a viable upstream oil industry in South Africa.

CEF subsidiary iGas is the official agent of the South African Government for the development of the hydrocarbon gas industry, comprising liquified natural gas and LPG in South Africa.

Indigenous oil and gas resources and production

The Department of Minerals and Energy is committed to promoting LPG, which is cleaner and safer and can serve as an efficient burning energy source. It is better-burning fuel for cooking and heating and does not generate smoke, dust and choking fumes like most other hydrocarbon fuels.

Government is committed to making it more affordable for cooking and heating to reduce the need for large investments in power generation.

Pasa has been successful in further encouraging international exploration companies to evaluate the country's oil and gas opportunities.

The EM gas-field complex off Mossel Bay started production in the third quarter of 2000. It 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 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 first three years.

The net savings in foreign exchange to the country would be equivalent to PetroSA's bottom-line profit of between US$10 million and US$15 million a year.

PetroSA holds a 60% working interest in Sable, while Dallas-based partner company, Pioneer Natural Resources, holds the remaining 40%.

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 to promote local refinery utilisation.

When overproduction occurs, export permits are required and generally granted, provided that the needs of both South Africa and other Southern African Customs Union members 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 LPG, 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 5% of net energy consumption, while LPG accounted for about 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 used 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.

Petronet owns and operates a gas pipeline, known as the Lily Line. It 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 LPG/air pipe network in Port Elizabeth. A privately owned company in Port Elizabeth distributes a small amount of LPG/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.

In May 2006, Eskom announced a R1,5-billion refurbishment of the Kriel Power Station in Mpumalanga. The project is set to give the station another 25 years of reliable and safe operation.

The upgrade will include the world's largest control and instrumentation refurbishment to be carried out in a fossil utility, extending the lifespan of the power station to 2028.

Cross-border gas trade agreement

To facilitate the movement of gas across international borders, South Africa signed a cross-border gas trade agreement with Mozambique and Namibia.

The construction of the 805 km-long Mozambique-to-South Africa gas-transmission pipeline was completed in March 2004.

Since the arrival of natural gas from Mozambique in 2004, the contribution of natural gas to the primary energy supply has risen from 1,5% to 3,3% (2005). This figure is expected to rise to 4,3% when the Mozambique-South Africa gas-transmission pipeline reaches maximum capacity.

By mid-2006, the South Africa/Namibia Gas Commission was addressing harnessing the natural gas reserves off the countries' coasts.

Electricity

South Africa supplies two-thirds of Africa's electricity and is one of the four cheapest electricity producers in the world. Almost 90% of South Africa's electricity is generated in coal-fired power stations. Koeberg, a large nuclear station near Cape Town, provides about 5% of capacity. A further 5% is provided by hydroelectric and pumped storage schemes.

In South Africa there are few, if any, new economic hydro sites that could be developed to deliver significant amounts of power. 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.

Eskom developed a robust strategy in 2004/05 in line with government's national climate change response strategy. In 2005/06, the roll-out of the strategy was prioritised. As part of the strategy, Eskom reiterated the aim of reducing the percentage of coal in the primary energy mix by 10% by 2012. This goal was first expressed at the WSSD in 2002 and was reconfirmed at the National Climate Change Conference hosted by the Department of Environmental Affairs and Tourism in October 2005.

In global terms, the utility is among the top 11 in generating capacity, among the top seven in terms of sales, and has one of the world's biggest dry-cooled power stations, Matimba Power Station.

Electricity, as a key strategic economic sector, underpins government's growth and development

objectives. The Department of Minerals and Energy has several policies in place to ensure an adequate supply of electricity-generation capacity and that the distribution infrastructure is maintained.

Initial estimations indicate that new peaking generation capacity will be required by 2007, because of the anticipated increase in demand, driven by growth in the industrial, mining, commercial and domestic sectors. A co-ordinated effort between Eskom and the department is needed to introduce new generation capacity to maintain the security of electricity supply.

The department will invite private-sector involvement through IPPs, in line with Cabinet's decision to give IPPs the opportunity to build 30% of the required generation capacity in future. Government also plans to diversify primary energy sources, thus reducing the dependence on coal for electricity generation.

The Integrated National Electrification (INEP) programme provides a socio-economic support net that ensures that previously unconnected households have access to electricity. The programme creates new infrastructure while ensuring that existing infrastructure is rehabilitated and maintained. In rolling out the programme, the department's policy is to ensure that communities become not only the recipients of government basic services, but also participants in the economy through the BEE framework.

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 INEP, to a large number of residential consumers. It sells in bulk to municipalities, which distribute to consumers within their boundaries.

The department is procuring about 1 000 MW of new generation capacity from the private sector. This is in line with government's objectives to introduce private-sector participation and to promote BEE in the energy sector. This will be achieved through a competitive tender process for IPPs to provide the required capacity by the first quarter of 2009.

One open-cycle gas turbine plant (of approximately 300 MW) is planned for the Eastern Cape and another plant (of approximately 750 MW) will be built in KwaZulu-Natal. As part of its R84-billion expansion programme, Eskom is playing an active role as the purchaser of this energy and provider of transmission infrastructure. The process of identifying a successful bidder is expected to be finalised in 2007/08.

In 2004, Eskom announced major plans to expand its generation and transmission capacity for future electricity supply. The first step is the reintroduction of three of its previously mothballed power stations.

These are Camden in Ermelo, Grootvlei in Balfour, and Komati, between Middelburg and Bethal. Work has commenced on this project and the first unit from Camden came into commercial operation in July 2005. When fully operational by 2011, these stations should provide an additional 3 600 MW of capacity.

Eskom is implementing a number of key transmission projects over the next five years that include:

- strengthening the corridor to the Western Cape where outages illustrated the need to supplement power from Koeberg with inland electricity
- improving the transmission network to the Eastern Cape
- integrating the planned peaking power gas turbines in Atlantis and Mossel Bay into the grid
- installing new lines to new mining developments, such as platinum mines in Limpopo and iron ore projects in the Northern Cape
- strengthening the KwaZulu-Natal transmission network.

Restructuring of the electricity-supply industry

In December 1998, government released the *Energy White Paper,* which sets out its policy objectives for the entire energy sector. These objectives are to increase access to affordable energy services, improve energy governance, stimulate economic development, manage energy-related environmental impacts and secure energy supplies through diversity.

Restructuring aims to improve the quality of life of all South Africans and to increase economic growth and redeploy assets.

To ensure non-discriminatory and open access to 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. It 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, a multimarket 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.

Electricity-distribution industry (EDI)

The EDI is valued at R50 billion. In September 2005, Cabinet approved the creation of six metro regional electricity distributors (REDs) and the establishment of the national RED or any other separate RED, subject to a feasibility study to identify appropriate funding, and organisational and governance arrangements.

The EDI Holdings Company (Pty) Limited was created solely to execute government's strategic objectives of restructuring the EDI as per the requirement of the *Energy White Paper, 1998*, and the EDI restructuring blueprint of 2001, and as amplified by subsequent Cabinet decisions.

EDI Holdings established the first RED in Cape Town on 1 July 2005. However, the initial area of supply of the RED is smaller than the originally envisaged. Furthermore, due to implementation challenges, the RED only entered into operating agreements with the City of Cape Town and Eskom, as no business transfers were effected. This will take place over the next 18 months. A service-delivery agreement was signed between the RED and the City of Cape Town.

The Pebble-Bed Modular Reactor was transferred to the Department of Public Enterprises in March 2006.

Given the increasing demand for energy and the need to combat global warming, nuclear energy is re-emerging as an attractive alternative. There are 30 nuclear plants being built in 12 countries and over 50 are being planned.

The department will support the construction of a demonstration power plant and pilot fuel plant, and facilitate the timely processing of the environmental impact assessment.

National Energy Regulator of South Africa (Nersa)

Nersa, which was launched in November 2005, is the regulatory authority established in terms of the National Energy Regulator Act, 2004 (Act 40 of 2004), with the mandate to undertake the functions of the Gas Regulator as set out in the Gas Act, 2001 (Act 48 of 2001), the Petroleum Pipelines Regulatory Authority as set out in the Petroleum Pipelines Act, 2003 (Act 60 of 2003), and the National Electricity Regulator (NER) as set out in the Electricity Act, 1987 (Act 41 of 1987), as amended.

While the electricity industry has been regulated for the past 10 years by the NER, the piped-gas and petroleum-pipeline industries in South Africa will be regulated for the first time. Nersa is funded by the three industries through levies. The funds consist of money appropriated by Parliament, levies imposed by or under separate legislation, charges for dispute resolution, licence fees, and funds collected under section 5B of the Electricity Act, 1987.

National and regional co-operation

Nersa, represented by its CEO, was again elected as chair of the African Forum for Utility Regulators (Afur) at the 3rd Afur Annual General Assembly, which was held in March 2006 in Windhoek, Namibia.

The organisation was elected the first chair of Afur at its establishment in November 2002. Nersa is also a founding member of the Regional Electricity Regulators' Association and the South African Utility Regulators' Association, which were launched in September and October 2002 respectively.

Integrated National Electrification Programme

The INEP remains the flagship of the Department of Minerals and Energy.

In 2005/06, R1,39 billion was spent on electrification, with R84 million allocated to non-grid electrification.

Eskom continues to exceed its electrification targets. For the year to 31 March 2006, Eskom had electrified 135 868 additional homes, thus exceeding its target of 85 000. By mid-2006, it had electrified 3 346 425 homes since the inception of the INEP.

The National Electricity Basic Services Support Tariff Policy was gazetted in July 2003. The policy aims to bring relief, through government intervention, to low-income households and to ensure optimal socio-economic benefits from the INEP. Qualifying customers are eligible for 50 kilowatt-hours (kWh) of free electricity per month. Eskom is a service-provider for free basic electricity in its areas of supply.

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 KWh per household per month in terms of the policy, users pay the normal tariff for any consumption exceeding 50 KWh per month.

The programme is funded by the Department of Provincial and Local Government through the equitable share allocation.

Each household connected to the Solar Home System receives up to R48 worth of electricity a month.

Rural solar-energy users are liable for any amount above the monthly subsidy.

To make paraffin more affordable, the Department of Minerals and Energy removed the value-added tax levy on it.

Southern African Power Pool (SAPP)

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 planning and operating 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 operations costs and equitably share benefits, including reductions in generating capacity and fuel costs, and improved use of hydroelectric energy.

Member countries are Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia, Zimbabwe and the DRC.

The SAPP faces the following challenges:

- lack of infrastructure to deliver electricity
- lack of maintenance of infrastructure
- lack of funds to finance new investments
- insufficient electricity generation
- high losses.

To lay down the rules governing electricity exchange between utilities, the SAPP Agreement between operating members was drafted. By mid-2005, it had been signed by the following nine national utilities: BPC (Botswana), EDM (Mozambique), Eskom (South Africa), Snel (Zaire), Zesa (Zimbabwe), Nampower (Namibia), ZESCO (Zambia), SEB (Swaziland) and LEC (Lesotho).

Biomass

Fuel wood, obtained mainly from natural woodlands, is the primary source of energy used by households in most rural areas for cooking and heating. In some areas, this resource is 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 fuelwood 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*.)

In 2005/06, Eskom was looking at harnessing biomass as a grid-supply option, while also planning to pilot new technology aimed at providing rural power in a remote area in the Eastern Cape. This technology, called a gasifier system, will use

waste from a rural sawmill to provide electricity to power the creation of business ventures in the area. The system was expected to be launched towards the end of 2006.

Renewable energy

Renewable energy sources, other than biomass, have not yet been exploited optimally in South Africa.

The department strengthened international relationships in this area through the support offered to partnerships established during the WSSD in 2002. Such 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.

Cabinet approved the *White Paper on Renewable Energy* in November 2003, which stipulates the following target:

- 10 000 GWh renewable energy contribution to final energy consumption by 2013, to be produced mainly from biomass, wind, solar and small-scale hydro. The renewable energy is to be used for power generation and non-electric technologies such as solar water-heating and biofuels.

This is equivalent to replacing two 660 MW units of Eskom's combined coal-fired power stations, or replacing 1 100 ML of diesel (14%) with biodiesel.

This is in addition to the estimated existing 8% to 9% renewable energy contribution mainly from fuel wood and waste.

A macroeconomic analysis of the targets in the white paper concluded that:

- The target is economically viable with government financial support and 'green' funding (e.g. Clean Development Mechanism (CDM), 'green' premium etc).
- Achieving the target could add about 1 667 MW new renewable energy capacity with a net impact on GDP of as high as R1 071 million per year, in comparison with coal-fired power stations, and additional government revenue of R299 million. Just over 20 000 new jobs would be created and water savings of 16,5 million kilolitres would be achieved, translating into a R26,6-million saving.

The study also highlighted the 10 000 GWh low-cost renewable energy technologies and applications to be implemented first, based on the level of commercialisation of the technology and the natural resource availability. These technologies include:

- sugar-cane bagasse for cogeneration (59%)
- landfill gas extraction (6%)
- mini-hydroelectric schemes (10%)
- commercial and domestic solar water-heaters (23%).
- wind energy (1%)
- biomass pulp and paper (1%)

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

Capacity-expansion options that are subject to Eskom's Clean Development Mechanism decision-making processes

Capacity-expansion option	Megawatts	Project stage in commercial use	Planned first unit commercial use	Last unit in
Camden power station	1 520	Approved	July 2005	March 2008
Grootvlei power station	1 128	Approved	September 2007	October 2009
Komati power station	961	Approved	September 2011	October 2011
Open cycle gas turbine	1 050	Approved	January 2007	April 2007
Coal-fired power station in Lehalale	1 800	Approved	September 2010	September 2012
Braamhoek pumped storage scheme[1]	1 332	Approved	March 2012	December 2012
Arnot upgrade	300	Approved	November 2007	November 2010

[1] Still awaiting approval as required by the Public Finance Management Act, 1999 (Act 1 of 1999)

- 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 that 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.
- Domestic and commercial solar water heating. Solar thermal-power generation is a collaborative programme with Eskom. It also involves the SolarPACES Programme of the International Energy Agency.
- Small-scale hydropower.
- Landfill gas exploitation.
- Rural water supply and sanitation.

The department's capacity-building programme for renewable energy and energy efficiency, which was funded by the Danish International Development Agency yielded significant value in capacity-building in the department, as well as various strategies and studies to support the enabling environment created by government.

The Department of Minerals and Energy and National Treasury approved the Renewable Energy Subsidy Scheme in September 2005. The scheme started off with once-off capital grants that are made available for renewable energy projects.

The website of the Renewable Energy Finance and Subsidy Office – *www.dme.gov.za/dme/energy/refso.htm* – was established in October 2005. It is useful as a platform for information dissemination and as a vehicle for potential applicants to access application forms.

The department is working with stakeholders such as National Treasury and Nersa on a long-term sustainable financing mechanism for grid-based renewable energy applications.

Eskom participated in a pilot project of the Department of Minerals and Energy, which investigates green power trading. Eskom contributed to the development of draft market rules and will act as the independent market operator for the duration of the project.

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/m^2 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/m^2 for South Africa, compared with about 150 W/m^2 for parts of the USA, and about 100 W/m^2 for Europe and the United Kingdom. This makes 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 at a monthly fee.

Once the underlying managerial and funding issues have been resolved, the process will be expanded to cover all 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 m^2) and swimming pools (327 000 m^2),

commerce and industry (45 000 m^2) and agriculture (4 000 m^2).

Three co-operatives with over 10 permanent employees each have been started in the Eastern Cape to maintain 8 000 solar home systems installed under the previous electrification programme.

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 townships, due mainly to coal burning.

Research has shown that low-cost housing could be rendered 'energy smart' through the use 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. Removing this expenditure 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 could ameliorate the situation substantially.

Switching from electrical to solar water-heating, therefore, could have significant economic and environmental benefits.

There are also 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.

A roll-out programme of solar heaters has commenced, with the focus on middle- to high-income households in Gauteng, the Western Cape and KwaZulu-Natal. The initiative is spearheaded by the CEF.

By mid-2006, a number of solar water-heating pilot projects were under way in residential and commercial buildings, with an additional pilot at an industrial site under investigation.

Solar-thermal power generation

The minimum direct normal radiation (DNR) to justify a combined solar-thermal power plant is 1 800 kWh/m^2 per year. According to the Renewable Energy Resource Database, the area exceeding the minimum required DNR in South Africa covers about 194 000 km^2. A 100-MW solar-thermal plant requires roughly 3 km^2 (1 800 kWh/m^2 per year). If 1% (1 940 km^2) of the identified area is available for solar-thermal power generation, then 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).

Concentrating Solar Power (CSP) Project

To explore new-generation options, find solutions that can contribute to meeting the growing electricity demand, and in an effort to use renewable energy resources, Eskom is assessing the feasibility of constructing a CSP plant with a maximum capacity of 100 MW electricity, in the Northern Cape. This is subject to the outcome of the environmental-impact assessment and feasibility study performed in 2006.

The Upington area in the Northern Cape was identified as a feasible location for the establishment of the CSP plant. Upington further has one of the highest solar values with a direct normal insolation level of about 2 900 kWh/m' per year.

The CSP plant being considered has a molten salt-type central-receiver technology. This

technology is based on the concept of thousands of large two-axis tracking mirrors (known as heliostats), which track the sun and reflect the beam radiation to a common focal point. This focal point (the receiver) is located well above the heliostat field to prevent interference between the reflected radiation and the other heliostats.

Wind

Eskom's Klipheuwel, just north of Cape Town, is the first large wind-turbine facility in sub-Saharan Africa. The pilot phase of the Klipheuwel research and demonstration project ran from August 2002 to the end of 2005. This wind farm has a maximum capacity factor of 34%.

As far as decisions on future wind projects are concerned, the uptake of renewable energy in Eskom's mix forms part of its Integrated Strategic Electricity Planning process. Experiences gained at the demonstration facility will feed into this. However, future installation decisions will be made, based on the commercial feasibility of the proposed project.

In August 2006, the City of Cape Town signed a 20-year agreement to buy 'clean' electricity from Darling Wind Farm. Local and foreign investors, government and the community of Darling, a small town north-west of Cape Town, will collaborate to get South Africa's first commercial wind-farm venture operational.

The R70-million pilot commercial wind-energy project was expected to start operating in 2007.

The Darling Wind Farm will feed the national power grid by using four giant wind turbines to generate an estimated 13,2 GW/h of 'clean' electricity per year. It will be 'wheeled' through the grid and on to suppliers who have chosen to pay a 25c per KW/h surcharge for a 'green' power supply.

With growing concern over global warming, Cape Town expects to sell the electricity on to an initially small, but willing, market that will include businesses whose 'green credentials' will help them market their products in South Africa and abroad.

The project is the result of a partnership between the national Government, the Danish Government, the CEF and the Darling Independent Power Producing Company.

The agreement enabled Darling Wind Power to secure the necessary investment to finance the purchase of the initial four wind turbines comprising 17-storey-high towers with massive blades powering 42-ton engine rooms at the top of the towers. Another six wind turbines will be added later, followed by another 10 in the longer term.

Hydro

An assessment conducted by the Department of Minerals and Energy, the *Baseline Study on Hydropower in South Africa*, indicated that specific areas in the country show significant potential for the development of all categories of hydropower in the short and medium term.

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 plants are that they can either be stand-alone or can exist 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.

Eskom has started the construction of the Braamhoek pumped storage scheme (1 332 MW) near Van Reenen, KwaZulu-Natal. It is expected that the first unit will be operational in 2012. Preliminary work for the design and construction of a second pumped storage scheme in the town of Steelpoort in Mpumalanga has commenced. As peak demand for electricity continues to grow, Eskom will continue to explore the development of new hydroelectric and pumped storage schemes as part of its renewable energy mix.

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).

The main project outside South Africa's borders is Westcor. It entails a five-way intergovernmental MoU signed between the utilities of the DRC, Angola, Namibia, Botswana and South Africa. Westcor will tap into some of the potential in the DRC. The first project is Inga III, a 3 500-MW hydro plant on the Congo River.

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 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 Project can 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 are likely to limit the exploitation of hydropower on a large scale.

Irrespective of the size of installation, any hydropower development will require authorisation in terms of the National Water Act, 1998 (Act 36 of 1998).

Ocean energy

Ocean energy could potentially be derived from the various characteristics of the sea. For example, the rise and fall of the waves can be converted into hydraulic pressure by mechanical compression devices. Such pressure can drive a turbine generator to produce electricity, while the tidal variation, sea current and different thermal layers in the ocean can also be used.

The main reason why this energy resource is not currently being harnessed is that no reliable technology exists that can generate electricity from this resource. Various companies are testing systems internationally to develop technically viable solutions. Once technical reliability has been proven, cost-effectiveness in relation to other solutions will have to be proven.

Eskom completed an ocean-energy resource assessment in 2002. The study concluded that South Africa has a sufficient ocean resource to explore this option further. A techno-economic study and technology evaluation are being performed. This study aims to assess those ocean-energy conversion technologies being tested internationally, to determine which option should be researched further for possible application in South Africa.

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 countrywide. This causes indoor air-pollution problems, which have a serious health impact.

It has been found that in some cases, especially regarding particulate matter, exposure 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 energy 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 of Minerals and Energy 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 roleplayers to address the problem.

In 2006, the department completed the new national standard for non-pressure paraffin stoves and heaters.

Designated National Authority (DNA)

Implementation of the Kyoto Protocol came into effect on 16 February 2005.

The department established the DNA to review CDM projects. The purpose of this initiative is to ensure that the CDM investment taking place in South Africa is in line with sustainable-development objectives addressing economic, environment and social development with emphasis on job creation, poverty alleviation and technology and skills transfer.

CDM projects approved by the DNA have the potential to contribute to the renewable energy and energy efficiency target, while also assisting various industries to reduce energy consumption and contribute to the improvement of the local and global environment by reducing GHG emissions and air pollution.

The DNA had approved 30 projects by mid-2006.

Geology

South Africa has a long and complex geological history dating back more than 3 700 billion years. Significant fragments of this geology have been preserved and along with them, mineral deposits.

The preservation of so much Archaean geology, dating back more than 2 500 million years, has resulted in the Archaean Witwatersrand Basin being preserved, as well as several greenstone belts. Ten of the more significant geological formations in South Africa are discussed below.

Barberton mountain land

This beautiful and rugged tract of country with some of the oldest rocks on Earth is situated south of Nelspruit in Mpumalanga. The renowned Barberton Greenstone Belt, the largest of its kind in South Africa, contains remnants of original crust, dated around 3,5 billion years old. The greenstone formations represent the remains of some of 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 that are more than 3 000 million years old.

Gold, iron ore, magnesite, talc, barite, chrysotile asbestos and verdite are mined in the area.

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 Witwatersrand conglomerate reefs that were discovered in 1886, not far from the Johannesburg city centre.

The Witwatersrand is the greatest goldfield known to mankind. More than 50 055 t of gold have been produced from seven major goldfields distributed in a crescent-like shape along the 350-km long basin, from Welkom in the Free State in the southwest, 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 contains the important gold-bearing quartz-pebble conglomerates. These 'gold reefs' were formed from

At the four-day African Ministerial Conference on Hydropower and Sustainable Development in Johannesburg in March 2006, African leaders committed themselves to developing a continent-wide energy vision for 2025. It will be monitored by ministers of finance, energy, water and the environment, under the auspices of the African Union.

Delegates agreed that exploiting the potential of hydropower as renewable energy could help meet the continent's power needs, and concurred that the development of hydropower should be underpinned by sound environmental and impact assessments, and mitigation and management plans, in accordance with national regulatory frameworks and international standards of good practice.

In Africa, less than 70% of hydropower potential has been developed.

gravels transported into the basin and reworked 2,75 billion years ago. The gold and uranium originated from a rich source in the hinterland.

Bushveld Complex and Escarpment

The Bushveld Complex extends over an area of 65 000 km^2 and reaches up to 8 km in thickness. It is by far the largest known layered igneous intrusion in the world and contains most of the world's resources of chromium, PGMs and vanadium. This mega-complex was emplaced in a molten state about 2 060 billion 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 this area are the imposing Dwars River chromitite layers, 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 2,5 billion-year-old fossiled 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 by the partial erosion plateau of basaltic lava, which is more than 1 500 m thick, and covers the Clarens sandstones. Prior to its erosion, the continental basalt field covered significantly more of the continent.

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 scenic Golden Gate Highlands National Park in the Free State features spectacular sandstone bluffs and cliffs. The sandstone reflects a sandy desert environment that existed around 200 million years ago. Dinosaur fossils are still found in the area.

Karoo

Rocks of the Karoo Supergroup cover most of South Africa and reach a thickness of several thousand metres. The sedimentary portion of this rock sequence reveals an almost continuous record of deposition and life, from the end of the Carboniferous into the mid-Jurassic periods, between 300 million 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 their early dinosaur evolution.

During this long period of the Earth's history, southern Africa was a lowland area in the centre of the Gondwana supercontinent.

Initially, the prehistoric Karoo was a place of vast glaciation. It then became a shallow inland sea, before this was replaced by huge rivers, with lush flood plains and swampy deltas, which dried out to a sandy desert. Finally, vast outpourings of continental basaltic lava accompanied by the break-up of Gondwana occurred.

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' was encountered and this 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 Dome, the oldest and largest visible impact structure known on Earth.

Declared a world heritage site in 2005, it lies 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, was caused by the impact of a 10-km wide asteroid some two billion years ago. Only a ring of hills remains of the dome created by the rebound of rock below the asteroid's impact site. The original crater – now eroded – is estimated to have been between 250 km and 300 km in diameter.

The Vredefort structure comprises a core zone of granitic rocks, surrounded by a ring-like collar zone of younger bedded formations. Only the north-western portion of the structure remains visible. The south-eastern half was flooded by sediments of the Karoo Supergroup, which cover the Free State.

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 some 1,5 billion years ago.

The remains of ancient lava flows and vulcanic 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

Located mainly in Gauteng, this World Heritage Site extends from 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 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 palaeoanthropological research.

Table Mountain and the Cape Peninsula

Table Mountain is arguably South Africa's best known and most spectacular geological feature, being made up of five major rock formations.

The earliest of these are the deformed slates of the Malmesbury Group which formed between 560 million 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, that is well-exposed along Chapman's Peak. 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.

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Safety, security and defence

The South African Police Service (SAPS) is responsible for internal security and crime prevention, while the South African National Defence Force (SANDF) is responsible for defending South Africa against external military threats.

The Justice, Crime Prevention and Security (JCPS) cluster is focusing on reducing serious and violent crime by between 7% and 10% a year. The cluster is following a two-pronged crime-fighting strategy that confirms the central role of law-enforcement agencies in combating crime, and acknowledges the principle of community involvement and establishing partnerships as primary instruments in preventing and combating crime.

Safety and security

In accordance with the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), the Minister of Safety and Security is responsible for policing in general and is accountable to Cabinet and Parliament. Important features of the minister's responsibilities include determining national policing policy and providing 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:

- enhancing the safety and security of South Africans
- ensuring proper investigation of criminal cases and providing sound crime intelligence
- protecting prominent people
- managing the SAPS efficiently, including its resources, development and operations.

These objectives have been aligned with the aims of the integrated justice system and the JCPS Cluster. The operational priorities of the department's strategic plan for 2005 – 2010 are:

- combating organised crime
- fighting serious and violent crime
- reducing crime against women and children
- improving on other SAPS priorities that affect basic service delivery.

Over the medium term, the department will support government's regional and continental objectives by implementing the Southern African

Development Community (SADC) Protocol on the Control of Firearms, Ammunition and other Related Materials through the Southern African Regional Police Chiefs Co-operation Organisation (SARPCCO) and the African Union (AU) Convention on the Prevention and Combating of Terrorism.

It will also provide operational support and institutional capacity-building to police agencies in southern Africa through SARPCCO, to promote development, stability and security, and benefit policing in South Africa through information-sharing.

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 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.

Independent Complaints Directorate

The primary role of the ICD is to ensure that complaints about alleged criminal offences and misconduct committed by SAPS members are investigated in an effective manner. Police conduct or behaviour that is prohibited in terms of the SAPS standing orders and 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 any indications of criminal conduct by the SAPS. Where there are no indications of criminal conduct, the matter is left to the police 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 then conducts 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 SAPS management regarding the departmental prosecution of a police member.

The ICD reports to Parliament through the Minister of Safety and Security. However, it operates independently from the SAPS.

The ICD handled 5 103 complaints in 2005/06, representing a decrease of 12% compared with 2004/05, when it received 5 790 complaints.

Deaths in police custody or due to police action decreased by 5% compared with the same period in 2004/05. There were 620 deaths in 2005/06 compared with 652 in 2004/05. The majority of the deaths, most of which were shootings, occurred in KwaZulu-Natal (139).

Gauteng accounted for 127 deaths, comprising mainly shootings, suicides and natural deaths. The Eastern Cape had 97 deaths, Western Cape 56, Free State 50, Mpumalanga 45, Limpopo and North West 44 and the Northern Cape 18 deaths in police custody.

The decrease in deaths is partly attributed to the ICD-SAPS committee which meets monthly to monitor incidents of death. The decrease also confirms that there is a growing human-rights ethic within the SAPS.

It was announced in October 2006 that government would distribute R73,8 million to several law-enforcement agencies and departments in forfeited assets.

This followed Cabinet approval for the distribution of funds deposited into the Criminal Assets Recovery Account (Cara), following asset forfeiture.

A number of assets, including motor vehicles, equipment and property would also be distributed to a number of law-enforcement agencies and government departments.

In terms of the Prevention of Organised Crime Act, 1998 (Act 121 of 1998), the monies and properties in Cara may be used to render financial assistance to law-enforcement agencies to combat organised crime, money laundering, criminal gang activities, and the financing of terrorist and related activities.

The South African Police Service received R33,7 million from the fund.

South African Police Service

Strategic overview and key objectives

The key aims and programmes of the SAPS are based on the objectives provided for in section 205 of the Constitution. The SAPS is responsible for:

- preventing, combating and investigating crime
- maintaining public order
- protecting and securing South Africans and their property
- upholding and enforcing the law.

The vision of the SAPS is to create a safe and secure environment for all South Africans.

The values upheld by the SAPS are to:

- protect everyone's rights and to 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 strive to improve it
- use its resources efficiently
- develop the skills of its members through equal opportunities
- co-operate with the community, all levels of government and other role-players.

The budget of the SAPS will increase significantly over a seven-year-period, and rose from R20,4 billion in 2002/03 to R29,4 billion in 2005/06, representing an average annual increase of 12,9%. It is expected to reach R38,5 billion in 2008/09, at a rate of 9,4% over the Medium Term Expenditure Framework period. In 2005/06, the SAPS was allocated R4,4 billion to improve police salaries.

Enhancing policing presence

Crime prevention in South Africa is based on the principles of community policing, that is, partnerships between the community and the SAPS. Partnerships between police officers (who are appointed as sector managers) and communities strengthen existing community police fora (CPFs). Sector policing was introduced in 2002/03 to increase the visibility and accessibility of police officers, particularly in areas that have limited infrastructure and high levels of crime. The implementation of sector policing continues.

CPFs, which have been in place since 1993, are functioning well at most police stations. They are

actively involved in crime-prevention and awareness programmes, and allow the SAPS to mobilise and involve communities in the fight against crime. CPFs also assist police by mobilising partnerships with business and other stakeholders in communities to address crime concerns.

The SAPS is dedicated to the upliftment of historically disadvantaged communities. This includes the building of community safety centres (CSCs) that focus on delivering basic and easily accessible services to communities, especially in deep rural and informal settlement areas.

CSCs bring the SAPS and the departments of justice and constitutional development, of correctional services, of health, and of social development under one roof. They are fully operational in Thembalethu in the Western Cape, Ntsimbini in KwaZulu-Natal, Leboeng in Limpopo and Khutsong in Gauteng.

The Protection and Security Services Programme is the fastest growing, with expenditure expected to increase from R593 million in 2002/03 to R1,9 billion in 2008/09, representing a growth rate of 21,2%. This is a relatively new programme, which is continuously expanding as new functions related to new government-security initiatives become established.

Additional funds have been allocated to the SAPS to increase the number of personnel to 178 910 by the end of March 2009. This labour input will be complemented by the concomitant expansion of the vehicle fleet, equipment supplies and information technology (IT) infrastructure.

By March 2006, the SAPS had 155 532 members.

By May 2006, police stations had a total personnel strength of about 95 000. It is envisaged that police-station personnel will increase by almost 35 000, which will be sustained at nearly 130 000 up to 2010.

By May 2006, closed circuit television (CCTV) monitor systems were expanded in KwaMashu, Inanda and Mafikeng. The existing Cape Town and Kimberley CCTV systems were being assessed for possible expansion.

SAPS divisions

Career Management

This division renders a people-centred human resource (HR) service to all personnel and ensures their optimal use. It provides HR support and capacity-building to the SAPS, including management interventions, career coaching, career alignment and strategic workforce planning.

Crime Intelligence

This 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.

To improve policing and services, the South African Police Service (SAPS) management adopted a flatter organisational structure. The revised structure will incorporate the advantages of decentralisation of work and authority, and will make specialised skills available at police stations.

The restructuring of the SAPS focuses on:

- reducing policing levels from four to three, namely national, provincial and station level
- reducing the provincial and national structures to improve co-ordination and the provision of functional policing and support services
- redeploying to station-level certain specialised operational policing functions to ensure crimes are investigated where they occur
- moving national-, provincial- and area-skilled persons to stations to increase the leadership, management, decision-making and skill levels at stations to deal with the crime challenges unique to each station
- empowering station commissioners to render a comprehensive service and effectively manage all resources
- amend accountability frameworks to assess the performance of stations and station commissioners in terms of standardised performance indicators.

The revised structure will also ensure that police-community trust is enhanced, improving the morale of SAPS personnel. Government's intention to establish one-stop centres was expected to benefit from the restructuring of the SAPS.

The most important change will be the dissolution of area offices, which are expected to devolve to the various police stations as part of the station-empowerment strategy.

Crime Prevention

This division 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. The division's three main components are Social-Crime Prevention, Visible Policing and Police Emergency Services.

Social-Crime Prevention deals with crimes affecting the social fabric of society, including crimes against women and children, as well as community-based crime prevention.

Visible Policing is responsible for combating crime through crime operations, police-station activities and high visibility, and the availability of police officials at grassroots level.

Police Emergency Services renders a rapid response service in respect of crimes in progress, and provides dog and mounted services. Hostage negotiators and police divers render specialised services as a secondary function.

The SAPS Dog and Mounted Service has been recognised as an important element of the SAPS crime-fighting strategy. A new mounted school to breed suitable horses and train riders has been established at Potchefstroom in North West. The national borderlines have also been incorporated as one of the many functions provided by the mounted units.

The SAPS Dog Service provides policing services nationally, including at national ports of entry. These services are provided through its well-trained dogs, which include tracking of explosives, narcotics and protected species; search-and-rescue; tracker; fire-investigation; carcass-and-hide; and patrol and sheep dogs. In mid-2006, a new discipline of dog training was being finalised following a pilot project, which will result in trained dogs being able to detect the scent of human blood and semen.

The second annual National Police Day celebration was held on 27 January 2006. The purpose of National Police Day is, among other things, to:

- signify the date and anniversary of the establishment of the South African Police Service (SAPS)
- recognise the service rendered by members of the SAPS
- honour those members who have paid with their lives to protect and serve all South Africans.

Criminal Record and Forensic Science Services

Forensic Science Laboratory (FSL)

The FSL in Pretoria is implementing revolutionary new technology that will quadruple the laboratory's capacity to process DNA samples.

Previously, some 200 samples were processed daily manually, but implementing the Automated Genetic Sample Processing System (GSPS) is expected to ensure that 800 samples can be loaded into the system daily.

The GSPS is the only one of its kind in the world and is a robotic system that combines engineering and science, improving the police's capacity to process DNA samples. Between 1 April 2006 and September 2006, DNA analysis was done for over 2 000 cases.

Since the implementation of the Integrated Ballistics Information System, more than 416 000 images have been captured on the database. Almost 5 000 hits (links between two or more cases) have been made, which implies linking of almost 10 000 different crime scenes where there was no prior knowledge/information that the same firearm(s) was/were used.

The FSL has acquired a video spectral comparator infrared apparatus to assist in differentiating between inks and documents, and detecting alterations, additions and obliterations on documents. It has also gained gas chromatograph mass spectrometers to assist in analysing drug-related cases. The Craig Micro Spectrometer was obtained for colour analysis of various material such as fibres and paint samples.

Criminal Record Centre (CRC)

The Automated Fingerprint Information System (AFIS) palm-print extension and matcher upgrade was successfully implemented in December 2004 and became fully operational in January 2005. The palm-print extension has contributed to crime-solving in the SAPS.

From July 2005 to December 2005, 4 200 crime-scene palm prints were identified (cases solved) with the assistance of the palm-print functionality.

The implementation of the new matcher functionality also increased accuracy in the 10-print matching process.

A total of 1 723 534 fingerprint forms were processed on AFIS during 2005, of which 618 178 were positively identified by the system.

The CRC has procured 108 live-scan booking stations capable of capturing finger and palm prints electronically. This is expected to improve the quality of prints to be added to the AFIS database, which will enhance the ability to arrest identified suspects.

Technology and Technical Management

A new component responsible for facilitating technology development in the SAPS was added to the division during 2005. By mid-2006, this component was establishing the necessary strategy and capacity. It is expected to add significant value to the fight against crime, with specific emphasis on the application of science and technology.

Detective Service

This division is responsible for maintaining an effective crime-investigation service. It investigates crimes and gathers all related evidence required by the prosecuting authority to redress crime.

The Detective Service consists of the following components:

- General Investigations
- Organised Crime
- Commercial Crime
- Serious and Violent Crime.

Between 2002 and 2005, the SAPS trained 17 475 detectives. In 2006/07, 1 000 newly-trained members were expected to join the Detective Service. Detectives' career paths are being streamlined to retain experienced SAPS members. They are promoted within a three-level system while continuing functional police work, rather than being promoted to administrative managerial positions.

By October 2006, general investigators were attending multilevel specialised courses to give them the capacity to investigate every type of crime.

Financial and Administration Services

This division ensures that the SAPS budget is managed in a cost-effective manner and that an effective auxiliary service is rendered. The division consequently manages financial and auxiliary services, and also oversees the management and use of all resources in accordance with relevant directives and legislation. The division has a capacity for support and interventions at national level pertaining to, among other things, managing the national budget.

Legal Services

This division mainly renders a legal advisory service to the SAPS in respect of the development, interpretation, application and implementation of policy; the drafting of legislation; the management of litigious matters; the administration and management of contracts and agreements; arbitration; the management of national and international crime operations; special projects; the promotion of corporate identity and good governance; and the general administration and management of legal services.

The division is also responsible for formulating national standards and policy relating to these aspects. The division's seven components are:

- Contracts and Agreements
- Crime Operations
- Crime Prevention
- Litigation
- Legislation
- Policy Standards
- Property and Asset Management.

In September 2006, the South African Police Service released crime statistics for 2005/06:

- attempted murder decreased by 16,6%
- serious and violent assault decreased by 9,6%
- common assault decreased by 15,6%
- robbery with aggravating circumstances decreased by 6,2%
- common robbery decreased by 18,3%
- drug-related crimes increased by 13,2%
- car hijackings increased by 3,1%
- murder decreased by 2%
- rape decreased by 1%
- indecent assault decreased by 3,7%
- driving under the influence of alcohol or drugs increased by 9,9%
- cash-in-transit heists increased by 74,1%.

Over the past decade, the division has contributed towards establishing the legal framework pertaining to policing, nationally and internationally. All principal legislation administered in the department has been reviewed and, as a result, substituting legislation has been enacted.

The division was instrumental in drafting international police co-operation agreements. It also participated in the drafting processes of international instruments pertaining to the combating of transnational organised crime, and the proliferation of firearms and terrorism.

Management Services

This division provides a support function to the SAPS. It supports management in respect of communication and liaison services; strategic planning; information and systems management; and organisational development such as the maintenance of organisational structures, procedures, methods, forms and registers.

Although there are management-service components at area and provincial levels reporting operationally to the area commissioner and the provincial commissioner respectively, such components function in accordance with national policies and guidelines issued by this division.

The division, which has a national capacity for service delivery and interventions at national level, comprises the following components:

- Efficiency Services
- Strategic Management
- Information and Systems Management
- Communication and Liaison Services.

National Evaluation Service

This division supports management in the assessment of service-delivery standards and performance. It strives not only to determine the level of service delivery, but also to assist provinces, stations and units to improve their level of service delivery to the community.

Operational Response Services

The division is nationally responsible for maintaining public order; executing medium- and high-risk operations, including preventing rural and urban terrorism, executing search-and-rescue operations, stabilising volatile crime situations, monitoring and evaluating all major events, the international deployment of SAPS members on civilian police (CivPol) peacekeeping missions; and combating cross-border crime on South Africa's land, sea and air borderlines.

Women empowerment is a main priority within the division, specifically pertaining to recruiting and training female members at previously male-dominated units such as the Special Task Force, National Intervention Unit (NIU) and the Air Wing. The Special Task Force became one of the first units of its kind to accept five female members into the unit.

The NIU has successfully recruited and trained 29 female operational members.

The Air Wing already has three female pilots and has embarked on the Designated Pilot Training Programme. Various designated members, including women, have been trained as pilots. As part of this process, this division produced the first black female helicopter pilot in South Africa.

The SAPS, by virtue of its world-class training, is in demand in respect of technical and operational assistance to neighbouring countries, as well as internationally.

The Special Task Force participated in various cross-border initiatives, such as Operation Rachel in Mozambique, during which arms caches were located and destroyed. Operation Rachel has been conducted – with the active support and assistance of the Mozambican authorities – since 1999. The division also assisted in training members of the Democratic Republic of Congo (DRC) police, as well as with anti-terrorism training and other training needs of the SARPCCO.

Operational Response Services is responsible for deploying SAPS members to participate in United Nations (UN) and AU peacekeeping missions. During 2005/06, 200 members were deployed to Darfur, Sudan. This division is also responsible for

More than 60 000 South African Police Service (SAPS) members were deployed to secure and protect poling stations during the municipal local elections held on 1 March 2006.

The South African National Defence Force, with infantry and paratroopers, as well as fixed-wing aircraft and helicopters, was also on standby to assist the SAPS, if required.

establishing a rapid deployment capacity and a standby force to assist with CivPol interventions, where needed.

Personnel Services

This division manages personnel-related matters in support of the operational priorities of the SAPS. It consists of the following three components, namely:

- Employee Assistance Services. This component comprises Social Work, and Spiritual and Psychological Services. Their respective functions are:
  - developing and maintaining a professional occupational social-work service focused on service delivery by means of research and identified programmes, as well as a disability and HIV/AIDS support service
  - developing and maintaining a professional spiritual support service by facilitating spiritual support, research and proactive programmes; conducting psychological interventions and evaluations as well as managing, developing and enhancing sport and recreation within the SAPS.
- Personnel Provision and Maintenance. This component comprises two sections, namely Promotions and Awards and Personnel Provision and is responsible for:
  - managing all promotions, occupational translations and awards within the SAPS
  - managing all personnel provision-related matters such as recruitment, appointments, transfers and service arrangements.
- Service Terminations and Behaviour Management. This component comprises three sections, namely Medical Administration, Service Absence and Terminations, and Behaviour Management. Their functions are managing:
  - injury on duty and medical boards
  - service terminations and absence
  - disciplinary procedures and grievances within the SAPS.

Protection and Security Services

This division comprises six components, namely VIP Protection Service, Static and Mobile Security, Operational Support, Railway Policing, Government Security Regulator and Ports of Entry Security.

The VIP Protection Service protects and secures the national and provincial executive of South Africa, comprising the President, Deputy President, former presidents, national ministers, premiers, members of provincial executive committees and any other office bearer whose safety is of significant national importance.

This component is also responsible for the protection of visiting foreign dignitaries who qualify for protection, and judges and magistrates who are presiding over trials where their safety may be threatened.

Static and Mobile Security provides comprehensive static security cover to all identified strategic government installations, residences and offices of identified VIPs. It ensures mobile security services at all identified installations and operations.

Mobile Operations a pilot project, will manage:

- security escorts to certain identified dangerous/high-profile awaiting-trial prisoners
- ad hoc guarding of certain high-profile and/or dangerous psychiatric awaiting-trial prisoners while at institutions
- security venues of certain high-profile trials while in session
- security escorts for certain identified valuable/dangerous government cargo.

Railway Policing prevents and combats organised crime, serious and violent crime, and crimes against women and children in the rail environment. The pilot project officially commenced on 1 June 2004 in the Western Cape. The other provinces are to follow.

The Government Security Regulator regulates physical security in the public sector, strategic installations, and administers the National Key Points Act, 1980 (Act 102 of 1980). Incident Management develops control centres and protocols for the monitoring of operations, and limits the probability and manages the impact of critical incidents within the operational sphere of Protection and Security Services. The Security Advisory Service is responsible for evaluating all ports of entry (harbours, airports and land ports) and auditing all government departments, residences and offices of all VIPs in terms of physical security.

Ports of Entry Security is responsible for the security of all ports of entry into South Africa.

Operational Support ensures the operational success of the division, namely financial management, HR management, auxiliary services, management services and supply-chain management; and facilitates, develops and co-ordinates policies; conducts inspections; and determines operational standards within the division.

Supply-Chain Management

This division is responsible for meeting the total logistical needs of the SAPS through effective and efficient demand, acquisition, logistical, disposal and performance management.

On 1 April 2006, the SAPS took over custodianship of all functional SAPS accommodation from the Department of Public Works.

During 2005/06, nine new police stations were completed and two existing ones upgraded. By mid-2006, 20 new police stations were under construction and four had been upgraded. The construction of another 26 police stations was expected to commence in 2006/07.

A new digital radio communications system is being installed in Gauteng and is expected to be completed and fully functional by December 2007. The system will enhance police communications, significantly contributing to effective service delivery.

Additional funds have been made available to procure more vehicles, thus easing the present shortage of this vital resource in the SAPS.

In January 2002, the SAPS had 27 000 vehicles. By March 2006, this figure had risen to 35 418 vehicles.

Training

The Training Division is responsible for:

- providing effective learning programmes for policing-related education, training and development
- generating, implementing and maintaining Education, Training and Development (ETD) system standards and the quality assurance of ETD
- facilitating skills development within the SAPS
- managing basic training within the SAPS
- managing in-service training within the SAPS
- managing generic skills provision and international training support within the SAPS
- managing and using all resources in accordance with relevant directives and legislation.

Victim-Empowerment Programme

By the end of March 2006, victim-friendly facilities had been established at 583 police stations. About 387 police members were trained in victim empowerment.

The SAPS aimed to establish an additional 150 such facilities in 2006/07. In new or upgraded police stations, provision is made for private facilities where victims can provide statements and access information.

Safer Schools Programme

The Safer Schools Programme is a partnership between the SAPS and the Department of Education. It addresses issues such as drugs and firearms in schools, sexual offences and bullying. Its focus is on ensuring a safe learning environment.

Communities are involved in this programme through school governing bodies (SGBs) and school safety committees, ensuring the national roll out of the Tiisa Thuto Programme in co-operation with Business Against Crime (BAC).

Tiisa Thuto aims to fight school community-based crime by inculcating a positive value system among the school community, heightening communities' sense of ownership of schools, and creating conditions and/or a culture that is conducive to effective teaching, learning and support.

Tiisa Thuto's core beneficiaries are learners, educators, parents and members of SGBs.

Firearms control

The Firearms Control Act, 2000 (Act 60 of 2000), and the Firearms Control Amendment Act, 2003 (Act 43 of 2003), aim to assist the SAPS in preventing the proliferation of illegal firearms and removing 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 and obtain a competency certificate before being granted a firearm licence.

The draft Firearms Control Amendment Bill was published for public comment in the *Government Gazette* on 24 February 2006.

Proposals in the draft Bill included, among other things, the following:

- Instead of periodically renewing their firearm licences, legal owners of firearms will have to

obtain a competency certificate every five years and will have to have their firearms audited.
- The definition of 'occasional' hunters/sportspersons will be amended so that such persons may also belong to accredited organisations.
- Prosecutors will determine admission-of-guilt fines in respect of minor offences without the offender being automatically declared unfit to possess a firearm. The Registrar may, however, independently still conduct an inquiry to determine whether a person who paid an admission-of-guilt fine remains fit to possess a firearm.
- All collected firearms must be made inoperable. In terms of the Bill, private collectors are obliged to place the moving parts of semi-automatic and prohibited (automatic) firearms in safekeeping at a place which is separate from the firearm concerned and which is acceptable to the Registrar of Firearms. The number of cartridges that may be collected has also been reduced.

In November 2004, the Minister of Safety and Security declared amnesty for people in possession of illegal firearms and ammunition. In terms of the amnesty, as defined in section 138 of the Firearms Control Act, 2000, illegal firearms and ammunition had to be surrendered at police stations nationwide from 1 January to 31 March 2005. This period was subsequently extended to 30 June 2005.

A total of 33 823 illegal firearms and 608 794 rounds of illegal ammunition were surrendered between 1 January 2005 and 30 June 2005, and 46 631 legal firearms and 821 527 rounds of ammunition were voluntarily handed to the SAPS. The SAPS confiscated over 17 600 firearms and 370 180 rounds of ammunition between 1 April 2005 and 31 March 2006. During this period, 4 842 firearms were reported as lost and stolen and 12 351 firearms were recovered.

Between 1 April 2005 and 31 March 2006, the SAPS accredited 586 non-official firearm institutions, of which 151 were shooting ranges and 232 were training-providers.

During the same period, the SAPS destroyed more than 107 460 firearms.

International obligations and involvement in Africa

The SAPS formed part of the South African contingent that assisted the people of the DRC to prepare for their general elections. It was also a key component of the civilian police structure built into the programme of the AU Mission in Sudan (AMIS), working towards permanent peace in that country.

The AMIS civilian police comprised members of police services from 16 African countries.

The SAPS assisted the Sudanese police by:
- facilitating communication between them and local communities
- providing technical assistance requested by the Sudanese Government and police authorities.

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 to Interpol. It has 12 liaison officers based at South African missions abroad to interact on a continuous basis with its counterparts in detecting international crime.

The SAPS is involved in removing and destroying weapons and ammunition in Mozambique and the DRC. By May 2006, there were plans to conduct a similar operation in Lesotho.

Commandos and reservists

The SAPS will put in place an alternative system to address the phasing out of the commando system to avoid a security vacuum. One of the strategies identified for doing this is to increase reservist numbers.

The revised system of police reservists, among other things, consolidates the SAPS' sector-policing

The South African Police Service (SAPS) is taking over border control from the Department of Defence. SAPS members have been deployed at the borders between Limpopo and Zimbabwe, Northern Cape and Namibia/Botswana, North West and Botswana, Free State and Lesotho, Eastern Cape and Lesotho and KwaZulu-Natal and Lesotho.

The Border Control Co-ordinating Committee and the Department of Public Works are constructing and upgrading ports of entry. This includes installing modern technology with improved satellite and electronic surveillance systems.

programme. It provides for four categories of reservists, namely Functional Policing, Support Services, Specialised Functional Policing (pilots, divers, social workers), and Rural and Urban Sector Policing.

The main thrust of the revised system is to create a part-time professional police service. The system also provides for the call-up and payment of reservists, based on the identified policing needs at provincial, area or station level. The reservists will be paid only when they are called up and according to their ranks.

Modular outcomes-based training programmes have been completed to enhance the skills and knowledge of all reservists. A budget of R260 million has been approved to call up reservists for duty. The following number of reservists could be called up over the reflected periods:

- 2006/07: R60 million to call up 8 000 reservists
- 2007/08: R80 million to call up 15 000 reservists
- 2008/09: R120 million to call up 25 000 reservists.

Career centres

To market career prospects in the SAPS, career centres have been launched in various provinces, including:

- Sharpeville, Gauteng
- Bellville, Western Cape
- Pinetown, KwaZulu-Natal.

Women's Network

The SAPS Women's Network was launched in July 2004 to assist and support women in the service. The network aims to enhance SAPS services by facilitating greater co-operation, equality and empowerment among all SAPS employees. Activities are aligned to government initiatives to improve the overall quality of life of women.

The network runs at station, provincial and national levels.

Business Against Crime

BAC was formed in 1996 at the request of former President Nelson Mandela for business to play a pivotal role in supporting government's crime-fighting initiatives, by harnessing business resources and skills.

BAC is a section 21 not-for-profit organisation mandated to support government in the fight against crime. The organisation is primarily funded by business-sector donations, and has a presence in seven provinces with a national office in Johannesburg, Gauteng.

The vision of BAC is for a safe and secure South Africa where its people and businesses live without the threat of crime and violence.

BAC's mission is to:

- facilitate an effective and close working relationship between government and industry bodies in the fight against crime
- facilitate the implementation of a long-term social-crime prevention strategy with government
- partner business and international organisations to support government in the fight against crime
- facilitate the alignment of business-wide and other relevant non-governmental organisations' crime-fighting initiatives
- facilitate the achievement of government's goals for reducing crime, as set out in the National Crime-Prevention Strategy and departmental plans
- leverage resources, skills and the expertise of business to assist government in attaining an effective and efficient criminal justice system
- build community and business confidence and support by communicating the successes of the fight against crime consistently and aggressively.

Programmes

The BAC's seven programmes include:

- The Criminal Justice Strengthening Programme that is designed to build, support and strengthen the Department of Justice and Constitutional Development, through the professional management of courts and court services.
- The Tiisa Thuto Programme that seeks to teach non-violent methods of conflict-resolution and positive morality, including life skills and personal values in schools, to reduce crime and violence and improve standards of learning. The programme ran in 121 schools in Gauteng in 2004/05, reaching 1 240 097 learners, educators and parents. By mid-2006, Tiisa Thuto was being rolled out to Mpumalanga, Western Cape, Eastern Cape and KwaZulu-Natal.
- The Support Programme for Police Stations, which aims to improve service delivery at police

stations through effective management, best practices, and skills and capacity development. More than 200 police officers from 28 police stations were trained in Mpumalanga and Gauteng in 2005 and 98 working partnerships were established in Gauteng, North West, Eastern Cape and Mpumalanga.

- The Commercial Crime (including fraud and corruption) Programme, which established specialised commercial court centres (SCCCs) countrywide, staffed by specialists, to convict the guilty quickly and efficiently, and to secure appropriate sentences. The SCCCs have an average conviction rate of between 97% and 98%. The case-processing time (average months) was reduced by 50%, from 30 months in 1999 to 14 months in 2005. The rescoping of the Commercial Crime Programme has been completed.
- The Organised Crime Programme aims to reduce large-scale syndicated crimes by removing the commercial benefit of trading in stolen goods, as well as ensuring the effective prosecution of offenders. The current focus is on vehicle theft and hijacking, and the theft of cellphones and copper cables. Business processes within the vehicle-management system are aimed at rooting out fraud and corruption and improving service delivery. The Cellphone Blacklisting Agreement, brokered by BAC, was signed on 13 April 2005 by the SAPS, Cell C, MTN and Vodacom. The reporting of stolen, lost and damaged cellphones increased by about 500% in the first 10 months of 2005, compared with the same period in 2003 and 2004.
- The Department of Justice and Constitutional Development has been reorganised into functional business units that have a proper management structure and accountability at all levels. The programme involves implementing financial policies and procedures for managing the department in accordance with good business practice and generally accepted accounting principles.
- The Support Programme seeks to enhance the department's internal capacity through a number of interventions, thus ultimately affecting overcrowding and recidivism in prisons.

All programmes have clear and appropriate performance and delivery goals that are reviewed continually by the BAC board, government, donors and sponsors.

In October 2006, government met with the Big Business Working Group and the BAC in Pretoria. This followed an initial meeting held in Cape Town in August 2006, which resolved to re-energise the partnership between business and government in the fight against crime.

The meeting agreed to create a leadership forum, composed of leaders of the Justice, Crime Prevention and Security (JCPS) Cluster and business, to identify and mobilise 'stepchange' interventions necessary to turn around the crime situation in the country.

The specific initiatives for immediate action included:

- Reviewing and improving the criminal justice system. Both business and government will second senior executives to this initiative on a permanent basis.
- Reviewing and enhancing crime prevention and combating initiatives undertaken by government departments.
- Providing specialist training and redeploying experts who had retired or joined the private sector.

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:

- 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. Not only has the posture been amended

to primarily defensive, but it is now also described as non-threatening. 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 various initiatives aimed at securing peace and stability on the continent.

By April 2006, the Department of Defence had deployed 14 defence attachés in Africa, and was planning to increase this number to 29 by 2008.

The defence budget was expected to remain constant over the next three years, with R24 billion set aside for 2006/07, R24,6 billion for 2007/08 and R25,7 billion for 2008/09.

Legislation

Defence Act, 2002

The Defence Act, 2002 regulates the defence function.

National Conventional Arms Control Committee (NCACC) Act, 2002 (Act 41 of 2002)

The NCACC Act, 2002 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 to 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.

Protection of Constitutional Democracy and Related Activities Act, 2004 (Act 33 of 2004)

The Protection of Constitutional Democracy and Related Activities Act, 2004 came into force on 20 April 2005. Given the scale and the nature of contemporary terrorist threats and activities, it is conceivable that military action, including action in the fulfilment of international obligations, and action surpassing the usual service in co-operation with the SAPS, could be required in future.

Any military action surpassing service in co-operation with the SAPS and aimed at preventing or combating terrorism within South Africa, must be in defence of the country, its sovereign territory, its citizens or its political independence.

Only the President may authorise the deployment of the SANDF in defence of South Africa or in co-operation with the SAPS.

Functions

The SANDF may be employed for:

- the defence of South Africa, and for the protection of its sovereignty and territorial integrity
- compliance with South Africa's international obligations regarding international bodies and other states
- the preservation of life, health and property
- the provision and maintenance of essential services
- upholding law and order in South Africa 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
- functions in support of national interests.

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 endeavours to perform the functions as set out in legislation and policy, which include defence of the sovereignty, territorial integrity and the people of South Africa. It also includes promoting the regional and continental security initiatives of the South African Government.

The Defence Strategy promotes good departmental governance and the continuous improvement of defence capabilities, and also ensures that resources are provided to all required elements of the Department of Defence.

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 and the International Relations, Peace and Security and JCPS cluster objectives.

Military strategic objectives

The purpose of military strategic objectives is to defend South Africa in accordance with the UN Charter, which allows for any country to defend itself. This self-defence aims at protecting the country and its territorial integrity. The military strategic objectives of the SANDF are the following:

- Enhancing and maintaining comprehensive defence capabilities. This entails providing self defence in accordance with international law against any external aggression, which endangers the stability of South Africa.
- Promoting peace, security and stability in the region and on the continent. The purpose is to provide armed forces for external deployment in accordance with international obligations, or support to enhance security of decisions by the executive.
- Supporting the people of South Africa. The purpose is to support the population of South Africa being employed for service domestically in South Africa. This could be by means of operations other than war, during periods when the responsible state departments do not have the capacity to do so.

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 or regional peace-building and peacemaking
- international or regional peace enforcement
- international or regional search-and-rescue
- maintaining the health status of members of the SANDF
- maritime support
- pre-emptive operations
- Presidential healthcare
- Presidential tasks
- protecting foreign assets
- repelling conventional and non-conventional onslaught
- show-of-force
- special operations
- subregional disaster-relief and humanitarian assistance
- support to military diplomacy
- support to government departments
- air transport for diplomatic commitments.

Military strategic concepts

The military strategic concepts describe the procedures to be followed to meet the military strategic objectives:

- Providing mission-essential training: The SANDF educates, trains and develops 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 will be relatively small, but must ultimately be prepared according to the missions and capabilities required.
- Selective engagement where possible: The SANDF will execute all 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 placement of military attachés and involvement in subregional institutions to

enhance peace and security in the region. This supports development initiatives such as the SADC and AU.

Military strategic capabilities

The capabilities of the SANDF constitute the means of the strategy and consist of:

- command and control, communications, IT, information, intelligence, infrastructure, reconnaissance and surveillance capabilities
- light mobile capability
- conventional warfare capability
- support capability.

Human Resource 2010 Strategy

A key initiative to sustain the Department of Defence's state of readiness in the context of people-centred transformation is the HR 2010 Strategy (HR 2010).

The aim of HR 2010 is to ensure that the department has the most effective, efficient and economical HR composition of both uniformed and civilian members to deliver on its mandate and support for government.

Military Skills Development System (MSDS)

The MSDS, launched in 2003, aims to ensure a continuous intake of young, healthy South Africans into the SANDF. This is to rejuvenate the Regular Force and supply the Reserve Force.

The MSDS not only provides young South Africans with military skills, but also contributes to their social upliftment by providing them with skills that they will use in their civilian lives after completing their military service.

It also provides the youth with employment opportunities. Since 2003, the Department of Defence has recruited 12 465 young men and women who have completed or are in the process of completing the programme. The department has made steady progress in the numbers of recruits from year to year. By April 2006, the MSDS intake stood at 8 298 members compared with 6 222 in 2005, representing an increase of 2 076 members.

The department's Core Service System, introduced in January 2005 as the first step for MSDS recruits to be taken into the regular forces, stood at 5 804 in April 2006, representing a significant increase of 4 864 from 940 members in 2005.

The Joint Operations Division has for the first time deployed 299 MSDS-trained members in operations outside the country. In November 2005, the South African Army placed 200 MSDS members in full-time employment in four private companies, while securing 30 days a year from each of them for Reserve Force duty.

Organisational structure

Defence Secretariat

The Department of Defence adheres to the principles of civil control and oversight through the Minister of Defence, through various Parliamentary committees such as 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.

The Secretary for Defence heads the Defence Secretariat.

In terms of the Defence Act, 2002, the Defence Secretariat is responsible for:

- 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:

- advising the Minister of Defence on any military, operational and administrative matters
- complying with directions issued by the Minister of Defence under the authority of the President, as contemplated in the Constitution
- formulating and issuing policies and doctrines
- exercising command by issuing orders, directives and instructions
- directing management and administration
- executing approved programmes of the defence budget
- employing the armed forces in accordance with legislation
- training the armed forces
- maintaining defence capabilities
- planning contingencies
- managing the defence force as a disciplined military force.

Inspector-General

The Inspector-General provides management information to the Secretary for Defence. This is derived from performance and regulatory internal audits based on the risks derived from the Department of Defence Risk Register and results gained from survey analyses.

Policy and Planning

The Policy and Planning Division comprises the Defence Policy, HR Policy and Strategic Management components. The functions of this subprogramme include, but are not limited to, the following:

- providing advice 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
- integration and performance analyses 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.

Management of transformation

The Transformation Project aims to:

- maximise defence capabilities through an affordable and sustainable force design and structure
- minimise defence costs using business processes, 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 overall government transformation and administrative-reform initiatives
- ensure compliance with the Public Finance Management Act, 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.

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
- South African Military Health Service (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 maintaining 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

Operational commitments include:

- Achieving international and regional defence co-operation aims.
- Executing limited peace operations.
- Effective land, sea and air-border control.
- Maintaining law and order in support of the SAPS, with special attention to combating taxi violence, robberies and heists.
- Controlling South African maritime areas of responsibility, including the Exclusive Economic Zone (EEZ).

Women with highly specialised skills are being employed in the service arms of the South African National Defence Force.

The South African Navy has appointed three female officers commanding to the navy combat platforms, including an appointment to the navy fast-attack craft, the *SAS Makhanda.*

Acquiring the strategic defence packages has led to further transformation in the Department of Defence, including 20 officers getting opportunities for submarine training in India and Germany. This will result in the navy having two qualified women on the Type 209 Submarine, which will be a milestone in Africa.

The South African Air Force will qualify 12 female pilots by the end of 2007. A further 13 women have been identified for training as navigators and engineers in 2007.

- 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 for diplomatic commitments 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 is gradually phasing out its role in this regard. 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 South African Air Force (SAAF). The SAAF contributes aircraft to deploy land forces along the land borders where necessary. It also 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 fisherfolk, while also maintaining a presence at sea, 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.

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 establishment and maintenance of bi- and multilateral agreements

  - participation in the activities of the defence structures of multinational organisations such as the UN, AU and SADC (especially in the Interstate Defence and Security Committee)
- meet the international obligations of the Department of Defence in line with international agreements, which may include search-and rescue and hydrography
- provide communications-security services to other state departments
- administer the National Key Points Act, 1980
- provide healthcare for the President and Deputy President.

Force employment

In accordance with the Force-Employment Strategy approved in 2002, 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 ensures that the core strategic objectives of the department are effectively addressed.

For internal operations, nine tactical level headquarters have been 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, as well as 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, 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.

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 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.

Resettlement

The Directorate: Personnel Separation has executed programmes at various levels in terms of the department's HR 2010. The directorate serves as a nodal point for redeployment and resettlement.

The Department of Defence established the Personnel Rationalisation Advisory and Co-ordinating Committee to ensure efficient and cost-effective support programmes for the resettlement and redeployment of the department's members and employees affected by separation.

The directorate has established and implemented the Social Plan, which addresses the reskilling and psychosocial needs of the department's employees.

Professional multidisciplinary teams execute this support programme.

The HR Planning Instruction 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 support peace missions. Various members of the Department of Defence have been trained for participation in missions and are deployed in the following countries:

Burundi

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 that South Africa contribute to the Onub mission.

By May 2006, some 900 members were deployed in Burundi.

Democratic Republic of Congo

South Africa has been involved with peacekeeping in the DRC since April 2001. SANDF members form part of the UN mission as military observers, staff officers and contingent members.

In terms of a bilateral agreement between the governments of South Africa and the DRC, 27 SANDF members were deployed in the DRC during February 2005 to assist with the integration process of the different armed groups. This is not part of the UN mission in the DRC and facilitates the team-building training of the integrated DRC forces.

During May 2005, in close co-operation with the Congolese authorities, the Netherlands confirmed willingness to contribute support toward the integration of the Congolese armed forces, on condition that the assistance would be organised by South Africa.

By May 2006, two *Centres de Brassage et de Recyclage* were being built at Mushaki and Nyaleke with the assistance of the SANDF. This was not part of the UN mission in the DRC.

By May 2006, some 1 350 SANDF members were deployed in the DRC.

Sudan

Ten SANDF members were deployed to the Sudan during July 2004 as observers and since May 2005 additional members have been deployed as part of the AU mission.

By May 2006, 318 SANDF members were deployed in the Sudan as military observers, staff officers and contingent members, as part of the AMIS.

Côte d'Ivoire

Since June 2005, a military advisory and monitoring team consisting of 38 members has been deployed in Côte d'Ivoire to assist with the disarmament, demobilisation and reintegration process.

Ethiopia and Eritrea

Seven military observers and staff officers form part of the UN and AU missions deployed in Ethiopia and Eritrea since December 2002.

Acquiring main equipment

The Department of Defence has completely revised and consolidated its policies for the acquisition of weapon systems. The new direction takes into account that South Africa is part of the global environment within which opportunities should be exploited to the benefit of the Department of Defence.

Directorate: Army Acquisition

By mid-2006, the Directorate: Army Acquisition was engaged in 32 capital projects at various stages of execution. The projects included upgrades of existing equipment and several new major systems. A number of upgrade projects were also completed. A major focus area is the armoured combat-vehicle capability of the South African Army. This includes Mamba, Casspir, Olifant main battle tank, Rooikat and GV6 self-propelled gun systems that are all being upgraded to extend their duration, while the new infantry combat-vehicle and supply-support vehicle programmes are close to being commissioned.

The infantry's indirect fire capability and anti-tank missile systems were expected to be commissioned in 2006/07. The Hornet rapid-deployment vehicle system for special forces was expected to enter service in mid-2006, while the Gecko rapid-deployment logistical vehicle, destined for airborne forces application, was expected to be handed over to the army in 2006.

The directorate also focused on a number of engineering projects, with a new water-provision system to be commissioned in 2007. Enhanced mine-detection and earth-moving systems will also be commissioned from the end of 2007.

The acquisition of a tactical intelligence system (TIS) has been contracted. The TIS consists of a tactical intelligence centre at brigade level and a tactical intelligence control post at regimental level. The intelligence-management system, also at regimental level, is responsible for deployment and tasking of person-portable, vehicle-mounted and unmanned aerial vehicle (UAV) sensors and for supervision of the tactical imagery processing system.

Contracting for the production of person-portable systems and required command and management systems was scheduled for 2006. Commissioning of the first regiment is scheduled for 2007/08. The acquisition of vehicle-mounted and UAV sensors will be scheduled for activation in future phases of this project.

Directorate: Air Force Acquisition

In July 2006, the first of 28 Gripen fighter jets bought from Sweden's Saab Aerospace company arrived at Ysterplaat Air Force Base (AFB) in Cape Town. The jet was expected to go to the SAAF's Test Flight and Development Centre (TFDC) at AFB, Bredasdorp in the Overberg, where it would be tested to validate the aircraft's equipment to South African specifications.

The new-generation Gripen aircraft, the SA01, forms part of government's multibillion rand strategic package of purchases that include submarines, helicopters and corvettes. The high-tech jet has powerful sensors that provide a ground-information collecting capacity that gives it a strategic advantage in intelligence-driven threat management. Delivery of the remaining dual-seat aircraft will commence from the third quarter of 2008, with the last single-seat aircraft to be delivered at the end of 2011.

A group of Swedes who are part of the test team have moved to the TFDC until the final delivery of the first dual-seat Gripen D jets to the SAAF in 2008.

In turn, South African personnel from Denel, the Armaments Corporation of South Africa (Armscor) and the SAAF are in Sweden on a two-year skills and technology-transfer programme, as part of a US$14,7 million skills and technology-transfer contract with Denel Aviation.

The skills-transfer element of the arms procurement package is part of the Gripen Defence Industrial Participation Programme, according to which Saab and Gripen parent company, BAE Systems, are obliged to deliver US$350 million worth of technology transfer to South Africa by 2008.

By April 2006, the SAAF had received seven of the 30 ordered Agusta A109 light-utility helicopters. The first batch of these helicopters has been commissioned at the SAAF Helicopter Flying School in Bloemfontein. The final handover to the SAAF was expected during 2006.

The Super Lynx Maritime Helicopter Project has commenced with production in the United Kingdom. The first deliveries are scheduled for 2007, with handover to the SAAF in 2008. The Super Lynx is intended for use on the South African Navy's new corvettes.

As part of a government initiative, an international partnership has been formed with Airbus Military to rejuvenate the local aviation industry. This has resulted in an acquisition contract for eight A400M large military transport aircraft. Substantial orders for structural components for the worldwide fleet of aircraft were placed with local companies in accordance with the

contractual agreements. Based on the present development plan, the first South African aircraft should be delivered at the end of 2010.

Directorate: Naval Acquisition

On 17 January 2006, the Navy's combat support ship *SAS Drakensberg* sailed from Cape Town en route to Germany to escort the navy's first Type 209 submarine to South Africa.

The submarine arrived at Simon's Town on 7 April 2006 after a 49-day and 8 000-nautical-mile trip from Germany via Norway with 30 crew on board. The submarine, christened *SAS Manthatisi* after the 19th-century warrior queen of the Batlokwa people, will replace the country's aged Daphne-class submarines.

The newly built class 209 submarine is 62 m from keel to fin. The highly successful Type 209 submarine, currently in service in 13 navies worldwide, is ideally suited for operations off the South African coastline.

The harbour workboats, *Tshukudu* and *Ndlovu*, that were specifically acquired to assist in berthing the new Type 209 submarines, were manufactured locally and delivered to Simon's Town in February 2006.

Special forces systems

Four long-range, high-speed boats were expected to be commissioned in 2006.

By mid-2006, the concept phases of both the medium-range boats, laser-target designators and high-altitude parachute equipment were being completed.

Directorate: Technology Development

A containerised version of the optronic-radar tracker (ORT) installed on the navy's new corvettes was completed and delivered to the Defence Peace Safety and Security (DPSS) Division of the Council for Scientific and Industrial Research (CSIR).

This system will now be used by the CSIR for further research into tracking radars and optronic sensor systems, as part of the ongoing research and development programme of the Department of Defence, with a view to providing future mid-life ORT upgrades to the navy. Being an exact functional replica of the operational ORT, it will also provide a platform for operational experimentation, problem-solving and training in new techniques – enhancing the navy's capability as a knowledgeable user of the ORT.

The Institute for Maritime Technology (IMT), a business unit of Armscor Business, completed the development of an autonomous underwater vehicle (AUV), which will be used to further IMT's underwater research programme for the navy. The AUV will be used for the evaluation of underwater transducers and sensors, such as sonars and video equipment used in the characterisation and mapping of the underwater environment, including harbours and harbour entrances.

Research into advanced aircraft self-protection technologies culminated in a successful capability demonstration early in 2006. The system has sensors that detect and warn of missiles approaching the aircraft, with counter-measures that are activated automatically to deflect or destroy incoming missiles.

Capability retention at the Overberg Test Range (OTR) remains a high priority to ensure reliable flight testing of technology demonstrators and weapon systems, as well as the certification of general defence systems used by the army and navy. Significant enhancements to OTR's instrumentation were also either completed or initiated to ensure its capability to support the SANDF in the operational test and evaluation of new equipment acquired as part of the strategic defence package programmes. The facility also provided support to several international clients during 2006/07.

Focused research in protecting vehicles against landmines remains important to the SANDF. This capability at the DPSS Division of the CSIR has been enhanced with the ability to test, measure and evaluate blast events. The unit is now in a position to accurately and consistently characterise landmine blast events. In parallel with the establishment of the test facility, attention was also given to developing a mathematical modelling capability. Good correlation of model results with the physical test results has been achieved.

The unit now supports the acquisition of all new protected vehicle programmes with meaningful and independent scientific advice. It is complemented by the Blast Impact and Survivability Research Unit at the University of Cape Town.

Ongoing research is conducted in the areas of explosives and propellants for guns and rockets. As a result, ammunition options now available to the SANDF are significantly safer to store, transport and handle with no corresponding reduction in operational performance.

Research into and development of a variety of advanced technologies for guided missiles (including seeker heads, aerodynamics, guidance units and propulsion motors) has achieved such a level of maturity that full-scale development of a state-of-the-art short-range air-to-air missile, based on these technologies, has been initiated. The new Gripen fighter aircraft of the SAAF will be equipped with this missile.

Ongoing research is also conducted in a large number of areas that are of particular importance to the military, including various aspects of electronic warfare, secure communications, computer systems' security, airframe structures, aero engines, chemical and biological defence, armour protection, human factors, surveillance, modelling and simulation.

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 Guide provides military environmental managers with information that will ensure the long-term continuation of environmentally sound management practices. It will also enhance the ability of the defence sector to sustain long-term and cost-effective range operations.

The department continues to demonstrate its responsibility as the custodian of land entrusted to it through active co-operation in government's land redistribution and restitution 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

Armscor is a statutory body established in accordance with the Armscor Limited Act, 2003 (Act 51 of 2003). The Minister of Defence is the executive authority responsible for Armscor. The management and control of Armscor resides with a board of directors, while its day-to-day management vests in the hands of the management board.

In the execution of its functions, Armscor maintains capabilities and technologies that are required to fulfil its mandate. These include appropriate programme-management systems, the Defence Industrial Participation Programme, and the management of technology projects and strategic facilities. Armscor acquires defence material for the Department of Defence and for any organ of state that may require such services, such as the SAPS and other public entities as approved by the Minister of Defence.

Quality assurance

Armscor provides for a quality-assurance capability in support of acquisition and technology projects as well as for any other service required by the Department of Defence. To enhance this capability, Armscor is a certified International Organisation for Standardisation 9001:2000.

Armscor Business (Pty) Limited

This subsidiary of Armscor offers defence-support services of exceptional standard to the Department of Defence. The core of these services includes defence research and development, test and evaluation, defence-material disposal and logistic support services. To fulfil this mandate, Armscor Business is structured into three groups:

Defence, Science and Technology Institute

- The Institute for Maritime Technology aims to satisfy strategic needs for technomilitary 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 is a leading ergonomics consultancy providing a comprehensive service in ergonomics, and occupational health and safety, both locally and internationally. It is an inspection authority in occupational hygiene, approved by the Department of Labour.
- Flamengro, the Fluid and Mechanical Engineering Group, specialises in the numerical stimulation of the dynamic behaviour of fluid flow and structures and the processing of experimental data to serve as input for improved stimulations or to evaluate the accuracy of the theoretical predictions.
- Armour Development provides a research and development capability for armour protection and anti-armour attacks.

In October 2006, the first 10 Hawk lead-in fighter-trainer aircraft were officially handed over to 85 Combat Flying School at Air Force Base (AFB) Makhado. The Minister of Defence, Mr Mosiuoa Lekota, also officially reopened the school, which was closed when it was moved from Hoedspruit to Makhado in 2005. It will be the only fighter-pilot training squadron in the South African Air Force.

The 10 hawks 120s are the first of an eventual 24 fighter-trainer aircraft to be used to train air force fighter pilots. The hawks replace the impalas which were phased out at the end of 2005.

By October 2006, the first four trainee pilots had finished their ground training and were expected take to the sky. Another four were busy with ground training.

The pilots are being trained to move on to the Gripen fighter aircraft, which the air force will start using in 2008.

The air force plans to recruit and train about eight fighter pilots a year.

All air force pilots start their training at AFB Langebaanweg where they do about 180 hours of flight training on the Pilatus training aircraft. After that, they specialise in cargo, helicopter or fighter aircraft.

Those who choose to become fighter pilots do a conversion course and are then transferred to AFB Makhado where they are trained in various fighter-pilot skills, including air-to-air and air-to-ground combat and reconnaissance.

Test and Evaluation Group

- Gerotek Test Facilities provides specialised services such as testing and evaluating vehicles and vehicle components, researching and developing vehicle-testing technologies and methods, VHF/UHF and microwave antenna-testing and evaluation, environmental testing, and verifying military products against specification. The Events Division offers restaurant, conference and development facilities, whereas the Training Division offers various driver-training courses.
- Alkantpan offers an all-purpose weapon and ammunition test range for the testing of all kinds of weaponry, ranging in calibre from 20 mm to 155 mm and larger.

Defence Support Group

- Armscor Defence-Asset Management Centre provides decision-making support in the acquisition, operational and phasing-out phases of systems by rendering data and asset-management services.
- Defence Material Disposal is the appointed agent of the Department of Defence to dispose of redundant military defence equipment.
- AB Logistics Freight is a registered and accredited customs-clearing agent with the South African Revenue Service, and a member of the Federation of Freight Forwarders Associations and the South African Association of Freight Forwarders. It also enjoys authority to act as a customs-clearing agent in South Africa in terms of the United States Compliance Programme. Armscor is 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.

The acquisition of arms is transparent and fully accountable. Armscor publishes the monthly *Contracts Bulletin*, which contains all requests for proposals and bids awarded. A daily electronic bulletin is also available to the industry through a secure computer network.

Denel Group of South Africa

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.

Specialising in aerospace and defence, Denel is recognised globally for leading defence capabilities, notably integrated artillery systems. UAVs, precision-guided weapons and the Rooivalk attack helicopter, operational in the SAAF, are testimony to Denel's sophisticated aerospace capabilities.

Following Denel's proven capabilities in defence-technology development and manufacturing, it has also emerged as a leader in commercial fields such as property development, food technology, industrial manufacturing and IT.

The company has international technology alliances and has entered into 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.

Denel's defence manufacturing is grouped as follows:

- Aerospace Group
- Land Systems Group.

Aerospace Group

Airframe Manufacturing

As part of Denel Aviation in Kempton Park, adjacent to the OR Tambo International Airport (formerly Johannesburg International Airport), 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 and aerostructure subassemblies, 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 the prime contractor in 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 portable air-defence system, radar sensor and relevant air-defence command and control.

Rooivalk attack helicopter

The Rooivalk attack helicopter was designed 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 costs.

Missiles and guided weapon systems

As a leader in systems technology, Denel's range of missiles and guided weapons includes 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 world pioneer of UAV systems and is the leading technology house in Africa regarding design, production and operation of UAV systems. It not only produces short-to-medium range tactical UAV systems like the Seeker II, it is also a leading force in the design, production and operation of multipurpose high-speed aerial targeting systems such as Skua.

Aerospace Engineering

Denel's Kempton Park facilities adjacent to the

In June 2006, Denel was shortlisted as one of two bidders for a contract worth about US$2 billion (around R14 billion) to supply the Turkish army with state-of-the-art attack helicopters.

Denel's rival for the tender is Agusta Aerospace of Italy. The winner was expected to receive a contract for the production of 30 helicopters, with the possibility of 20 more later.

OR Tambo International Airport and at Irene in Centurion undertake aerospace engineering that includes:

- 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 the OR Tambo International Airport, undertakes the following:

- Integrated system 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 the Hawk Lift and Gripen swing-role jet aircraft.
- Component repair and laboratory/calibration services.
- Aircraft refurbishment/modernisation, including full-service painting.

OTB Multipurpose Test Range

Located near Bredasdorp in the Western Cape, OTB is renowned for specialised in-flight system performance measurements on sophisticated weapons and aviation systems for local and international aerospace industries.

In August 2006, South African aerostructure manufacturer Aerosud was awarded a US$20-million contract by BAE Systems to produce components for the Eurofighter Typhoon, one of the most advanced swing-role fighters in operational service today.

The Eurofighter contract was the latest in several successes for Aerosud and South Africa's fledgling aerospace industry, which is attracting billions of rands worth of foreign work.

Denel Optronics

Comprising a wide range of capabilities, Denel Optronics undertakes:

- 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, designs, develops and manufactures:

- 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, development, and the manufacture of:

- propellants in small-and-medium calibre weapons
- 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
- mine-field breaching systems
- pyrotechnics and explosive devices for riot control
- high-explosive and phosphorus devices, as well as pyrotechnics for signalling, screening,

illuminating, 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.

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, consisting of ministers and deputy ministers, oversees policy and sets control mechanisms for the South African arms trade. It also 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 applications.

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 are 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 intelligence community provides evaluated information to:
- safeguard the Constitution
- promote the interrelated elements of security, stability, co-operation and development, both within South Africa and in relation to southern Africa
- uphold the individual rights enshrined in the Bill of Rights contained in the Constitution
- promote South Africa's ability to face foreign threats and to enhance its competitiveness in a dynamic world.

In 2006, the Minister of Intelligence Services, Mr Ronnie Kasrils, initiated a review of intelligence legislation, internal regulations and operating procedures. By February 2006, the review committee had identified areas requiring attention with a view to tightening the framework within which the intelligence services operate.

The committee's work also covers recommendations to incorporate the envisaged replacement of the Minimum Information and Security Standards (MISS) with the National Information Security Regulations (NISR).

The NISR derives its legitimacy from the National Strategic Intelligence Act, 1994 (Act 39 of 1994), and will address the specific deficiencies experienced over the years with the MISS.

National Intelligence Agency

The NIA's mandate is divided into seven areas of interest: counter-intelligence, political intelligence, economic intelligence, border intelligence, terrorism, organised crime and corruption.

South African Secret Service

The SASS provides the country's foreign-intelligence capacity. It aims to provide government with accurate, topical, policy-relevant and timeous foreign intelligence to promote, enhance and

South Africa hosted the International Intelligence Review Agencies Conference in October 2006.

The decision to host the event in South Africa indicated the important role played by the country in developing more effective oversight and control over intelligence services.

protect the national security and interests of South Africa and its citizens.

The objective of the SASS is to forewarn, inform and advise government of real and potential threats to South Africa's security, and of opportunities for South Africa. It is subject to comprehensive accounting and oversight regulations, making the organisation 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 Services, who reports to Cabinet through the Cabinet Committee on Security and Intelligence Affairs.

Parliament has appointed the Joint Standing Committee on Intelligence (JSCI), which may order investigations into the intelligence community's activities. In addition, the Constitution provides for protection against state abuse through the Public Protector and the South African Human Rights Commission.

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 Services a seat on the National Intelligence Co-ordinating Committee and clearly defines his/her powers and functions. The minister is also accountable to Cabinet for co-ordinating intelligence through the national intelligence structures.

Intelligence oversight

Joint Standing Committee on Intelligence

Integral to the *White Paper on Intelligence,* drafted in 1994, was the establishment of legislative oversight mechanisms.

The JSCI is an oversight parliamentary body comprising members of the six largest political parties. Selection to the committee is based on proportional representation decided on by the percentage of votes received in the last national election.

The JSCI hears complaints from the public, scrutinises the finances and operations of the services, and reports to Parliament on these matters.

Parliamentary members serving on the JSCI take an oath of secrecy and undergo security screening to ensure that they do not compromise the work of the services in the course of performing their duties.

Inspector-General

The Inspector-General monitors compliance with the Constitution, laws and policies of the country. The Office of the Inspector-General reports to the Minister of Intelligence Services.

The office reviews the activities of the services, receives and investigates complaints from the general public and the JSCI, or is tasked by the Minister of Intelligence Services.

The Inspector-General is appointed by the President following approval by two-thirds of the members of the National Assembly.

Other civilian intelligence structures

Office of Interception Centres (OIC)

The Regulation of Interception of Communications and Provision of Communications-Related Information Act, 2002 (Act 70 of 2002) was implemented in 2005. In line with this, the OIC was established in July 2006.

Oversight and control of this centre resides with the Minister of Intelligence Services, the JSCI and the Inspector-General. The office provides a service to all law-enforcement agencies, alleviating duplication, pooling resources and limiting abuse of this instrument.

South African National Academy of Intelligence (Sanai)

Sanai plays a central role in providing quality training to members of the intelligence services.

Training at Sanai, which was established in February 2003, is geared towards producing officers who understand the political and security realms of South Africa and Africa.

The academy comprises the Academic Faculty, the Intelligence Research Institute and the ETD Support Component.

Located in Mafikeng, North West, the Sanai campus is named after the late Mzwandile Piliso, a veteran intelligence officer who played an important role in establishing a non-statutory intelligence body that served that liberation movement.

Intelligence Services Council (ISC)

The ISC conducts continuous research towards developing effective and competitive working conditions for members, commensurate benefits, career options and eventually retirement benefits.

Electronic Communications Security (Pty) Limited (Comsec)

Comsec was established as a private company in February 2003 to ensure that critical electronic communications of government and related organs are protected and secured.

Comsec's functions include securing government communications against unauthorised access and from technical, electronic or any other related threats. The company will, in concurrence with the NIA, provide verification services for electronic communications security systems, products and services used by the State.

Comsec strives for greater co-ordination, integration, alignment and the maintenance of communications security.

National Communications Centre (NCC)

The NCC serves as an advisory structure to the Minister of Intelligence Services on matters related to signals-intelligence procurement, management and direction. This includes areas such as the Signals Intelligence Evaluation Centre and the OIC.

Acknowledgements

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BuaNews
Denel
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National Treasury
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Secretariat for Safety and Security
South African National Defence Force
South African Police Service
South African Secret Service
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Science and technology

The Department of Science and Technology aims 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.

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 pursuit of a common set of social and economic goals.

The department's budget over the Medium Term Expenditure Framework (MTEF) has seen an increase of 26%, most of which will fund new scientific research infrastructure such as the Centre for High Performance Computing (CHPC).

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 of Science and Technology on policy and the allocation of funding.

Some funds allocated to 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 by allocations through a competitive bidding process from the Innovation Fund (IF). The IF applies three major criteria when making its selections: competitiveness, quality of life and environmental sustainability.

Innovation Fund

The IF was created to promote technological innovation; increased networking and cross-sectoral collaboration; and competitiveness, quality of life, environmental sustainability and the harnessing of information technology (IT).

The National Research Foundation (NRF) claims a management and administration fee from the allocated budget for support services rendered.

The IF's strategic objectives include creating a knowledge base in key technology and economic sectors; facilitating the exploitation and commercialisation of research and development

(R&D) results from the existing knowledge base; investing in technological innovations that will benefit South Africa; and supporting historically disadvantaged individuals. The IF enables the expansion and migration of existing industries to new value-added areas, and the establishment of R&D-intensive industries. It fosters the establishment and growth of technology-based small enterprises.

Promoting niche areas

Space science

The department's efforts in space science focus on developing the region as a hub for astronomy and space S&T. Through the Astronomy Geographical Advantage Programme, South Africa continues to promote high-technology investment in space science to ensure that local researchers and students are able to participate at the cutting edge of international astronomy. A key result was the launch of the Southern African Large Telescope (Salt) in November 2005, in Sutherland in the Northern Cape.

Salt is a multimillion rand project involving Germany, Poland, the United States of America (USA), New Zealand and the United Kingdom (UK). Salt is the largest single optical telescope in the southern hemisphere.

Astronomy

South Africa has been shortlisted as one of two possible sites for the Square Kilometre Array (SKA). A final decision in this regard is expected in 2008.

The SKA will be the biggest telescope ever built, the only one of its kind worldwide, and the only instrument able to solve the most basic questions of the origin of the Universe and the birth and evolution of stars and galaxies. It will investigate the origin of magnetism in the Universe and will be the most powerful instrument ever to search for extraterrestrial intelligence.

South Africa has assembled a team to build the Karoo Array Telescope (Kat), which will be equal to about 1% of the SKA. The Kat team and researchers in the UK, the Netherlands, Australia and the USA are developing digital signal processing for the telescope, as well as software and innovative telescope antennas, using composites.

The SKA/Kat office was expected to host a major international workshop in December 2006 on wide-field imaging and calibration, which is a key technology for the SKA, and which pushes the boundaries on high-speed computing and software.

The SKA and Kat projects are important for developing high-level skills and expertise in South Africa. The Department of Science and Technology has provided funding for graduate study associated with these projects. By mid-2006, there were

20 students participating in this programme, carrying out research for PhD and MSc degrees at South African universities, as well as two postdoctoral fellows.

Related to the country's bid to host the SKA, a bursary programme provided the first 12 postgraduate recipients with funding in 2004/05. A further 11 recipients were identified for 2006. This programme is being extended to South Africa's partners in the bid – Botswana, Ghana, Kenya, Madagascar, Mauritius, Mozambique and Namibia.

Biotechnology

The 1996 *White Paper on Science and Technology* set the course for transforming South Africa's S&T system into a better co-ordinated and inclusive system aimed at benefiting all South Africans.

The biotechnology sector is attracting a fast-growing portion of R&D funding. Funding for genetic engineering grew by 360% between 2002 and 2004. Investment growth in the related fields of biochemistry, genetics and molecular biology, microbiology, genetic engineering and biotechnology exceeded 46%.

The Department of Science and Technology is also committed to developing biotechnology in Africa. In August 2005, the Council for Scientific and Industrial Research (CSIR) initiated a southern regional hub of the New Partnership for Africa's Development (Nepad) African Biosciences Initiative. Research related to agriculture, human and animal health, environment and industry is being prioritised.

The National Biotechnology Strategy (NBS), which was launched in 2001, sets the agenda for the development of South Africa's biotechnology industry.

Other initiatives include the establishment of biotechnology regional innovation centres (Brics), namely: BioPAD, Cape Biotech, LIFElab and the Plant Biotechnology Innovation Centre (PlantBio). Brics were created as instruments for implementing the NBS. Their focus areas cover a wide spectrum of the subdisciplines in biotechnology. These include human and animal health, biopharmaceuticals, industrial bioprocessing, mining biotechnology, bioinformatics and plant biotechnology. One of the challenges facing the South African biotechnology sector is the public's lack of understanding and knowledge of biotechnology applications and benefits.

Another programme initiated as a result of the NBS is the Public Understanding of Biotechnology Programme, which provides the South African public with information, enabling them to participate meaningfully in debates about biotechnology and to make informed decisions.

The implementation of the NBS has seen the development of the National Bio-Informatics Network (NBN) in eight universities, investing in technology R&D, infrastructure and teaching. In 2005, 71 students (51% of whom are women and 34% of whom are black) received training in biotechnology-related subjects.

In February 2006, the Department of Science and Technology allocated R11 million to the South African Malaria Initiative (Sami).

Sami was initiated in 2005 by the African Centre for Gene Technologies, a joint venture between the universities of Pretoria and the Witwatersrand, as well as the Council for Scientific and Industrial Research.

The aim is to encourage collaboration between various local malaria researchers and to establish networks with other key players on the African continent.

Sami's research will focus on drug discovery and pre-clinical development of novel potential anti-malarial compounds, new and improved diagnostics and molecular epidemiology and parasite-vector interactions.

Policy and initiatives

South African Research Chairs Initiative (Sarchi)

The Sarchi is a strategic national structural intervention geared towards creating a coherent and national research and innovation system. The initiative is aimed at attracting and retaining qualified researchers to the Higher Education (HE) sector to reverse the country's decline in research output and capacity at publicly funded institutions. It is envisaged that this programme, which has already received R200 million, will produce 210 research chairs by 2010, with the potential to develop targeted research capacity in support of the National Research and Development Strategy (NRDS).

National Research and Development Strategy

The NRDS focuses on three broad areas:

- Innovation, 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 Nepad and the Southern African Development Community (SADC), strengthening global science networks, formulating strategies aimed at sourcing new finance for R&D equipment, strengthening institutional and individual research capacity in science focus areas through the NRF, and increasing public understanding and engagement.
- Creating an effective government S&T system: A clear distinction needs to be drawn 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.

The six CoEs are:

- Biomedical Tuberculosis (TB) Research
- Invasion Biology
- Strong Materials
- Birds as Keys to Biodiversity Conservation at the Percy Fitzpatrick Institute
- Catalysis
- Tree Health Biotechnology at the Forestry and Agricultural Biotechnology Institute (FABI).

Advanced Manufacturing Technology Strategy (AMTS)

The AMTS was launched in October 2003.

The Centre for Innovation, focusing on craft and design, opened in July 2006 in Cape Town. The centre is the first of its kind in the world and a state-of-the-art resourced venue aimed at promoting innovative design, product development and process technologies for crafters and designers.

The Cape Craft and Design Institute (CCDI) spearheaded the creation of the centre, together with the Western Cape Provincial Government and the AMTS.

The Centre for Innovation incorporates a fabrication laboratory, sponsored by the Massachusetts Institute of Technology.

The centre's activities are linked to the CCDI's small, medium and micro enterprise (SMME) development and market-access support programmes.

The National Survey on Research and Development R&D 2004/05 found that South Africa spent about R12 billion, or 0,87% of gross domestic product (GDP) on R&D in 2004/05.

The 2004/05 figure represented an improvement on the 2003/04 R&D survey, which recorded R&D expenditure at R10,1 billion, or 0,81% of GDP.

The Department of Science and Technology commissioned the survey. The intensity of R&D expenditure (measured as the percentage of GDP spent on R&D) is a good indication of the competitiveness of a country's economy. Sweden has the highest R&D intensity (3,98% of GDP), followed by Finland (3,48%). The United States of America's R&D expenditure measured 2,68% and the average for the 25 European Union (expanded) member states was 1,82%. South Africa aims to achieve R&D expenditure equivalent to 1% of GDP by 2008.

In South Africa, female researchers comprise 38,3% of the total researchers, compared with 11,6% in Japan, and 29,4% in Norway. In developing countries, Argentina leads the way with 50,9% female researchers.

Most South African R&D is performed in the major research field of engineering sciences (comprising 23,9% of total R&D), followed by the natural sciences (20,8%) and the medical and health sciences (14,8%).

South African National Energy Research Institute (Saneri)

Cabinet approved the establishment of the Saneri in 2004.

The Central Energy Fund will house the institute, jointly run by the departments of minerals and energy and of science and technology. It will conduct research on the energy sector.

The Saneri, through R&D, provides for:

- cost-effective and efficient energy generation, transformation, transport, end-use and decision-support technologies
- energy-technology innovation
- sustainable development and use of energy resources
- improving the quality of life of all South Africans
- promoting and conducting training of energy researchers
- establishing and expanding industries in the field of energy
- commercialising energy technologies resulting from its R&D and innovation programmes.

By May 2006, R20 million had been transferred to the Saneri, and more than R100 million was expected to be invested over the next three years to develop knowledge and applications in this field.

In February 2006, the Department of Science and Technology, through its Overseas Bilateral Co-operation Subprogramme, hosted a national workshop aimed at informing science and technology (S&T) stakeholders about opportunities and funding mechanisms available for use in research and development (R&D).

The subprogramme is responsible for all South Africa's country-to-country S&T engagements outside Africa.

By February 2006, 30 bilateral agreements had been signed, resulting in over 400 R&D projects in areas such as information technology, environmental management and manufacturing management.

These bilateral agreements play an important role in building relations with foreign countries as well as in sharing best practice. Through these agreements, funds are made available to promote R&D in key areas, thus contributing towards the human-capital development agenda.

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 entire technology value chain of the PBMR programme. This ranges 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.

National Advisory Council on Innovation

The NACI is appointed by the Minister of Science and Technology to advise on the role and contribution of innovation, including S&T, in promoting and achieving national objectives. These include:

- improving and sustaining the quality of life of all South Africans
- developing HR resources for S&T
- building the economy
- strengthening the country's competitiveness in the international sphere.

NACI membership is broadly representative of all sectors and is constituted to ensure a spread of expertise and experience regarding national and provincial interests, scientific and technological disciplines, innovation regarding the needs and opportunities in different socio-economic fields, and R&D in all 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 S&T, 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, first awarded in 2003, to honour female scientists and their achievements.
- The SET Week project, implemented for the first time in 2000. In May 2006, the National Science Week (NSW) saw events taking place in all nine provinces, including:
  - learner-outreach programmes
  - science competitions
  - public talks and fun runs
  - career exhibitions
  - seminars
  - learner and educator workshops
  - science shows.

NSW 2006 marks year two of the department's five-year NSW plan under the theme *Tomorrow's S&T is in our Youth's Hands*. The plan emphasises South Africa's indigenous knowledge by showcasing provinces' unique geographic and knowledge advantages.

National Nanotechnology Strategy

In April 2006, the Deputy Minister of Science and Technology, Mr Derek Hanekom, officially launched South Africa's National Nanotechnology Strategy.

The strategy recognises the needs of local industry and focuses on the essential building blocks of nanoscience, namely synthesis, characterisation and fabrication. The strategy is aimed at increasing the number of nanotechnology characterisation centres in South Africa with an investment of R170 million over the next three years, with an initial R15 million invested in 2005/06.

Known as 'the technology of the very small' (i.e. about 1/80 000 of the diameter of a human hair), nanotechnology comprises a wide range of technologies, techniques and multidisciplinary research efforts for application in a range of cross-cutting industries and activities. These include aerospace, manufacturing and automotive industries; energy conversion, storage and distribution; the hydrogen economy; chemicals; electronics and information processing; as well as biotechnology and medicines.

South African industry and researchers have been involved in nanotechnology and the practical application of nanoscience for several years, for example, Sasol's chemical processing by catalysis.

New generations of emerging nanotechnology-based products require that South Africa develops its ability to derive more benefits from global advances in this area. The National Nanotechnology Strategy positions South Africa as a global player in this emerging area and seeks to strengthen government's integrated development focus.

The strategy aims to:

- support long-term nanoscience research that will lead to a fundamental understanding of the design, synthesis, characterisation, modelling and fabrication of nanomaterial
- support the creation of new and novel devices for application in various areas
- develop the required HR and supporting infrastructure
- stimulate new developments in technology missions such as advanced material for advanced manufacturing, nanobiomaterial for biotechnology, precious metal-based nanoparticles for resource-based industries, and advanced material for information and communications technologies (ICTs).

In line with the objectives of the National Research and Development Strategy (NRDS), during the 2006 African Aerospace Defence Show in September 2006, the Department of Science and Technology and Airbus signed a memorandum of understanding (MoU) regarding:

- collaboration on research and development in areas of mutual interest within the aeronautics sector
- human-capital development programmes, which will give opportunities for South Africa's best engineering and science students to complete research projects and receive related on-the-job training at Airbus and its associated European aerospace centres of competence
- assistance in increasing the number of qualified engineers and scientists, and in contributing to the Joint Initiative on Priority Skills Acquisition, as well as the growth and development of the aerospace industry in South Africa.

The MoU is the culmination of ongoing engagements and team work by the Department of Science and Technology, the Council for Scientific and Industrial Research, the implementing unit for the Advanced Manufacturing Technology Strategy and collaboration with the Department of Trade and Industry and the Aerospace Industry Support Initiative.

Information and Communications Technology

The Department of Science and Technology is expected to establish the CHPC to support a diverse base of researchers and scientists, and to facilitate the collaboration and multidisciplinary approach needed to solve complex computational problems.

Its research objectives will provide computing expertise for all research in South Africa in natural science, medicine, engineering and social sciences. Its first major capacity will be located at the University of Cape Town.

The centre will function as a national innovation platform and will deliver a significant return on investment by harnessing the application of high-performance computing for positive social effects, particularly on research into major infectious diseases, such as HIV and AIDS, and promoting advanced manufacturing technology.

Sumbandilasat, South Africa's new low earth-orbiting satellite, was expected to be launched into space from a submarine in Russia in December 2006.

Meaning 'lead the way' in Tshivenda, the name Sumbandila was among the more than 3 000 entries received in a national competition for learners in grades 7 to 12. It was initiated by the Department of Science and Technology and implemented through the South African Agency for Science and Technology Advancement.

Sumbandilasat is part of a multimillion rand, three-year integrated national space programme developed by the department and carried out by the University of Stellenbosch, Sunspace and Information Systems, and the Satellite Application Centre.

The university is responsible for managing the project and training students. Sunspace and Information Systems was tasked with building the satellite, while the Satellite Application Centre was responsible for operations, telemetry, tracking, control and data capturing.

The programme will give South Africa affordable access to space technology and useful data, serving as a research tool to support in monitoring and managing disasters such as floods, oil spills and fires.

The CHPC and the South African Research Network are the backbone of an emerging cyber-infrastructure in South Africa that will support research initiated in other elements of the country's S&T infrastructure, such as the SKA, the NBN and the Global Earth Observation System of Systems (GEOSS).

The GEOSS aims to enable globally co-ordinated earth observations, across a number of domains, to provide better and more reliable data in areas of benefit to society, including agriculture, weather, climate, water, disasters, health, energy, biodiversity and ecosystems.

Tshumisano

The Tshumisano Technology Station Programme (TSP) aims to encourage a closer partnership between technology stations based at participating universities of technology and SMMEs. The Tshumisano Trust, a joint venture between government, the German Agency for Technical Co-operation and the Committee of University of Technology Principals, is generating stronger working relationships between the departments of science and technology and of labour.

By May 2006, there were 10 technology stations operating from 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 its 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 small and medium enterprise (SME) development, and productivity improvement, technical mentoring and innovation services for existing SMEs.

The Tshumisano TSP is advancing technology transfer and skills development to enhance equitable economic development. In this regard, the HE sector has a vital role in supporting SMMEs to become engines of growth.

The TSP supports the following sectors:

- mechanical engineering and chemicals at the Nelson Mandela Metropolitan University in Port Elizabeth
- material and processing at the Vaal University of Technology

- clothing and textiles at the Cape Peninsula University of Technology
- electronics and chemicals at Tshwane University of Technology
- metal casting at the University of Johannesburg
- metal value-adding at the Central University of Technology in Bloemfontein
- reinforced plastics at the Durban Institute of Technology.

By June 2006, the Tshumisano TSP had handled more than 482 projects, trained 134 students in various aspects of technology transfer and supported 356 SMEs in technology applications, of which many are owned and run by African and female entrepreneurs who were previously excluded from the economic mainstream.

The Tshumisano Trust hosted the first All-Africa Diffusion Conference in June 2006. The conference aimed to promote innovative approaches, technology transfer and co-operation among businesses in Africa. There is a special emphasis on how technology transfer and diffusion can alleviate problems within vulnerable small enterprises. These include job- and wealth-creation, food and water security, energy and environmental conservation, and skills development.

Poverty reduction

The Department of Science and Technology believes in a multipronged approach to fighting poverty.

Its poverty-alleviation projects are having positive outcomes in businesses and co-operatives and focus on, among other projects, bee-keeping, paper-making, incorporating African design in clothing and textiles based on natural fibres, and indigenous cattle production. These projects are concentrated in the poverty nodes as identified by government's Integrated Sustainable Rural Development Strategy.

International science and technology co-operation

The strategy to use southern Africa's local (geographical) advantages and efforts to attract large international science-based investments is paying off. Examples include the construction of the High-Energy Stereoscopic System (Hess) observatory in neighbouring Namibia and the Salt in Sutherland in the Northern Cape, as well as winning the bid to host the European Developing Countries Clinical Trials Partnership. Added to this are bold efforts to bolster South Africa's bid to site the SKA in South Africa.

By 2001/02, international funding of R&D in South Africa had grown to 6% from close to zero in 1994. By 2003/04, foreign funding stood at 10% of total R&D funding. International breakthroughs include South Africa's leading role in the European Union's (EU) sixth framework programme, and in implementing Africa's Consolidated S&T Plan of Action.

South Africa is involved in developing an S&T platform in the subregion, through the SADC Ministers' Council on S&T, which is developing a SADC protocol to guide the implementation of the subregional S&T plan.

Developing a high-speed broadband network in the region is a flagship project of the Department of Science and Technology. The UbuntuNet Project is set to link through the South African National Research Network to Europe via the Geant connection to give South Africa and its research community a high-speed network. The first phase of implementing this network began with total funding of R178 million over the MTEF.

The department has successfully leveraged human-capital support through international S&T agreements. This has resulted in jointly funded projects with 16 countries in areas such as agriculture, manufacturing and biotechnology.

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.

In 2002, the International Council for Science (Icsu) took a decision to establish four regional Icsu offices in the developing world. In September 2005, the council's Regional Office for Africa was launched in Pretoria. South Africa hosts the office at the premises of the NRF.

The Department of Science and Technology has taken a leadership role in the international process to establish the GEOSS. Acting through the department, South Africa participated in developing the 10-year implementation plan and was elected co-chair of the Group on Earth Observations.

National Research Foundation

With a budget of R1,2 billion for 2006/07, the NRF is a key public entity responsible for promoting and supporting the development of HR for research, technology and innovation in all fields of S&T. The NRF carries out its missions mainly by:

- providing seven unique national research facilities
- promoting science awareness through the South African Agency for Science and Technology Advancement (Saasta)
- making and managing merit-based grants and co-operative agreements with individual researchers, research groups, and institutions locally, regionally and internationally (through the Research and Innovation Support Agency (Risa)
- delivering unique knowledge-management services to the research community.

The NRF focuses on contributing to government's strategy to create wealth and improve citizen's quality of life. Doctoral graduates are the platform upon which social and technical progress, innovation and business performance can flourish.

The key driver for all NRF's activities is the production of large numbers of highly skilled people who can generate new knowledge, develop and use new technologies, and innovate and drive the competitiveness of the country in international world markets.

The NRF regards HR development as a long-term investment in growing the pool of resources by drawing in learners that will become scientists and innovators.

SET education, through pre-tertiary, tertiary and lifelong-learning initiatives, provides the basis for creating the required human capital for South Africa's SET endeavours. Saasta's contribution to the NRF vision is to grow the pool of quality learners who will become the scientists and innovators of the future.

Science-advancement programmes within the NRF reside under three interdependent strategic areas:

- Building the supply of tomorrow's scientists and innovators through education-related programmes.
- Celebrating South African achievements in S&T and building the public's appreciation of the benefits of science through science communication.
- The NRF uses interactive exploration, engagement and exhibitions to instil an enthusiasm about the wonder and application of SET, while encouraging greater public engagement in SET issues. Through a series of integrated programmes, Saasta is developing an infrastructure that supports high-impact activities and all science-promotion sites.

The NRF manages the following research facilities:

It was announced in May 2006 that South Africa would bid for the establishment of a third component of the International Centre for Genetic Engineering and Biotechnology (ICGEB) in the country.

By then, there were only two ICGEB components in the world, stationed at laboratories in Trieste, Italy and New Delhi, India.

The University of Cape Town's Institute for Infectious Diseases and Molecular Medicine would be South Africa's candidate institution to host the major international laboratory.

The Department of Science and Technology plans to set aside R22 million over the next three years for the establishment of the third ICGEB component in South Africa.

Established in 1987 by the United Nations (UN) Industrial Development Organisation, the ICGEB is an intergovernmental organisation that operates in contact with the UN Common System as a centre of excellence for research and training in biotechnology and genetic engineering, focusing on the needs of the developing world.

The ICGEB places major emphasis on health-related research activities as well as on projects aimed at the sustainable application of biotechnology in agriculture.

The main focus for health biotechnology is currently on HIV and AIDS, hepatitis, rotavirus, human papilloma virus, malaria, tuberculosis and, more recently, dengue.

ICGEB's research is aimed at determining the mechanisms related to the infection and the insurgence of diseases.

South African Astronomical Observatory (SAAO) and Southern African Large Telescope

The 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.

In 2005, the SAAO made the transition from the Salt construction phase to the Salt operation phase. By devising a vastly superior spherical aberration corrector, and a variety of other innovations, the SAAO has contributed to making Salt more capable than its prototype, the Hobby-Eberly Telescope in Texas, USA.

From the outset, Salt was conceived as an African facility. With the advent of large-scale facilities such as Salt and the Hess, and other initiatives such as the SKA, Inkaba ye Afrika and ZASat, southern Africa is emerging as a regional space S&T hub.

Hartebeesthoek Radio Astronomy Observatory (HartRAO)

HartRAO is responsible for research and training in radio astronomy and space geodesy in South Africa. The 26-m diameter radio telescope is available for research 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 and participates in geodetic VLBI through the International VLBI Service, in satellite laser ranging (through the International Laser Ranging Service), and in the Global Positioning System (GPS) (through the International GPS Service). The data are available to the international community.

The radio astronomy group is part of the National Astrophysics and Space Science Programme for postgraduate students. It is involved in developing the SKA and its South African prototype, the Kat.

Research collaborations are in place with southern African countries and overseas institutions.

Hermanus Magnetic Observatory (HMO)

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.

The density of geomagnetic recording stations in Africa is significantly less than in other continental landmasses. The continuous recording stations operated by the HMO are the only operational sources of ground-based geomagnetic field data south of the equator in Africa. The HMO is one of only four geomagnetic observatories whose data is used by the World Data Centre for Geomagnetism in Kyoto, Japan, for measuring geomagnetic storm intensity.

South African Institute for Aquatic Biodiversity (Saiab)

Saiab is an interactive hub focused on serving the nation by generating, disseminating and applying knowledge towards understanding and solving problems concerning conservation and the wise use of African fish and aquatic biodiversity.

Saiab cares for and develops the National Fish Collection, generates knowledge through research on aquatic biodiversity in Africa and trains and

In celebration of the lengthy and distinguished scientific career of 80-year old palaeontologist Prof. Phillip Tobias, the African Genesis Symposium on Human Evolution took place at the University of the Witwatersrand (Wits) in Johannesburg in January 2006. More than 60 eminent scientists from around the world attended.

To coincide with this event, a bust of Prof. Tobias was unveiled at the Cradle of Humankind World Heritage Site near Johannesburg. Prof. Tobias and a team of researchers discovered the fossil specimens that have made the Cradle of Humankind an internationally important site.

Prof. Tobias has received 17 honorary degrees, countless awards and honours, and has published more than 1 000 works, including some 40 books. He is the first and only South African to be honoured with the Fellowship of the Royal Society.

Prof. Tobias is honorary professor of palaeo-anthropology at Wits and honorary professional research associate and director of the Sterkfontein Research Unit.

educates knowledge workers in aquatic biodiversity. It addresses national and international issues in aquatic biodiversity through the priorities set by national and international funding agencies.

Saiab is constructing a new offsite wet-collection facility to house the National Fish Collection. Planning of a new collection-management centre to service the new facility is also under way.

Science challenges for Saiab include a focus on building the flagship African Coelacanth Ecosystem Project, developing biosystematic capacity, and developing an effective and integrated information-management system. Saiab has an active rural outreach programme focused on identifying high-potential candidates for science careers and giving them career-forming experience over one year.

South African Environmental Observation Network (Saeon)

Saeon aims to generate and archive reliable long-term information relevant to the sustainable management of natural resources and habitat over a range of ecoregions and land uses. These include pristine (wild) landscape, partially pristine (managed) landscape, agriculturally (rural) transformed landscape and urban transformed landscape.

Saeon establishes innovative research platforms and information-management systems for long-term multidisciplinary, multi-institutional and participatory ecosystem studies with strong regional and global linkages. These research platforms are co-ordinated as nodes, with the first one – the Ndlovu Node – established during 2004 in Phalaborwa.

The second node covers the coastal-inshore zone and was established in 2006 in Grahamstown. The Saeon Fynbos Node, the Marine-Offshore Node, the Arid Lands Node and the Grasslands/Forests/Wetlands Mosaic Node were expected to be launched in 2006/07. Saeon also runs an innovative education-outreach programme that focuses on educators, learners and post-graduate students.

National Zoological Gardens (NZG)

The NZG was declared a national research facility in April 2004. It has since been engaged in a strategic re-orientation process to align with, and make a contribution to, the NRF's core missions and strategic priorities.

The NZG is changing from being a traditional zoological garden, to becoming a national facility for and an active participant in terrestrial biodiversity research. It has the potential to offer South Africa, Africa and the international community the infrastructure required to conduct world-class and knowledge-generating research.

The NZG houses one of the largest animal collections in the world. It operates three breeding centres and covers an area of over 6 000 ha. The NZG is well-placed as an education platform, receiving close to 600 000 visitors a year.

iThemba Laboratory for Accelerator-Based Sciences (iThemba Labs)

iThemba Labs is a multidisciplinary research centre and provides facilities for:

- basic and applied research using particle beams
- particle radiotherapy for the treatment of cancer and other life-threatening lesions
- the supply of accelerator-produced radioactive isotopes for nuclear medicine and research.

iThemba Labs brings together people working in the medical, biological and physical sciences who are interested in using accelerated particle beams, by providing opportunities for research and postgraduate training in these separate disciplines, and also by stimulating mutual interest in interdisciplinary areas.

iThemba Labs has an 'open door' policy towards training postgraduates and in-service trainees. While postgraduates from universities all over South Africa use the facilities, iThemba Labs proactively participates in building research and postgraduate capacity at historically disadvantaged institutions.

Research and Innovation Support Agency

Risa aims to promote and support research and research capacity in all fields of knowledge and technology, including indigenous knowledge. This is done by:

- investing in knowledge production and promoting basic and applied research, technology development and innovation
- developing research capacity and advancing equity and redress to unlock the full creative potential of the research community
- investing in research infrastructure
- facilitating strategic partnerships and knowledge networks.

Government aims to transform South Africa into a knowledge society that competes effectively in a global system. Much effort has been directed towards ensuring that Risa-supported research focuses on areas that are relevant to South Africa's development challenges in a rapidly changing, highly competitive and knowledge-driven environment.

Risa's granting functions involve:

- advancing and strengthening strategic knowledge
- identifying distinct South African research opportunities
- conserving and managing ecosystems and biodiversity
- promoting economic growth and international competitiveness
- advancing education and the challenges for change
- supporting indigenous knowledge systems (IKS)
- advancing ICT in South Africa
- establishing the socio-political impact of globalisation and the challenge for South Africa
- eradicating poverty.

Within these focus areas, knowledge fields that may be weak are developed together with the research community. Research agendas are established through interaction with the research community and collaboration between disciplines is promoted.

Risa implements the following interventions to achieve its goals:

- Student support through block grants to institutions and two complementary types of postgraduate student support i.e. free-standing scholarships and fellowships awarded directly to postgraduate students for studies locally and abroad; and grantholder-linked bursaries granted to researchers within their NRF support package, and which may be awarded to students selected by the NRF grantholder.
- 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 HE and other training institutions. The Department of Labour allocates resources from the National Skills Fund (NSF) to the NRF for bursaries and scholarships. The NRF created the Scarce Skills Fund (SSF) to promote and support students who study at postgraduate levels in areas where skills are scarce. The SSF also provides funds to postgraduate students with disabilities.
- The Institutional Capacity-Development Programme focuses on linking and assisting institutions that are committed to research through institutional interventions and through funding research areas at institutions.
- Within the focus-area programmes, researchers can obtain two-year and five-year grants in an open competition.
- Staff development at HE institutions is promoted through the Thuthuka Programme, which provides support for researchers in training, women in research and the Research-Development Initiative for Black Academics.
- The Innovation Postdoctoral Fellowship Programme supports and encourages doctoral candidates to embark on further research.
- Equipment grants allow HE institutions to acquire equipment.
- Mobility grants afford students and researchers the opportunity to obtain access to equipment at HE institutions.
- The Sarchi aims to free academics to focus on research, thus increasing the number of world-class researchers and their output to make South Africa internationally competitive. Up to R2,5 million a year can be awarded to a chair to cover salaries, postdoctoral and student awards, and small equipment. The aim is to support 210 chairs by 2010.

In February 2006, French satellite-systems firm Alcatel Alenia Space signed a skills-development agreement with the Council for Scientific and Industrial Research (CSIR) to develop space-science expertise in the country.

The CSIR and Alcatel Alenia Space will co-operate in the space domain to strengthen their respective competencies and knowledge, with the ultimate aim of contributing to socio-economic progress, both in South Africa and France.

- The CoE Programme supports strategic, long-term research by providing secure and stable funding to outstanding researchers and their research groups.
- The Technology for Human Resources for Industry Programme (Thrip) supports projects that address the technology and HR needs of industry on a cost-sharing basis with industrial partners. The programme focuses on increasing participation by SMMEs, BEE entities and black and female researchers and students.
- The S&T Agreements Fund administers agreements that facilitate international research collaboration, specifically with African countries. The Department of Science and Technology is responsible for negotiating binational or multilateral agreements with international partners and for drafting framework programmes. The NRF has an independent responsibility for negotiating bilateral agreements with counterpart agencies.

  These agreements develop relations between the research communities of the intergovernmental and interagency signatories, and establish long-term co-operation between researchers.
- The IF invests in technologies at various stages of development. Some of the funding instruments in the IF fund the 'proof of concept' phase of projects. The IF also provides seed funding for commercialising IF projects and the establishment of technology-based start-up companies. The IF offers commercialisation advice to potential entrepreneurs, and promotes and stimulates the patenting of technologies and products.
- The NRF manages some initiatives linked to the biodiversity science thrust of the NRDS. These include the South African Biodiversity Initiative and the South African Biodiversity Information Facility. The NRF manages the Sea and Coast Programme with the Department of Environmental Affairs and Tourism as a co-investor.

  The NRF also manages the provincial research projects of the Branch: Marine and Coastal Management of the Department of Environmental Affairs and Tourism. These projects have a strong applied research focus, which feeds into the management of marine and coastal resources, including resource allocations for the fishing industry.
- The South African National Antarctic Programme aims to create a demographically balanced Antarctic research programme that strives for high-quality international research, and links to other African countries and interdisciplinary research. The NRF facilitated proposals for funding for 2005 and 2006. Proposals are evaluated within the funding framework of the Antarctic Research Strategy (Aressa), which is organised into five thematic areas. The International Polar Year (2007 to 2008) presents an exciting challenge for polar research and the NRF's calls for proposals in 2005 and 2006 ensured the seamless alignment of the research themes of the Aressa with the research themes of the International Polar Year.

Value-adding services

The NRF generates, acquires and provides information that is useful for the production of new knowledge, such as:

- The Nexus Database System is a database of current and completed research projects and contains information on 137 000 projects in all science domains from 1900 onwards. It includes abstracts of these projects.
- The Research Organisations' Database contains information on research organisations in South Africa.
- The Professional Associations' Database contains information on 180 associations with contact details and disciplines.
- The conference website facilitates access to other conference databases on the Internet that announce forthcoming conferences on all science disciplines.
- The Women-in-Research Database facilitates collaboration between female researchers.
- The NRF Funded Projects Database reflects the grants of the foundation.
- The South African Data Archive is a large data archive of computerised social-science data.

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 to support technology development in its precompetitive phase.

Agricultural Research Council (ARC)

The ARC is a statutory body established in terms of the Agricultural Research Act, 1990 (Act 86 of 1990). It comprises research institutes that were previously part of the Department of Agriculture, the oldest of which dates back to 1902.

As the principal agricultural research institution in South Africa, the ARC is committed to agricultural research, technology development and technology transfer within the macro-framework of the agricultural sector, thereby contributing to the quality of life of the people of South Africa.

The ARC's research goals are aligned with the Agricultural Sector Strategy goals.

The ARC's research activities address major government priorities, namely integrated rural development, natural-resource management, job creation, regional integration, urban renewal, HR development, crime prevention, farmer settlement, support-service improvement, infrastructure development, food security and trade development and support.

The ARC comprises the following business units:

Public-support services

ARC-Institute for Soil, Climate and Water (ARC-ISCW)

Established in 1902 as the Division of Chemistry, the ARC-ISCW (in Pretoria, Gauteng) is a leading centre of expertise in the fields of soil science, agrometeorology, spatial modelling, soil-water science, geoinformatics (remote sensing, geographic, spatial and other information systems) and analytical services. It is committed to improving rural livelihoods and agricultural productivity, and to the sustainable use of natural resources, soil, climate and water. The ARC-ISCW is the custodian of the Soil Information Systems, the Agrometeorological Climate Network and Databank, and the Coarse Resolution Satellite Imagery Database.

ARC-Institute for Agricultural Engineering (ARC-IAE)

The core purpose of the ARC-IAE (in Pretoria) is to develop and apply agricultural engineering technology that will contribute to higher yield, higher income and lower input costs for agriculture and related industries in a sustainable way.

The ARC-IAE is active in the agricultural engineering field and focuses on 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.

ARC-Plant Protection Research Institute (ARC-PPRI)

The ARC-PPRI (in Pretoria) has the expertise to address agricultural and environmental concerns, through research aimed at promoting economic and environmentally acceptable pest-management strategies.

Fields of expertise include biosystematics, ecology and epidemiology of invertebrates, fungi, pathogenic and useful bacteria, and viruses; the control of plant pests, plant diseases and alien invasive plants; and beneficial organisms such as biological control agents, nitrogen-fixing bacteria and insect pollinators, including bees. The institute is mandated to address plant-protection issues that cut across commodities, affecting many crops and regions. Its research impacts not only on South Africa, but also addresses the needs of other African countries. The ARC-PPRI is the custodian of the South African Rhizobium Culture Collection and the National Collections of Arachnids, Fungi, Insects and Nematodes.

Grain and industrial crops

ARC-Grain Crops Institute (ARC-GCI)

The ARC-GCI (in Potchefstroom, North West) is responsible for research into improving and cultivating grain crops such as maize, sorghum and millet, as well as oil and protein seeds such as sunflower, ground nuts, soybeans, dry beans, cowpeas, sweet white lupin and bambara. Research activities involve plant breeding, evaluation of cultivars and grain quality, plant physiology, plant pathology, nematology, entomology and tillage.

In September 2006, President Thabo Mbeki presented Selig Percy Amoils, Patricia Berjak and Lionel Opie with the Order of Mapungubwe, silver class, for their contribution to the field of science.

ARC Small Grain Institute (ARC-SGI)

The ARC-SGI (in Bethlehem, Free State) concentrates on improving and cultivating small grain crops such as wheat, barley, oats, triticale and rye. Research activities include breeding new cultivars with better resistance to diseases and pests, the national evaluation of cultivars and grain quality, plant physiology, tillage, weed science, plant pathology, entomology and yield potential.

The ARC-SGI is the only institute of its kind that offers one-stop small-grain information, not only to the commercial farmer, but also to new, emerging and small-scale farmers.

ARC-Institute for Industrial Crops (ARC-IIC)

The ARC-IIC (in Rustenburg, North West) is involved in fundamental and applied research in the interest of the cotton and tobacco industries. Research is also conducted on other fibre crops such as hemp, sisal and flax, as well as on finding indigenous fibre crops with economic potential as new alternative crops in rural areas.

Likewise, certain crops are being investigated for their potential as sources of essential oils or household utilities. Research on cassava is directed at its potential as an alternative food source and source of starch for industrial use. Research on pigeonpea and the promotion of this crop as an additional source of protein is being conducted widely in the rural areas.

Horticulture

ARC-Institute for Tropical and Subtropical Crops (ARC-ITSC)

The ARC-ITSC (in Nelspruit, Mpumalanga) is responsible for research into all aspects of the cultivation of tropical and subtropical fruits. Other crops into which production research is conducted include coffee, herbs and spices, medicinal plants, 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 (ARC-VOPI)

The ARC-VOPI (near Pretoria) concentrates on a wide range of horticultural crops. Research is conducted on commercial vegetables such as onions, potatoes and sweet potatoes. Traditional and indigenous vegetables receiving attention include amaranthus, cassava, plectranthus, Zulu round potato, pigeon-peas, cowpeas and bambara. Research into 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 (Institute for Fruit, Vine and Wine)

ARC-Infruitec/Nietvoorbij (in Stellenbosch, Western Cape) does research, development and technology transfer pertaining to the following commodities: deciduous fruit (apples, pears, peaches, plums, apricots and nectarines); grapes (wine, table and raisin); alternative temperate climate crops (cherries, mushrooms, nuts, olives, persimmon, figs, berries and others); brandy; dried fruit and processed fruit. Increasing attention is also being paid to indigenous crops (honeybush tea, rooibos tea and kei-apple) and their general use, processing and health-promoting abilities. The breeding and evaluation of new stone and pome fruit, as well as table-grape cultivars, is a major research effort. Progeny from the various breeding programmes continue to succeed on the local and export markets.

Traceability and authenticity have become major concerns in modern trade, particularly for sophisticated markets in the first world. Developing the ability to analytically prove the authenticity of South African wine and brandy is the goal of a second major research intervention. Data from isotopic and trace-element analyses will be used to compile reference databases for use in authentication and fraud detection.

Livestock

ARC-Onderstepoort Veterinary Institute (ARC-OVI)

The ARC-OVI (north of Pretoria) is responsible for the prevention and control of animal diseases. It also provides a public-health service regarding food safety and security. The institute conducts research, and diagnostic and new-generation vaccine development of livestock diseases. It has six reference laboratories approved by the *Office International des Epizooties* (OIE), namely: rabies, lumpy skin disease, Rift Valley fever, African horse sickness, African swine fever and blue tongue. The Exotic Diseases Division is a high containment facility for diseases such as foot-and-mouth disease and African swine fever. The institute is also the Food and Agricultural Organisation

collaborating centre in Africa for transboundary diseases.

ARC-Livestock Business Division Animal Production (ARC-LBD: Animal Production)

ARC-LBD: Animal Production (in Irene outside Pretoria) comprises seven units, which assist the animal production and products industry to stay abreast of global competition. Animal Genetics and Biotechnology employs DNA technology, genetic characterisation and accelerated reproduction technology to conserve, maintain and enhance genetic variation. Together with the Animal Recording and Improvement Unit, this has assisted the livestock producer in breeding seed stock material to the benefit of genetic resources worldwide.

Cattle breeds such as the Bonsmara and Nguni, Dorper sheep, boerbok goat, Fowls for Africa, South African ostrich and the indigenous Kolbroek pig have become highly sought after in breeding programmes abroad. The Production Systems Unit deals with cattle, small stock, pigs and poultry. The Range and Forage Unit assists in the effective use of rangeland and forage production.

Council for Scientific and Industrial Research

Constituted by an Act of Parliament in 1945, the CSIR is one of the leading scientific and technology research, development and implementation organisations in Africa. It is situated in Pretoria with offices elsewhere in South Africa. The CSIR undertakes and applies directed research and innovation in S&T to improve the quality of life of South Africa's people. Building measurable value into its work through local and international partnerships remains a key component of its endeavours to provide world-class technology.

The CSIR started with a major repositioning process in 2004 to ensure that the organisation delivers on its dual-focus mandate.

As an integral part of its future strategy, the CSIR will address three core areas to provide the foundation for developing and reconfigurating its S&T base:

- building and transforming human capital
- strengthening the S&T base
- performing relevant knowledge-generating research and technology transfer.

With its renewed focus on science and research, the CSIR adopted a new corporate identity in 2006. The essence of shaping a better future through science is captured in a few key concepts: scientific excellence, innovation and quality, skills development, leadership in science, working through partnerships, ensuring transformation, and making a real difference through science.

Knowledge generation and application reside at the core of the CSIR, and are structured into three groupings:

- Emerging research areas (Eras). Such areas could be unique to local circumstances or could be successful internationally and would need to be established for local competitiveness. Some 12 Eras have been identified, with nanotechnology and photonics the first two selected.
- The R&D core. These are operating units that draw together skills from research fields and scientific disciplines to address national S&T needs. The CSIR operating units are:
  - Biosciences
  - Built Environment
  - Defence, Peace, Safety and Security
  - Materials Science and Manufacturing
  - Natural Resources and the Environment.
- National research centres. These facilities will be of strategic importance for African science over at least the next two decades. These currently include the:
  - Meraka Institute (African Advanced Institute for ICT)
  - National Laser Centre
  - National Metrology Laboratory
  - Satellite Applications Centre.

The CSIR Knowledge Services Group manages routine specialised and differentiated services. The nature of this group's operations is commercially driven.

Mintek

Mintek, South Africa's national mineral research organisation, 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 worldwide.

Mintek is an autonomous statutory organisation and reports to the Minister of Minerals and Energy. About 35% of the annual budget of R275 million is funded by the State Science Vote, 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 to industry novel and improved techniques for processing, extracting, refining and utilising minerals and mineral products, to:

- enhance the competitiveness of South Africa's minerals industry in the global market
- assist local mining and engineering companies to expand internationally
- promote job creation, economic growth and regional development.

Specific goals are:

- 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's activities include:

- providing essential services (information, consulting and experimental)
- increasing the competitiveness of the 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 education and training activities.

Mintek offers a complete range of process-development services, from preliminary bench-scale investigations to large-scale piloting and integrated flowsheet 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 ferro-alloy production, as well as stainless steels and other alloys with improved properties.
- 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 the beneficiation and processing of commodities such as heavy minerals, chromite, iron and manganese ores, andalusite, phosphates, fluorite and diamonds. Mintek's research into waste management and environmental problems also falls under this programme.

Promoting industrial growth

Mintek is promoting a number of major new industrial projects based on mineral beneficiation,

using existing and newly developed technologies. These include the recovery of PGMs from metallurgical waste material, ferro-nickel production, and the establishment of a local magnesium industry using a novel thermal production route.

Minerals policy and development

Mintek conducts 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.

The Sustainable Development Unit co-operates with industry, other research institutions and academia to maintain and enhance the minerals sector's contribution to society. The unit provides services and technologies (in particular by developing and evaluating remediation technologies) and supports policy-makers in South Africa and Africa by providing strategic direction and procedures that promote value addition and sustainable development in the mining industry.

Mintek's Small-Scale Mining (SSM) Division supports the SSM sector by developing appropriate technologies, providing consulting services and training, and promoting sustainable mining, downstream processing and value-addition through integrated development programmes.

Environment

Mintek continues to focus on developing 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.

Mintek's environmental management system is certified as meeting the requirements of the International Organisation for Standardisation (ISO) 14001.

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 established to develop and train South Africans from historically disadvantaged communities as technicians, technologists and engineers. The specific programmes include:

- artisanal and SSM training
- the jewellery-manufacturing training programme
- upgrading Mathematics and Science skills

The International Science, Innovation and Technology Exhibition (Insite) was held in September 2006, six years after 119 countries, including South Africa, signed up for the millennium development goals (MDGs) at the United Nations (UN). Signatories aim to:

- eradicate extreme poverty and reduce the number of people who suffer from hunger and malnutrition by half by 2015
- achieve universal primary education
- promote gender equality and empower women by eliminating gender disparities at all levels of education
- reduce the death rate among children under the age of five by two-thirds
- improve maternal health by reducing, by three-quarters, the maternal death rate
- contain and begin to reverse the spread of HIV and AIDS, malaria and other major diseases
- reduce by half the proportion of people without sustainable access to safe drinking water
- develop further open-trading and financial systems that do not discriminate
- in co-operation with the private sector, make available the benefits of new discoveries, especially information and communications technologies.

Insite 2006 focused on three themes that directly affect South Africa's ability to address the MDGs:

- Science and Youth, emphasising educators, learners and careers in science and technology
- Science for Economic Growth, focusing on innovation, discovery and the capacity for science to stimulate economic growth
- Science for Sustainable Development, demonstrating how science can improve South Africans' quality of life and bring them prosperity.

- science promotion (through Minquiz, Mintek Engineering Awareness Programme and grades 11 and 12 girls' programme)
- 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 and conducts research that generates critical and independent knowledge relative to all aspects of human and social development. Alleviating poverty and developing and implementing public policy are central to its research activities. The HSRC's research also extends beyond South Africa's borders through projects and collaborations in other African countries.

As a social-science research organisation committed to making a difference in the quality of life of ordinary people, the HSRC is often commissioned to undertake large-scale research on behalf of government departments at national, provincial and local levels. The organisation also serves the research needs of parastatal organisations and private-sector entities, as well as local and international development agencies to track service delivery, evaluate performance and measure the efficacy of interventions.

The HSRC's collaborative approach to research provides a platform for interaction with research experts in South Africa and abroad. In addition to conducting commissioned research, the organisation proactively disseminates its research findings in peer-reviewed and other publications, and through seminars, lectures and media briefings.

Functioning as a knowledge hub, the HSRC contributes to bridging the gap that often exists between research, policy and action.

HSRC research comprises six interdisciplinary research programmes, namely:

- Child, Youth, Family and Social Development
- Democracy and Governance
- Education, Science and Skills Development
- Social Aspects of HIV, AIDS and Health
- Society, Culture and Identity
- Urban, Rural and Economic Development.

Five cross-cutting research units have been established to interactively contribute to, as well as draw from, the six research programmes to integrate and enhance the work of the HSRC as a whole:

- Capacity Development
- Gender and Development
- Knowledge Systems
- Policy Analysis
- Social Aspects of HIV and AIDS Research Alliance (Sahara), an Africa-wide research network.

The Policy Analysis Unit has a dual mandate. The first is to serve as a think tank and provide a platform for the public discourse of critical social issues. The second is to pursue time-limited and multiyear analyses of specific priority areas. The first two of these focus on education quality and on employment and growth.

Over the last few years, the HSRC has undertaken a rich and varied array of research investigations, averaging 250 projects at any given time. To succeed in its mandate of conducting social-science research that makes a difference, the HSRC guards its reputation as an independent, professional and unbiased research council.

Research programmes

Child, Youth, Family and Social Development

The Child, Youth and Family Development Programme focuses on the life course, from infancy to old age, and aims to develop a clearer understanding of the ways in which these challenges shape and affect individuals and society as a whole throughout the life cycle.

It also strives to promote human and social development through high-quality applied research that addresses the immense challenges posed by social inequality, poverty, violence, HIV and AIDS, and other causes of ill health.

Democracy and Governance

There is an ongoing need to consolidate South Africa's relatively young democracy, to continually improve governance, and to address emerging issues in fresh and substantive ways.

The Democracy and Governance Programme examines issues that contribute to or constrain the growth and development of democracy in South Africa and the rest of Africa.

Education, Science and Skills Development

The work of the Education, Science and Skills Development Programme spans three major social domains in the form of the education system, the NSI and the world of work.

The programme's goal is to produce comprehensive, integrated and holistic analyses of the pathways of learners through schooling, further and HE and into the labour market and NSI.

To deliver effective research within these four fields, the programme has spent much time and energy building a strong network of HE institutions, non-governmental organisations (NGOs) and private-sector research organisations. Through close collaboration with these organisations, the programme has delivered a number of successful research projects, ranging from sectoral studies of skill needs and analyses of key professions, to evaluating transformation in education and the labour market, and monitoring and evaluating educational improvement from a national to classroom level.

Social Aspects of HIV, AIDS and Health

Many of the public-health issues facing South Africa cannot be resolved merely through medical interventions, but need to be addressed at a social and population level as well. The Social Aspects of HIV, AIDS and Health Programme undertakes cutting-edge, innovative research into HIV and AIDS, and public health to contribute to public-policy dialogue and formulation, and to improve health-service delivery.

To achieve these objectives, the programme focuses on research that is policy-relevant and responds to the challenges facing South Africa, while also assessing, monitoring and evaluating HIV. AIDS and health programmes that aim to improve the lives of South Africans.

Society, Culture and Identity

The Society, Culture and Identity Programme researches ways of preserving, strengthening and promoting South Africa's rich cultural and intellectual heritage, while evaluating the progress South Africans have made in living up to their inherent values and knitting together their diverse identities. It investigates ways in which the country's universal citizenship can be developed through respect for the various identities South Africans hold. Within this context, the programme examines issues of identity, language and culture pertaining to South Africa and the African continent.

Urban, Rural and Economic Development

The Urban, Rural and Economic Development Programme is multidisciplinary. Its primary objective is to promote integrated urban and rural development through problem-oriented research, user-driven policy development and ongoing monitoring and evaluation.

With poverty reduction as the unifying theme, the programme's objectives and activities are designed to address key national, regional and Africa-wide underdevelopment challenges and policy priorities, through a collaborative approach to research.

Cross-cutting units

Policy Analysis

The Policy Analysis Unit serves as a think tank and forum for deliberating and analysing public policy on the most critical issues affecting the lives of people in Africa. Under the spotlight are such issues as HIV and AIDS, homelessness, unemployment, skills development, poverty, crime, access to quality education and health services.

Ultimately, the unit will serve as a forum for intellectual dialogue among academics and researchers from various parts of the African continent, and will bring together diverse stakeholders, including policy-makers, programme planners, researchers, NGOs, community groups, donors and multinational agencies to participate in the process of policy scrutiny in critical areas of social development.

The unit's first two national priority initiatives are education quality and employment growth and development.

The HSRC intends, among other things, to increase the pool of competent researchers for human and social sciences in South Africa, and to support the development of black, as well as of female researchers, to enable the organisation to meet its equity targets.

Gender and Development

The Gender and Development Unit recognises the need to retain a gender perspective in HSRC research and operations by assessing the implications for men and women of any planned activity.

Social Aspects of HIV and AIDS Research Alliance

Sahara seeks greater understanding of the epidemic in the hope of contributing to a reduction in the number of new HIV infections and, ultimately, to a reversal in the spread of HIV and AIDS.

The network runs multisite and multicountry research projects in Africa for generating new social-science evidence for prevention, care and mitigation of the impact of the epidemic. It disseminates information through its dedicated website *(www.sahara.org.za)* and publishes an internationally accredited scientific journal, the *Social Aspects of HIV/AIDS Research Alliance Journal.*

Knowledge Systems

The Knowledge Systems Unit conducts primary and secondary research on socio-economic and governance issues as well as the NSI, to facilitate evidence-based decision-making by users of the research.

The unit works with external research users and supports the research programmes of the HSRC, while also building complementary expertise throughout Africa. The key focus areas of the unit involve the design, implementation and analysis of quantitative and qualitative data to enhance the knowledge-management strategies of the HSRC, and to promote social-scientific research and capacity-building throughout South Africa and the African continent.

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 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. Activities are grouped into the following 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, micro-bacteriology, 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, the burden of disease and telemedicine.

National Programme for Infection and Immunity Research

The research units in this programme are involved in research into TB, 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 programme undertakes research into 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 into 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 into 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.

The network operates under the trade name SA HealthInfo and is available on the Internet at *www.sahealth-info.org*. It provides 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:

- documenting the surface of the Earth within the borders of South Africa; compiling geological, geophysical, geochemical and other geoscientific information; and publishing this information in the form of maps and documents
- conducting geoscientific research into rocks, minerals, ores, fossils, etc. in South Africa, and publishing research results in national and international journals
- collecting and conserving all geoscientific information and data on South Africa in national collections and electronic databases
- supplying geoscientific services and advice to the national and provincial governments, ensuring 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 into 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 at 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 in Africa. It includes the 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, specialising in analysing rock and soil samples, uses various specialised techniques.

Geoscience information and services provided by the CGS are particularly important for sustainable development of the country. In South Africa's arid regions, the management of groundwater resources (both the quantity and quality thereof) is aimed at providing enough clean water to communities. In addition, the CGS has recently established the Environmental Geoscience Unit to provide services in this highly competitive and very important field.

Although South Africa is situated on a relatively stable part of the Earth's crust, the CGS maintains a seismic network for recording such events within the national borders and coastal waters off South

Africa's coastline. This information is available to interested parties and helps mitigate the problems associated with mining-related seismic events.

The CGS 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. A larger aircraft (a Cessna Caravan 208B) has been purchased as it can carry larger sensors, dramatically increasing the CGS' capability to conduct high-resolution geophysical surveys.

The CGS leads an initiative by the Department of Minerals and Energy to assist upcoming mining entrepreneurs, particularly those from historically disadvantaged groups, to exploit South Africa's mineral resources in a cost-effective and environmentally friendly way.

Because the CGS plays a leading role in the SADC, 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 lithostratigraphic table comparing the geological formations in the region, and maps of the Kalahari Basin have also been produced. The latest publication in this series is a compilation of copper and cobalt deposits in the SADC region.

In addition to its national responsibilities, the CGS is also active internationally, mainly in Africa. Geological and metallogenic maps of, among other countries, Angola, the Democratic Republic of Congo, Mozambique, Gabon and Morocco have been produced. By mid-2006, major geological mapping projects in Ghana, Mozambique, Madagascar and New Guinea, and the supervision of mapping projects in Mauritania, Mozambique and Madagascar were also under way.

South African Bureau of Standards (SABS)

The SABS was established in 1948 to develop, maintain and disseminate standards in South Africa. Although this core objective has remained unchanged over the years, the mission of the SABS has changed its focus in step with the times. The SABS sees its mission as 'improving the quality of life of all South Africans, through the process of standardisation'.

Standards South Africa (StanSA)

StanSA is the SABS' core function and is responsible for developing, maintaining and disseminating 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 SABS is responsible for administrating 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 providing conformity-assessment services to the SME sector, and other Presidential imperatives and social-responsibility activities, are also located in this division.

South African Bureau of Standards Holdings (Pty) Limited

All the conformity-assessment services of the SABS are located in this company. These include testing products, providing system and product-certification schemes, inspecting consignments and training people in these matters. SABS Holdings is a separate company that competes in the private sector and charges for the services that it renders. This is 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

Sasol is an integrated oil and gas company with substantial chemical interests. In South Africa, these operations are supported by mining coal and converting it into synthetic fuels and chemicals through proprietary Fischer-Tropsch technology.

Sasol also has chemical manufacturing and marketing operations in Europe, Asia and the Americas. Its larger chemical portfolios include polymers, solvents, surfactants and their intermediates, waxes, phenolics and nitrogenous products.

The group explores and produces crude oil in offshore Gabon, refines crude oil into liquid fuels in South Africa, and retails liquid fuels and lubricants through a growing network of retail service centres. During the first quarter of 2004, Sasol started extracting Mozambican natural gas, some of which has been used as feedstock for fuels and chemical production in South Africa since mid-2004.

Sasol is also developing two joint-venture gas-to-liquid plants in Qatar and Nigeria based on its Sasol slurry phase distillate process.

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.

Mittal Steel SA

Mittal Steel SA is the dominant steel producer on the African continent, producing 7,1 million tonnes of liquid steel per year. Mittal Steel SA's global standing is further underpinned by it being part of the world's largest steel producer, Mittal Steel Company N.V.

Through this agreement, Mittal Steel SA has access to world-class R&D, best-practice processes, aggressive procurement contracts and international market leverage to ensure the company remains at the cutting edge of the international steel industry.

National Health Laboratory Service (NHLS)

The NHLS is a national network of integrated pathology laboratories countrywide that use common laboratory-management systems and transport networks to facilitate the transport of specimens, referral of tests to reference laboratories and the delivery of results.

The NHLS includes about 250 laboratories, employing some 3 500 people. Their activities comprise diagnostic laboratory services, research, teaching and training, and the production of sera for anti-snake venom and reagents. All laboratories provide diagnostic services to the Department of Health, provincial hospitals, local governments and medical practitioners.

Research conducted by the NHLS covers a wide spectrum of activities in all pathology disciplines. Grants in support of research are made by the MRC, the Cancer Association of South Africa, the South African Sugar Association, the Poliomyelitis Research Foundation, pharmaceutical companies, private donors and numerous overseas institutions, among others. The NHLS finances a large part of the research programme from the earnings of its laboratory services.

The NHLS teaching programme includes training medical technologists in association with universities of technology. University teaching at both undergraduate and postgraduate level is done through the pathology departments of universities' medical schools.

Bureau for Economic Research

The Bureau for Economic Research at the University of Stellenbosch, Western Cape, is an independent and objective economic research organisation. It renders a service to organisations ranging from small one-person businesses to policy-makers at the highest level of government.

African indigenous knowledge is central to the concept of the African Renaissance. It is the knowledge system that informs how African society functions and interacts with people and societies; it provides the founding motivator for people's actions, and the knowledge base for learning and Africa's sustainable development.

In 2004, the Cabinet adopted the Indigenous Knowledge System (IKS) policy that endeavours to contribute to consolidating South Africa's constitutional democracy and to improving the lives, dignity and equality of the country's indigenous and local communities by giving expression to the recognition, promotion, development and protection of IKS.

National Institute for Tropical Diseases

The National Institute for Tropical Diseases in Tzaneen, Limpopo, is responsible for the ongoing assessment of malaria-control programmes carried out by various authorities in South Africa.

Control methods are assessed, and recommendations made to the appropriate authorities regarding 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

Mine-safety research

The activities of the Safety in Mines Research Advisory Committee are aimed at advancing the safety of workers employed in South African mines. The committee is a statutory tripartite subcommittee of the Mine Health and Safety Council.

It has a permanent research-management office managing the rock engineering, engineering and mine occupational health fields of research.

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 R&D activities.

The National Agricultural Research Forum (NARF) co-ordinates agricultural R&D within the national agricultural research system. The NARF also provides a platform for stakeholder consultations on R&D matters.

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 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.

The WRC provides leadership for R&D through the support of knowledge creation, transfer and application. It engages stakeholders and partners in solving critical water-related problems.

It is a networking organisation, linking the nation and working through partnerships.

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 poor quality or a lack of water, and that sustainability of water resources and water-dependent ecosystems is achieved.

The WRC continues to play a leading role in building a sustainable water-related knowledge base in South Africa by:

- investing in water R&D
- building sustainable and appropriate capacity
- developing skills for the water sector
- being adept at forming strategic partnerships to achieve objectives more effectively while making optimal use of the latest available global information/knowledge and other technologies.

The Water Research Act, 1971 established 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 use 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 and universities of technology (56,25% of the total number of contracts)
- professional consultants (16,6%)
- science councils (22,9%)
- water/waste utilities (2%)
- NGOs (2%).

The main areas of research are surface hydrology, groundwater, hydrometeorology, agricultural water use, 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 technology.

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 into 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 into 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 South African Weather Service (SAWS) is a statutory body functioning under the Department of Environmental Affairs and Tourism.

The SAWS 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).

Government funds public-good services 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.

In 2005/06, the SAWS issued more than 150 adverse weather warnings. SAWS was expected to spend over R6 million in 2006/07 to expand its weather radar network. The SAWS shares weather radar data with Mozambique and intends to establish a regional weather radar network involving neighbouring countries in the SADC in the long term.

Because lightning causes major damage and loss of life, in 2005/06 SAWS installed the state-of-the-art Lightning Detection Network that covers Lesotho and Swaziland and parts of Namibia, Zimbabwe, Botswana and Mozambique.

Among other activities, the SAWS runs the Global Atmospheric Watch Programme, which measures and monitors greenhouse gas datasets. The SAWS has also rolled out a number of ozone-monitoring stations in the SADC region.

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 into living resources and 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 an increase in 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 and the Savanna Ecology Forum.

Fisheries research

Research into South Africa's fish resources, and 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 by 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 South African Network for Coastal and Oceanic Research.

The Department of Science and Technology declared June 2006 Antarctica Month to make South Africans more aware of the unique and exciting research done by South African scientists on this frozen continent and the sub-Antarctic islands. The mission of the South African Antarctic Programme (Sanap) is to increase people's understanding of the natural environment and life in the area through appropriate research, science and technology. Sanap research is undertaken in Antarctica, on the Prince Edward islands (including Marion Island and Prince Edward Island), Gough Island and in parts of the Southern Ocean.

Two government departments are joining hands in managing South Africa's Antarctic initiative. The Department of Science and Technology, through the National Research Foundation, is responsible for science research, while the Department of Environmental Affairs and Tourism takes care of logistical management.

The month also marked the 45th anniversary of the first South African National Antarctic Expedition team to over-winter on the ice.

Private-sector involvement

South Africa's gold-mining industry works at deeper levels and under more difficult conditions than any other mining industry in the world. The research into gold mining conducted by the CSIR's Mining Technology group is concerned primarily with ensuring the health and safety of the workforce. It includes those working in 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 the 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 the 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, microbiology 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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Social development

The aim of the Department of Social Development is to ensure the provision of comprehensive, integrated, sustainable and quality social-development services, and to create an enabling environment for sustainable development in partnership with those committed to building a caring society.

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 a range of social-development programmes. Provincial departments are responsible for most of the service delivery.

Some of the direct services provided by the Department of Social Development 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 department is responsible for policy and oversight in the critical areas of social assistance (means-tested cash benefits to vulnerable categories of South Africans) and social-welfare services (including probation and adoption services, child and family counselling and support services, and secure centres).

Over the last three years, the department has overseen a large expansion of the social-assistance system, with beneficiary numbers increasing from 3,8 million in April 2001 to more than 11 million in March 2006. The departmental mandate has also widened in recent years, with growing responsibility for a broad set of initiatives to improve the livelihoods of South Africans, through the co-ordination of home-based care for people living with HIV and AIDS, food-relief programmes, a focus on programmes for particularly vulnerable groups, and overseeing the National Development Agency (NDA).

Legislation

Older Persons Act, 2006 (Act 13 of 2006)

The Older Persons Bill, which was passed in the National Assembly in March 2006, became law at the end of 2006.

The Older Persons Act, 2006, contains provisions to improve the lives of older South Africans. The main objective of the Act is to:

- maintain and promote the status, well-being, safety and security of older persons
- recognise the skills and wisdom of older persons
- promote participation of older persons in community activities to promote them as people.

Child-care legislation

President Thabo Mbeki signed the Children's Bill into law, now known as the Children's Act, 2005 (Act 38 of 2005), on 8 June 2006. Until Parliament passes the Children's Amendment Bill, and the Children's Act, 2005 and the Amendment Bill become a single comprehensive Act, the Child Care Act, 1983 (Act 74 of 1983), will remain in effect.

The Children's Act, 2005:

- gives effect to certain rights of children as contained in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996),
- sets out principles relating to the care and protection of children
- defines parental responsibilities and rights
- makes further provision regarding children's courts
- provides the issuing of contribution orders
- makes new provision for the adoption of children
- provides for intercountry adoption
- gives effect to the Hague Convention on Intercountry Adoption
- prohibits child abduction and gives effect to the Hague Convention on International Child Abduction
- provides for surrogate motherhood
- creates certain new offences relating to children.

The Children's Amendment Bill aims to:

- amend the Children's Act, 2005
- insert certain definitions such as 'child-headed household' and 'cluster foster-care scheme'
- provide for partial care of children
- provide for early childhood development (ECD)
- make further provision regarding the protection of children
- provide for prevention and early-intervention services
- provide for children in alternative care
- provide for foster care
- provide for child- and youth-care centres, shelters and drop-in centres
- create certain new offences relating to children.

Section 75 of the Children's Bill provides for the establishment of the National Child Protection Register that will record all persons found unsuitable to work with children.

It will also list any person found through the Children's Court, as well as criminal courts, to be unsuitable to work with children.

In terms of the draft law, childcare facilities, including welfare organisations offering foster care and adoption, will be able to check prospective employees, foster parents and adoptive parents against the register.

The register, however, will not be open to the public and all requests for information will be directed through the Department of Social Development.

Social assistance

Social assistance and security

In 2004, the South African Social Security Agency (Sassa) Act, 2004 (Act 9 of 2004), and the Social Assistance Act, 2004 (Act 13 of 2004), were signed into law.

By mid-2006, the social grants function had been moved from the provinces to the Sassa.

By July 2006, Sassa had completed a pilot project in three offices and was processing applications in between one and three days. Sassa was to investigate the feasibility of implementing these processes in all regions.

Bids for supplying mobile units in remote and rural areas to improve access to social grants services were also invited.

In 2006/07, social-assistance grant programmes received an additional R2,7 billion.

Income transfers to households, mainly through social-assistance grant programmes, increased from R42,9 billion in 2002/03 to R74,2 billion in 2005, representing an increase of 20% a year.

The Sassa 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.

The Dutyini Sustainable Development Livelihood Project dealing with linking grants to livelihoods and co-operatives was launched at Dutyini, Mount Ayliff, Eastern Cape, in May 2006.

The development of this project stemmed from government's increasing concern over the growing demand for social assistance due to a lack of employment opportunities and income, the persistence of systemic poverty, unemployment and underemployment.

The pilot project aims to provide and promote an exit strategy for child support-grant beneficiaries and to promote sustainable livelihoods.

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, mechanisms for the rendering of such assistance, the establishment of an inspectorate for social assistance, and related matters.

With a view to operationalising Sassa, government has committed itself to ensuring that ordinary South Africans notice tangible changes to the social-assistance administration system, particularly as improved service delivery will affect them directly.

Operation Isidima is an endeavour by the Department of Social Development to ensure that section 2 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), is given effect, with its primary objective being to restore dignity to citizens who are recipients of social grants.

The main focus areas of Operation Isidima include:

- reducing the application and processing time for grants to 21 days
- enhancing human resource (HR) capacity to a ratio of 1:1000
- upgrading pay and service points in nodal areas
- enhancing communication by uniform messaging
- standardising the disability-application process
- deploying dedicated fraud prevention/detection teams.

The department's national facilities to combat fraud and corruption in the social-security system 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, internal control systems have been improved, and forensic and investigating teams deployed in all provinces.

To root out fraud and corruption, the department set aside R47 million in 2006/07 and maintained

its co-operation agreement with the Special Investigating Unit (SIU).

Over 70 staff members were trained and used in the fight against fraud and corruption, and probed the details of all grant beneficiaries.

By May 2006, 829 cases of social-grant fraud had been brought to court, with 453 convictions. Half of the 12 000 public servants who have been found defrauding the system are expected to be prosecuted between 2007 and 2008.

The department, in collaboration with all national and provincial law-enforcement agencies, including the South African Police Service (SAPS) and the SIU, was expected to establish the Inspectorate for Social Security.

The department has set aside R25,5 million for the establishment of the inspectorate, and R19,4 million for the development of effective monitoring, evaluation and impact-assessment systems.

Payment of social grants

By March 2006, grants were being paid to 11 million South Africans, including foster care grants (300 119), care dependency grants (91 604), war veterans' grants (2 858), old-age grants (2 131 820), disability grants (1 312 726), and child support grants (CGS) (6 961 046). These figures were reached despite significant decreases in some grants after a number of people exited the system during the Department of Social Development's anti-fraud and corruption campaign.

Research studies have consistently confirmed that these grants not only reduce the occurrence of hunger and extreme poverty, but that they also facilitate household access to basic services and economic opportunities.

This has been the fastest-growing category of government expenditure since 2001, and now amounts to R70 billion a year, about 3,4% of gross domestic product.

Social grants contribute more than half of the income of the poorest 20% of households and have doubled in real terms over the past five years.

Social grants have been equalised between racial groups and extended to all in need who qualify.

Some R6,9 billion was set aside for 2005/06 and an additional R19 billion has been set aside over the Medium Term Expenditure Framework (MTEF) period for the further extension of the CSG to children under the age of 14 years.

By May 2006, more than 7,5 million children were receiving the CSG.

The Old-Age Pension Grant is the second-largest social grant. 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.

By April 2005, the department had reviewed 260 000 recipients of temporary disability grants. As a result of the reviews, by September 2005, 100 000 cases of temporary disability had been terminated.

By March 2006, an additional 150 000 recipients of temporary disability grants had been reviewed, resulting in savings of more than R200 million. To consolidate the integrity of the social-security system and related processes, the national budget allocation for system integrity was increased from R24 million in 2005/06 to R60 million in 2006/07.

In partnership with the Department of Health, the Department of Social Development has embarked on a project that aims to bring about a seamless assessment for free healthcare and disability grants by piloting, and then rolling out, a harmonised assessment tool for people with disabilities. A new definition of disability was approved by Cabinet, specifically for the two programmes (free healthcare and disability grants).

Amounts of grants per month as at 1 April 2006

Grant type	Amount
Old-age grant	R820
Disability grant	R820
War veterans' grant	R758
Foster care grant	R590
Care dependency grant	R820
Child support grant	R190
Grant-in-aid	R170

Source: Department of Social Development

The rehabilitation of people with disabilities is considered imperative to facilitate the development of an exit strategy for people with disabilities from social grants. Such rehabilitation is expected to enable people with disabilities to access training and job opportunities.

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 these children turn 18 years old, they are eligible for the Disability Grant.

Poverty relief

Eradicating poverty is the highest priority in government's efforts to build a better life for all.

In addition to providing social assistance, the Department of Social Development also manages the Poverty-Relief Programme. This programme aims to assist communities in a range of developmental projects. The Independent Development Trust (IDT) has been contracted to provide implementation support of these projects.

On 23 January 2006, the Minister of Social Development, Dr Zola Skweyiya, attended the first meeting of the Forum of Ministers of Social Development of the Economic Community of West African States region, held in Bamako, Mali.

The forum serves as a space for dialogue and the sharing of experiences on issues and Programmes that have proven effective in promoting social development, in order to eradicate poverty and social inequalities.

The forum met under the auspices of the Management of Social Transformations (Most) Programme of the United Nations Educational, Scientific and Cultural Organisation.

Dr Skweyiya attended the meeting in his capacity as South Africa's Minister of Social Development and also as the President of the Intergovernmental Council of the Most Programme. He was elected to the position in October 2005, bringing the position to Africa for the first time.

The Most Programme, launched in March 1994, focuses on building efficient bridges between research, policy and practice. It intends to promote a culture of evidence-based policy-making nationally, regionally and internationally.

The programme entrusts state resources to communities to enable them to undertake and dictate development for themselves by themselves.

The programme emphasises access to economic opportunities for specific targeted groups and the establishment of local structures able to identify, own and manage the ongoing implementation of development initiatives in the community.

The programme focuses on the following:

- youth development
- women's co-operatives
- HIV and AIDS
- food security
- older persons
- social finance.

The department has, with the IDT, developed an exit strategy that will enable the projects to operate independently,

To ensure that this is done responsibly, projects have been assessed to determine their status of development and readiness to be exited. Those that are well-developed and ready to stand on their own will be left to do so. Those that need further support will be linked to other institutions that specialise in their areas of focus. The strategy is also intended to bring these projects closer to the provinces and local government. The department is negotiating with relevant stakeholders such as the Department of Trade and Industry, the Umsobomvu Youth Fund (UYF) and the National Empowerment Fund to provide the necessary support to this process.

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; providing social protection to those infected and affected, especially children; protecting children's rights; providing services; special programmes such as the Home- and Community-Based Care Programme; empowering women; and capacitating 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.

The main objectives of the Gender, HIV and AIDS Programme are to:

- facilitate the mainstreaming of HIV and AIDS into policies and of gender into HIV and AIDS-prevention programmes
- facilitate and monitor the development and implementation of policies and programmes.

HIV and AIDS Youth Programme

The expansion of the LoveLife Groundbreaker Partnership Programme aims to strengthen the LoveLife Mphintshi Initiative by linking it to the Expanded Public Works Programme (EPWP) and the prevention programme in relation to home- and community-based care and support. The programme will also expand its services to enable it to reach marginalised and vulnerable youth in rural areas.

The HIV and AIDS Youth Programme will focus on preventing the spread of HIV and AIDS among young people. Behaviour-changing programmes will be implemented to help reduce vulnerability.

HIV and AIDS Workplace Policy and Strategy

The existing HIV and AIDS Workplace Policy and Strategy was reviewed in March 2004, when strategic focus areas for the next three years were outlined. The department's initiatives are managed according to these focus areas. In addition, a set of indicators has been developed to monitor the implementation of the workplace strategy. Research will be commissioned to assess the impact of the department's initiatives.The aim is to develop a comprehensive prevention-awareness programme about sexual behaviour, create awareness about accurate and scientific facts on HIV and AIDS, and to develop transmission modes.

HIV and AIDS advocacy, awareness and outreach

Achieving a meaningful and clear understanding of the scientific facts about HIV and AIDS will lead to individual self-management regarding the risk of HIV. The awareness programme has the following main pillars:

- disclosure
- communication
- rights
- facilitation.

The programme also deals with the physical and emotional consequences of HIV and AIDS. It has the following challenges:

- lack of accurate and current information on HIV and AIDS
- access to care, support, treatment and new healthcare developments.
- discrimination against the infected and affected
- involvement of people living with HIV and AIDS in HIV and AIDS programmes that directly involve people affected and infected, to alleviate stigmatisation.

Home- and Community-Based Care and Support Programme

The social impact of HIV and AIDS is evidenced by the increase in the number of orphans and child-headed households, manifesting itself in the disintegration of families and communities.

About R4,2 billion was expected to be spent in 2006/07 on social-sector employment programmes. These include home- and community-based community care and ECD, community health workers and social-development partnerships with NGOs. Care of child-headed households, strengthening of HIV and AIDS programmes, and appropriate management of children in conflict with the law are among the social-service priorities.

The Home- and Community-Based Care and Support Programme teaches life skills to children and the youth, and provides voluntary testing and counselling services and a range of care and support services, focusing on families and on children orphaned through the AIDS-related death of their parents. There has been significant progress regarding the initial implementation of home- and community-based care and support.

In 2005/06, the programme:

- identified 218 259 orphans and vulnerable children and extended appropriate services to them
- visited 26 623 child-headed households to provide counselling and support services
- referred 30 863 children for foster-care placements
- assisted 268 382 affected families and distributed 170 184 food parcels
- established 600 child-care fora nationwide to identify orphans and vulnerable children.

Services for children

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, as in the case of child-headed households.

The department has developed the 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 team focusing on the care and support of children infected with and/or affected by HIV and AIDS.

United Nations Children's Fund

Unicef has conducted various studies on caring for vulnerable children and children orphaned through AIDS-related illnesses, as well as on the cost-effectiveness of several 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 and Support Programme.

Unicef provided technical support and funding for the review of ECD guidelines which were disseminated to service-providers in 2006.

In July 2006, the Department of Social Development and members of the National Action Committee for Children Affected by HIV and AIDS hosted a conference with the theme *Strengthening Co-ordinated Action for Orphans and Other Children Made Vulnerable by HIV and AIDS*. It attracted some 500 delegates from government and civil society.

The conference followed the first conference of this nature held in June 2002, which arrived at far-reaching recommendations for implementation by stakeholders.

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 poverty-relief, HIV and AIDS, and social-grant registration programmes.

Promoting and protecting the 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 of Social Development facilitates the provision of services to children and the youth through the provincial departments of social development and NGOs.

The implementation of the department's EPWP will improve services and care to orphans and other vulnerable children, with 5 000 home-based caregivers earmarked for training. A database for orphans and vulnerable children was expected to be established in each province in 2006/07 to help ensure the provision of efficient structures for delivering services at all levels.

The policy framework for this sector was expected to be finalised and a national action plan for orphans and vulnerable children developed, as well as the number of childcare fora to be raised by 800 by 2008.

Various programmes for the protection of children continued, including the installation of the Child Protection Register in provinces. Progress was made in finding permanent homes for children. In 2005/06, 251 intercountry adoptions and 2 256 domestic adoptions were registered.

Social-crime prevention

The department is tasked with the implementation of the Probation Services Act, 1991 (Act 116 of 1991), as amended. As such, it has to fulfil various obligations at national and provincial level, such as early intervention services (reception, assessment and referral services, and restorative justice and

diversion programmes), prevention programmes, services to crime victims and statutory services.

The added focus on preventive and diversionary programmes directed at children in conflict with the law saw some 30 000 children diverted from the criminal justice system (CJS) through agreements with the National Prosecuting Authority (NPA), provincial departments of social development and NGOs.

Home-based supervision programmes benefited about 1 000 children in conflict with the law. The number of children in correctional-service facilities declined by 40% between 2004 and March 2006.

The allocation to the social-crime prevention subprogramme was increased by 23,2% over the 2006 MTEF so that the Child Justice Bill could be implemented to improve the functioning of the integrated justice system.

The proposed Child Justice Bill will augment the responsibilities of probation services to ensure that sufficient diversion programmes are in place in rural and urban areas. It will also ensure every arrested child is assessed within 48 hours; additional home-based supervision programmes are provided; the numbers of probation and assistant probation officers are increased; and sufficient and secure-care facilities to accommodate children awaiting trial are put in place.

Policies for promoting the well-being of children were expected to be aligned to the Children's Act, 2005 and provincial implementation was to be managed and progress evaluated.

Programmes and policies for children awaiting trial were being implemented by May 2006, and would be monitored to assess progress and impact.

The department aimed to reduce the number of children in police cells and prisons by 60% during 2006/07 by reviewing existing legislation and regulations, and developing a departmental social-crime prevention strategy and suitable programmes and guidelines for children awaiting trial.

Three secure-care centres are expected to be established, and norms and standards for the centres implemented. Minimum standards for diversion programmes will be launched, and 600 probation officers and 40 assistant probation officers are to be trained. Some 500 volunteers were also expected to be trained as assistant probation officers as part of the National Youth Service Programme in 2006/07, and a professional board for youth work established.

Victim-Empowerment Programme (VEP)

The VEP facilitates the establishment and integration of interdepartmental/intersectoral programmes and policies for the support, protection and empowerment 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.

Integrated Victim-Empowerment Policy

The final draft of the Integrated Victim-Empowerment Policy has been costed and presented to senior management fora for recommendations and approval.

One-stop centres for abused women and children

The VEP is a major component of the agreement between the Department of Social Development and the United Nations 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.

The one-stop centre in Uitenhage in the Eastern Cape has a shelter for abused women and their children. This centre – one of five countrywide – attends to about 55 people a month.

To establish two shelters for victims of domestic violence in rural areas, a partnership was secured with Mpumalanga and KwaZulu-Natal. The Transnet Foundation donated R600 000 to shelters in Gauteng, the Eastern Cape, Western Cape and Free State.

National Directory on Services for Victims of Violence and Crime

The National Directory on Services for Victims of Violence and Crime, which was launched during the 16 Days of Activism on No Violence Against Women and Children in December 2004, is continuously updated in collaboration with provincial VEP managers/co-ordinators. The purpose of the national resource directory is to promote the accessibility of services to victims of crime and violence.

Minimum standards for service delivery to victims of violence

Workshops for the implementation of minimum standards for service delivery to victims of violence

were conducted nationally as a complementary process to the implementation of the South African Victim's Charter of Services. By mid-2006, the provinces were conducting development quality assurance using the minimum standards as guidelines.

Training in victim-empowerment and trauma support

An updated manual for training professionals in victim empowerment and trauma support is available for use by the relevant role-players and for training.

Victim-empowerment management

The department conducted six victim-empowerment interdepartmental intersectoral management team meetings and one strategic planning session during 2005/06. The Integrated VEP Strategy is available as well as the consolidated report of achievements.

European Union (EU) funding

The EU has made funding available to strengthen VEPs and services in the country. The VEPs were expected to commence on 1 July 2006.

Interdepartmental collaboration

The department is actively involved in the following interdepartmental task teams for an integrated approach to victim empowerment, namely:

- the Anti-Rape Strategy with the NPA
- the Trafficking in Persons Intersectoral Task Team; the Victims' Charter; and the Victims of Truth and Reconciliation in the Department of Justice and Constitutional Development.

Anti-Rape Strategy

The Interdepartmental Management Team (IDMT) comprises representatives from the departments of health, of safety and security, and of social development, as well as from the Sexual Offences and Community Affairs Unit of the National Directorate of Public Prosecution.

The IDMT was tasked with developing the Anti-Rape Strategy for the prevention of sexual violence against women and children.

The strategy comprises an approach that enables both prevention of and response to violence, improves effectiveness of the CJS, increases the reporting rate of sexual assault, and improves the effectiveness of survivor-support programmes.

The South African Police Service (SAPS) has also established partnerships with several community-based role-players, including businesses. These links have improved the implementation of crime-prevention initiatives.

Trafficking in human beings

The Department of Social Development forms part of the Trafficking in Persons Intersectoral Task Team, which co-ordinates the country's strategy in relation to anti-trafficking activities. This is because existing empirical data demonstrates that most cases of human trafficking can be linked to sexual exploitation. The country's strategy has been developed to ensure participation by all stakeholders.

Services to families

This programme favours services promoting the family as the core of society. A well-functioning family addresses the needs of its members in terms of their emotional, physical, intellectual, spiritual and economic well-being.

The policy presents a framework and strategy on the role and contribution regarding an integrated and comprehensive approach of service delivery to families.

The Reference Group for Family Life took responsibility for developing the integrated five-year Strategic Plan for Families. The plan is linked to the African Union Plan of Action for Families in Africa, and is being implemented by all stakeholders. Reports are submitted to the Department of Social Development for co-ordination.

The Moral Regeneration Strategy for Social Development has still to be developed. A discussion document is available and is expected to be workshopped for input from provinces.

The national and international days for families are celebrated annually on 17 April and 15 May respectively.

Prevention and treatment of substance abuse

The Ke Moja Project, launched in the Western Cape, is a prevention programme that has successfully targeted the youth. 'Ke Moja' means 'no thanks' and aims to inform and educate the public about the dangers of drugs, as well as to mobilise them,

particularly children and the youth, to say no to substance abuse. The project was extended to all provinces during 2006/07.

The Youth Best-Practice Treatment Model was developed, and training provided countrywide to facilitate roll-out of the model. The model proposes essential elements to be considered when offering treatment to youth in residential facilities.

A significant achievement has been the development of minimum standards for in-patient treatment centres, which were piloted and implemented in the five government facilities. These minimum norms and standards were expected to be implemented in all provinces during 2006/07, with training to be conducted based on identified needs.

The standards are being used to transform service delivery in government facilities as a first priority, and to ensure that appropriate services are provided at these centres. The standards will also set the framework for the registration of treatment centres run by civil-society structures in the country.

The proliferation of unregistered treatment centres is being addressed. Notices have been sent out to sensitise the sector about the legal registration requirements and to ensure that such facilities are registered in terms of the Prevention and Treatment of Drug Dependency Act, 1992 (Act 20 of 1992). Most treatment centres have applied for registration, and the department is working with the provinces to accelerate the process.

In October 2006, Cabinet approved the National Drug Master Plan and Programme. The plan is in line with the Drug Dependency Act, 1992, which requires government to review such a plan every five years.

Current legislation governing services on the prevention and treatment of substance abuse and rehabilitation is outdated and was expected to be reviewed during 2006/07. The Prevention and Treatment of Substance Abuse Bill will provide for the transformation of services in the field of substance abuse, community-based interventions, and the development of minimum norms and standards for different levels of service delivery for substance abuse, and will ensure registration and monitoring facilities. This Bill was expected to be introduced to Parliament in 2006.

The department wants to ensure that human rights and minimum standards for treatment are upheld. The Policy on the Management of Substance Abuse was drafted and finalised during 2005/06. The policy was used to inform the review process of the substance abuse Bill and the National Drug Master Plan.

Child abuse and neglect

The department's priority is fighting child abuse and neglect, as illustrated by the following initiatives:

- Child Protection Register: This programme, tested and revised in 2004, has been implemented in seven provinces. It aims to develop an electronic database in all provinces, linked to a central database at the Department of Social Development, on children younger than 18 years who have been abused, neglected or exploited.
- Draft Policy Framework and Strategic Plan on the Prevention and Management of Child Abuse, Neglect and Exploitation: The framework has been completed. Effective implementation is expected to reduce the incidence of abuse and neglect, and to clarify the roles and responsibilities of stakeholders.
- 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 can 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 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 (0800 55 555) 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 counselling and information.

Apart from the 24-hour toll-free helpline, services also include treatment centres for individual, family and play therapy; prevention programmes; community safehouses; and training and awareness programmes.

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 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 has 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.

In 2006/07, the Office on the Status of Disabled Persons, located in The Presidency, aimed to:

- strengthen the national disability system so that it is effective at co-ordinating disability programmes
- monitor the implementation of a well-co-ordinated integrated disability policy, and measure progress of service delivery in, for example, the public-transportation system, against the disability indicators
- work on the International Convention on the Rights of People with Disabilities.

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.

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.

The National Skills Development Strategy calls for 4% of all people who obtain training 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.

As existing policies are not adequate to address the needs of this vulnerable group, the Department of Social Development intends to do research into the needs of people and children with disabilities, and an increase of R1 million was allocated for this purpose.

Youth development

Youth-development initiatives are guided by, among others, the National Youth Development (NYD) Policy Framework, World Programme of Action for Youth, and the Ministerial Ten-Point Plan.

Various youth-development services are being rolled out.

Youth-development services

The department developed NYD implementation guidelines in line with the NYS unit guidelines.

The NYD Forum sits biweekly to consult, secure support for, and guide provinces in implementing youth projects. Key to these are provincial visits, including hosting meetings with stakeholders and visiting projects funded by the department to monitor their implementation and impact.

Volunteerism is promoted among the youth. A volunteer manual has been developed, which includes a volunteer rights charter and a basic code of conduct for volunteers and volunteer-involving organisations. These documents are distributed to organisations and government departments throughout the year and, in particular, during the National Volunteer Week held annually from 26 June to 2 July, as part of the Youth Month Programme.

Several relations have been developed and strengthened, including the signing of the MOU with the UYF on the NYS Programme.

Research and policies

The Draft Youth Development Framework was presented to management for approval. By mid-2006, the Youth Development Plan was being drafted.

Youth-work professionalisation

A national task team has been established, constituting youth workers represented by the South African Youth Work Association, UYF, National Youth Commission and the Department of Social Development. Unit standards on youth work have been drafted, as have the proposed qualifications at National Qualifications Framework levels 4 and 5. By mid-2006, these were being reviewed by youth workers, through the Community Development Practitioners' Professional Board.

Outreach programmes

Youth Development Month is held every June. Activities include Youth Day on 16 June, the National Entrepreneur Exhibition and National Volunteer Week.

International obligations

The department was part of a task team charged with reviewing the World Programme of Action for Youth and preparing the Country Report to the United Nations (UN) General Assembly. Part of the review process of the World Programme of Action was the holding of a civil-society Youth Assembly in New York in the United States of America. The outcome of the assembly was included in the final report presented to the UN General Assembly as part of the 10-year review of the youth programme.

Cluster responsibilities

The Department of Social Development was tasked by the Social Cluster to convene and chair the Task Team on Youth to draft the Cluster-Wide Youth Development Plan. A framework was designed as an outcome of the Social Sector National Workshop. The Social Cluster meeting approved the framework and it later became the Social Cluster Youth Development Plan. A template has been developed to monitor its implementation according to indicators and measures.

United Nations Population Fund (UNFPA) Second Country Support Programme for South Africa

The second country programme was conceptualised and designed to develop best-practice models and methodologies for local municipalities, in order to integrate population and development priorities in the local integrated development plans.

The capacity-building initiatives and research study were formulated to support this pilot programme. The programme was approved by the Minister of Social Development in October 2002. It is informed by the need for government to develop those areas that were previously marginalised, in particular, rural areas, through integrated sustainable rural development. The programme is implemented in 10 rural nodes within the three provinces with the worst socio-demographic indicators, namely the Eastern Cape, KwaZulu-Natal and Limpopo.

The overall goal of the second country programme is to:

- improve the quality of life of historically disadvantaged South Africans
- alleviate poverty through population trends commensurate with social and economic development
- reduce the spread of HIV and AIDS
- improve reproductive health services and respect for reproductive rights
- enhance gender equality.

Four subprogrammes were also developed:

- Sexual Reproductive Health
- Gender-Based Violence
- Population and Development Strategies
- Advocacy.

A more streamlined project implementation framework comprising 27 identified projects was developed, and the following capacity-building projects and research were implemented:

- Population and HIV and AIDS Integrated Development – Capacity Development Course for Government Managers and Planners
- Applied Population Sciences Training and Research
- Leadership Training in Sustainable Development – Population, Environment and Development Nexus
- Advocacy, Information, Education and Communication training workshops
- Capacity-Building Programme for Civil-Society Advocacy Organisations Working in the Fields of Sexual Reproductive Health, Gender-Based Violence, and HIV and AIDS
- Research Study on Knowledge, Practices and Attitudes on Gender-Based Violence.

Welfare services

Remuneration of social workers

The process of regrading social workers was completed and implemented at national and provincial levels. Social workers on salary levels 7, 8, 9, 10, 11 and 12 were regraded. The Minister of Finance allocated funds for revised salary packages to be implemented. The implementation process will be evaluated to reduce disparities and to ensure uniformity.

Retention Strategy for Social Workers

The broader Retention Strategy for Social Workers has been drafted. The strategy will address the needs of social workers in the public and private sectors. It includes the following key components:

- increasing HR by recruiting and retaining social workers
- promoting education, training and development of social workers
- improving the quality of social-work services
- strengthening governance structures within the social-service professions
- promoting occupational safety standards within the workplace
- improving service conditions for social workers
- marketing and promoting social-work services and programmes.

Capacity-building Programme for Social-Service Professionals

During the first phase of the Capacity-Building Programme for Social-Service Professionals that commenced in all provinces in 2005/06, 1 869 social-service professionals from both the public and private sectors were trained.

Repositioning the developmental social welfare sector

The Integrated Service Delivery Model for Development Social Services was launched in November 2005.

The desired outcome of the model is the implementation of comprehensive, efficient and quality service delivery that contributes to a self-reliant society.

The model acknowledges the interdependent relationship between the department's main programmes, namely Social Security, Social Welfare and Community Development.

It determines the nature, scope, extent and level of work that constitutes service delivery by development social services.

It also provides a basis for determining appropriate norms and standards for service delivery, which will in turn provide a basis for funding and greater efficiency in service delivery.

Review of the policy for service-providers

The policy was being implemented in phases with effect from 1 April 2005. Procedure guidelines and an administrative tool have been developed and approved, and are being implemented on a trial-basis with a view to full implementation in April 2007.

Funding of non-governmental organisations

The services rendered by NGOs as partners in service delivery with the department continue to receive support. The department continues to award funds to service-providers at national and provincial level, with 18 national bodies having been awarded funds.

Costing models

Costing models were developed to promote uniformity in the costing of services, to improve service delivery and responsiveness to the needs of the majority of the population, to help identify and quantify inequities in service delivery and funding mechanisms, and to effectively foster transformation of services.

The models were presented to MinMec and were approved in principle, subject to determination of financial implications and priorities by the provinces.

Statutory bodies

National Development Agency

The NDA is a government agency mandated by the NDA Act, 1998 (Act 108 of 1998), to contribute towards eradicating poverty through funding, capacity-building, research and development.

The NDA's primary sources of income are an allocation from the National Revenue Fund and donor funding.

Transfers to the NDA increased from R103,3 million in 2003/04 to R123 million in 2006/07.

The NDA is mandated to:

- grant funds to civil-society organisations to meet the development needs of poor communities
- strengthen organisations' institutional capacity for long-term sustainability
- promote consultation, dialogue and sharing of developmental experiences
- inform and influence government developmental policies
- collaborate with stakeholders in the development field to develop strategies for eradicating poverty in South Africa.

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.

Non-profit organisations

The NPO Act, 1997 (Act 71 of 1997), mandates the Department of Social Development to contribute towards creating an enabling environment within which NPOs can flourish. The Directorate: NPOs was established in terms of this legislation to manage the registration facility and to increase public access to information on registered organisations.

The legal mandate requires that the directorate register organisations within two months receipt of a complete application, and provide support for organisations to register and meet reporting requirements.

The registration and reporting of organisations has increased substantially since the inception of the Act in 1998. During 2005/06, 13 405 organisations applied for registration. Of these, 8 398 met the registration requirements. By March 2006, the total number of registered organisations was 37 532. Most registered organisations are in Gauteng (32%) followed by KwaZulu-Natal (18%). The Northern Cape (2,3%) has the fewest registered organisations.

Only 1 024 organisations were deregistered due to non-compliance. That 5 415 registered organisations submitted annual reports is a positive indication that the capacity of organisations to comply with the reporting requirements of the legislation has increased.

Registration is voluntary. Nevertheless, a large number of NPOs continue to choose to be registered and be accountable to a public office.

In supporting NPOs in their endeavour to register, the department continues conducting capacity-building interventions and other support initiatives in collaboration with the provincial departments, including other networking organisations and fora within civil society.

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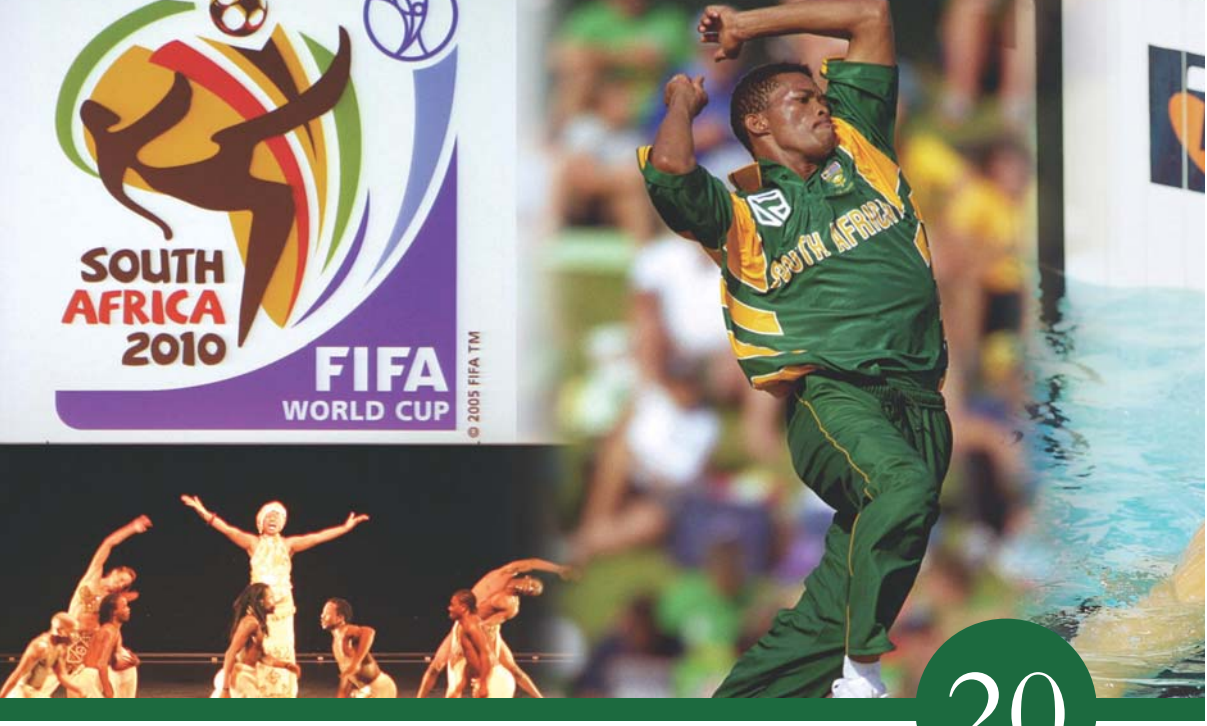

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Sport and recreation

Sport in South Africa is a multibillion rand industry and contributes more than 2% to the country's gross domestic product (GDP). Sport and Recreation South Africa (SRSA) aims to improve the quality of life of all South Africans by promoting participation in sport and recreation in the country, and through the participation of sportspeople and teams in international sporting events.

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 address issues of national importance.

The SRSA is responsible for:

- 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 intragovernmental relations
- acknowledging the contributions of sportspeople to South African society
- 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.

From 2005/06, the Building for Sport and Recreation Programme became part of the Municipal Infrastructure Grant, which is located in

the Department of Provincial and Local Government. The SRSA will continue with its policy, advocating and monitoring roles. In accordance with a contract concluded with the SRSA, local authorities will own the facilities once they have been completed and will be responsible for their maintenance.

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.

Programmes

Sports Tourism Project

SRSA launched the Sport Tourism Project at the Durban Tourism Indaba in May 2006. The primary motivation of the project is to exploit the substantial benefits that the tourism industry presents for job creation in South Africa.

It combines the Veza route-finder tool developed by the Council for Scientific and Industrial Research (CSIR) with sports information, enabling users to plan attendance of sports events, including mapping the route to the venue, booking accommodation, and selecting restaurants and other tourist attractions in the vicinity of the venue or elsewhere 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 indicates that tourism outstrips gold earnings as a revenue generator for South Africa.

The SRSA aims to enhance the sustainability of the project by:

- promoting 'home-grown' events such as the Dusi Canoe Marathon, Pick & Pay *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
- producing an interactive CD-ROM to provide information on sport and recreation events and associated information on South Africa.

Mass participation

The Syiadlala Mass Participation Programme (SMPP) was launched in 2005 to facilitate access to sport and recreation by as many South Africans as possible, especially those from historically disadvantaged communities. The SRSA launched the programme with a budget of R20 million. The department is entering the third year of the programme with a budget of R79 million.

The SRSA has expanded the programme that it launched in 36 activity hubs involving 200 000 participants around the country in 2004/05, to 131 hubs involving more than 1,2 million people in 2005/06. In 2006/07, another 133 hubs were expected to be added. The aim, eventually, is to ensure that no child has to walk more than five kilometres to access an activity hub anywhere in the country. The establishment of at least one hub in every ward in every municipality across South Africa is the ideal. That means that there will be eventually more than 3 800 hubs bustling with active South Africans.

The SMPP is expected to enable the sport sector to contribute to the Accelerated and Shared Growth Initiative for South Africa (AsgiSA). By mid-2006, 353 unemployed young people had been recruited and trained and were being paid a stipend to run the programmes. Research done in the hubs indicates that small stipends contribute to feeding up to eight families in some instances. The SMPP had also trained 825 young volunteers in sport and recreation administration, 1 293 entry-level coaches, 655 referees, and over 450 people in event management and first aid.

Young Champions Project

The project is a joint effort of the SRSA, 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.

South Africa hosted the International Paralympic Committee's Swimming World Championships in Durban in December 2006. The championships, which take place every four years, were expected to attract 600 swimmers and 265 officials from 60 countries.

It forms part of the SRSA's commitment to encouraging the youth, especially those in crime nodes, to take part in sport.

School sport

In 2005, the SRSA concluded an agreement with the Department of Education for the resuscitation and revitalisation of school sports and physical education programmes. In the 2006/07 budget, more than R85 million was set aside for the SRSA's two school-sport programmes.

Physical Education as a compulsory school subject constitutes the very basis of participation and often provides reluctant participants with their first sports experience that could make them more positive toward participating. In future, Physical Education will feature in the life-orientation programme of the School Curriculum.

The SRSA has also introduced programmes that have led to more young people competing more regularly and on more equal grounds. In 2006/07, 798 schools were expected to participate in 56 clusters comprising schools close to one another to facilitate regular interaction between the 200 000 learners initially involved. The aim is to eventually involve 2 700 schools countrywide in the project.

Transformation in sport

Sports Transformation Charter

The Sports Transformation Charter guides all macrobodies, 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:

- 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.

Ministerial task team into high-performance sport

In December 2004, the first steps were taken towards implementing the ministerial task team's recommendations into high-performance sport that were approved by Cabinet. The South African Sports Confederation and Olympic Committee (Sascoc) opened its doors, and the SRSA took over the functions of the South African Sports Commission (SASC) and its personnel.

The expanded SRSA has the capacity to provide mass-based sport and recreation at community level in the most remote parts of the country. Government resources for sport and recreation will be channelled into the SMPP.

Sascoc has taken over all the high-performance sport activities, and works in close co-operation with national federations that constitute its primary stakeholders.

National Sports Academy

The National Sports Academy was launched in 2004 to improve sports performance and to bring South Africa on par with other sporting nations. The academy seeks to create opportunities for talented athletes to exploit their potential to the full.

Its short-term focus is on providing a one-stop, world-class training and support environment for identified sport, offering elite athletes the opportunity to prepare for the Olympic and Paralympic games.

The academy's work is complemented by the SMPP.

The sports-academy system comprises a significant aspect of the delivery system in sport and recreation at high-performance level and will eventually provide the necessary support for talented athletes, ensuring that those from disadvantaged backgrounds receive the support they need.

Government allocated R15 million to sports academies in 2005/06.

Sporting accolades

South African Sports Awards

The SRSA and Sascoc are joint custodians of the South African Sports Awards, in partnership with the SABC. South African sports stars are presented with awards for their efforts to keep the passion of sport alive in the hearts of millions of South Africans through their achievements in local or international sports events.

The awards recognise and honour individuals and teams who have excelled both on and off the field each year.

Legislation

In 2006, several pieces of legislation were referred to the National Assembly and the National Council of Provinces for consideration. Prominent among these was the 2010 Fifa World Cup Special Measures Bill that seeks to amend all 'non-money' Acts that may impede the implementation of guarantees that government provided to Fifa when bidding for the event.

The Safety at Sport and Recreation Events Bill was also put before Cabinet for consideration. It constitutes an important tool in the security arrangements for the 2010 Fifa World Cup.

During 2006, Cabinet passed the Sport and Recreation Amendment Bill and the South African Institute for Drug-Free Sport Amendment Bill. The former aims to improve the governance of sports federations, and allows the Minister of Sport and Recreation to intervene where the actions of federations threaten to bring sport into disrepute. The South African Institute for Drug-Free Sport Amendment Bill aims at improving the efficiency of the institute at countering athletes' use of banned performance-enhancing substances.

National orders are the highest awards that the country can bestow on individual South Africans.

On 27 September 2006, President Thabo Mbeki presented the Order of Ikhamanga, to:

- Ryk Neethling and Roland Schoeman for excellent achievements in the field of swimming
- George Singh (posthumous) for an excellent contribution to soccer and to non-racism, non-sexism and justice in sport and society
- Oscar Pistorius for inspiring achievements in athletics and contributing to the well-being of disabled people in Africa
- Sibusisi Vilane for excellent achievement and inspiring interest in mountaineering.

Sports organisations

South African Sports Confederation and Olympic Committee

The SASC Act, 1998 (Act 109 of 1998), provided for a commission to administer sport and recreation under the guidance of the Minister of Sport and Recreation. In 2005, the SASC Repeal Act, 2005 (Act 8 of 2005), de-established the SASC. The functions of the SASC are now shared between SRSA and Sascoc.

Sascoc is the controlling body for all high-performance sport in South Africa. It also controls the preparation and delivery of Team South Africa at all multisport international games, including the Olympic, Paralympic, Commonwealth, World and All-Africa games.

It has assumed functions relating to high-performance sport that were carried out by the following controlling bodies: Disability Sport South Africa, the National Olympic Committee of South Africa, South African Commonwealth Games Association, SASC, South African Student Sports Union, and the United School Sports Association of South Africa.

Sascoc also:

- affiliates to and/or is recognised by the appropriate regional, international and continental sports organisations for high-performance sport
- initiates, negotiates, arranges, finances and controls multisport tours to and from South Africa
- ensures, and if necessary, approves that the bidding process relating to the hosting of international or any other sporting events in South Africa complies with the necessary rules and regulations
- facilitates the acquisition and development of playing facilities, including the construction of stadiums and other sports facilities
- ensures close co-operation between government and the private sector relating to all aspects of Team South Africa
- ensures the overall protection of symbols, trademarks, emblems or insignia of the bodies under its jurisdiction.

In August 2006, the South African Rugby Union and SuperSport television channel launched a high-performance academy for rugby that will be based at the Bushman Sands Resort in Alicedale.

The institute will offer an elite one-year programme that will accommodate 30 players aged between 17 and 20 from across the country. Besides training future Springboks, the institute will also train national teams, match officials, coaches and administrators.

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 functions are to promote boxing and to protect the interests of boxers and officials. Its main responsibilities 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 academy was launched in August 2003. It was established using part of the R27 million invested in boxing by cellular service-provider Vodacom. The academy is spearheaded by the Sports Information and Science Agency in conjunction with the University of Pretoria's High-Performance Centre.

The academy offers boxers high-performance physical fitness, athletics and life skills.

During 2004/05 and 2005/06, Boxing South Africa trained many boxers, promoters, ring officials and trainer/managers, either meeting or exceeding its stated target in all but a few categories. Boxing South Africa intends focusing on informal training in life skills, weight management, taxation, ring mechanics, boxing regulation and television interviewing for some 100 boxers, 47 managers and 51 matchmakers during the Medium Term Expenditure Framework period.

South African Institute for Drug-Free Sport (Saids)

Saids is the South African national anti-doping organisation. It is a public entity established by the Drug-Free Sport Act, 1977 (Act 14 of 1997), and funded by the SRSA, with a mandate to promote participation in sport free from the use of prohibited substances or methods intended to artificially enhance performance, in the interest of the health and well-being of sportspeople.

Saids is responsible for developing anti-doping policy and implementing a national anti-doping programme across all South Africa's sports codes. It has 54 part-time, accredited doping-control officers based throughout South Africa, who are trained to international standards, who conduct in- and out-of competition testing on athletes from 57 sporting disciplines, with 76 trained and accredited chaperones to assist the doping-control officers.

Saids is one of few national anti-doping agencies worldwide with ISO 9001:2000 certification in compliance with the International Testing Standards. This is the internationally recognised benchmark for quality assurance and excellence, and represents world best-practice in doping control in sport.

Saids' key focus areas are:

- Drug testing: The institute conducts a comprehensive, independent and effective national drug-testing programme on South African athletes competing at regional, national and international level. Over 2 300 tests were conducted in 2005/06. It also conducts in- and out-of-competition testing on international athletes on behalf of international sports federations and other international anti-doping organisations.
- Education: Saids provides education and information resources and services for all its target groups, namely athletes, coaches, parents, sports organisations, members of the medical and pharmaceutical and sports-science professions, tertiary-education institutions and the public. It provides a telephone information service manned by qualified pharmacists (021 448 3888), and has a website with a database of banned and permitted products in sport that are available on the South African market. It also contains up-to-date news and information on national and international anti-doping issues *(www.drugfreesport.org.za).*

  Saids conducts a comprehensive monthly programme of lectures, 'train-the-trainer' workshops and anti-doping seminars throughout South Africa, and collaborates with role-players in education to include sports drugs in drug-awareness and education programmes conducted at school level.
- Research: Saids conducts sociological research into 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.
- International collaboration: South Africa is an active participant in the global effort to combat drugs in sport, and Saids collaborates closely with its counterparts throughout the world to achieve international harmonisation and the improvement of standards and practice in doping control. South Africa is a member of the 13-country International Anti-Doping Arrangement and of the Executive Committee of the International Association of National Anti-Doping Organisations. It collaborates with other countries in Africa to determine and develop anti-doping strategy in accordance with the requirements of the World Anti-Doping Code.

World Anti-Doping Agency (Wada)

The Africa Regional Office of Wada was established in Cape Town in 2004 to co-ordinate the anti-doping activities of the agency throughout Africa. This includes promoting and maintaining effective lines of communication between Wada and all the relevant stakeholders, governments and public authorities, the broad sports movement, national anti-doping agencies and laboratories.

2006 sports highlights

Commonwealth Games

In March 2006, Team South Africa returned from Melbourne, Australia, with 38 medals in total, including 12 gold, 13 silver and 13 bronze. They finished in fifth position overall on the medals table. This is the best-ever performance by a South African team.

In May 2006, South African wheelchair racing athlete Ernst van Dyk won the Laureus Sportsperson of the Year Award for an athlete with a disability at a gala function in Barcelona.

The 'Oscars of Sport' are awarded annually, and winners are chosen by 42 sporting greats who make up the Laureus World Sports Academy.

Van Dyk is a six-time winner of the Boston Marathon, and is the world record holder in the wheelchair marathon.

In the past year, besides winning the Boston Marathon, he won the New York and Los Angeles marathons in record time, and the Paris Marathon and the Oita Marathon in Japan.

The medal winners were:

Gold

- Aquatics
  - SA 4 x 100 m freestyle relay (Roland Schoeman, Ryk Neethling, Lyndon Ferns, Gerhard Zandberg)
  - Roland Schoeman (50 m butterfly)
  - Roland Schoeman (50 m freestyle)
  - Natalie du Toit (100 m Elite Athlete with Disability (EAD) freestyle)
  - Natalie du Toit (50 m EAD freestyle – world record in heats and final).
- Athletics
  - Sunette Viljoen (javelin)
  - Janus Robberts (shot put)
  - Elizna Naudé (discus throw)
  - Anika Smit (high jump)
  - LJ van Zyl (400 m hurdles).
- Boxing
  - Bongani Mwelase (welterweight division, 69 kg).
- Shooting
  - Diane Swanton (trap shooting).

Silver

- Aquatics
  - George du Randt (200 m backstroke)
  - Ryk Neethling (100 m freestyle).
- Athletics
  - Geraldine Pillay (100 m)
  - Hilton Langenhoven (100 m T12 EAD)
  - Alwyn Myburgh (400 m hurdles)
  - David Roos (200 m T46 EAD)
  - Khotso Mokoena (triple jump)
  - 4 x 100 m relay (men)
  - 4 x 400 m relay (men).
- Boxing
  - Jackson Chauke (flyweight, 51 kg).
- Cycling
  - David George (cycling road race).
- Shooting
  - Esmari van Reenen (50 m rifle 3)
  - Byron Swanton (double trap shooting).

Bronze

- Aquatics
  - Suzaan van Biljon (200 m breaststroke)
  - Roland Schoeman (100 m freestyle)
  - Lize Mari Retief (50 m butterfly)
  - Gerhard Zandberg (50 m backstroke)
  - Troyden Prinsloo (1 500 m freestyle).
- Athletics
  - Geraldine Pillay (200 m)
  - Chris Harmse (hammer throw).
- Gymnastics
  - Francki van Rooyen (Women's artistic, floor event).
- Lawn Bowls
  - Neil Burkett, Eric Johannes, Gideon Vermeulen (Men's trips)
  - Lorna Trigwell (Women's singles)
- Shooting
  - Allan MacDonald, Daniel van Tonder (25 m centre fire pistol pairs)
  - Allan MacDonald, Daniel van Tonder (25 m standard pistol pairs)
- Weightlifting
  - Babalwa Ndleleni (Ladies 75 kg category)

Athletics

In August 2006, South African athletes returned from the 15th African Athletics Championships in Mauritius after retaining their number-one spot in Africa and increasing their medals tally.

The youthful team, half of whom competed in international competition for only the first or second time, won 10 gold, 12 silver and five bronze medals, in difficult, windy conditions.

The female athletes won six of the gold medals, with outstanding performances from Janice Josephs in the heptathlon, and newcomer Rene van der Merwe, who won gold in her first international competition for high jump.

Justine Robbeson (javelin), Elizna Naudé (discus) and Janet Wienand (400 m hurdles) won individual gold medals, while the 4 x 400 m relay team of Amanda Kotze, Estie Wittstock, Heide Seyerling and Janet Wienand were also victorious.

Chris Harmse won gold in the hammer throw with a season's best of 77,55 m, setting a new Africa record.

Okkert Brits won gold in the pole vault event.

LJ van Zyl beat his compatriot and training partner Alwyn Myburgh to take gold in the 400 m hurdles and Gerhardus Pienaar won gold for javelin throw.

Mbulaeni Mulaudzi, who competed in the fourth International Association of Athletics Federations' (IAAF) World Finals in September 2006, achieved his fifth consecutive win in recent races, winning R210 000 and ending the year as the world's undisputed number one. His time was the fastest of the year.

Five South Africans competed in African colours on the opening day of the IAAF's 10th World Cup meeting in Athens, Greece, in September 2006. LJ van Zyl recorded his third successive second place in a major international meeting in several weeks. African record-holder in the women's javelin event, Justine Robbeson, won a bronze medal.

Boxing

In June 2006, Cassius Baloyi achieved an important milestone for South African boxing, knocking out Manuel Medina in the 11th round of the International Boxing Federation (IBF) and International Boxing Organisation junior-lightweight unification bout to claim the two world titles.

The win earned Baloyi his fourth world title, equalling the record of Baby Jake Matlala. His stoppage victory marked the first time a South African boxer had won a meaningful world title since Corrie Saunders was crowned World Boxing Organisation heavyweight champion in 2003.

The last time a South African fighter held an IBF title was in 2001 when Lehlohonolo Ledwaba and Zolani Petelo held the junior-featherweight and straw-weight titles respectively.

Cricket

In March 2006, South Africa smashed 438/9 at the Wanderers in Johannesburg to beat Australia and win the One-Day International (ODI) series 3-2. The 32 000 spectators who packed the Wanderers enjoyed a day to remember, and had much to cheer about, as both teams reached their highest totals at nearly nine runs an over.

It was the highest aggregate of runs in any ODI, and the first time any team had scored more than 400 runs. Australia contributed 44 fours and 14 sixes, while South Africa hit 44 fours and 12 sixes.

In May, South Africa won the third test against New Zealand to win the series. Makhaya Ntini was named player of the series. In total, during the summer, he dismissed 47 batsmen at a rate of 24,43 per wicket.

Cycling

In February 2006, David George of the South African national team won Malaysia's Le Tour de Langkawi; the first time a rider from a non-trade outfit claimed Asia's biggest cycling title. George took the yellow jersey as the overall leader based on his total time of 26, 43, 55 for nine stages of the race covering 1 105 kilometres.

In August 2006, Cape Town-based team CSC/CVT's Abdelbasset Hannachi became the Arabian national road champion after winning the under-23-elite and elite categories in Dubai. At the time, Hannachi was the Western Province under-23 and time-trial champion.

Team CSC/CVT beat Team HSBC to win top team honours in the six-stage five-day Tour de Maurice, which took place between 30 August and 3 September 2006 in Mauritius.

Canoeing

South Africa won the annual canoeing tri-nations competition in Australia in August 2006 during the Multiplex Avon Descent, with Sven Bruss and Abbey Miedema winning the men's and women's kayak sections in extremely low river conditions.

In September 2006, Shaun Rubenstein became the canoeing marathon world champion when he beat six-time world champion Manuel Busto Fernandes in the men's K1 World Championship race on the Dordogne River in Termolat, France.

Dakar rally

In January 2006, Giniel de Villiers, driving a Volkswagen Touareg 2 Prototype, achieved second place in the 15-day, 9 000-km Lisbon-to-Dakar Rally, finishing only 17 minutes behind the leader.

In September 2006, Cape Town's Grand Parade hosted the Homeless World Cup. It is a football event in which homeless people from across the world participate in an international football tournament that not only highlights their plight, but also creates opportunities for them to emerge from their social conditions. The success rate of the tournament is impressive. In the past, 38% of players have found regular employment, 46% have improved their housing situation, 34% have pursued education, 27% have addressed their drug dependency and 72% are continuing their participation in football. Sixteen participants have been signed up with professional or semi-professional football clubs. Forty-eight nations participated in the 2006 event, with Russia claiming the title after beating Kazakhstan in the final.

Golf

In January 2006, Sweden captured the Women's World Cup of Golf title at the Gary Player Country Club at Sun City, North West. Teamed with Liselotte Neumann, Annika Sorenstam, with a strong performance that included an eagle on the par-five 14th hole in the final round, helped Sweden to a seven-under-par total of 281, three shots clear of Scotland's Catriona Matthew and Janice Moodie, and seven ahead of the third-placed Welsh duo of Rebecca Brewerton and Becky Morgan.

Hosts South Africa, who began the final round in 12th spot, moved up the standings to tie with Finland for seventh place on 292.

In February 2006, South African Rory Sabbatini claimed victory in the Nissan Open at the Riviera Country Club, pocketing US$918 000 – his biggest pay cheque yet.

In May 2006, South Africa's Hendrik Buhrmann ended an 11-year wait to win his maiden title in Asia, seizing the inaugural US$400 000 Aamby Valley Asian Masters.

Ten stadiums will be used for the Fifa Soccer World Cup in 2010.

There will be five new stadiums, while five existing stadiums will be upgraded for the world's most popular sporting event.

Three existing stadiums in South Africa's major metropolis, Gauteng, will be upgraded. These are Soccer City (FNB stadium) and Ellis Park in Johannesburg, and Loftus Versfeld in Pretoria. The Royal Bafokeng stadium in North West will be upgraded, as will Vodacom Park in Mangaung (Bloemfontein) in the Free State.

Five new stadiums will be built or rebuilt. In Limpopo, the Peter Mokaba Stadium in Polokwane will host World Cup games. New stadiums will also be built at Mbombela in Mpumalanga, and in the Nelson Mandela Metro (encompassing Port Elizabeth) in the Eastern Cape.

Kings Park stadium in Durban will be rebuilt for the event, becoming a multi-sports facility.

In the Western Cape, Cape Town's Green Point stadium will be rebuilt, becoming a new multi-purpose sports facility complete with a retractable dome.

In July 2006, Trevor Immelman claimed his first United States (US) PGA Tour title. He held off Tiger Woods and Matthew Goggin to claim victory by two shots. With rounds of 69, 66, 69 and 67, he finished 13-under par 271.

On the same day, third-round leader Ashleigh Simon of Johannesburg fended off a charging girls division to win her first-ever US Junior Golf Association Tournament at Hiwan Golf Club in Colorado.

In October 2006, Retief Goosen shot a final round one-under par 71 to defend his Volkswagen Masters title in Sanya, China.

At the end of October 2006, 49 women's teams participated in the World Amateur Team Championships at the De Zalze and Stellenbosch golf clubs. The South African team of Ashleigh Simon, Kelli Shean and Stacy Bregman made history at De Zalze when they won the championship after a nail-biting play-off.

Ice hockey

South Africa's under-18 ice hockey team participated in Division III of the 2006 World Championships held in Miercurea Ciuc, Romania, in March 2006. The team won a bronze medal, with Israel taking silver, and the hosts, Romania, winning gold.

Marathons

In April 2006, South African wheelchair athlete Ernst van Dyk recorded his sixth consecutive victory in the prestigious Boston Marathon, decimating a quality field of challengers. Another South African, Krige Schabort, finished second. Van Dyk led from the start, racing into the lead and never being challenged as he finished in a time of 1,25,29. Schabort finished in 1,29,4.

In October 2006, Hendrick Ramaala captured the Great North Run half-marathon for the third time in London in a time of 1,1,3.

Motor racing

In January 2006, Durban hosted the South African leg of the A1 Grand Prix – the only street race of the 12-event series. Around 100 000 spectators from home and abroad lined the specially created track.

Ex-Formula One driver Jos Verstappen of the Netherlands won the feature event.

South African Adrian Zaugg made his debut in and won the A1 Grand Prix sprint at Zandvoort in the Netherlands at the end of September 2006.

Mountaineering

Eveline Tshabalala, Zukiswa Matamo and Nomawethu Nika from Mandela Park informal settlement in Hout Bay, Cape Town, intend to climb the highest mountains on each of the seven continents and in the process become the first black women to climb Everest.

Matamo and Nika summited Mount Elbrus in Russia in September 2006. Tshabalala summited Tanzania's Mount Kilimanjaro in July 2006 with Matamo following suit in August. The women intended to climb Aconcagua in Argentina between December 2006 and January 2007.

Less than 200 people have conquered the so-called Seven Summits, which are Kilimanjaro in Tanzania, Africa; Elbrus in Russia, Europe; Vinson Massif in Antarctica; McKinley in Alaska, North America; Koscuiszko in Australia, Australasia/Oceana; Aconcagua in Argentina, South America; and Mount Everest in Nepal, Asia.

Paddling

In May 2006, Durban ski paddler Clint Pretorius won the gruelling Molokai Challenge, beating 11-time champion Oscar Chalupsky to the title after a thrilling dice to the finish line. The 21-year-old finished the tough 55-km crossing from Molokai to Oahu just one minute short of the race record.

Rugby

In June 2006, South Africa won the test series against Scotland 2-0. After losing their away games in the Vodacom Tri-Nations, South Africa scored a 21-20 win over New Zealand in Rustenburg in September 2006. A week later, South Africa beat Australia 24-16 in the final test of the Vodacom Tri-Nations.

Soccer

In October 2006, Bafana Bafana beat Zambia, scoring the only goal in a crucial African Nations Cup 2008 qualifier. The win lifted South Africa to the top of the African Cup of Nations qualifying group 11.

Surfing

In February 2006, Grant 'Twiggy' Baker from South Africa won the Mavericks surf contest, besting California riders in an event many refer to as 'the Super Bowl of surfing'.

In July 2006, Hank McGregor bagged the biggest purse in surf-ski racing after a thrilling duel with Dawid Mocke in the Surf Ski World Cup in Durban. Also in July, Ricky Basnett from Durban won the Six Star World Qualifying Series surfing, becoming South Africa's first winner since the legendary Shaun Tomson back in 1978.

Swimming

In January 2006, Ryk Neethling won three gold medals at the FINA World Cup meeting in Stockholm, Sweden.

In April 2006, Neethling won the opening gold medal of the World Short-Course Swimming Championships in Shanghai. Neethling, who led from the outset, held off a late challenge from European champion Filippo Magnini to take the 200 m freestyle in 1,43,51.

He also won the 100 m freestyle in 47,24.

Just 40 minutes later, Neethling lined up for the 100 m individual medley which he won in in a championship record of 52,42.

In August 2006, Roland Schoeman set a world record in the 50 m freestyle, while also winning the 100 m individual medley at the Deutsche Ring Aquatics Short-Course Competition in Hamburg.

The 26-year-old sprint ace became the first man in history to break the 21-second barrier in the 50 m freestyle, touching in 20,98 to shave 0,12 seconds off the previous mark set by France's Fred Bousquet.

In April 2006, CEO for A1 South Africa, Dana Cooper, received the Award for Best Presented Event in recognition of the A1 Grand Prix's first street race in Durban, South Africa, in January 2006. A1 seat-holder Tokyo Sexwale won the award for Most Supportive Franchisee, along with Colin Giltrap from A1 Team New Zealand and Emerson Fittipaldi from A1 Team Brazil. Another winner was Stephen Simpson, the young South African who won Most Improved Driver.

Acknowledgements

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21

Tourism

South Africa is a tourist paradise, offering scenic beauty, diverse wildlife, a kaleidoscope of cultures and traditions, and endless opportunities to explore the outdoors through sport and adventure activities.

Tourism has the potential to contribute to achieving the goals of the Accelerated and Shared Growth Initiative for South Africa (AsgiSA), which are to increase economic growth to 6% by 2010, and to assist in halving poverty and unemployment by 2014. The strategy has identified tourism as one of the key economic sectors with excellent potential for growth. As part of the growth platform targeted by AsgiSA, tourism has been set steep goals for the next five years: 500 000 new jobs, 8,5 million international arrivals annually and a contribution to gross domestic product (GDP) of at least R100 billion a year.

In June 2006, the Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk, announced the creation of the R20-million Tourism Equity Fund. This will provide access to much-needed support for small and medium-sized tour operators and small, medium and micro tourism enterprises (SMMEs).

To further strengthen growth in tourism, government is focusing on seven key priorities: transport, safety and security, product and business development, market growth, information, Black Economic Empowerment (BEE) and skills development. To address the skills gap, government has allocated R7,5 million to a partnership between the Department of Environmental Affairs and Tourism, the Tourism Hospitality and Education Training Authority (Theta), the National Business Initiative and the Tourism Business Council of South Africa (TBCSA) to build a consensus skills plan to revise existing curricula and to streamline accreditation and certification.

Tourism is South Africa's fastest-growing industry and contributes about 7,1% of GDP. In 2005, international tourism to South Africa surged to new record levels, with 10,3% more foreigners visiting the country in 2005 than in 2004, according to Statistics South Africa. Some 7,4 million people from other countries visited South Africa in 2005, compared with 6,7 million in 2004, which was a new record at the time.

In 1994, the year of South Africa's first democratic elections, only three million foreign visitors arrived in the country.

With just over 2,7 million arrivals from January to April 2006, the 2,5-million target was broken for

the first time. This represented a 16% increase in arrivals across all territories compared with the same period in 2005, translating into almost 377 000 more visitors.

The largest component of this growth came from Africa and the Middle East, whose visitors to South Africa rose by 21,9%. The Asia and Australasia region showed the second-largest growth at 7,1%, while the United Kingdom (UK), Germany and the United States of America (USA) remained South Africa's most important long-haul markets.

In 2006, there was continued growth in visitors from the USA, and a 3,6% increase in visitors from Europe as a whole. There was a dramatic increase of 32% in the number of tourists from Brazil in the first quarter of 2006.

Tourism continues to make a significant contribution to job creation, with employment in the tourism sector increasing to 539 017 in 2005.

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's rural villages and townships. (See Chapter 5: *Arts and culture*.)

Tourism policy and initiatives

The Tourism Branch of the Department of Environmental Affairs and Tourism aims to create the right conditions for responsible tourism growth and development by promoting and developing tourism, thus increasing job and entrepreneurial opportunities and encouraging the participation of previously disadvantaged individuals. Its focus is on facilitating the growth of the tourism industry by providing support to the public and private sectors and the broader community.

The *White Paper on Tourism* provides a policy framework for tourism development, and entails, among other things:

- empowerment and capacity-building
- a focus on tourism-infrastructure investment
- aggressively marketing South Africa as a tourism destination to international markets
- a domestic tourism and travel campaign.

Raising general awareness about the opportunities for domestic travel remains a priority. The aim is to encourage South Africans to travel within their country, to make tourism products accessible to all, to facilitate the development of a culture of tourism, and to create a safe and welcoming environment for visitors.

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 and infrastructure development, capacity-building and training, the establishment of SMMEs, and business-development projects.

Welcome Campaign

The South African Welcome Campaign was launched in December 1999 to spearhead the building of a tourism nation and to increase awareness among South Africans of the importance to the economy of growing tourism. The campaign encourages South Africans to make visitors feel safe and welcome. The campaign has been launched in at least 30 towns and seven border posts. In support of the campaign, the Department of Environmental Affairs and Tourism has commissioned Theta to re-engineer the Ubuntu We Care Programme.

A revived programme will target substantial numbers of people who interact with tourists from the moment they arrive in South Africa until they leave. This customer-training programme is known as Welcome Host and is based on a similar programme started in Canada and employed successfully in Australia and the UK. It comprises a two-day in-house workshop and teaches people how to meet and exceed tourists' expectations.

Sho't Left Campaign

To promote a culture of domestic tourism among South Africans, the Department of Environmental Affairs and Tourism successfully implemented the Sho't Left domestic marketing campaign, generating more than R40 million in the economy from a R20-million investment. The success of the campaign is largely due to a partnership between the department and the tourism industry. The campaign promotes affordability, increasing the number of South Africans accessing tourism products and services.

Sho't Left focuses on converting interest into the actual booking of accommodation and inspiring people to discover the country. The campaign facilitates closer co-operation with the private sector, and particularly the Association of Southern African Travel Agents (Asata). The public can book affordable Sho't Left holidays through the retail network of more than 5 000 agents, all of whom are equipped with brochures and educational leaflets. Asata was also working with South African Tourism to develop the Sho't Left Enterprise Programme, through which travel agencies employ domestic agents to stimulate the domestic travel market.

In alignment with the Tourism BEE Charter, this project also addresses unemployment and skills transfer.

International tourism

Cabinet approved the International Tourism Growth Strategy in June 2003. The strategy includes an analysis of core markets and their segments.

Priority markets have been identified in Europe, Asia and Africa.

The strategy not only aims to increase arrivals, but also to:

- increase the duration of tourists' visits to South Africa
- increase spending by tourists
- ensure that tourists travel throughout the country, and not just in a few provinces
- facilitate transformation and BEE in the local tourism industry.

South Africa has made its mark as a global destination for meetings, incentives, conferences and exhibitions.

By August 2006, South Africa was listed 32nd among the International Congress and Convention Association's top 40 leading conference destinations in the world. The country attracted 63% of all conferences in Africa, supported 12 000 jobs and contributed R2,6 billion a year to GDP.

The New Partnership for Africa's Development (Nepad) identified tourism as an important sector for addressing the development challenges facing Africa. The Nepad Tourism Action Plan has been developed, providing a more detailed framework for action at national and subregional levels. The action plan proposes concrete interventions in the following focus areas:

- creating an enabling policy and regulatory environment
- institution-building aimed at promoting tourism
- tourism marketing
- research and development
- investment in tourism infrastructure and products

- human resource development (HRD) and quality assurance

Some of the tourism initiatives South Africa is actively participating in, include:

- various tourism spatial development initiatives in the Southern African Development Community (SADC)
- developing the SADC Univisa.

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.

Domestic tourism is particularly valuable to the country because, unlike foreign tourism, it is not seasonally based.

To continuously support the growth of the domestic industry, the following have been implemented:

- promoting the domestic tourism brand
- promoting a set of experiences that relate to South African consumers
- distributing appropriate information in specific places
- facilitating the development of co-operative product packages
- developing marketing and distribution channels
- promoting repeat visitation.

The first annual report on domestic travel, based on monthly surveys of incidence travel in South Africa in 2005, was released in 2006. Some 36,2 million domestic trips were undertaken in 2005, resulting in R21,2 billion of direct spending with an average of R585 being spent per trip. A record of 154,9 million bed nights was achieved with an average length of stay of 4,3 nights. In 2005, KwaZulu-Natal was the most-visited province.

Tourism Enterprise Programme (TEP)

The Department of Environmental Affairs and Tourism has partnered organisations such as the Business Trust in establishing initiatives like the Tourism Enterprise Programme (TEP) to create links and working relationships between small firms and established businesses. Between 2004 and April 2006, the department contributed about R32 million to the TEP, which in six years had assisted almost 3 100 SMMEs to grow their revenues by more than R2,1 billion, creating more than 30 500 jobs.

Over the next three years, it will be investing another R185 million in the TEP. This will be boosted by more than R41 million from the Business Trust. This funding will be used to greatly expand TEP services to small businesses, which will now also include training and mentorship, strategic advice and support to realise the Tourism BEE Charter; consultation on opportunities for growth like the 2010 Fifa World Cup; marketing and product development; and building tourism awareness. The initial target for the next three years is in excess of R1,8 billion in transactions facilitated, and more than 2 000 enterprises assisted.

Other initiatives undertaken by the department in support of tourism SMMEs include establishing a business-training package for entrepreneurs, developing a tourism SMME funding and support handbook, and the introduction of Department of Trade and Industry incentives for tourism entrepreneurs.

Human resource development

Tourism HRD is considered one of the pillars of the development of a new responsible tourism culture in South Africa.

The department supports the full introduction of Travel, Tourism and Hospitality studies as a subject in schools. Travel and Tourism was introduced in 2000 in all schools wishing to offer the subject from grades 10 to 12.

In acknowledging the need for Chinese-speaking tourist guides in the country, as well as the strategic positioning of South Africa as a home to multilingualism, the Department of Environmental Affairs and Tourism partnered with the People's Republic of China through its embassy to train 18 black tourist guides in the Chinese language. The long-term objective is to expand black tour guides' proficiency in multiple languages.

In January 2006, the United States adventure-travel website *iExplore*, which caters for higher-income travellers searching for 'something unique', listed South Africa as number six in its top worldwide travel destinations for 2005 – up from number 13 in 2004.

Gauteng was selected to host this pilot language-training programme from 1 March 2005 to January 2006. The programme was expected to be extended to other provinces. In February 2006, 13 of the original 20 trainees graduated. In 2004, most Chinese tourists visited Gauteng (77,8%), the Western Cape (58,4%), followed by North West (39,8%). The number of arrivals from this market increased from 30 753 in 2003 to 42 409 in 2004.

In April 2006, South African Tourism launched an online course to equip the travel industry with skills to sell the country to locals.

The Theta-accredited Fundi Training Programme is a free and valuable addition to initiatives such as the Sho't Left Campaign aimed at increasing domestic travel.

While the course is only available to travel agents and tour operators for now, it will be phased in to schools and will be part of tourism lessons in future.

The course entails five modules, including how to sell domestic travel in South Africa, an overview of the South African travel and tourism industry, South Africa's tourism infrastructure, unique provincial tourism-product offerings and sample itineraries for students to use as guidelines.

Tourism and Hospitality Education and Training Authority

The Theta comprises the following chambers:

- Hospitality
- Conservation and Tourist Guiding
- Sport, Recreation and Fitness
- Tourism and Travel Services
- Gaming and Lotteries.

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.

By February 2006, 33 black tour guides from the Kruger National Park had been trained to speak French, and would next be learning Chinese, German and Portuguese.

The Department of Environmental Affairs and Tourism and the French Embassy are co-funding the French teaching programme for tour guides in South Africa.

The TLP aims to raise the standards of South Africa's tourism industry by ensuring the development of useful, transferable and accredited skills. 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.

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 BEE Tourism Charter was launched by Minister van Schalkwyk in May 2006.

The charter affects all companies involved in the tourism industry, with the aim of including black people in the industry.

It rates businesses that operate in the industry on seven levels – similar to standard BEE principles. These include ownership, strategic management, employment equity, skills development, preferential BEE procurement, enterprise development and social development.

The charter includes measurement tools to help participants in the industry identify their current BEE levels, gaps in their BEE profile and ways to improve their rating on a balanced scorecard.

In accordance with the legislative framework on Broad-Based BEE, the Department of Environmental Affairs and Tourism has established a council for the implementation of the BEE Charter, which has been in operation since 2005.

The BEE Tourism Charter aims to provide information that allows all citizens to access economic opportunities in tourism.

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. If there is insufficient space in the passport, entry will be denied.

Enquiries may 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 South African Airways, 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 and equipped with 19 international operators, the centre provides information telephonically and via e-mail to English, French, German, Italian, Dutch, Portuguese and Mandarin-speaking customers.

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.

Quality assurance

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 and will be extended to include relevant businesses

Alan Weyer, a tourist guide in Grahamstown, Eastern Cape, won the first-ever South African Tourism Welcome Award, R55 000 in cash and a trip for two to the United States of America (USA) to attend a Disney customer-service training programme.

The awards drew 189 entries across four categories and winners were announced at the Tourism Indaba opening ceremony in Durban in May 2006.

Winning criteria included the extent to which entrants' services add value to customer experience, entrants' commitment to service excellence, and the extent to which their particular offerings exceeded expectations of that product.

Weyer scored 99% across all judging criteria, making him a clear winner of the prestigious Grand Prix Welcome Award. He also won the Tour Guide Category. Other category winners were Bill Harrop's Original Balloon Safaris (Best Tour Operator); Cape Grace Hotel (Best Accommodation), and XL Astra Travel in Bloemfontein (Best Travel Agent). Winners in each category received a 10-day trip to the USA for two people with R10 000 in spending money. Building service competitiveness in the South African industry is a central theme of the Welcome Awards. An information booklet disclosing finalists' and winners' ideas, service tips, knowledge and insights was published after the awards to give all role-players an opportunity to learn from the winning entrants.

in classified sectors of the tourism industry. Once graded, establishments are encouraged to use the star system for marketing and advertising purposes.

Establishments are assessed according to the type of accommodation they provide. There are currently nine types of establishments:

- bed-and-breakfast
- guest-house
- hotel
- self-catering
- backpacker and hostelling
- caravan and camping
- country house
- meeting, exhibitions, special events
- restaurants.

Grading assessors undergo training to receive the National Certificate in Tourism Grading. The awarding of such a qualification is a world-first. Assessors are accredited with Theta and registered with the TGCSA before being recommended to the industry. Larger hotel groups with their own internal assessors are also accredited with 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 TGCSA.

By February 2006, the grading council had officially graded 70% of all available accommodation in South Africa. Twenty percent of backpackers and youth hostels, and a third of all game reserves and lodges had been graded.

The council had also graded more than 130 meetings, exhibitions, and special events venues – a world-first for South Africa.

The top 10 tourist attractions in South Africa are:
1. Kruger National Park
2. Table Mountain
3. Garden Route
4. Cape Town's Victoria and Alfred Waterfront
5. Robben Island
6. Beaches
7. Sun City
8. Cultural villages
9. Soweto
10. The Cradle of Humankind

Source: *SA Venues*

The grading council was invited by the World Tourism Organisation to present its star-grading system as a model case-study in promoting destinations, during two workshops held in Africa in 2005.

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 established the National Tourism Safety Network, a multistakeholder forum comprising provincial representatives, the South African Police Service, Business Against Crime, the departments of foreign affairs and of justice and constitutional development, the 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.

By October 2006, a national tourist safety and security strategy had been developed and a consultative workshop had been held involving national and provincial departments to review safety and security measures taken by provinces.

Tourism in the provinces

Western Cape

The Western Cape lies at the southern tip of the African continent. Considered one of the most beautiful 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, make the Western Cape the perfect holiday destination.

Cape Metropole

Tourism in the city of **Cape Town** centres around the Victoria and 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.

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 several 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 wine farms. The top jazz event in the Western Cape is the annual Cape Town International Jazz Festival.

Table Mountain, which forms part of the Table Mountain National Park (TMNP) is a popular attraction for visitors and provides a majestic backdrop to the vibrant and friendly Mother City. An ultra-modern cableway takes visitors to the top of the mountain, providing spectacular views.

Newlands is home to the renowned Kirstenbosch National Botanical Garden. In summer, various open-air concerts are held here.

The South African Rugby Museum in Newlands reflects the history of the sport as far back as 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.

Cape Point, part of the TMNP, offers 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 of the mainland African penguin-breeding colonies in the world can be found at Boulders Beach, also part of the TMNP.

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 harbour front emporium attract many visitors. Duiker Island is a seal and sea-bird sanctuary. The World of Birds Wildlife Sanctuary is one of the largest bird parks in the world and is home to 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 cinema 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.

Tourism Indaba 2006, which is the country's largest tourism marketing event, was held in Durban in May 2006.

A milestone of Indaba 2006 was the launch of a South Africa, Swaziland and Mozambique cross-border zone as part of ongoing initiatives undertaken by these countries to grow tourism in southern Africa.

New Year in Cape Town is a festive affair, when 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 juice is 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.

The Point in **Mossel Bay** is not only popular among surfers, but its natural pool formed by rock is also a favourite swimming spot at low tide. The St Blaize trail starts here and is the ideal place 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. PetroSA's Information Centre informs visitors about the production of synthetic fuels from Mossel Bay's offshore gas fields. Other attractions include the Attequas 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. It is the mecca of golf in the southern Cape, as it is home to the renowned Fancourt Country Club and Golf Estate, as well as 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 from this rail bus.

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 convenient access to this region, making 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 is 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 hosts 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) and surrounded by indigenous forests, tranquil lakes and golden beaches.

This natural wonderland is home to the largest and smallest of creatures, from the Knysna seahorse 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.

At 216 m high, the bungee jump from the Bloukrans River Bridge on the border between the Western and Eastern Cape is the highest commercial bungee jump in the world.

Little Karoo

The Little Karoo's spectacular landscape is fashioned almost entirely by water. Its vegetation ranges 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 are also worth a visit.

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 of 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 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. At the Karoo National Park on the town's doorstep, visitors can experience 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 variety 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 transport museum and the Marie Rawdon Museum. Next to the transport museum is a large

South Africa's Blue Train is one of the world's most luxurious railway services. Trains run between Cape Town and Pretoria, to Hoedspruit in Mpumalanga, and along a section of the Garden Route between Cape Town and Port Elizabeth. They also travel to the Victoria Falls in Zimbabwe.

There are two blue trains. The first hosts 82 guests in 41 suites while the second accommodates 74 guests in 37 suites. It also has a conference or observation car.

The trains travel 90 kilometres an hour. Both are 336 m long and comprise 18 carriages, 11 of which are for the use of guests. Each train weighs about 825 metric tons, excluding the locomotives.

field on which the first international cricket match was played 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 that 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 gold rush to this area in the 19th century. The museum has a licence to distil and sell witblits (white lightning). 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.

They are home to Route 62, the world's longest wine route.

In April 2006, two of the Cape's finest restaurants, both situated in the Western Cape's winelands, made it onto the top-50 list of Penfold's World's Best Restaurants for 2006.

La Colombe in Constantia clinched the 28th spot, while Le Quartier Français in Franschhoek came in at 38.

La Colombe, which made the list for the first time, was also named Best Restaurant in the Middle East and Africa. Le Quartier Français made the top-50 list in 2002 and 2005.

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 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 Oliphantshoek, it was named after the arrival of Huguenots who were predominantly French. The Huguenot Monument was built in 1944 to commemorate 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. It is famous for its architectural treasures found along a 1-km stretch of the main street featuring 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 border. 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.

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 Kleinplasie Living Open Air Museum. The KWV 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 southern 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.

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 Montagu Museum, which houses, among other things, original cartoons and books by TO Honiball.

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 whitewashed, 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 challenged 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 South African entertainers.

Malmesbury is the biggest town in the Swartland. Major attractions include the Malmesbury Museum 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 the 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 waterskiing at Misverstand are popular activities.

Yzerfontein is famous for its unspoilt beaches, fynbos, 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.

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 outfits.

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.

St Helena Bay is best known for the Vasco Da Gama Monument and Museum. Fishing (snoek in season), hiking, and whale and birdwatching opportunities also draw many visitors.

Vredenburg, the business centre of the area, has a popular 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 the town.

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 bokkem (a West Coast salted-fish delicacy) at factories along the Berg River. Tourists can also visit the salt-processing factory and 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 other things, 4x4 outings, lectures and visits to rock-art sites, and an arts and crafts market.

The oldest orange tree in the country, calculated to be more than 250 years old, can be found in the Citrusdal Valley.

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. Annually, scores of sky-diving enthusiasts visit Citrusdal for a skydiving 'boogie' that lasts several days.

The Cederberg Wilderness Area features the elephant's foot plant, the rare snow protea, and some of 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.

Wuppertal, at the foot of the Cederberg mountains, features the oldest Rhenish Mission Station. Proceeds from 4x4 trails in the area go to community coffers for establishing 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 well-known 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 as well as 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 southerly region of Africa, just an hour's drive 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, 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, home to a rich and diverse plant population, includes more than 110 Red Data Book species. Among these are the endangered Cape platanna and microfrog, and rare coastal birds such as the African oystercatcher. The damara tern 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 (coach-house cliff) 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 the threatened bontebok and other species.

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. In 1871, diamonds were discovered at the site and mined manually by prospectors. 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.

The Paterson Museum near the Kimberley Airport houses a replica of a Paterson biplane, which was used for pilot training by the flying school operated by the Paterson Aviation Syndicate at

Alexandersfontein. A township tour of **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 British 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 the area before it became home to the Griquas. 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 he built 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. Many of these majestic creatures 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. The 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, are 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.

Tourism Month is celebrated every September to mark World Tourism Day, which is held annually on 27 September.

World Tourism Day aims to foster awareness among the international community of the importance of tourism and its social, cultural, political and economic values.

The Orange River displays its impressive power at the Augrabies Falls, also known as the 'Place of Great Noise', in the Augrabies Falls National Park. Visitors can hire canoes to ensure closer contact with the natural heritage surrounding the world's sixth-largest waterfall.

The Kgalagadi Transfrontier Park comprises 38 000 m^2 of land, making it one of the largest conservation areas in the world. Straddling the Green Kalahari and Botswana, the park is a two-million ha sanctuary for various raptors, antelope, gemsbok, springbok, blue wildebeest, red hartebeest, eland, Kalahari lion, black-maned lion, brown and spotted hyena, leopard, cheetah, and smaller game including mongoose, porcupine and honey badger.

The names of various landmarks within the park reflect its long history as a crossroads of many cultures, which have included the San, the Mier, the Huguenots and the Scottish at various times.

The park is an important element of the first phase of the Transfrontier Conservation Area 2010 Strategy, which is a priority of the SADC.

As a peace park, the Kgalagadi's goals include increased tourism and economic development. The park has made significant progress in these areas, attracting some 22 000 visitors in 2005/06. Since 2002, the Department of Environmental Affairs and Tourism's social-responsibility programme has invested over R40 million in the park, resulting in, among other things, the establishment of 25 SMMEs.

Namaqualand

The indigenous people of the Namaqualand region are the Namas. Their traditional Nama reed huts still abound in **Leliefontein, Nourivier** and **Steinkopf**.

Namaqualand annually puts on a spectacular show in spring when an abundance of wild flowers covers vast tracts of desert. The flowers sprout and survive for a brief period before they wilt and disappear just as suddenly in the 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 Alexkor Museum 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 fisherfolk 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, part of the Namaqua National Park, 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.

Namaqualand is also home to the Ais-Ais/Richtersveld National Park. It is managed jointly by the local Nama people and South African National Parks.

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 former house, which has been converted into a restaurant.

Hanover is known for its handmade shoes and articles made mostly from sheepskin and leather.

The Star of South Africa diamond was discovered at **Hopetown.** The town, which is steeped in history, also features an old toll house and a block house dating from the Anglo-Boer/South African War.

At **Wonderdraai** near **Prieska,** visitors can see 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 the 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 a 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.

A few kilometres outside **Fraserburg** lies the Gansfontein Palaeosurface. Discovered in 1968, it comprises several trackways of large, four-footed and five-toed mammalian reptiles. The prints are estimated to be some 190 million years old.

Sutherland, birthplace of well-known Afrikaans author and poet NP 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 South African Astronomical Observatory's (Saao) observation telescopes including the Southern African Large Telescope (Salt), are in Sutherland. From Monday to Saturday, the Saao offers two guided tours per day and two night tours per week. Day tours entail a guided walk through the visitor's centre adjacent to the telescope sites on the mountainside and a guided tour of selected telescopes, including Salt. During night tours, visitors can view interesting objects in the sky through two dedicated visitors' telescopes. Booking is essential.

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 principal bread basket of South Africa.

Motheo

With its King's Park Rose Garden containing more than 4 000 rose bushes, the Free State's major city, **Bloemfontein,** has rightfully earned the nickname 'City of Roses'. The city also hosts an annual rose festival.

The Eerste Raadsaal (First Parliament Building), built in 1849 as a school, is Bloemfontein's oldest surviving building. Still in its original condition, this historical building is used 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.

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 Mangaung 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), 45 km from Bloemfontein on the N8 road to Lesotho, 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** features 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. It 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 grandeur of majestic proportion.

The Basotho Cultural Village in the QwaQwa Nature Reserve 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, which provide a spectacular sight when they blossom in spring. San rock paintings and engravings are also found in the area.

Clarens is often described as the 'Jewel of the Free State', owing to its 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. The town offers art excursions and painting getaways and has 14 art galleries.

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, known for its beautiful scenery, 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 by 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 where traffic circles are used 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 in the world. Bothaville also hosts 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, which is situated on the banks of the Vaal River, is a popular holiday destination.

The Vredefort Dome World Heritage Site was caused by the collision of a meteorite with the Earth many years ago.

It features unique fauna and flora, including 100 different plant species, more than 300 types of birds and a variety of small mammals. Various hiking and mountain-bike trails are also on offer.

Eastern Cape

The main feature of the Eastern Cape is its magnificent 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.

Amatola 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 dense forests of the Amatolas are a haven for the endangered Cape parrot, and were also home to the first dinosaur to be identified in South Africa, The 'Blinkwater Monster', a large fossilised reptile 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 '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.

The city boasts various scuba-diving sites. Visitors can also visit Bay World with its oceanarium and snake park, and many splendid museums. Other attractions include the Greater Addo Elephant National Park and game reserves; the traditional healing village, Kaya Lendaba; birdwatching; air tours; canoeing; various mountain-bike and horse-riding trails; and organised outdoor excursions.

Within the city there are some beautiful parks with well-landscaped gardens, including the St George's Park, which covers 73 ha and houses the famous Port Elizabeth Cricket Club, the oldest bowling green in South Africa, Prince Alfred's Guard Memorial, the 1882 Victorian Pearson Conservatory, and the 54-ha Settler's Park.

Tourists can also explore the Donkin Heritage Trail, take a ride on the famous Apple Express, and go hiking along the site of ancient shipwrecks on 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 entire 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 view the childhood home of former President Mandela. In the city of Mthatha, the Nelson Mandela Museum tells the story of this great figure.

The alignment of the N2 national route along the Wild Coast will help open up investment opportunities in this area.

Coffee Bay is popular among surfers, anglers and shell collectors.

New areas for conservation and new opportunities for communities living adjacent to the Addo Elephant National Park in the Eastern Cape were opened up when the Minister of Environmental Affairs and Tourism, Mr Marthinus van Schalkwyk, opened the new southern access road in the park.

The new road links the new gate at Camp Matyholweni, near the town of Colchester on the N2, to the existing tourist roads in the park. It was made possible by a R33-million poverty-relief grant by the Department of Environmental Affairs and Tourism.

The Addo Elephant National Park stretches from the Karoo near Somerset East to the coastal areas between Sundays River Mouth and Bushman's River Mouth. In addition, the park includes the Bird and St Croix islands in Algoa Bay, incorporating a vital marine component.

The park grew from just over 2 000 ha in 1931 to 164 000 ha in 2006. It attracts over 140 000 visitors annually and acts as a regional tourism hub.

To the south is the prominent rock formation, the Hole in the Wall. The local Xhosa call this place Izi Khaleni (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, owls and churches create a wonderland in the garden. All the artworks were created 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.

Almost 50 km south-west of Graaff-Reinet is the Kalkkop Crater, a gigantic circular impact that is of major scientific importance.

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 Africa 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 fox, and more than 200 bird species, including the pale-winged starling, the booted eagle and the blue crane.

N6 Route

This 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 town is also known for the National Arts Festival, which is held here annually. 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, waterbok, 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 marine and freshwater species.

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 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 Khoekhoen 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 mongoose.

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 trogan and the colourful Knysna loerie. A lucky few may catch a glimpse of the rare Cape clawless otter, which the Otter Trail is named after.

Limpopo

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, and ancient mountain fortresses and the luxury of contemporary infrastructure and modern-day facilities.

Steeped in history, 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 features a fine cultural-historical collection and the Makapan caves are notable for their fossils. The caves are being developed into an archaeological site.

Makapan Valley is an extension of the Cradle of Humankind World Heritage 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 also 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 also 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 region's main town.

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 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. 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, including the famous gold foil rhinoceros.

The Schoemansdal Voortrekker Town and Museum, west of **Makhado,** 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, 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 cycad.

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 major tourist attractions. The park is home to a large number and wide variety of amphibians, reptiles and birds, as well as 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**, home of the Big Five. Adventurers can attempt mountain-climbing at the Mangwazi Nature Reserve and enjoy the Mapulaneng Trail at Zoeknog.

The Inyaka Dam at **Bushbuckridge** is also worth a visit.

North West

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 as well as a wide variety of smaller game and birds.

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 mampoer country and visitors can embark on a mampoer route. The Kortkloof Cultural Village is dedicated to the Tswana people.

Other attractions include the Wondergat; the Bosbult Monument, which commemorates a battle fought 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 weekend 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 breeding cheetah and other endangered wildlife species. Other places of interest include the Borakalalo Game Reserve, the Margaret Roberts Herb Farm and the Phaladingwe Nature Trail.

There are several golf courses in the area.

Bophirima district

The Taung skull fossil site and the blue pools are renowned for the Taung skull found in the Buxton quarries. In July 2005, the World Heritage Committee declared the Taung skull fossil site an extension of the Sterkfontein fossil hominid site. 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 60 000-ha Madikwe Game Reserve is home to 66 large mammal species. 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 this 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 fascinating. The Ndebele beadwork and wall-painting in the north-west, the arts and crafts of the Lowveld and the different traditional villages

throughout the province offer a unique insight into the people's history.

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 travel to 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 tranquil, town of **White River.** Well-known as an artists' haven and a gateway to the Kruger National Park, White River also boasts an orange winery.

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 panoramic view across miles of densely 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, human-like masks dated to 500 AD, 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, and Mac Mac pools and falls just outside **Sabie**, are well 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 *Jock of the Bushveld*, the novel by Sir Percy Fitzpatrick about the experiences of a man and his dog as they shared adventures in the world of

The Blyde River National Park was declared on Heritage Day, 24 September 2006. It has more than 2 000 plant species, of which 163 are Red Data Book plants, more than in the entire Kruger Park.

The Blyde River Canyon and its surrounds contain some of the richest combination of plants and animals in southern Africa.

With an infrastructure budget of R18 million for 2006 to 2009, and work set to start on a R10-million luxury hiking trail, the new park is expected to inject R500 million into the local economy over the next decade. The Blyde River National Park has the potential to become one of the fastest-growing malaria-free tourism destinations in Africa.

African gold-mining. The Dredzen Shop Museum features 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 finds various stocks of fish, with trout as the major drawcard. The meander also offers numerous other activities.

At the Verloren Vlei and Steenkampsberg nature reserves at **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

Visitors to the Cultural Heartland can immerse themselves in the true cultural heritage of Mpumalanga. Here, one can learn about the proud and welcoming Ndebele people, revered for the striking and colourful geometric patterns on their houses, clothing and beadwork.

This region also has illuminating historical sites such as the Botshabelo Historical Village, near Middelburg.

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 were made in the imposing mountains of this region.

Visitors to this region enjoy a rare glimpse of the inimitable San paintings embossed in some rocks.

The region also holds rich historical sentiments centered around the monument of the late Mozambican President Samora Machel, constructed in the village of **Mbuzini**. The year 2006 saw the 20th anniversary of Machel's death in an aircraft crash.

Due to their proximity to this region, visitors have the opportunity to visit Swaziland and Mozambique in a short space of time.

Grass and Wetlands

Grass and Wetlands is a paradise, with its variety of bird species. 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 from 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 km^2 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 then 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, an estimated 2,5 million-year-old hominid fossil, and Little Foot, an almost complete hominid skeleton some 3,3 million years old.

The broader Cradle of Humankind site consists of 47 000 ha, with numerous caves, the most famous of which are the Sterkfontein caves.

In 1999, Sterkfontein and its environs were declared a world heritage site.

Forty percent of all the world's human ancestor fossils have been found here, including several of the world's most famous and important fossils.

A further 500 hominid fossils and more than 9 000 stone tools have been excavated in the area, and work is ongoing.

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 a show at the popular Kloofendal Amphitheatre. The Walter Sisulu National Botanical Garden boasts a 70 m-high waterfall.

In November 2005, Maropeng, the modern visitors' centre at the Cradle Of Humankind World Heritage Site, won the British Guild of Travel Writers' Award for the best new tourism project worldwide.

The award is judged by 150 international travel writers and presented to a major new (less than two years old) international tourism project that combines responsible tourism development with local economic, environmental and community benefits.

Maropeng competed against tourist developments from Spain and Italy.

Modern facilities at the centre include a conference room, three restaurants, a luxury hotel with views over a private game farm, an outdoor events amphitheatre, retail food outlets, an arts and crafts market and an observation deck.

The Cradle of Humankind includes the fossil hominid sites of Sterkfontein, Swartkrans, Kromdraai and environs in Gauteng; the Taung fossil site in North West; and Makapan Valley in Limpopo. Together, they have been key to tracing humankind's development from its beginnings to the present day.

The Cradle of Humankind development is a R347-million project and the first public-private partnership of its kind in South Africa. The project is an initiative of the Gauteng Provincial Government.

Forty kilometres north of Pretoria lies a ring of hills a kilometre in diameter and 100 m high. These are the walls of an impact crater left by an asteroid that hit the area some 200 000 years ago. The Tswaing Meteorite Crater is similar in size to the well-known Barringer Meteor Crater in Arizona, in the 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 which attract 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 diamond, 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, the arts precinct of Johannesburg. It is the largest cable-stayed bridge in southern Africa.

Museum Africa in Newtown tells the story of life in South Africa from the Stone Age to the Nuclear Age and beyond.

The Market Theatre Complex comprises three theatres, an art gallery, restaurants and pubs.

A bronze statue of the champion of passive resistance, 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 cultural groupings. It features four traditional homesteads where visitors can spend the night with a family of their choice.

The Phumangena 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 theme park based on Johannesburg during the gold-rush era.

The Apartheid Museum tells the story of the legacy of apartheid through exhibitions consisting of film footage, photographs, text panels and artefacts.

Constitution Hill 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. People once imprisoned at these facilities include Gandhi and 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, OR Tambo International Airport (previously Johannesburg International Airport), East London Harbour, and the Union Buildings in Pretoria.

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.

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 in **Heidelberg** represents all aspects of South Africa's transport services.

Soweto is a popular tourist destination. It is estimated that some 1 000 foreign tourists visit Soweto every day. Its tourism industry contributes about R143 million to Gauteng's GDP.

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 in 1955.

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.

A tourism and information centre was opened in Soweto in February 2006. The centre provides comprehensive information to tourists. Visitors can book accommodation in Soweto, and plan and book tours and site guides.

The centre, developed by the Johannesburg Tourism Company in partnership with the private sector, has a visitors' area, a fully equipped conference and meeting room, a curio shop, a call centre, an Internet café and a cafeteria.

It will also have a training facility for aspirant young entrepreneurs wanting to establish small businesses in the hospitality industry and other related sectors.

Pretoria

A variety of historical buildings are found in the city, which is known as the 'Jacaranda City' because of the many jacaranda trees that line its streets. When these are in full bloom in October, they cover the city in a lilac haze, providing spectacular views from the surrounding hills.

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.

Ten minutes' drive away from Church Square is Freedom Park, which is being built to commemorate the country's political history.

Once completed in 2007, the 35-ha site will comprise a garden of remembrance, a museum, and statues and sculptures to honour South Africans who have contributed to the country's freedom and development.

The Kruger House Museum contains the personal belongings of President Kruger. Melrose House is a 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 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. The monument receives about 200 000 visitors a year.

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. Visitors can relax at the 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 grass types, herbs, a large number of game and many 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.

Mamelodi is situated approximately 20 km from the city centre and features the Solomon Mahlangu Square, which is dedicated to this freedom fighter.

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 home to a wide variety of sea life, including sharks, dolphins and seals.

There is a snorkelling trail and a tubing river around the park.

Durban's most popular fishing spot is situated at Blue Lagoon Beach at the wide Umgeni River mouth. 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 in Africa. 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, the July Handicap horse-race and the Amashovashova cycle tour.

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 also 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 bird sanctuaries. 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 of great beauty featuring colourful, living history. **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. The forest is home to several antelope species and a huge variety of birds.

East Griqualand is home to the southernmost 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 offers 30 ha of deep, trout-filled waters. It also boasts 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**.

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 towns along the Dolphin Coast include **Shaka's Rock**, **Salt Rock**, **Ballito**, **Verulam**, **Stanger**, **Darnall** and **Umdloti**.

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 was once the royal capital of King Dingaan and is now being reconstructed. A tour provides the opportunity to observe Zulu building techniques and to 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 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.

In August 2006, Minister van Schalkwyk opened the R9-million Ophansi entrance bridge in the Greater St Lucia Wetland Park. The new entrance bridge enables visitors to enjoy a unique beach and bush

experience, with only an hour's drive separating uMkhuze's unique wildlife experience from Sodwana Bay's world-class beaches and diving.

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.

UMkhuze is a small trade and transport centre. The Mkuze River cuts through the Ubombo mountains before serving as a boundary for Zululand's popular Mkuzi Game Reserve.

Lake Sibaya is South Africa's largest natural freshwater lake, covering some 77 km^2. Birdwatching and walks through the coastal forest are popular pastimes.

Sibaya Lake Lodge, the first South African ecotourism 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 offered.

Amanzimtoti is popular for its safe swimming beaches and various other activities and attractions.

The Hibiscus Coast stretches between Umkomaas 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, when people flock to the beaches and anglers wait 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 activities.

The Howick falls are situated in the Nature Valley Reserve, where the river tumbles down 100 m in a single fall. Several climbing routes are on offer.

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 powerboating. The 1 000-ha Midmar Game Park is inhabitated by rhino, zebra, a wide variety of antelope species, and waterfowl. The popular Midmar Mile event attracts thousands of swimmers every year.

Drakensberg

The Drakensberg mountain range forms the north-western border of KwaZulu-Natal. The entire area is a bird sanctuary, featuring among other species, the endangered lammergeier (or bearded vulture). 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 Ndema 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, winding 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. Power-boating 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 Ncome-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.

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Transport

The aim of the Department of Transport is to lead the provision of an integrated, sustainable, reliable and safe transport system, through safety and economic regulation, planning, development, co-ordination, promotion and the implementation of transport policies and strategies.

Policy

The department is working to improve and expand infrastructure and, through subsidies, to reduce the costs of public transport.

Key elements of the department's new strategic approach include:

- restructuring public-transport subsidies to better target poor commuters, irrespective of the mode of transport, and aligning subsidised transport services to support municipal integrated transport plans
- streamlining the freight logistics network along key freight movement corridors by promoting infrastructure investment and improved operational efficiency
- building capacity to monitor and oversee the public entities that report to the Minister of Transport
- developing the regulatory systems and capacity required to ensure that operators in the transport sector meet the required safety and security standards, and to establish a single economic regulator for the transport sector.

2010 Action Agenda

By the end of October 2006, the Minister of Transport, Mr Jeff Radebe, announced that the 2010 Transport Action Agenda had been developed and that the World Cup Public Transport Infrastructure and Systems Fund had allocated the first round of funding to municipalities.

Government has set aside R3,8 billion for public-transport infrastructure for the 2010 Fifa Soccer World Cup. These funds are meant to leverage other funds available to develop public-transport infrastructure. The following allocations were approved:

- R1,6 billion for capital-expenditure projects for 2010
- R200 million for intelligent transport systems
- R700 million for new and improved bus and taxi infrastructure
- R144 million for new intermodal interchanges and facilities

- R109 million for non-motorised transport (NMT) infrastructure projects

An additional R5 billion a year is needed to address the decline in service levels and to implement government's transport strategy to achieve a sustainable rapid mass public-transport system over the next 10 to 15 years.

Government's transport plan for the Fifa World Cup aims to ensure efficient and safe transport, especially sufficient air, road and rail transport operators and infrastructure for the event.

National Freight 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 have to be restructured to prevent poor logistics from acting as a restraint on economic growth, employment and sustainable development. The removal of blockages within the ports and rail systems is regarded as a priority.

The implementation of the National Freight Logistics Strategy has resulted in:

- developing the Durban Freight Plan
- commencement of the second phase of establishing the Harrismith Freight Hub
- examining the future and possible role of the Cato Ridge Handling Facility, as part of the Gauteng-Durban Corridor Project
- finalising the Western Cape Databank and the Cape Town Freight Metropolitan Study for the Gauteng-Cape Town Corridor
- launching the Gauteng-Maputo Corridor Forum in April 2006
- appointing the Maputo Corridor Logistics Initiative as the secretariat of the provincial Gauteng-Maputo Corridor Forum
- establishing task teams.

Public transport

The main objectives of a sustainable public-transport system are to improve the system, broaden access to affordable transport and stimulate economic activities.

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 channelling subsidies to those with the greatest need to maximise economic and social gains.

The department's largest allocations are for public-transport subsidies for train and bus operations. The department is reviewing this system to fund public-transport operations more equitably across the modes, to target poor commuters better, and to promote competition among public-transport operators. This will have long-term implications for subsidies. In the meantime, the department

continues to prioritise the transformation and rationalisation of the bus-subsidy system so that these subsidies can be devolved to municipalities in the medium term. National and local government subsidise the bus system, which conveys 20% of commuters. Bus services could be extended as the most cost-effective public-transport service in key metropolitan areas, and many municipalities are promoting the development of dedicated busways as a main element of their strategic public-transport networks.

Subsidised commuter rail carries 15% of commuters (2,2 million passengers daily), but faces a backlog in investment infrastructure.

In discussing ways to strengthen the department's public-transport strategy, stakeholders agreed in 2006 at the Transport Indaba that:

- the department had to ensure that learners had access to public transport provided by licensed operators who were strongly regulated to prevent overloading and the use of unroadworthy vehicles
- the rights of commuters and users of public transport, especially women with children, pedestrians and cyclists, should be promoted in an enforceable charter, and that such users should have recourse to insurance and passenger liability claims in the event of accidents
- establishing a public-transport ombud's office should be considered as a matter of urgency
- the public-transport strategy should include a comprehensive skills-development strategy targeting driver-training to improve service delivery, a Black Economic Empowerment (BEE) component and gender-equity
- the Taxi Recapitalisation Programme (TRP) should be expanded to other forms of transport and should be extended to operators in remote rural areas.

Black Economic Empowerment

The integrated Broad-Based Black Empowerment (BBBEE) Charter for the Transport Sector was finalised in November 2005. It sets targets for empowerment and participation through ownership, management and employment in companies throughout the transport-sector value chain. The charter will ensure representivity for black women and designated groups across most of the BEE indicators.

Non-motorised transport

The promotion of NMT primarily aims to increase transport mobility and accessibility, mainly in rural areas. These include the donkey carts of the Northern Cape and North West, and the Shova Kalula Bicycle Programme that was launched in 2000.

During the demonstration phase of the programme, the department made R10 million available to supply 19 411 bicycles to schoolchildren. By March 2006, 22 Shova Kalula microbusiness enterprises had been established in six provinces.

The Shova Kalula Project is part of the department's NMT strategy and initiative that aims to meet the target of delivering one million bicycles throughout South Africa by 2015, in line with the resolutions and action plan agreed to during the African Transport Ministers' Summit in Addis Ababa, Ethiopia, in 2006.

On 21 October 2006, the Shova Kalula Bicycle Handover Campaign took place in Hammanskraal, outside Pretoria.

Transport safety

Increased emphasis is being placed on safety issues in all transport modes. The National 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.

During discussions about the department's National Road Safety Strategy, stakeholders in the transport sector suggested that it could be strengthened and its implementation improved in several ways. As a result:

- the department agreed to hold consultative workshops every January and June
- provincial and local government were instructed to use their communication functions to support the Arrive Alive Campaign
- the RTMC was mandated to collaborate with provincial and local governments to ensure law enforcement was intensified and co-ordinated, especially in rural areas where enforcement and road-safety knowledge were minimal
- safety within the public-transport industry had to take priority, remedial measures introduced, and control and regulation entrusted to a national body

- priority has to be given to pedestrians, with local authorities and provinces reducing speed limits and creating safer environments for pedestrians and cyclists countrywide
- priority has to be given to integrating planning to prevent homes, schools and important facilities from being divided by main roads
- more public funds and skilled staff members should be allocated to road-safety projects, especially in preparation for the 2010 Fifa World Cup.

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 of Transport 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 Limited (Sanral), the South African Maritime Safety Authority (Samsa), the Cross-Border Road Transport Agency (CBRTA) and the South African Civil Aviation Authority (CAA).

South African National Roads Agency Limited

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 promoting safety of life and property at sea, preventing marine pollution by pollutants emanating from ships, and co-ordinating 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:

- providing shipping competence and pollution services in a regional context
- managing marine incidents, casualties and wrecks, and participating in search-and-rescue missions
- controlling standby tugs and pollution stores
- maintaining seafarers according to standards of training and staffing criteria
- providing a shipping-administration support service
- managing the registration of ships
- managing a coastal patrol service
- managing vessel traffic, including navigation aids
- providing 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 (CBRTA)

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 collecting, processing and disseminating relevant information; providing training and capacity-building; and promoting entrepreneurship, focusing on small, medium and micro enterprises (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 CAA is charged with promoting, regulating and enforcing civil-aviation safety and security.

The CAA has proved to be a leader in the aviation regulatory sector in the SADC region. It has hosted several regional meetings and conferences since 1994, and is the driving seat of efforts to harmonise aviation regulations in the region and to improve the level of aviation surveillance.

In 2003, South Africa was elected as a member of the International Civil Aviation Organisation (ICAO) Council and was requested to establish a South African office at the ICAO headquarters in Montreal, Canada.

The CAA is funded by a combination of direct and indirect fees and government funding for the investigation of aircraft accidents. User fees are based on the recovery of the agency's costs to provide the relevant direct services. This approach creates a more efficient and cost-effective regulatory regime and a safer civil-aviation system.

Indirect fees are recovered through an aircraft and passenger safety charge payable by all scheduled passengers.

Transnet Limited

Transnet Limited, a public company of which the South African Government is the sole shareholder, was established on 1 April 1990.

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.

Transnet has committed to investing R41 billion over the next five years to improve services and ensure seamless freight logistics. Investments are expected to be made in the areas of ports, pipelines and rail. Of the rail portion, R8,9 billion will be invested in the coal line and R2,7 billion in the iron line, while R10,8 billion has been earmarked for improving infrastructure in the general freight business.

Transnet has assets in excess of R77 billion.

By mid-2006, the Department of Public Enterprises, in conjunction with Transnet and South African Airways (SAA), was working on the separation of SAA, which was expected to be finalised by the end of 2006.

This will allow Transnet to focus on its rail, port and petro-pipeline core business. SAA will be a stand-alone entity reporting to the Department of Public Enterprises.

To increase the capacity of South African ports in line with the National Freight Logistics Strategy, Transnet will expand most ports and invest R3,2 billion in the new port of Ngqura. At Durban port, R12 billion will be spent on improving the car and container terminals and Maydon Wharf, and expanding the Bayhead complex. Cape Town and Richards Bay ports will be improved at a cost of R1 billion each.

Transnet Limited's responsibilities encompass the following:

- Spoornet, which focuses on transporting freight by rail
- the National Ports Authority (NPA), which provides port infrastructure and marine-related services and manages port activities at South Africa's major ports

For the year to 31 March 2006, Transnet reported a 57% rise in profits from continuing operations to R8,5 billion on revenue of R26,3 billion, representing a 7% or R1,6 billion improvement compared with the previous year.

Operating expenses dropped 9,9% to R17,9 billion, contributing to a 57% increase in profit from operations to R8,5 billion.

The capital base grew 31% to R27,7 billion and cash generated from operations increased by 28% to R11,2 billion.

- South African Port Operations, which manages port- and cargo-terminal operations through a number of strategically segmented units
- Petronet, which pumps and manages the storage of petroleum and gas products through its network of high-pressure and long-distance pipelines
- Transwerk, which focuses on refurbishing, converting, upgrading and manufacturing retail-related stock
- Protekon, a multidisciplinary engineering organisation specialising in providing turnkey railway, port and intermodal logistical solutions.

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 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, acknowledging the importance of roads to the economy.

The total South African road network comprises some 754 600 km of roads and streets.

Responsibility for the network is carried by the department with Sanral, the nine provinces, and local governments.

A new proposed road-classification system has been developed to integrate the 29% of unclassified roads into the 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.

Government will mobilise investment of more than R25 billion from public and private sources in national roads over the next five years. It has committed some R63 billion for the next three years in the three spheres of government. The R25-billion is over and above the more than R2-billion baseline allocations made annually to Sanral to manage non-toll national roads.

The State's toll-road network will be expanded at a cost of R10,7 billion, while the private sector will invest about R16 billion in concession toll roads, including the N2 Wild Coast. A significant proportion of these funds will be spent on the three major metropolitan nodes to address congestion. Government expects to invest R5,4 billion in developing access roads across the country in the next three years, using labour-intensive methods to maximise job creation and skills development. A further R500 million will be invested in strategic secondary roads critical for freight transportation.

Provincial roads

The planning, construction and maintenance of roads and bridges, other than those falling under Sanral or local governments, is the responsibility of provincial governments. The Department of Transport is always ready to assist provincial and local governments to improve and develop the state of their roads.

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 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.

Credit-card format (CCF) licences

CCF licences are valid for a period of five years, whereafter licence holders have to apply for a replacement.

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.

Public transport

In terms of the Constitution of the Republic 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.

According to the National Household Travel Survey, 2003, there were about 3,9 million public-transport commuters in mid-2003. The 2,5 million taxi commuters accounted for over 63% of public-transport work trips. Bus services account for another 22% of public-transport commuters and the balance were carried to work by train. In addition to the 2,5 million commuters who used minibus taxis as the main mode of travel, there were another 325 000 commuters who used taxis either as a feeder mode to other public-transport services, or as a distribution service from the main mode to their places of work.

National Transport Register

The establishment of the National Transport Register is a requirement of the National Land Transport Transition Act, 2000 (Act 22 of 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 to enable local road-transportation boards (provincial permit boards) to provide an efficient service to the industry. In achieving this goal, the LTPS supports the boards in:

- 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
- 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 of Transport supports provincial departments of transport and of public works in constructing 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 buses and trains as modes of transport.

Motor vehicles

The number of registered vehicles increased by 492 009 (6,58%) from 7 479 178 vehicles on 31 December 2004 to 7 971 187 vehicles at the end of December 2005.

While more new vehicles enter into service, other unroadworthy cars are scrapped from the road annually.

In 2000, some 83 901 vehicles were removed from the road compared with 111 593 in 2005.

Taxi Recapitalisation Programme

By April 2006, the National Land Transport Transition Amendment Bill was before Parliament to enable government to implement the TRP.

The TRP aims to replace the current ageing taxi fleet with new, safer and purpose-built minibus taxis. The TRP comprises the introduction of safety requirements for the new taxi vehicles, scrapping of existing vehicles, effective regulation of the taxi industry, effective law enforcement in respect of public transport, and empowerment of the taxi industry.

The new safety requirements, which were effective from 1 January 2006, involve:

- seatbelts
- roll-over bars
- type-two braking systems
- commercially rated tyres: size 185 R or 195 R
- warning markings
- wheel bands
- tamper-proof speed governors (100 km per hour will be set as the maximum)
- diesel-fuelled vehicles.

Any new vehicle entering the taxi industry without meeting these safety requirements will not be licensed to operate as a taxi.

By mid-2006, some 98% of taxi operators had applied for their permits to be converted to operating licences, while those who had not were given until 30 September 2006 to do so.

Late in September 2006, Minister Radebe met with representatives from the National Association of Automobile Manufacturers of South Africa, financial institutions, the taxi industry, the South African Bureau of Standards and bodies representing commuters to discuss the implementation and roll-out of the TRP. It was agreed that:

- all manufacturers of vehicles for the TRP would comply with safety regulations issued on 4 September 2006 and that they would submit their vehicles for certification by the South African Bureau of Standards without delay
- by the end of 2007, all TRP vehicles had to comply substantially with safety regulations.

New taxis would start being introduced in September 2006 and would have colour-coding and specific markings to help commuters and traffic-enforcement officials identify them.

The Siyazi Consortium Scrapping Agency had the task of finalising and setting up facilities and infrastructure countrywide for the scrapping of taxis, which would begin in October 2006, to coincide with Transport Month.

Old vehicles would have to undergo roadworthiness testing at vehicle-testing centres countrywide. Those deemed unroadworthy would be forwarded to the nearest scrapping agency. Owners would be advised to apply for the scrapping allowance.

Bus transport

A network of publicly and privately owned passenger bus services links the major centres of South Africa and also serves commuters in deep rural areas. 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 buses.

Before 1994, a handful of large bus companies were receiving most of government's bus subsidy budget. By November 2003, three years ahead of target, the proportion of bus subsidies paid to Black Economic Empowerment (BEE) bus companies had reached 60%. By March 2004, 55% of all contracts had been converted to tendered or negotiated contracts. The remaining contracts were expected to be converted by April 2007. By October 2006, there was still a moratorium on new tendered contracts to allow bus companies time to meet the new requirements of subsidised service contracts.

Through the Transport Education and Training Authority (Teta) Programme for taxi drivers, government and taxi operators aim to transform the taxi industry by ensuring it remains dynamic and service-oriented in responding to public-transport needs. By May 2006, more than 4 000 taxi drivers had completed the certified Teta programme that promotes professionalism and efficiency among taxi drivers.

In February 2006, Minister Radebe instructed the RTMC to introduce measures to ensure adherence to safety requirements and standards by bus operators, especially those transporting school-children. Buses transporting learners have to meet basic safety standards and be tested regularly at approved testing stations.

Where accidents involve unroadworthy buses, the TRMC has to ensure that testing stations and officials responsible for issuing certificates to unroadworthy buses and other public-transportation vehicles are held liable for their actions.

The departments of transport and of education co-operate in ensuring that safety standards are included in transport contracts. The final Model Tender Document is expected to further enhance safety standards for buses and other vehicles involved in subsidised transport services, by introducing competitive tendering in a regulated environment.

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 Memorandum of Understanding (MoU). The memorandum facilitates transport between member countries through 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 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, to facilitate the movement of goods and people by road, and to 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 is closest to shipping routes to and from markets in the Americas and Europe.

The strategic review of passenger transport commenced in 2005/06 and prioritised:

- subsidy analysis and reform options
- a national public-transport electronic fare collection and information platform
- an implementation strategy for travel-demand management
- integrated public-transport networks in metropolitan areas
- rural passenger transport.

The review was expected to be completed by March 2007.

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.

Freight transport

In South Africa alone, road transport 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 comprised 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 gross domestic product, 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.

In September 2005, Minister Radebe launched the National Freight Logistics Strategy which aims to:

- regulate the freight system to ensure economic efficiency
- exercise effective oversight of the environmental and security elements of the freight system
- promote better physical and operational integration of seaports, airports and land-transport networks.

Road-traffic safety

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 RMTC is a partnership between the three spheres of government to strengthen its collective capacity for road-traffic management. The process for adjudicating road-traffic offences has been reformed and is now administrative, rather than judicial.

The Constitution authorises provinces to exercise legislative and executive powers pertaining to road-

The Intelligent Transport System (ITS) transmits real-time information on traffic and road conditions to ordinary road users, traffic authorities and emergency services so that they can make informed decisions in response to traffic delays and bad road conditions.

A five-year ITS pilot project that will focus particularly on the N1 Ben Schoeman between Pretoria and Johannesburg commenced in October 2006.

Over R51 million has been invested in this project, with 90 cameras and 19 variable message signs installed along the highway to capture and transmit traffic information for road users.

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 identifying, formulating and prioritising 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, motorists' drivers' licences will be suspended when they have 12 penalty points against their names. 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 driver's licence is suspended for a third time, it will be cancelled and the motorist will have to undergo a driver's test again. 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.

A strong economy, high consumer and business confidence, low interest rates and increased affordability boosted new vehicle sales in South Africa to an all-time record high in March 2006. National Association of Automobile Manufacturers of South Africa (Naamsa) figures showed that a total of 56 341 new vehicles were sold in March 2006, up 29,1% on the 43 635 units sold in March 2005.

New car sales easily surpassed all previous monthly sales records, up 30,9% on the same period in 2005 and 15,8% higher than in February 2006. Sales for the first quarter of 2006 exceeded those in the 2005 first quarter by 21,3%.

As a result of the record sales, Naamsa revised its growth projections for 2006 from 10% to between 15% and 20%.

March sales of new commercial vehicles, bakkies and minibuses of 3 163 units were 24,5% higher than they were in March 2005.

Naamsa said there were substantial increases in sales of medium and heavy trucks. Medium commercial vehicles sales rose 38,3%, while those of heavy commercial vehicles rose by 29,5%.

Vehicle exports for the first two months of 2006 increased by 7 869 units, or 54,4%, compared with the same period in 2005.

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 around schools and community halls; and an absence of law enforcement.

Road Accident Fund (RAF)

The RAF is a public entity that compensates victims of motor-vehicle accidents for bodily injuries and/or loss of financial support caused by the death of a breadwinner. The rights for compensation are prescribed by the RAF Act, 1996 (Act 56 of 1996).

The RAF derives its income from a tax levied on petrol and diesel sold in South Africa.

The RAF pays out numerous claims each year due to accidents caused by recklessness; inconsiderate, negligent and aggressive driver behaviour; as well as drunken driving. In 2004/05, 164 346 claims totalling R11,7 billion were lodged. Some 13 441 claims totalling R82 million were finalised and paid out.

Legislation

In July 2006, Cabinet approved in principle that a road accident scheme would replace the RAF. The scheme will ensure that people involved in road accidents receive better healthcare after accidents, and receive benefit for their injuries and economic loss they may have suffered, irrespective of whether they were at fault at the time. The plan to restructure the RAF is expected to be implemented in 2008/09 after public consultation.

Rail transport

The Department of Transport embarked on a comprehensive recapitalisation programme to improve rail safety and revive rail transport as a viable public-transport alternative.

The National Railway Safety Regulator Act, 2002 (Act 16 of 2002), is the enabling legislation for the setting up of the independent Railway Safety Regulator, reporting and accountable to the Minister of Transport.

In October 2006, Minister Radebe launched the Rail Safety Inspectorate that would perform on-site safety checks on trains, focusing especially on Metro Rail's action plans to address identified dangers such as missing windows and defective doors, brakes and train wheels.

The regulator also oversees safety by 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.

The development of industrial and local standards, which will cover certain geographical locations and circumstances, is expected to be completed in 2008.

Spoornet

Spoornet is the largest division within Transnet, a commercialised organisation with the State as its sole shareholder. It represents the group's rail freight and long-distance passenger-transport interests.

Six major inland terminals and 19 satellite depots are strategically located to link with South Africa's major ports. Each terminal, with its satellite depots, handles containers, cars and bulk traffic.

The Natal (Natcor) corridor carries 78% of the steel exports while the Richards Bay coal line carries the remainder.

Thirteen wagon types are used to transport steel, while customised wagons are used for raw material such as iron ore, coal and coke, and fluxes like lime and dolomite. In future, wagons will be designed to optimise assets, operational functionality and efficiency. The fleet for transporting steel includes wagon types suited for either flat or long products. The 'megatrain' with its payload of 34 200 tons is 3,9 km long and has greatly increased capacity on the Sishen-Saldanha Iron Ore export line.

Spoornet also concentrates on ad hoc and consignments for small, short-term and cash customers.

A wide range of commodities are transported in containers, and multipurpose and specialised wagons.

Spoornet offers freight logistics solutions to customers in all industries countrywide. The core of this service is a centrally enabled fixed train plan.

Corporate Social Investment (CSI)

CSI is fundamental to Spoornet's business as it puts a unique feature to good use for community support.

Spoornet's community involvement focuses on HIV and AIDS, and specifically, community- and home-based care. In future, CSI will, among other initiatives, include poverty alleviation and putting Spoornet's underused assets at the disposal

of community-development initiatives and organisations. Other community-based initiatives will be based on identified needs in the areas of education, health, sport, etc.

HIV and AIDS

Projects are selected for their sustainability and have the following features:

- volunteers trained in and practising home-based care, including nursing the ill, counselling the patient and family, establishing support groups, and supervising nutrition and adherence to treatment
- income-generation, including food gardens, community bakeries or arts and crafts, where the emphasis is on ensuring the welfare of people living with or affected by HIV and AIDS
- community participation, ensuring that the community has ownership of the project and that the discriminatory stigma often attached to people affected by HIV and AIDS is mitigated.

Spoornet's contribution to these projects has received wide acknowledgement and public recognition.

Safety

While the major focus is on training and nurturing internal commitment to safe operations at every level, a nationwide community campaign mainly targets communities living and working close to the railway infrastructure. These are people crossing the railway line and children in schools and in informal settlements encroaching on the railway areas. These efforts have already impacted on millions of people.

Spoornet's safety plan has evolved out of a safety-gap analysis conducted by international consultants. This led to a major restructuring exercise, streamlining operational management processes with a defined focus on technical and operational safety aspects.

Economic empowerment

Since 1994, Spoornet has been committed to affirmative procurement, within the framework of BEE. Tender rules and procurement policies take cognisance of this and line managers have, in turn, been trained to effect procurement without compromising specifications, safety or standards.

Tender processes have been simplified, targets have been set and progress is being monitored. BEE suppliers are offered training to help them understand procurement policies.

Employment equity

Spoornet's performance in terms of employment equity continues to improve. Policies and procedures have been reviewed and an accelerated programme for training and development is reaping rewards. The fast-track initiative continues to improve gender representation in Spoornet.

Infrastructure

Spoornet's freight operations comprise general freight business, a heavy-haul export coal-line and a heavy-haul ore-export line. Spoornet has a 22 000-km rail network, of which about 1 500 km are heavy-haul lines. The network connects the ports and hinterland of South Africa and the rail networks of the sub-Saharan region. Spoornet operates a long-distance passenger-transport service in the form of the Shosholoza Meyl and the luxurious Blue Train. Consultations are under way to reposition Shosholoza Meyl outside Spoornet, while offering concessioning opportunities for the Blue Train. Divesting of these assets will allow Spoornet to concentrate on its freight operations and infrastructure.

Operations

Spoornet's operational achievements during 2005/06 included the following:

- The reliability and availability of rolling stock was addressed. All major maintenance programmes are being incorporated into Transwerk, which will be responsible for ensuring that rolling stock is available and reliable.
- The Transnet Board approved an extra maintenance budget of R1,6-billion for 2007 to address the maintenance backlog for locomotives, wagons and rail infrastructure. This is in addition to the R5,7-billion capital programme for 2006/07, which includes the capitalisation of major maintenance in terms of international financial reporting standards.
- The Vulindlela coal-line programme increased capacity, resulting in record daily volumes.
- The focus on the iron-ore line raised daily volumes at the port of Saldanha to record levels

with 29,6 mt being moved compared with 28,2 mt in 2005. The target for 2006/07 was 32,7 mt.
- A contract for the purchase of 110 dual-voltage electric locomotives – Spoornet's first new locomotives in 16 years – was awarded. They will run on the coal line.
- The new capital-expenditure programme spent R3,8 billion on capital projects.

Business units

Spoornet has several transport divisions providing transport services in all transport modes.

GFB Commercial

GFB Commercial is the largest of Spoornet's business units, accounting for some 70% of its income and handling some 52% of its freight tonnage.

GFB Commercial manages the flow of material and information between suppliers and customers along sections of their supply chains. It strives to integrate the rail component of the supply chain with adjoining components to increase supply-chain efficiency and reliability at the lowest-possible cost.

COALlink

COALlink provides world-class transport for South Africa's export coal from the Mpumalanga coalfields to the Richards Bay Coal Terminal. It is one of the world's most efficient bulk export logistic supply chains, and its steam-coal export tonnage is second only to Australia's.

Orex

Orex deals with the transport of iron ore over the 861-km railway line from Sishen to Saldanha. Following the high demand for ore in the export markets, improvements to the line are under way to increase the capacity of the Orex line from 18 mt a year to more than 22 mt a year.

In a recent benchmark study, Orex was rated as 38% better than the next best-practice operator in its field.

Luxrail

Luxrail's primary focus is the operation of the Blue Train, which caters for a growing international tourist market. It has won several World Travel Awards for being the world's leading luxury train. Crossing South Africa's varied landscape along four routes, the trains combine the comfort and luxury of a five-star hotel with unparalleled journeys.

Luxrail also manages contracts with other luxury train operators using Spoornet's infrastructure. These include Rovos Rail, which travels throughout southern Africa, and the Spier train, which travels on the Western Cape wine routes.

Shosholoza Meyl

Shosholoza Meyl provides affordable intercity passenger rail services to and from South African destinations. These include Johannesburg, Durban, Makhado, Polokwane, Komatipoort, East London, Port Elizabeth, Bloemfontein, Kimberley and Cape Town. Services also connect with destinations in Zimbabwe, Mozambique and Swaziland.

About four million passengers use Shosholoza Meyl's services a year.

Government has committed R305 million to the Khayelitsha Rail Extension (KRE) Project that will provide a much-needed railway extension to the more than 450 000 residents of Khayelitsha. The existing rail service caters for the needs of only 50% of residents, with the rest relying heavily on buses and taxis.

The rail infrastructure that the KRE will provide entails:
- 4,5 km of double electrified and signalled rail line
- four road-over-rail bridges
- four fully accessible stations
- two fully accessible transport interchanges
- alterations to existing road infrastructure
- road-network upgrades to ensure connectivity and sufficient accessibility to stations and bridges
- three newly refurbished train-sets.

By October 2006, the project had given work to over 100 local people, of whom 60% were women and youth. It also helped create opportunities for more than 14 locally based, small and medium-sized enterprises.

The capital cost of the infrastructure that will become the property of the City of Cape Town is estimated at R95 million.

Spoornet International Joint Ventures (IJV)

IJV is responsible for all Spoornet activities outside South Africa, as well as for all non-core activities and joint ventures within the country.

Spoornet aims to be a global leader in operations on the 1 000-mm and 1 067-mm (narrow gauge) rail networks of the world, especially in Africa. The IJV is Spoornet's vehicle for achieving this and other objectives outside the company's normal areas of activity.

South African Rail Commuter Corporation (SARCC)-Metrorail

The SARCC was established in 1990 to provide commuter rail services in South Africa. All the passenger rails entities in South Africa are being consolidated. The first phase of the consolidation has been concluded with Metrorail being transferred to the SARCC with effect from 1 May 2006. The second phase will see Shosholoza Meyl integrated under the Department of Transport.

In the long term, this change will lead to better provision of commuter-rail services.

The SARCC-Metrorail 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-Metrorail included property with a net potential of R2 billion in the main metropolitan areas.

Corridors for the domestic movement of raw material

Sishen/Thabazimbi/Beeshoek – Bijlkor/Newcastle/Dunswart/Union	Iron ore
Roossenekal – Clewer/Witbank	Iron ore
Grootgeluk – Bijlkor/Newcastle/Saldanha	Coal
Ogies – Bijlkor/Dunswart/ Saldanha/Union	Coal
Musina – Bijlkor	Coal
Meyerton – Bijlkor/Newcastle/Dunswart	Dolomite
Lime Acres – Bijlkor/Newcastle/ Dunswart/Clewer/Middelburg	Coal
Richards Bay – Bijlkor/Newcastle	Imported coking coal

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 2004/05, the SARCC infrastructure and assets comprised 478 stations, some 2 240 km of electrified single-rail track and 4 564 coaches.

Intersite

Commuter rail stations and properties are managed and developed by Intersite Property Management Services (Pty) Limited. Intersite is a wholly owned subsidiary of SARCC-Metrorail that was formed in 1992.

The commuter rail portfolio comprises 478 stations, 4 200 ha of land, and property in the major metropolitan areas of Johannesburg, Pretoria, Durban and Cape Town. Apart from building new stations and upgrading and maintaining stations, Intersite is commercialising them and generating income for commuter rail.

Since 1992, Intersite has completed a number of station upgrades at a cost of R565,8 million, while a further R205,7 million has been invested in the former Metrorail operational assets. Several new stations/intermodal transport facilities were also completed totalling some R106,6 million.

In 2004/05, Intersite generated some R198 million for the SARCC-Metrorail.

The SARCC-Metrorail is implementing an active programme to improve the state of commuter rail rolling stock.

This is accomplished by increasing the number of coaches in the refurbishment process and improving repair standards. The new standard includes the upgrade of a modular body train set that shares the same aesthetics as the 10M3 and 10M4 coaches currently running in the Johannesburg and Cape Town regions.

During 2005/06, 458 coaches were allocated for general overhaul and upgrade at a cost of R1 000 million.

Civil aviation

By mid-2005, there were 9 063 aircraft on the South African register. At the end of 2005, there were 13 891 active pilots and 9 314 aircraft in South Africa.

The number of airlines operating in South African airspace 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.

Airlift Strategy

In July 2006, government approved a five-year strategy for the regulation of air transport in support of the Accelerated and Shared Growth Initiative for South Africa.

The Airlift Strategy aims to increase aviation's contribution to sustainable economic growth and job creation by providing an enabling network that allows suppliers and consumers of air-transport services to exercise reasonable flexibility and choice. The strategy especially aims at enhancing South Africa's prospects as a preferred travel destination and synchronising the basis for bilateral air-service negotiations with other national priorities.

The strategy focuses on the following key issues in particular:

- Aligning mandates for air-service negotiations with government policies and strategies, especially the Tourism Growth Strategy. Markets and routes are identified in line with the Tourism Strategy and prioritised according to national interests regarding strategic markets.
- Unblocking capacity constraints by negotiating air-service capacity ahead of demand to ensure availability of adequate capacity and to enable airlines to respond to market demand rapidly.
- Setting targets for liberalising key elements of bilateral air-service agreements concerning especially the multiple designations of airlines, tariff regimes, code-share frameworks and implementation of the Yamoussoukro Decision (YD).
- Addressing airline-safety oversight capacity at institutional level.
- Withdrawing the rights of a South African airline not using its capacity allotment in terms of its international air-service licence within a specified time.
- Granting additional capacity in terms of a particular air-service agreement to compensate for the capacity shortfall on a route due to a South African airline's non-performance.
- Withdrawing and reallocating airport slots not used by foreign and South African airlines at least 80% of the time within a given International Air Transport Association (Iata) timetable period.
- Evaluating and setting negotiation mandates in terms of actual and potential impact on the network of air services serving South Africa and its key markets, because globalisation and high levels of co-operation among airlines have made air-service agreements and routes interdependent. In particular, the African Union (AU) Common External Air Transport Policy in respect of open-skies arrangements (other than the YD) and the European Union-Ownership clause (once approved) will be applied.

Efficient airports and effective airspace management are critical to the future development of air transport. The Air Freight Logistics Project, the creation of the National Airports Development Plan, and a project aimed at the possible establishment of an independent slot-co-ordinator for South Africa will address air-transport infrastructure. The principle of 'fair and equal opportunity' enshrined in the bilateral

Construction of the Gautrain Rapid Rail Link commenced in September 2006.

The Gautrain Project will give South Africa its first-ever world-class rapid rail system in response to significant transport challenges such as road congestion and the need for better public transport.

The Department of Transport and the Gautrain Rapid Rail Link are focusing on the integration of travel-demand management, networks, fares, information, communication, technical matters and on integration at transport modes and of transport nodes with city precincts.

The Gautrain Project is expected to catalyse the transformation of public transport, especially in Gauteng, and will have a direct effect on integrated transport planning, the passenger rail plan and the public-transport plan.

The 2010 Public-Transport Infrastructure Fund of R3,8 billion will result in big improvements to the public-transport system, some of which will be integrated into the Gautrain Project.

It is expected that the Gautrain will eventually be part of a newly created mass-transit system.

air-service agreements will be applied in cases of slot-constrained airports to achieve maximum economic benefits within a pro-competition environment.

Implementing the strategy successfully is expected to significantly increase the number of passengers moving through OR Tambo International Airport (formerly Johannesburg International Airport), Cape Town International Airport and Durban International Airport.

The Airports Company of South Africa (Acsa) will spend some R8 billion over the next few years on modernising and upgrading major airports in South Africa, partly to accommodate its fleet of Airbus A380, and to build a new passenger and cargo airport as part of the Dube Trade Port complex, north of Durban. The Air Traffic and Navigation Services (ATNS) Company has improved South Africa's airspace-management safety scenarios by investing in infrastructure. It spent R96 million on renewing terrestrial aeronautical navigation systems, and some R160 million on replacing older radar systems in parts of South Africa. In August 2006, ATNS was appointed the Aeronautical Regional Monitoring Agency for Africa.

Airports

Acsa, which was officially established on 23 July 1993, owns and operates South Africa's 10 principal airports, including the three major international airports in Johannesburg, Cape Town and Durban.

By March 2006, average annual growth across South Africa's three major airports was 7,8%, with the highest annual growth of 9,3% at Cape Town International, followed by 7,7% at Durban International and 7,1% at OR Tambo International Airport.

Acsa also has a 35-year concession to operate the Pilanesberg Airport near Sun City in North West. The other six airports are Bloemfontein, Port Elizabeth, East London, George, Kimberley, Upington and Pilanesberg.

Acsa's three core activities are:

- airport services, including the development of airport infrastructure such as providing and maintaining runways, taxiways and aprons; terminal facilities; and aviation security, fire and rescue services
- retail and advertising activities, including the provision of space within terminals to appropriate retailers; and other sites to operations such as car-hire firms, banks and space for advertisers
- property activities, retail and office premises, and car-parking facilities, as well as functioning as commercial landlords.

Acsa is the largest airports authority in Africa. Together, its 10 airports handle more than 200 000 aircraft landing, and 23 million passengers arriving and departing annually.

Air-Traffic Navigation Services

The ATNS is responsible for the efficient running of South Africa's air-traffic control systems and the maintenance of navigation equipment, including the deployment of air-traffic controllers and aviation technical staff.

The company's college is a well-established facility that is used by several 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.

The company is improving service-delivery targets, reducing pilot and controller workloads, and enhancing the efficiency of the system by implementing the R228-million South African Advanced Air-Traffic System (Saaats).

The benefits of Saaats to airlines include a reduction in delays due to improved approach sequencing, significant fuel savings, improved coverage, and optimised routings in oceanic sectors.

A joint operations centre at the OR Tambo International Airport 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.

The African Ministers' Yamoussoukro Decision of 1999 aims to liberalise the intra-African aviation market concerning such matters as traffic rights, capacity, frequency and pricing. It prevents countries from unilaterally limiting the volume of traffic, type of aircraft to be operated or number of flights a week, except for environmental, safety, technical or other special reasons.

Airlines

SAA is by far the largest air carrier in Africa, with the OR Tambo International Airport being the busiest airport in Africa. Nearly 75% of air-traffic activity in Africa takes place in the region.

In April 2006, SAA became a member of the worldwide Star Alliance, the first African airline to join the elite international network.

The network represents 18 of the world's leading airlines, travelling to 842 destinations across 152 countries. The alliance processes 425 million passengers annually.

SAA's membership adds 21 new African routes and destinations to the Star Alliance Network. Other members of the network include Air Canada, Lufthansa and United Airlines.

By the end of March 2006, SAA had 17 aircraft and 56 on lease. In 2005/06, the tonnage of cargo that SAA aircraft carried increased by 5,1% to 185 000.

South Africa has a number of airlines flying between its major cities and to some of its smaller ones, with fares ranging from first-class to cut-price economy. Flights can be booked online from anywhere in the world.

Seven major domestic airlines operate in the country, as well as a number of smaller charter airline companies.

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, Northwest Airlines, Olympic Airways, Qantas, 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 African airlines participated in the Iata Operation Safety Audit Programme for the first time in 2005/06. SAA became the first southern African airline to successfully complete its safety audit.

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 country will provide air-navigation services to all aircraft flying above 24 500 feet.

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 YD, 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-airspace-control regimes are in place across the continent, supported by efficient air-traffic and navigational services and systematic human resource (HR) 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 airports network.

South African aviation accident and incident statistics for 1996 to 2006 reflect an average of 150 accidents and an average of 31 fatalities, with an estimated 1 500 incidents a year.

In 2006, the then Johannesburg International Airport was once again chosen as the winner of the African Aviation Award for African Airport of the Year 2005.

This was in recognition of the continued achievements made in critical areas, including airport management and development.

The award ceremony took place during African Aviation's 15th annual conference in Casablanca, Morocco, on 14 March 2006.

Human error causes 80% of accidents and mechanical problems the rest.

Ports

Commercial ports play a crucial role in South Africa's transport, logistics and socio-economic development. About 98% of South Africa's exports are conveyed by sea.

The NPA is the largest port authority on the continent. It owns and manages South Africa's ports at Richards Bay, Durban, East London, Port Elizabeth, Mossel Bay, Cape Town, Saldanha and Ngqura.

The NPA provides suitable infrastructure as a conduit for the country's imports and exports. As port landlord, NPA is responsible for:

- developing and managing port properties
- developing, advising and implementing national port policies
- providing and maintaining port infrastructure (i.e. breakwaters, seawalls, channels, basins, quay walls and jetties), and the sustainability of ports and their environments
- co-ordinating marketing and promotional activities for each port.

The NPA also has a control function, which includes:

- providing vessel-traffic control and navigational aids
- licensing and leasing terminals to operators
- monitoring the performance of port operators
- ensuring the orderly, efficient and reliable transfer of cargo and passengers between sea and land.

In 2005/06, the NPA increased turnover by 11% from R4 994 million to R5 543 million, and operating profit by 18% from R3 211 million to R3 798 million.

With the conclusion of the NPA Bill, the South African port system is at the threshold of an exciting era. The NPA Bill, a product of government's National Commercial Ports Policy, provides South African ports with insight into government's vision for ports, and a clear direction

The Airports Company of South Africa (Acsa) is constructing its largest-ever facility, the R2-billion Central Terminal Building (CTB), at the OR Tambo International Airport.

The project is part of the R5,2-billion infrastructure-development budget for the entire Acsa network of airports. Of this budget, R3,5 billion will be spent at OR Tambo International Airport. The new CTB, which will link the existing domestic and international terminal buildings, will serve as one of the stations on the Gautrain route and provide the required additional international terminal building capacity in terms of holding lounges, airside commercial areas and boarding gates.

The completion date for the construction of the CTB has been accelerated to the end of 2009 because:

- South Africa will host the 2010 Fifa World Cup which will increase the number of visitors to the country
- new-generation large aircraft such as the Airbus A380 are expected to start flying to and from OR Tambo International Airport late in 2008.

The CTB will be a multilevel building with floor levels complementing the adjacent terminals and roadway system. Departures will be on the upper level and arrivals on the ground level, while the basements will accommodate services and baggage handling.

Of the total project cost, some 35% will go to black shareholders.

Passenger arrivals and departures at South African airports

Airport	Domestic	International
Arrivals		
OR Tambo International	4 481 520	3 177 330
Cape Town International	2 737 400	584 627
Durban International	1 821 178	10 831
Departures		
OR Tambo International	4 518 872	3 247 068
Cape Town International	2 766 290	583 034
Durban International	1 841 849	12 067

Source: *Airports Company of South Africa*

of how ports are to be managed and operated under the NPA.

Based on the National Commercial Ports Policy, the vision for South African ports is to become a system of ports, seamlessly integrated in the logistics network that is jointly and individually self-sustainable.

This will be achieved through the delivery of high levels of service and increasing efficiency for a growing customer base. It will result in the enhancement of South Africa's global competitiveness and facilitate the expansion of the economy through socially and environmentally sustainable port development.

The NPA's business consists of the following divisions:

Trade and Logistics

This division is the strategic business arm of the NPA. It is responsible for customer-relationship marketing along with a combination of technology and HR.

Landlord Services

Landlord Services ensures the planning, development and optimal use of port property and infrastructure, as well as a safe, secure and healthy port environment.

The division consists of property, engineering, and planning and development. Landlord Services has traditionally been the NPA's major revenue earner, initially through wharfage, and currently through cargo dues.

Maritime Services

Maritime Services includes improving efficiency in shipping services, dredging navigational waterways, and ensuring a safe shipping environment through 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
- multipurpose 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, ensuring improved safety of navigation within the port and port limits, and enhancing 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 South Africa's commercial ports. Twenty-four hour services are provided at the ports of Durban and Richards Bay.

Portcon International

This division provides a consultancy and training service appropriate to ports operating within the African context.

Port and Corporate Affairs

This division is responsible for the efficient and profitable running of the ports as service-delivery platforms.

Deepwater ports

The port of Richards Bay is a relatively young port, having opened on 1 April 1976. It is South Africa's leading port in terms of cargo volumes and handled 89 mt of cargo in 2005.

The port covers a surface area of 2 157 ha on land and 1 443 ha on water, making it the biggest port in South Africa in terms of size. It offers easy access to South Africa's national rail network with substantial growth capacity in the rail network link.

One of the port's inherent strengths is its deep-water infrastructure, with a maximum permissible

The Airports Company of South Africa (Acsa) is embarking on a R5,2-billion capital-expenditure programme, and an Air Traffic Navigation Services (ATNS) programme of R225,8 million. This includes the construction of A380 aircraft stands, upgrades at passenger-handling areas and improved air-traffic-management systems. ATNS is improving its capacity to handle some 72 air-traffic movements an hour, which is linked to Acsa's ground-infrastructure improvement programme to accommodate those movements.

draught of 17,5 m. This, coupled with the high-tech state-of-the-art terminal infrastructures, allows for high-speed, high-volume cargo-handling and a fast turnaround of vessels.

During 2005/06, Richards Bay handled 1 735 ships with a gross tonnage of 59 042 072 and 89 256 108 t of cargo, of which 84 875 553 t was bulk cargo and 4 380 555 t breakbulk.

Interesting facts and figures about South African Airways (SAA):

- SAA serves more than 842 destinations throughout the world.
- It carries more than seven million passengers each year providing access to more than 150 countries.
- It employs close to 12 000 people worldwide, including 3 600 at SAA Technical. Staff include some 2 800 flight attendants and more than 800 pilots.
- SAA has a development programme known as Women in Aviation to develop high-calibre female managers to feed SAA's executive leadership.
- SAA Technical at OR Tambo International Airport is the largest maintenance facility in Africa.
- SAA undertakes maintenance for more than 40 major airlines, including British Airways (BA), Singapore Airlines, Air France and Lufthansa.
- Some 20% of SAA's domestic travellers fly more than one trip a month on average.
- SAA flies more than 20 domestic routes; there are 20 flights between Cape Town and Johannesburg per day.
- Airbuses offer a choice of 15 movie channels in addition to video games, short features, actuality programmes and travel information.
- Airbus aircraft have 12 audio channels and a jukebox feature, allowing passengers to select and play their choice of music.
- SAA's business class flat-bed seat is the best in the world, according to Skytrax, which also surveyed those of competitors, including BA and Virgin Atlantic.
- Voyager, SAA's loyalty programme, has 1,8 million members.
- Each year, wine experts sample 800 wines and select 70 for serving on-board the aircraft.
- The Baobab Lounge for business class international travellers at OR Tambo International Airport has 33 workstations offering ergonomic business modules, computers, printers and faxes.

Source: South African Airways

Exports totalled 83 125 870 t and imports 6 130 238 t.

Richards Bay's port facilities comprise a dry bulk terminal, a multipurpose terminal and the privately operated coal terminal. Other private operators within the port include several wood-chip export terminals and a bulk liquid terminal.

During 2005/06, the Richards Bay coal terminal handled 68,35 mt of export coal, an increase of 2,3% on the previous year. The terminal is being refurbished to increase its capacity to 92 mt annually.

Saldanha port, situated on the West Coast, is the deepest and 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 transhipment port.

During 2005/06, the port of Saldanha Bay handled 537 ships with a total gross tonnage of 23 779 523 t. Cargo handled by the port totalled 36 664 303 tonnes, including oil.

Hub ports

The port of Durban is a full-service general cargo and container port. It is the most conveniently situated port for the industrialised Durban/Pinetown and Gauteng areas and cross-border traffic.

The port of Durban handles the greatest volume of sea-going traffic of any port in southern Africa. In 2005/06, it handled 4 551 sea-going ships with a gross tonnage of 94 543 236 t which was equal to almost 36% of that of all ports combined.

Cargo handled during 2005/06 totalled 42 668 119 t, which included oil and petroleum products. This tonnage, however, excluded containers.

The port of Durban has a surface land area of 1 854 ha. The Durban container terminal is the largest such facility in the southern hemisphere and is geared to expand in terms of cargo handling.

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 also 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 Durban car terminal – the country's largest import and export facility for the motor industry – handled 278 000 motor units in 2005/06 (214 000 in 2004/05). This figure was expected to reach between 330 000 and 340 000 units during 2006/07.

The port of Cape Town is one of two hubs in South Africa. It offers multipurpose dry, and liquid and dry terminals, as well as fully serviced dry docks. The port is renowned for its deciduous fruit and frozen-product exports. A major fishing industry is also based here.

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, to maximise benefits to the local and national economy.

Integrated intermodal cargo systems, ship repair, bunkering facilities and the reefer trade are examples of these services.

In 2005/06, Cape Town handled 3 400 vessels with a gross tonnage of 48 778 963. Total cargo handled at the port (excluding containers) was 3 718 005 t, of which 3 088 075 t were bulk cargo, and 629 930 t breakbulk.

In 2005/06, Transnet approved investment of R2,075 billion to upgrade Durban and Cape Town container terminals. The aim is to improve the capacity within the ports and to upgrade and develop the facilities to meet the economy's growing demands.

An amount of R1,437 billion was expected to be invested in the port of Durban to develop the container-handling facility. An amount of R600 million was approved to upgrade the Cape Town container terminal.

In addition, R10 million was invested in 2005/06 to increase reefer infrastructure at the Cape Town Container Terminal.

These projects formed part of the five-year R37-billion infrastructure plan that was approved by Cabinet in 2004. They will strengthen Transnet's position to provide a seamless intermodal freight transport service that is consistent with the company's strategic vision of reducing the cost of doing business in South Africa.

The port of East London is situated at the mouth of the Buffalo River on South Africa's east coast, and is the country's only commercial river port.

It boasts a large container terminal and grain elevator, as it is the largest exporter of maize.

With a world-class R80-million car terminal, the port has become one of the major motor-vehicle export and import terminals in South Africa.

East London handled 399 ships during 2005/06 with a gross tonnage of 8 487 024 t.

Multipurpose 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 situated 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 container terminal has maintained the highest handling rates in Africa in recent years and is accredited to International Standards Organisation (ISO) 9002.

Port Elizabeth handled 1 390 ships in 2005/06, with a total tonnage of 26 131 718 t.

Air transport generates about 470 000 direct and indirect jobs across Africa, contributing over US$11,3 billion to Africa's gross domestic product (GDP). If sectors that depend on air transport for their existence such as transport are included, then the number of jobs generated increases to some 3,1 million and the contribution to GDP to some US$55,5 billion.

African airlines directly employ over 82 000 people, with about 46 500 working in African aerospace (maintenance companies, air-traffic control, etc.) and over 21 000 working for African airport operators, with the remaining 18 000 odd people performing on-site airport jobs at airports across Africa. Including all air-transport-related jobs, the figures rise to over 216 000 for airline employment, over 151 000 for aerospace, over 56 00 for airports, and just under 47 000 for on-site employment.

The airlines contribute about US$7,5 billion to African GDP, the airports just over US$2 billion, and aerospace just over US$1,5 billion.

Cargo handled during 2005/06 amounted to 3 983 054 t excluding containers, of which 3 116 274 t were bulk cargo, and 866 780 t breakbulk.

Located mid-way between Cape Town and Port Elizabeth, the port of Mossel Bay has in the past specialised in serving the local inshore and deep-sea fishing industry, as well as limited commercial cargo. However, it now serves the oil industry as well as other client-orientated marine cargo handling.

This port is the only South African port that operates two offshore mooring points within port limits. Both mooring points are used for the transport of refined petroleum products.

During 2005/06, Mossel Bay handled 2 323 vessels with a combined gross tonnage of 2 780 478 t, of which South African trawlers totalled 1 643 vessels with 197 817 t. The port handled a total tonnage of 1 483 234 t, of which 1 396 077 t was bulk cargo (almost entirely oil products) and 87 157 t breakbulk.

Some 388 109 t of cargo were landed at the port, and 1 095 125 t shipped.

Pipelines

Petronet owns, maintains and operates a network of 3 000 km of high-pressure petroleum and gas pipelines.

Transnet has approved R3 billion for the design, construction and commissioning of a new multi-products pipeline between Durban and Gauteng. The new pipeline will enhance Petronet's capacity to service the transport needs of refined petroleum products such as petrol, diesel and jet fuel along the Durban-Gauteng corridor.

Apart from doubling the current pipeline capacity to accommodate growing need, there is also the imperative to have this pipeline completed to coincide with South Africa's hosting of the 2010 Soccer World Cup. As the safest mode of bulk petroleum product transportation, this pipeline project will, in the long term, ensure optimal use of the fuel transport infrastructure in the country.

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 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 marine pollution by oil and other substances emanating from ships.

The Department of Environmental Affairs and Tourism is responsible for combating pollution and has specific means at its disposal, such as the Kuswag coast-watch vessels, with which to perform this function.

Samsa is responsible for introducing and maintaining 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 communications and radio navigation aids
- pollution prevention.

Samsa has an operations unit, a policy unit and a corporate support division to handle all financial, HR 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.

Samsa is steadily improving its capacity to monitor safety standards of foreign vessels. A considerable number of ships calling at South Africa's major ports are inspected, and those not in compliance with international safety standards are detained until the deficiencies were corrected.

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, with a similar training facility at the Durban Institute of Technology. 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.

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 providing 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.

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 Sasar, in conjunction with the relevant officials of the department, is responsible for formulating policy and procedures.

The Department of Transport, the South African National Defence Force, Telkom, Portnet, Samsa, CAA, ATNS, the South African Police Service, the Independent Communications Authority of South Africa, SAA and the Department of Provincial and Local Government are members of Sasar and contribute their services and/or facilities.

Voluntary organisations such as the 4x4 Rescue Club, the Mountain Club of South Africa, Hamnet and the National Sea Rescue Institute are also members of Sasar.

The Aeronautical Rescue Co-ordination Centre is an operational facility of Sasar that promotes the efficient organisation of search-and-rescue services and co-ordinates the conduct of aeronautical search-and-rescue operations. This plays a significant role in improving the safety of South African airspace.

Maritime safety

An estimated 7 000 vessels pass around South Africa's coastline yearly, of which many are laden tankers carrying in excess of 30 million tonnes of crude oil. South African weather conditions present regular challenges to vessels, often resulting in distress calls to the Cape Town-based Maritime Rescue Co-ordination Centre (MRCC).

The MRCC has been in operation since 2003. This has enabled South Africa to exercise its responsibilities to the international community by employing state-of-the-art search-and-rescue infrastructure and services.

Since 2003, the MRCC has received over 500 distress signals from vessels off the South African coastline, some as far south as Antarctica. Various laden, very large crude-oil carriers have been assisted to safety, their cargo safely transferred by means of ship-to-ship transfers and the affected vessels repaired or temporarily repaired to enable them to proceed to other ports for permanent repairs.

South Africa has a well-established Pollution Prevention Strategy, and is ready to respond in case of threat to the environment or to provide assistance to vessels at risk.

South Africa also acts in terms of the Indian Ocean MoU on Port State Control and has a similar agreement with the states of west Africa in the form of the Abuja MoU.

Acknowledgements

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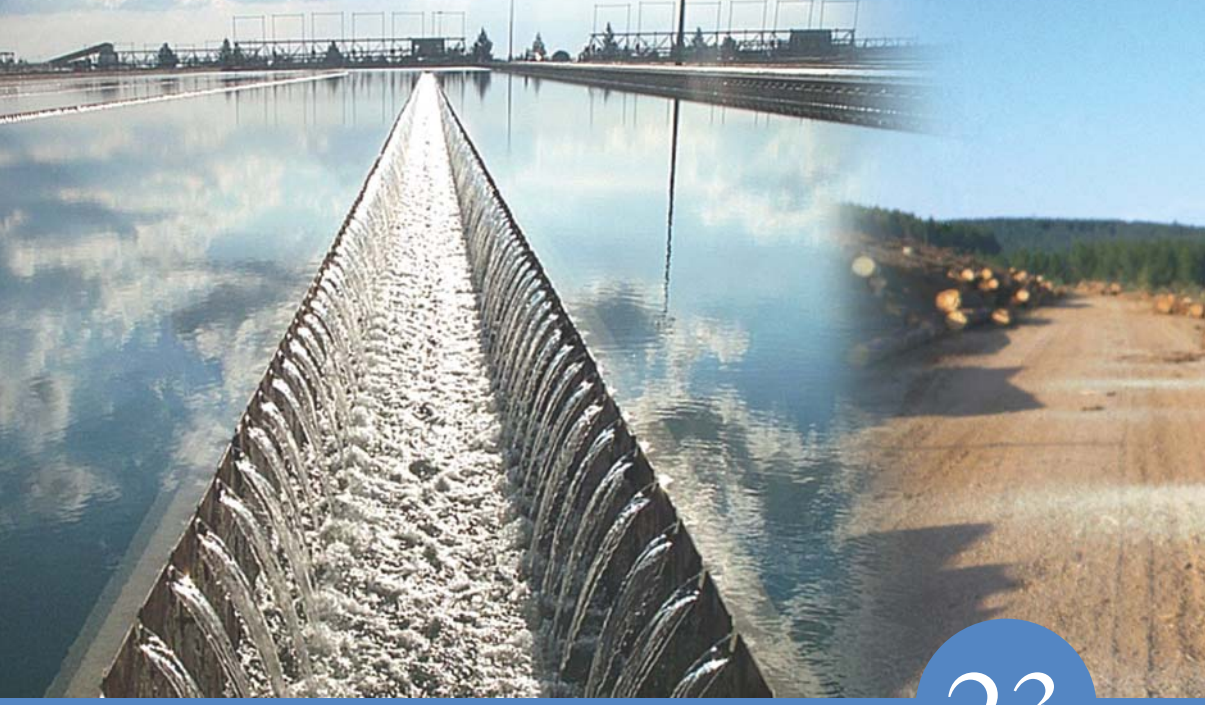
check-in counters 1-13
check-in counters 14-25
check-in counters 26-75
domestic boarding gates
shops
PORTER



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Water affairs and forestry

The aim of the Department of Water Affairs and Forestry is to ensure the availability and supply of water at national level to facilitate equitable and sustainable social and economic development; to ensure the universal and efficient supply of water services at local level; and to promote the sustainable management of forests.

Hydrological conditions

South Africa is located in a predominantly semi-arid part of the world. The country's climate varies from desert and semi-desert in the west to subhumid along the eastern coastal area, with an average rainfall of about 450 mm per year. This is well below the world average of about 860 mm per year, while evaporation is comparatively high.

South Africa's inland water resources include 22 major rivers, 165 large dams, more than 4 000 medium and small dams on public and private land, and hundreds of small rivers.

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 (m^3) per year. This is 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 South Africa's geology, there are few major groundwater aquifers that can be used 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 Africa's 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 settlements, 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. Widespread 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.

Over the years, water-resource development and management in South Africa have 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.

Where feasible, special management techniques may be applied to improve water quality to appropriate standards for particular uses. The quality of groundwater varies according to hydrogeological conditions and anthropogenic impact. However, most major aquifer systems contain potable-quality water.

Measures will also be introduced to ensure the most beneficial and efficient use of water in the country from a social and economic perspective.

Provided that South Africa's water resources are judiciously managed and wisely allocated and used, 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 depends mainly on surface-water resources for most of the urban, industrial and irrigation water supplies in the country. In general, surface-water resources are highly developed over most of South Africa. Groundwater is also extensively used, particularly in the rural and more arid areas, contributing to some 60% of newly serviced households (since 1994).

In the northern parts of the country, both surface and groundwater resources are nearly fully developed and used. 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 m^3 per year, including about 4 800 million m^3 per year of water

originating from Lesotho, and about 700 million m^3 per year originating from Swaziland, which naturally drain into South Africa. Agricultural irrigation represents close to 60% of the total water requirements of 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).

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	Assegaai
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
Mthatha	253	Mthatha
Driekoppies	250	Lomati
Inanda	241	Mgeni
Hartbeespoort	212	Crocodile
Erfenis	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

The total net abstraction of water from surface water resources amounts to about 10 200 million m^3 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 m^3 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 and development

Government is committed to ensuring that everyone in South Africa has access to functioning basic water-supply services and that everyone has access to a functioning basic sanitation facility by 2010. Government is also committed to eradicating bucket systems in formal settlements by 2007.

The substantial restructuring of the department, which is expected to be completed in eight to 10 years' time, includes:

- establishing catchment-management agencies (CMAs) to perform water-resource management functions currently performed by the Department of Water Affairs and Forestry's regional offices
- transferring water-service delivery and operations to water-services authorities (WSAs).

As WSAs are now responsible for providing water services, the department's role is to:

- act as custodian of the country's water resources
- provide water-services policy and guidelines
- provide ongoing support to the water sector
- act as a water-sector regulator.

The department remains focused on the phased implementation of the National Water Act, 1998 (Act 36 of 1998), with a particular emphasis on implementing a new organisational structure, which includes:

- establishing the National Water Resource Strategy (NWRS), 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

- 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 Working for Water (WfW) 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 of water resources
- creating the National Water Resource Infrastructure Agency (NWRIA) to manage and develop national infrastructure.

In accordance with the international best practice of decentralising and democratising water-resource management, the Inkomati CMA has been established, with more agencies to follow.

The Thukela, Usutu-Mhlathuze, Gouritz and Olifants-Doorn CMAs were expected to be established in 2006/07.

Monitoring water resources

The oldest flow-gauging station still in operation in South Africa is on the Mooi River near Potchefstroom in North West. It celebrated a century of monitoring in August 2004.

River flow is monitored at 1 200 flow-gauging stations and some 260 major reservoirs are monitored. The evaporation and rainfall station network comprises 360 stations.

A new initiative to monitor precipitation in mountainous areas has been launched. There are 21 operational rainfall stations 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. The data is updated daily on the Department of Water Affairs and Forestry's website at www.dwaf.gov.za.

Water levels are monitored at some 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.

The importance of qualitative information on South Africa's water resources led to an increasing drive towards creating a national water-quality monitoring network.

In giving effect to the Department of Water Affairs and Forestry's aquatic-ecosystem-management responsibility, the National Aquatic Ecosystem Health Monitoring Programme (NAEHMP), initially known as the National Aquatic Ecosystem Biomonitoring Programme, was launched in 1994.

Until recently, the programme focused mainly on riverine ecosystems, and the short name, River Health Programme (RHP), was adopted for this component of the NAEHMP. However, the original broader focus of the monitoring programme remains valid, namely monitoring the ecological health of all aquatic ecosystems (estuarine and riverine ecosystems), managed by the department.

The NAEHMP focuses on the biological attributes of a river that serve as indicators of its ecological health. The rationale for initiating a biomonitoring programme is that the classic approach of monitoring only physical and chemical water-quality attributes was inadequate for generating information on the overall health of an aquatic ecosystem. Monitoring chemical attributes alone was found to be insufficient to detect, for example, the cumulative effects on aquatic ecosystems of extended exposure to multiple stressors.

Such stressors include habitat alteration, barriers that alter stream flow, water abstraction and alien species being introduced. Aquatic communities (e.g. fish, riparian vegetation and aquatic invertebrate fauna), however, are adapted to live within a certain range of environmental conditions.

These organisms/biological communities integrate, respond to and reflect the effects of chemical and physical disturbances that occur in aquatic ecosystems over extended periods, and

In February 2006, the Minister of Public Service and Administration, Ms Geraldine Fraser-Moleketi, announced that South Africa was set to eradicate the remaining 45 000 bucket toilets countrywide and provide those households with adequate sanitation by 2007. The initial target had been 2008.

Between 2000 and February 2006, government invested over R10,3 billion in basic municipal infrastructure through the Consolidated Municipal Infrastructure Programme and the Municipal Infrastructure Grant.

provide a direct, holistic and integrated measure of the ecological integrity of a river.

If healthy and diverse biological communities inhabit a watercourse, the watercourse as a whole is considered to be ecologically resilient and healthy. However, from an RHP point of view, a healthy water resource does not guarantee the fitness of that resource for domestic, recreational, industrial and agricultural use.

The NAEHMP's main objectives are to:

- generate a national perspective of the health of aquatic ecosystems in South Africa
- develop the capacity and information-base required to enable the department and other role-players to report on the status of, and trends in the ecological health of South Africa's river systems, in an objective and scientifically sound manner
- generate information products and audit-management strategies that could assist in distinguishing between aquatic ecosystems exposed to sustainable use and those experiencing ecological deterioration.

The NAEHMP, and in particular the RHP, is regarded as the 'flagship' for water-resource quality monitoring in South Africa. Products of the RHP have attracted wide attention and recognition, and provide strategic water-resource management information and training material for use in schools and universities, as well as in awareness creation.

The National Chemical Monitoring Programme assesses and reports on the chemical status of water resources in South Africa. Based on the report produced in 2002, the main water-quality challenges for domestic water-users are high totals of dissolved salts and, in some places, high fluoride concentration. The other challenge facing irrigated agriculture is the high sodium adsorption ratio, high electrical conductivity, high pH and high levels of chloride.

On 7 March 2006, the former Minister of Water Affairs and Forestry, Ms Buyelwa Sonjica, launched the first Sanitation Week in South Africa. Sanitation Week aims to raise the profile of sanitation, health and hygiene.

Another challenge, not only in South Africa, but globally, is eutrophication or excessive plant (including algae) growth in dams. This is due to high levels of nutrient input from point sources of pollution and diffuse sources of pollution from catchments. Annual reports indicate that 50% of dams in South Africa are seriously affected (hypertrophic), while the rest range from good (oligotrophic) to poor (mesotrophic).

Another problem facing South Africa is the sporadic outbreak of cholera and other water-borne diseases, mainly due to poor sanitation and hygiene at household level. The Eastern Cape and KwaZulu-Natal are prone to cholera outbreaks.

The Department of Water Affairs and Forestry is designing water-resource monitoring programmes to assess and report on the radiological (radioactivity) and toxicological quality status of South African water resources. The National Toxicity Monitoring Programme will also report on the status of DDT (dichloro-diphenyl-trichloroethane) and other persistent organic pollutants in South Africa. This information will be reported internationally to the Stockholm Convention through the Department of Environmental Affairs and Tourism.

Another international obligation includes reporting on chemical water quality through the Global Environmental Monitoring Systems Water Programme.

Water and sanitation

Water-supply and sanitation programmes

Since 1994, there has been a dedicated programme to provide water and sanitation services to the previously unserved population, located mostly in the rural areas. In 1994, there were 15,9 million people without clean, safe water, while 20,4 million people did not have access to adequate sanitation facilities.

The programme, initially the responsibility of the Department of Water Affairs and Forestry, began in 1994 as part of the Reconstruction and Development Programme. In 2002, responsibility for implementing the programme was transferred to the Department of Provincial and Local Government.

The Department of Water Affairs and Forestry now acts as sector leader by regulating, monitoring and supporting service-providers to ensure effective service provision.

By March 2006, 3,3 million people still lacked access to clean safe water, while 15,3 million were without adequate basic sanitation facilities. The Government remains on track to eradicate backlogs and is on target to exceed the millennium development goals set by the United Nations in 2000 (to reduce the portion of the population without access to basic water and sanitation by 50% in 2015).

The focus of water services broadened in 2001 to include the provision of free basic services to all indigent people in the country. By March 2006, 165 of the 170 WSAs provided Free Basic Water (FBW). In total, 36 million people received FBW, of which 15,5 million people were indigent (defined as households with less than R800 income/month).

The health and hygiene programme has reached some 2,3 million people.

Government has committed to eradicating all bucket sanitation systems in established settlements by December 2007, clearing the clinic sanitation backlog by 2007 and ensuring that all schools have adequate sanitation. The rural poor constitute 75% of the sanitation backlog.

In 2006/07, R1,2 billion out of the Municipal Infrastructure Grant (MIG) Programme for the water-services budget was set aside for the implementation of sanitation. In 2006 alone, R400 million was allocated for bucket-system eradication. To meet the 2010 target, about R3 billion is required per year to increase the sanitation target from 300 000 units in 2006 to one million toilets a year.

About 15 million people in South Africa (32% of the population), do not have access to basic sanitation, and about 151 660 people without access to basic sanitation still use the bucket system.

From April to September 2006, 74 188 households were provided with sanitation and 41 680 buckets were eradicated.

In collaboration with the Department of Health, the Department of Water Affairs and Forestry has developed a Health and Hygiene Strategy, which will guide municipalities in ensuring that health and hygiene are an integral part of sanitation delivery.

Municipal Infrastructure Grant

The MIG, a conditional grant from national government to local government to support investment in basic municipal infrastructure to eradicate backlogs, was implemented in April 2004.

The purpose of the MIG is to facilitate and ensure more effective and integrated service delivery by local government and the Department of Water Affairs and Forestry, working with the Department of Provincial and Local Government in seeking to ensure that funds are made available. (See Chapter 12: *Government system.)*

The department's support to municipalities comprises:

- planning support regarding integrated development plans (IDPs) and water-services development plans (WSDPs)
- monitoring the water-purification and waste-water treatment works' operations
- facilitating project selection, feasibility studies and service-level options
- supporting implementation of the tariff structure and the FBW policy

The European Union (EU) has committed about R1 billion towards supporting South Africa's water and sanitation provision programmes between 2007 and 2013.

Since 1994, the EU, through its European Programme for Reconstruction and Development, has donated more than R1,6 billion to water and sanitation projects in South Africa.

The first phase of the Government's water and sanitation provision programme – dubbed Masibambane – was implemented from 1994 until 2004. The second phase is currently being implemented, with nearly R22,5 billion having been committed.

The EU's new grant has been secured for the third phase, scheduled to begin in 2007.

The programme embraces infrastructure provision, capacity-building in local government, health and hygiene, environmental management, and monitoring and evaluation.

- supporting the section 78 process (division of powers and functions for water services between district and local municipalities) and selecting water-services providers
- training councillors and officials in water-services and water-demand management
- mobilising resources to support municipalities.

Policy and legislation

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), and the Bill of Rights enshrine the basic human right to have access to sufficient water and a safe and healthy environment. The two Acts that enable government to fulfil these rights through the Department of Water Affairs and Forestry are the:

- Water Services Act, 1997 (Act 108 of 1997), which created a regulatory framework within which water services could be provided. Schedule 4 of the Constitution vests the responsibility for water and sanitation services in local government. National government, however, is responsible for the regulatory function.
- National Water Act, 1998, which aims to ensure that water resources are protected, used, developed, conserved, managed and controlled in a sustainable manner, for the benefit of everyone in South Africa.

National Water Act, 1998

The Act provides for:

- integrated management and sustainable use of surface water 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.

National Water Week was held from 27 to 31 March 2006. It aimed to reiterate the value of water, the need for sustainable management of this scarce resource, and the role water plays in eradicating poverty and underdevelopment in South Africa.

The theme for the 2006 celebrations was *Water for Growth and Development*.

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 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 use water for irrigation, mining purposes, industrial use, feedlots or in terms of a general authorisation, must register. This includes the use of surface and groundwater.

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 m^3, 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 pay the water-resource charge or cost for which they are accordingly billed. However, underrecovery of costs remains considerable.

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.

National Water Resource Strategy

Cabinet approved the first edition of the NWRS in September 2004. The NWRS describes how the water resources of South Africa will be protected, used, developed, conserved, managed and controlled in accordance with the requirements of the National Water Policy and the National Water Act, 1998.

Through the NWRS, South Africa reached one of the first recommendations of the Johannesburg Plan of Action, adopted at the 2002 World Summit on Sustainable Development, to develop national water-resource management plans.

The strategy contains estimates of present and future water availability and water requirements. It also proposes actions to be taken to achieve a sustainable balance between water availability and requirements. This is necessary to provide sufficient water, which is essential for human life, for participation in economic activity and for the progressive re-allocation of water to sectors of society that were previously excluded.

A vital element of the NWRS is the progressive decentralisation of the responsibility and authority for water-resource management to CMAs and, at a local level, to WUAs. These institutions, representing water users and other stakeholders, will facilitate effective participation in water-resource management in their areas. It will also enable the Department of Water Affairs and Forestry to move from its present multiple roles as operator, developer and regulator to become the sector leader, policy-maker, regulator and monitor.

The department will lead the creation of new institutions over a number of years, and will support and guide them in executing their tasks.

While the actions include the construction of new infrastructure such as dams, pumping stations and pipelines to meet increasing water demands, attention is mainly given to arrangements for the careful management, use and protection of water resources.

Water Services Act, 1997

The Act aims to:

- set out the rights of consumers, and the rights and duties of those responsible for providing water services
- provide for the right of access to basic water supply, and the right to basic sanitation necessary to secure sufficient water and an environment not harmful to human health or well-being
- allow the Minister of Water Affairs and Forestry to set national standards (including norms and standards for tariffs) to ensure efficient, equitable and sustainable water services
- promote the effective and sustainable use of financial and natural resources
- establish effective and financially viable statutory institutions to assist local government to fulfil its obligations
- ensure the production by WSAs of WSDPs, within the framework of IDPs, required by municipal legislation
- provide a comprehensive framework for the oversight and regulation of water boards under the authority of the Minister of Water Affairs and Forestry
- provide a framework for the collection and publication of information about water services.

Strategic Framework for Water Services (SFWS)

In 1994, the *White Paper on Community Water Supply and Sanitation* played a key part in creating

In May 2006, the pilot project of the Department of Water Affairs and Forestry's rainwater-harvesting programme was nearing completion. Seventy-three rainwater-harvesting tanks were built in 25 villages across the Free State. During 2006/07, the department envisaged spending R12 million on a further 1 500 rainwater-harvesting tanks across five provinces.

an enabling policy framework for the delivery of water and sanitation services. However, since 1999, local government's responsibilities have changed significantly and the Department of Water Affairs and Forestry has transformed from being an implementer to a regulator. This necessitated the revision of the policy, which culminated in the SFWS. Cabinet approved the framework in September 2003, after extensive consultation with the relevant stakeholders.

The framework provides a comprehensive policy summary regarding the total water-services sector in South Africa, and sets out the vision, targets and policy for the next 10 years. The key challenges are to address prevailing inequality and to provide basic services, higher levels of service and sustainable service, including institutional sustainability.

In October 2003, following the approval of the SFWS, the department and the South African Local Government Association signed a joint declaration committing both parties to give effect to the SFWS.

The key policy themes of the SFWS are:

- eliminating the backlog in basic service provision
- providing higher levels of service
- providing free basic services (water supply and sanitation)
- credit control
- institutional reform of water-services providers
- a decentralised fiscal framework
- a long-term vision for regulation.

Existing policies on free basic services, the provision of basic household sanitation and the transfers of infrastructure from national to local government aim to ensure that:

- everyone in South Africa who has access to a functioning basic water supply is provided with FBW
- everyone who has access to a functioning basic sanitation facility is provided with free basic sanitation by 2010
- everyone has access to a functioning basic sanitation facility supply by 2010
- all assets of water-services schemes are transferred from the department to WSAs by 2008.

By February 2006, 165 water-service authorities were providing 3,9 million poor households with free basic water.

More detailed strategies to give effect to the implementation of the SFWS are the:

- Institutional Reform Strategy
- Regulatory Strategy
- Legislative Review (amendments to the Water Services Act, 1997)
- Sanitation Strategy
- Free Basic Services Strategy
- Transfer Strategy (of infrastructure assets to local government).

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. This policy aims to manage water resources in an integrated manner to ensure a healthy and stable water-resource base to meet the current and future needs of South Africa.

Water Allocation Reform (War) Programme

The War Programme is a proactive approach towards redressing race and gender inequities regarding water use – where 'water use' refers to promoting access to water for productive purposes (and not to the provision of basic water services).

This includes actions ranging from promoting applications from historically disadvantaged individuals, to supporting the licence-evaluation process to promote equity, as well as implementing the compulsory licensing process itself. Through this programme, the Department of Water Affairs and Forestry is developing and overseeing the implementation of frameworks (policies, strategies, guidelines and procedures) for compulsory licensing, and the allocation of water between and among users.

By mid-2006, a document titled *Position Paper: Water Allocation in South Africa – A Framework for Water Allocation Reform*, under development since 2004, was being finalised. It outlines the high-level 'rules of the game' for allocating water to promote race and gender reform, while minimising potential negative impacts on existing lawful users and the economy. A draft position paper formed the basis for public consultation on reform, and was launched in April 2005.

Awareness material on the programme has been developed and will be available in the appropriate

official languages where the programme is being implemented. The material includes pamphlets on compulsory licensing and understanding the verification and validation of water use, and a booklet on the productive use of water.

A toolkit of methodologies in support of War has also been developed. The toolkit uses the position paper as its basis, and outlines practical implementation methods that promote the goals of the War Programme. The department's intention is to speed up the WAR Programme and to improve the efficiency with which licences are evaluated within the Batho Pele prescripts.

As key role-players in the programme, provincial and local government through their provincial growth and development plans (PGDPs) and IDPs are central to informing, and being informed by, the way water allocations are undertaken in their areas of jurisdiction. The awareness materials and toolkit will assist municipalities in determining water requirements in IDPs – in terms of WSDPs, and other plans, for example, local economic development, land-use, agriculture and the environment.

National Water Resource Infrastructure Agency

In August 2005, Cabinet approved the establishment of the NWRIA to ensure long-term water security for South Africa.

The NWRIA will develop and operate South Africa's major national dams and water-transfer schemes, which are currently managed directly by the Department of Water Affairs and Forestry. These include the Vaal Dam, the Tugela-Vaal transfer system, the Orange River Scheme and the Western Cape system.

The agency will also integrate the Trans-Caledon Tunnelling Authority (TCTA), the parastatal organisation responsible for funding the Lesotho Highlands Water Project. It will not be responsible for domestic water supplies, which remain the responsibility of municipalities and regional water boards.

The Minister of Water Affairs and Forestry will be responsible for deciding what projects need to be built, in terms of the NWRS. The agency will be required to make funding arrangements, and to ensure that projects are designed and built according to appropriate technical, social and environmental standards, and operated effectively and efficiently.

The NWRIA is expected to be up and running by April 2008.

Water-management institutions

The National Water Act, 1998 sets out the framework for the management of South Africa's water resources. This framework provides for the establishment of water-management institutions, which include CMAs and 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 developing a catchment management strategy.

The boards have to represent the various sectors of society within their specific water-management areas and will consist of water users, potential water users, local and provincial government, and environmental interest groups.

The department aims to establish CMAs in South Africa's 19 water-management areas, as required by the National Water Act, 1998.

The Department of Water Affairs and Forestry's 2020 Vision Programme targets youths in schools and exposes learners to practical projects that will enable them to identify water and sanitation problems in their schools and communities, and to embark on action to solve them.

As part of the programme, three young girls from a rural school in KwaZulu-Natal, who won the Youth Water Prize in 2006, competed in Sweden against 27 other nations. They used their knowledge of water and science to find useful ways of turning household waste water into productive water that could be used to effectively grow plants and vegetables.

One of the projects of the 2020 Vision Programme is the Baswa le Meetse Awards, which links water and sanitation with arts and culture by encouraging learners to showcase their cultural heritage while respecting natural resources. The Grade 6 learners convey health and hygiene messages through drama, music, poetry, praise singing and poster development. The projects are guided by the theme: Washing of Hands, Caring of Sanitation Facilities for Healthy Life.

The department will devolve administration to local water users and communities, accompanied by vigorous capacity-building, so that historically excluded communities can participate in water management.

Internal strategic perspectives have been developed for the water-management areas.

Natural mean annual run-off and ecological reserve (million m/a)

Water management	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 Mhlatuze [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	**49 228**	**9 544**

1) Quantities refer to the water-management area under consideration only (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 billion m/a).

Source: Department of Water Affairs and Forestry

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.

Water-related research

Research has been fundamental to understanding South Africa's water resources, and has contributed significantly to the development of many of the techniques and tools used for managing water resources and providing water and sanitation services.

The Water Research Commission (WRC), a statutory body funded by a levy on water-use, is the principal co-ordinator of water-related research and development in South Africa, and is committed to ensuring that the strategic direction of water research in South Africa is in step with the country's needs. Through its funding and networking activities, the WRC encourages the development of water-related knowledge and facilitates its dissemination and application.

The WRC's approach is to invest in research and development through the following water-centred key strategic areas:

- management, an integrating key strategic area that considers issues of equity and sustainability in managing water resources
- water-linked ecosystems, which address the protection of water resources
- water-use (industrial and domestic) and waste management, and sustainable water-use for agriculture, which address the sustainable use of water in their respective user sectors.

The WRC also invests in the transfer, dissemination and application of knowledge through a fifth, integrating key strategic area, water-centred knowledge, that addresses the mechanisms needed to ensure the effective dissemination of research results and products to water managers and other prospective users in an effective format.

To ensure that research results are also relevant to the broader objectives of water-resource management, the relevance and applicability of research in each key strategic area is maximised by addressing the relationships between water and society, the economy, health, and the environment.

The WRC's key objective is supporting the development of human resources in the water sector. Involvement in research is recognised as an important vehicle for building and developing expertise among water-resource practitioners. Every research project is required to incorporate a strong element of capacity-building, especially among previously disadvantaged individuals.

The Department of Science and Technology and the National Research Foundation are partners with the Department of Water Affairs and Forestry and the WRC in ensuring that approaches to water research are consistent with South Africa's broad policy on science and innovation.

Water boards

Water boards have been established as service-providers that report to the Minister of Water Affairs and Forestry. The boards manage water services in their supply areas and provide potable water at cost-effective prices. By mid-2006, there were 15 water boards. They have been set up as financially independent institutions, in terms of section 34(1) of the Water Services Act, 1997 and must aim to be financially viable.

The impact of their financial performance on the Department of Water Affairs and Forestry has been limited. Apart from providing seed funding for some of the newly formed water boards, and providing operating subsidies where they have undertaken specific functions on behalf of the department, the department has only had to provide financial assistance in exceptional circumstances.

The individual water boards are: Albany Coast Water, Ikangala Water, Overberg Water, Amatola Water, Lepelle Northern Water, Pelladrift Water, Bloem Water, Magalies Water, Rand Water, Botshelo Water, Mhlathuze Water, Sedibeng Water, Bushbuckridge Water, Namakwa Water and Umngeni Water.

Irrigation boards and water-user associations

In 2003/04, subsidies worth R28,4 million were awarded to water-irrigation boards and WUAs. These were increased to R30 million in 2004/05.

Working for Water Programme

Invasive species cause billions of rands of damage to South Africa's economy yearly, and are the single biggest threat to the country's biological biodiversity. It is equally worrying that these species undermine ecological integrity when the land's ability to produce is compromised. Social issues like poverty and unemployment inevitably follow.

WfW has been recognised internationally as one of the most effective programmes for addressing the problem of invasive alien plants (IAPs), combining environmental issues with social-development objectives. It estimated that IAPs have invaded over two million ha of South Africa.

Since its inception, WfW has invested more than R2,5 million to clear invasive alien vegetation, establishing programmes in over 300 areas. About 20 000 short-term jobs have been created annually, providing employment opportunities for local community members, with a special focus on securing opportunities for the marginalised, such as women, youth and people with disabilities. By participating in the programme, workers are not only given the opportunity to develop new skills, they also have access to HIV and AIDS projects, childcare facilities and primary healthcare initiatives.

The programme is administered through the Department of Water and Forestry and works in partnership with local communities, to whom it provides jobs. It also works with government departments, including the departments of environmental affairs and tourism, of agriculture, of

The Rural Splash Programme will ensure that South Africa's water resources are accessible, and that the safety of communities, especially that of children, is addressed.

The programme is a partnership between the departments of water affairs and forestry, education, and sports and recreation, and consists of three elements:

- creating water-safety awareness, with the Department of Water Affairs and Forestry providing information on the quality and state of infrastructure, and of water in dams and rivers, and on the possibility of dangerous animals being near or in a water source
- educating learners and educators by giving Swimming South Africa access to schools
- ensuring skills development by teaching communities to swim.

trade and industry; provincial departments of agriculture, conservation and environment; research foundations and private companies.

The core business of the WfW Programme is to contribute to the sustainable prevention and control of IAPs, thereby optimising conservation and the use of natural resources. In doing so, it addresses poverty relief and promotes economic empowerment and transformation within a public works framework.

Campaigns such as WeedBuster Week provide the opportunity for WfW to raise awareness of its activities, and bring the importance of IAP control to the public's attention. While WeedBuster Week specifically highlights the problem within South Africa, it is linked bilaterally to Australia and New Zealand, and through multilateral agreements to the broader Global Invasive Species Programme.

Flood and drought management

The latest South African Disaster-Management Policy and ensuing legislation brought about a major shift in focus from reactive to preventative and mitigative disaster management.

From a flood-management perspective, the South African focus has shifted from primarily structural to non-structural, accentuating the value of, for example, floodplain zoning and flood warnings.

Dams and water schemes

The first edition of the NWRS describes how the water resources of South Africa will be protected, used, developed, conserved, managed and controlled in accordance with policy and legislation. The central objective of managing water resources is to ensure that water is used to support equitable and sustainable social and economic transformation and development.

Dams and water schemes form an integral component of the strategy to meet these objectives. The NWRS provides details on possible major water schemes to be developed in the next 25 years, amounting to about R21 billion at 2004 price levels.

The Department of Water Affairs and Forestry follows an integrated approach to managing South Africa's water resources. Proposed new water schemes need to comply with the NWRS, requiring that water-demand management programmes be implemented before embarking on new infrastructure development.

Strict environmental-impact assessments must also be performed in accordance with laws and regulations administered by the Department of Environmental Affairs and Tourism. The guidelines issued by the World Commission on Dams must be followed.

The following major schemes are under construction or reaching the implementation stage:

- Berg River Project: The Minister of Water Affairs and Forestry has directed the TCTA to implement the R1,55-billion privately funded scheme comprising the Berg River Dam near Franschhoek in the Western Cape, and the associated supplement scheme comprising a weir, pumping stations and pipelines to augment the water supply to the Western Cape. Construction of the dam by a private contractor started in June 2004 and is due for completion in 2007. Construction of the supplement scheme, using government and private resources, was expected to commence in 2005 for commissioning during 2007. At 70 m, the 990 m-long dam wall will be the highest concrete-faced, rock-filled dam in South Africa.
- Luvuvhu Government Waterworks: This scheme, worth more than R900 million, funded by National Treasury and implemented by the Department of Water Affairs and Forestry, comprises the Nandoni Dam, pumping station and water treatment works (WTW), and the Xikundu weir, pumping station and WTW. The scheme will provide potable water to more than a million people in Limpopo. It will stabilise the water flow in the Luvuvhu River for irrigation and ecological-flow requirements, and will alleviate water shortages in the Kruger National Park. The Nandoni pumping station and WTW will be completed during 2007.
- Vaal River Eastern Subsystem Augmentation Project: The Minister of Water Affairs and Forestry directed the TCTA to augment the water supply to Sasol and Eskom by implementing abstraction and desilting works alongside the Vaal Dam shoreline, and a pumping station and a 120 km-long steel pipeline of 1 900 mm diameter to the Bosjesspruit and Trichardsfontein dams in Mpumalanga. Construction of the privately funded project was expected to be completed in 2007 at an estimated cost of more than R2 billion.
- Olifants River Water-Resources Development Project: This development in Limpopo and

Mpumalanga will enable considerable mining expansion (mainly platinum) and sustained water supply to local authorities and communities. The project is to be developed in two phases. Phase one comprises raising the Flag Boshielo Dam on the Olifants River near Marble Hall by five metres, at an estimated cost of R234 million in a public-private partnership arrangement with the Lebalelo WUA. Construction started during 2004 and was expected to be completed in 2006. The proposed second phase of the project will comprise the 70 m-high De Hoop Dam located 40 km south of Steelpoort on the Steelpoort River, and a substantial primary bulk distribution system from the De Hoop and Flag Boshielo dams. It is envisaged that the project, costing over R3 billion, will be implemented by the department and the private sector in phases, starting during 2006.

- Mooi-Mgeni River Transfer Scheme: Phase one of the water-transfer project comprising the new Mearns weir on the Mooi River near the town of Mooi River and the raised Midmar Dam near Howick on the Mgeni River was commissioned during 2003 to augment the water supply to the Umgeni area in KwaZulu-Natal. Phase 2A, to be completed towards the end of the decade, will include the construction of the Spring Grove Dam on the Mooi River near Rosetta. The Spring Grove pumping station (Phase 2B) will follow at a later stage to suit the demand requirements of Umgeni Water.

Groundwater resources

Groundwater, despite its relatively small contribution to bulk water supply (13%), represents an important and strategic water resource in South Africa, since it services between 52% and 82% of community water-supply schemes in the Eastern Cape, Limpopo, Northern Cape, North West and KwaZulu-Natal.

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.

Groundwater also contributes a considerable portion to river flow. This requires reserving a significant share of groundwater resources to protect 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 m^3 a year, while some 4 000 million m^3 of groundwater (mainly in dry season) contributes to surface-water flow annually.

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 Swaziland on the Incomati and Maputo rivers
- Botswana, Lesotho and Namibia on the establishment of the Orange Senqu River Commission
- Botswana, Zimbabwe and Mozambique on the establishment of the Limpopo Watercourse Commission
- Botswana
- Lesotho on the Lesotho Highlands Water Project
- Swaziland on the Komati River Development Project.

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 to share experiences on all water-related matters.

Forestry

The Chief Directorate: Forestry has developed and adopted a new vision for forestry. South Africa needs to create an enabling environment for economic and social development through sustainable forestry, especially at local level.

Forestry encourages growth and development of the First Economy, thereby increasing its potential to create jobs. Following a recently published supply-and-demand study on softwood sawlogs in South Africa, the department commissioned a similar study for roundwood. The objective of this

report was to establish the supply and demand at regional and national levels.

Forestry contributes to the Second Economy, supporting small growers and facilitating new afforestation, especially in the Eastern Cape and KwaZulu-Natal. Growing trees in these areas will add to the economy, and will provide employment and entrepreneurial opportunities to local people.

The department has been involved in planning for the expansion of forest areas in the Eastern Cape, where most forestry opportunities are available and where the local rural economy needs stimulation. A strategic environmental assessment conducted in the Eastern Cape has identified areas for new afforestation, which are being pursued.

It is estimated that at least an initial 30 000 ha of land could be afforested and that this could be increased to more than 150 000 ha of land once the project gains momentum. The areas could accommodate small growers and community afforestation, if correctly planned, and could expand the broad base of black people engaged in forestry. Within KwaZulu-Natal, options for new afforestation also exist, and conservative estimates show between 30 000 ha and 40 000 ha suitable for this purpose. This will create substantial employment opportunities in the Eastern Cape and KwaZulu-Natal.

As from 1 April 2006, forestry workers who plant, grow, tend and harvest trees for commercial purposes countrywide earn a minimum wage of R836 per month or R4,28 per hour.

The sectoral determination prescribes minimum rates of pay for a period of three years, with an annual increase equal to CPIX (Consumer Price Index excluding interest on mortgage bond payments) plus two percentage points.

The determination applies to the plantation operations of commercial, small and emergent timber growers which end at the point where the logs are stacked for transportation.

Community forestry and conservation forestry are excluded from the scope of the new law because they are non-commercial by nature. However, out-grower schemes are not excluded from the scope of the determination, although they have a community forestry component.

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 substantial investment in the country and plays an important role in the Integrated Rural Development Programme.

Plantations cover about 1,3 million ha of South Africa. Over 80% of them are found in Mpumalanga, KwaZulu-Natal and the Eastern Cape. They produced more than 22 million m^3 of commercial roundwood, worth an estimated R5,1 billion, according to a study done in 2005. They provide direct employment for about 107 056 people, of which 67 556 are in formal employment, 30 000 are contract workers and 39 500 are small growers and their helpers.

Together with the processed products, the total industry turnover was about R15,4 billion in 2005, including R9,7 billion worth of wood-pulp.

Pulp and paper annual log intake of about 9,2 million m^3, mining timber of one million m^3, charcoal of two million m^3, and almost six million m^3 of sawlogs, veneer of about 0,7 million m^3 and poles of about 0,75 million m^3, were sold in this period.

Taking into account the multiplier effect of plantation forestry through its downstream value-adding activities and the effect it has on local (mostly rural) economies, between 390 000 and 560 000 people depend on plantation forestry for their livelihoods.

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 is spread over the interior plateaux.

The Department of Water Affairs and Forestry intends to transfer the management and control of all state natural (indigenous) forests by the end of 2008/09 to other competent management agencies, primarily to provincial government departments or national and provincial conservation agencies.

This includes the official handover to South African National Parks (SANParks) of about 97 000 ha of state forest land in the southern Cape and Tsitsikamma areas from April 2005. SANParks, as a

conservation agency, will manage natural forests in terms of all the provisions of the National Forests Act, 1998 (Act 84 of 1998).

Progress was made in releasing state forest land that was no longer required for forestry purposes as part of the process to deproclaim state forests in mountain-catchment areas. The total area released in the Western Cape, Sederberg and De Mond areas comprised 146 888 ha. In the Eastern Cape, the transfer of uncontested natural forests has begun. Agreement has been reached on the transfer of contested areas.

A socio-economic impact analysis will inform the finalisation of an exit strategy for Blyde state forest land. Findings are that there will be no job losses on the side of government for the duration of the rehabilitation process, lasting between five and 10 years; and that there will be a net increase in job opportunities in the medium to long term.

The Real Yellowwood *(Podacarpus latifolius)* is South Africa's national tree. There are different species of yellowwood trees that can grow higher than 40 m with a girth of 8 m, and can live for 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 2006 trees of the year were the wild pomegranate *(Burchellia bubalina)* and the Kosi palm *(Raphia australis)*.

The aim of Arbour Week is to promote awareness of the need for planting and preserving indigenous trees throughout South Africa. It highlights the opportunities for sustainable economic development, community participation, poverty alleviation and job creation in forestry to create a better life for all. The theme for 2005 was *Plant a Tree – Grow our Future.* Through Arbour Week, the department hopes to:

- promote better knowledge of trees, particularly indigenous trees
- highlight the important role that forestry plays in South Africa's economy, especially in the rural areas
- raise awareness of the dangers of veld and forest fires
- highlight the vital role of trees in people's lives by organising a variety of greening events
- encourage everyone to participate in tree-planting and greening activities.

Contributing to socio-economic reform and growth

The Broad-Based Black Economic Empowerment (BBBEE) Charter is one of many strategies that government is implementing to transform the economy. Government recognises that its BEE strategy will not be effective if it does not have the support of the private sector. The BBBEE charter for the forestry sector will be instrumental in achieving the objectives of the scorecard as suggested by the Department of Trade and Industry. The Forestry BBBEE Charter process was launched at the Forestry Indaba in April 2005. The charter was expected to be finalised in 2006/07.

Forestry Enterprise Development (FED) relates to the concept of using forests and forest-based resources as a vehicle for economic growth, employment and socio-economic upliftment that takes people from a subsistence livelihood system into a market economy. The concept is also central to the department's pro-poor agenda and a key component of BBBEE in the forestry sector.

The Department of Water Affairs and Forestry supports FED. This includes transferring state forests, developing an afforestation strategy for the Eastern Cape and KwaZulu-Natal, and including forestry as a key sector in the PGDS. A wealth of information has been gained from these initiatives and the subsector report that was produced.

The Directorate: Forestry Development supports establishing community projects through regional forestry staff. An estimated R2 million from the Community Facilitation Fund has been spent to support the establishment of projects. Current projects include bee-keeping, which is a partnership with the Agricultural Research Council, and establishing medicinal nurseries, in partnership with various stakeholders.

In January 2005, the Minister of Water Affairs and Forestry signed agreements that transferred the management of 140 000 ha of state-forest land to new operators. This is part of government's ongoing restructuring of state-owned forests. One agreement relates to 25 000 ha in the Hogsback and Stutterheim areas of the Eastern Cape, where

Amathole Forest Holdings, and its BEE partner, Wildbreak Investment Holdings, will take over running the forests. The other covers forests in the southern and Western Cape, where the management of about 115 015 ha of state-forest land will be taken over by the BEE company, Cape Timber Resources.

These agreements follow two others concluded in 2001 with Singisi Forests in the Eastern Cape and the Siyaqhubeka Consortium in KwaZulu-Natal.

The benefits of restructuring to government and citizens include the annual lease rental payments of about R20 million, which is generated from 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. The shareholding of each of the successful bidders includes significant black ownership, varying between 10% and 50% of the bidding vehicles.

In March 2006, the Government allocated an additional R9,4 million towards the Working on Fire Programme, which combines firefighting aircraft with highly trained ground crews drawn from previously unemployed people.

According to the Department of Water Affairs and Forestry, it costs close to R23 000 to keep a Working on Fire-programme helicopter in the air for one hour, on top of an annual standing fee of R1 million per helicopter.

About 46 firebases have been established throughout South Africa, each with a 22-member firefighting crew selected from formerly unemployed people and trained under the Working on Fire Programme.

The programme won an Impumelelo Award for its innovative combination of firefighting aircraft with highly trained ground crews.

Through the National Disaster Management Centre, the programme supplies two helicopters and two fixed-wing spotter aircraft to supplement local aerial firefighting efforts.

The forest land is not sold as part of the packages, but leased to the successful bidders for 70 years with an option to renew for a further 35 years. In 2005, the total leased area comprised 118 000 ha with a total rental income of over R60 million, which will either be used to compensate any successful land claimants or will revert to the State.

These transactions are in line with government's policy of exiting from direct forest-management activities while promoting BEE in the forestry industry. At the same time, land that is less suitable for forestry will be converted to other uses or reserved for conservation.

In the southern and Western Cape, 44 000 ha of marginal state-forest land will be clear-felled and handed over for other uses. This includes 29 000 ha for conservation, 9 000 ha for agriculture, 6 000 ha for community forestry and 200 ha for settlement.

The minister also assigned management responsibility for the Tokai Cecilia state forests in Cape Town to SANParks. This follows Cabinet's decision in 1996 to develop the Cape Peninsula Protected Natural Environment. The Tokai and Cecilia forests are located in a protected environment area and contain important lowland and mountain fynbos, as well as pockets of Afro-montane forest, which need to be maintained. Eventually, the two forests will be incorporated into the Table Mountain National Park.

In August 2006, Cabinet approved the recommendation of the Cabinet Economic Cluster Committee to retain the forests managed by Komatiland Forests (KLF) in public ownership, for the foreseeable future.

During the hearings of the tribunal into the proposed merger of KLF with the Bonheur Consortium, concerns were expressed about the structure of the saw-log supply industry in Mpumalanga and Limpopo.

As a result, the Department of Public Enterprises, in consultation with other departments, began reviewing the future role of the South African Forestry Company (Safcol), the state-owned forest management company, and its wholly owned subsidiary KLF.

The review aims to ensure that state-owned forests contribute optimally to government's objectives for the forestry, timber, pulp and paper sector.

South African Forestry Company Limited

Safcol, a wholly owned state enterprise, was formed in 1992 and acquired the Department of Water Affairs and Forestry's commercial forestry assets and related business with effect from 1 April 1993.

Safcol's objectives are to enhance the development of the local forestry industry and to optimise the State's forestry assets. This is achieved by running the business according to accepted commercial management practices and sustainable forestry management (SFM) principles.

Industry and exports

The industry was a net exporter to the value of over R3,4 billion in 2005, more than 98% of which was in the form of converted value-added products. Had it not been for this trade surplus in forest products, the country's trade deficit in 2005 of R22 billion would have been 14% higher.

The forest-product industry ranks among the top exporting industries in the country, having contributed 2,91% to total exports and 1,74% to total imports in 2005. Capital investment in the industry amounted to some R35 billion in 2005.

The value of forest-product exports has grown by 307% over the past decade, from R2,3 billion in 1992 to R9,5 billion in 2005. In real terms (taking inflation into account), this growth was 77,3% or a compounded real growth of 4,8% per year over that period. The net trade balance in foreign trade in forest products increased by 273% in nominal terms (63% in real terms) to R3,4 billion in 2005.

In 2005, solid wood products were the most important (R3,463 billion or 36% of the total), followed by paper (R3,218 billion or 34%), pulp (R2,607 billion or 27%), and other products (R236 million or 3%). Woodchip exports, which are exported mainly to Japan, accounted for 62% (R2,135 billion) of total solid-wood product exports.

As with other export-based industries, the strength of the Rand has had a negative effect on the Rand-value of forest-product exports during the past two years, with the total value of exports in 2005 being only R502 million more than in the previous year, but some R395 million or 4% less than in 2003.

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. 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.

Achieving sustainable forest management

Apart from ecological considerations in determining where it is appropriate to grow trees, there are other ecological, social and economic considerations that must be addressed when growing trees.

These criteria, indicators and measures will form the basis for monitoring the sustainability of forestry operations in commercial and natural forests. Managers and owners will be required to report against these criteria, which also form useful guidelines for new entrants to the sector.

The commercial forestry industry in South Africa is committed to practising SFM and is a world leader in forest certification. Over one million ha, or over 80% of the entire planted area of commercial forestry plantations in South Africa, is certified by the Forest Stewardship Council (FSC) and the ISO 14001 certification schemes as being sustainably managed. By March 2005, nearly 1,091 million ha of forestry land in South Africa was certified by the FSC, the second-largest area in the southern hemisphere after Brazil. There were no certified plantations in 1996.

Although large forestry companies do not own all the certified forests, having their own specialist environmental departments has helped the rapid expansion of certification, as they ensure that their land is managed according to their own stringent environmental codes of practice. To promote transparency, members of the public are invited to join company staff when regular audits are done.

There has also been a large increase in the number of non-corporate growers who have become certified. This can be attributed to factors such as the FSC's acceptance of 'group-certification schemes' and the availability of local FSC auditors, both of which have reduced the cost of certification considerably.

The introduction of small low-intensity managed forest audits enables 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, which develops criteria, indicators and standards (measures) for SFM, tailored to meet South Africa's specific conditions.

After extensive consultation, the Institute of Natural Resources, which was contracted by the Committee for SFM to develop these criteria, has developed a draft set which was tested in 2004 and accepted in 2005. A manual was produced with guidelines, standard operating practices and checklists for reporting on criteria and indicators for plantations. A training course was developed and staff in the cluster were trained to use the manual.

Through the Forestry Industry Environmental Committee, a set of environmental guidelines was published in 1995 to encourage and facilitate timber growers to practise SFM, implementing best environmental practices.

These guidelines were widely used in South Africa and abroad. A second updated and more comprehensive and user-friendly edition of the guidelines was published in July 2002. These are used by certification agents in completing the physical environment component of their FSC audits.

The indigenous forests of the southern Cape, previously managed by the Department of Water Affairs and Forestry, received FSC-certification, which is a first on the continent for high forests. It is a major step towards the sustainable management of the country's natural forests.

Legislation

The National Forests Act, 1998 reflects the vision for the future of forestry in South Africa, which emphasises SFM. It explains how people and communities can use forests without destroying them, and sets out rules for protecting indigenous forests. The Act ensures that the public has reasonable access to state-forest land for recreational, cultural, spiritual and educational purposes.

South Africa is richly endowed with more than 1 700 tree species. Some are threatened and a list of 47 species is now protected under the Act. Protected trees may not be cut, damaged or sold without a licence. The listing of protected trees is not primarily aimed at preventing the use of such trees, but at ensuring sustainable use through licensing-control measures. A list of protected tree species is available on the Department of Water Affairs and Forestry's website at *www.dwaf.gov.za.*

The National Veld and Forest Fire Act, 1998 (Act 101 of 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 (FPAs) 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 (SAWS) and fire associations. The Act also allows the minister to impose minimum firefighting requirements on landowners.

Protection of life and property is a basic human need and the department has been moving ahead in implementing the National Veld and Forest Fire Act, 1998. Due to the high incidences of fires during extreme weather conditions, it is a priority for the department to ensure registration of FPAs. By mid-2006, 59 FPAs were registered. The department advised and assisted FPAs in compiling business plans, including the principles of risk assessment. By mid-2006, 36 FPAs had been assisted with their business plans. The department plans to review FPAs' performance regularly. There is also ongoing awareness-raising and information-provision on policy matters.

The department's *Veldfire Bulletin* is produced quarterly. Bulletins are also produced occasionally depending on the need, such as the special *Veldfire Bulletin on FPAs.*

The National Fire Danger Rating System (NFDRS) was launched during Arbour Week in September 2005. The NFDRS is an early warning system for veldfires. The Department of Water Affairs and Forestry has delegated the operation of this system to the SAWS. The SAWS will operate the system and issue daily veldfire warnings as it does with other weather information. Warnings will be communicated to FPAs, the department fire advisers, Disaster Management, Department of Provincial and Local Government and other role-players.

Indigenous forests

There are around 530 000 ha of indigenous or natural forests in the country, which occur mainly along the southern and eastern escarpment, the coastal belt and in sheltered kloofs or ravines.

Natural forest cover is slow, which led to the development of the commercial forest sector in South Africa over the last 100 years. Nonetheless, natural forests have continued to play a major role in the livelihoods and well-being of many rural communities.

There has been an increase in the use of natural forests as sources of medicine, building material, fuel wood and food. An estimated 80% of South Africa's population still uses medicinal plants, most of which are sourced from natural forests.

For the first time, South Africa now has a detailed inventory of all its natural forests, which will be used to accurately monitor changes in forest areas. The Department of Water Affairs and Forestry also completed a forest-type classification for natural forests, which are represented by 24 broad forest types. The Natural Forests Protected Areas System, completed for all forests in 2004, guides the setting aside and demarcation of natural forests as protected areas.

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 m^3 of round logs are harvested annually (150 m^3 of stinkwood, 750 m^3 of yellowwood, 2 500 m^3 of Australian blackwood and 350 m^3 of other species).

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. The South African market for the seven-week fern is considerable and reaches its peak in September when sales exceed 420 000 bunches, and only slightly fewer in December.

Woodlands

Woodlands can be defined as vegetation formation dominated by trees, but not to the extent that the canopies are continuous and overlapping. Woodlands cover 29 million ha, constituting 21% of land cover. This vegetation covers extensive areas in the low-lying, drier areas of Limpopo, KwaZulu-Natal and Mpumalanga. Woodlands have thousands of species (5 900 plants, 175 mammals, and 540 birds), of which the majority are used for one purpose or another.

Woodlands are the most extensive vegetation type in southern Africa and dominate Africa as a whole. Globally, woodlands cover between an eighth and a sixth of the Earth's land surface.

The woodlands are, however, a valuable source of fuel, building material, craft-timber and a variety of non-timber products. These include fruit, fodder, medicinal compounds, honey, meat and mushrooms, and form the backbone of the livelihoods of millions of people. The annual Marula-fruit harvest *(Sclerocarya birrea)* is worth some R1,1 million a year to rural communities.

Commercial forests

During the 1930s, government started establishing 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. Commercial plantations of exotic species proved to be a sound investment and the private sector established large plantations of pine, eucalyptus and wattle trees.

By mid-2005, the private sector owned 1 033 320 ha (or 77%) of the total plantation area of 1 339 282 ha, as well as virtually all the processing plants in the country. The remaining 23% (305 962 ha) was under public ownership. The extent of public ownership will decrease significantly due to restructuring.

In 2005, capital investment in these plantations stood at R16 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.

Plantation yields

Of the 1 339 282 ha of plantations in 2004, 51% were softwood species and 49% hardwood species. Some 37% of the plantation area was managed mainly for saw-log production, 54% for pulpwood and 6% 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 m^3 per ha per year for softwood, to 21 m^3 per ha per year for eucalyptus and 10 m^3 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.

Production from plantations amounted to some 22 million m^3 in 2005.

Primary wood-processing

South Africa has 203 primary wood-processing plants, 198 of which are owned by the private sector and five of which are owned by local and state authorities. Of these, some 113 are sawmills; 15 mining-timber sawmills; 45 pole-treating plants; 24 pulp, paper and board mills; one match factory; and five charcoal plants. The total roundwood intake into these processing plants in 2004 was 22,2 million m^3 valued at R4,2 billion. The value of sales of timber products produced by these primary processing plants totalled R14,815 billion. Some R20,746 billion was invested in primary roundwood-processing plants (at book value). At market value, this increased to an estimated R35 billion.

The pulp industry in South Africa is dominated by two main pulp-and-paper manufacturing companies, Sappi and Mondi. They rank among the largest in the southern hemisphere, own assets in many parts of the world, and are internationally listed.

The saw-milling industry produces sawn timber, which is used in producing solid wood products, such as lumber for roof trusses, flooring, etc. and consumer products such as furniture. The furniture industry consumes about 250 000 m^3 of mainly industrial timber. A large number of companies operate in this sector, with the five biggest companies contributing 51% of total production. Some 52% of total sawn timber is produced in Mpumalanga.

Research and training

South Africa has world-class forestry-research infrastructure and personnel, with almost 2% of the forestry industry's 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.

The major institutes servicing the research needs of the industry are the Institute of Commercial Forestry Research in Pietermaritzburg, the Forestry and Agriculture Biotechnology Institute, and the Council for Scientific and Industrial Research in Pretoria. The National Biodiversity Institute also plays an important role in terms of species protection.

The total annual forest sector research and development (R&D) investment in South Africa is approximately R163 million, more than 80% of which is funded by the commercial forest industry.

The breakdown of forest sector R&D funding for 2005 was as follows:

- government – R9 million
- universities – R9,7 million
- forest industry – R136 million
- other (donors etc.) – R7,75 million.

The Faculties of Agricultural and Forestry Sciences at the universities of Stellenbosch, KwaZulu-Natal and Venda offer forestry degrees. The Nelson Mandela Metropolitan University, George (Saasveld Campus), offers diplomas and limited degree courses in forestry disciplines. The Natal University of Technology offers a diploma in Pulp and Paper Technology, and the Fort Cox College of Agriculture and Forestry 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.

The Forest Industries Education and Training Authority (Fieta) is, among other things, responsible for ensuring that the training undertaken by the industry meets certain quality standards. It also manages the distribution of training grants to employers and to Fieta-sponsored projects which will help meet the goals of the National Skills Development Strategy within the sector.

Over the past two years, the department, together with Fieta, has been offering bursaries to students who choose to study in the forestry field.

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.

Community forestry 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) of the Department of Water Affairs and Forestry is an integrated approach that contributes to achieving the SFM of South African forests.

Elements of PFM were initially developed for indigenous state forests. However, the aim is to use PFM as an approach to managing 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.

Oversight of the forestry sector

South Africa's National Forestry Programme (NFP) contributes to poverty reduction. To ensure planning and monitoring take place in the forest sector, a research framework needs to be developed. The process started with stakeholder consultations and a report produced with recommendations and information for the Forestry Sector R&D plan. The Woodlands Framework Strategy was approved.

To raise the profile of forestry, a number of initiatives were launched during 2005/06. A new forestry website and linked online resource centre was created. The department supported important conferences and symposia, for example the National Climate Change Conference, highlighting the implications of climate change for forestry and the contribution of forestry towards climate.

The International Precision Forestry Symposium was held in South Africa. The department initiated the Champion Tree Programme to identify and protect individual trees or groups of trees of national conservation importance. This is the first programme of its kind in Africa. A notice of the first short list of 27 trees was published in December 2005 for public comment.

Food and Trees for Africa (FTFA)

FTFA is the sub-Saharan African partner of Global Releaf, an international greening organisation.

FTFA's mission is to contribute to a healthy and sustainable quality of life for all, through environmental awareness and greening programmes.

Since its inception in 1990, FTFA has developed, managed and promoted numerous sustainable greening programmes, including land-use management and food security through permaculture.

FTFA works in partnership with government, the private and public sectors, and civil society.

FTFA attempts to provide trees to as many underserved communities as possible through the help of sponsors and certificate programmes.

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, 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 life.

In 2005 alone, the FTFA achieved the following:

- 293 communities received 55 433 trees
- 41 active permaculture food-gardening projects were started
- 5 200 educators from all over South Africa attended 87 permaculture workshops
- permaculture gardens were established in 36 communities
- 615 community members were trained in basic urban greening
- 15 000 trees were distributed at 125 Arbour Week events
- short-term employment was created for over 160 community members
- 30 000 fruit trees were distributed to 30 000 low-income households
- 60 000 packets of vegetable seeds and seedlings were provided for 3 000 home food-gardens.

The FTFA distributed 105 438 trees in 2005/06.

Eduplant

Eduplant, an empowerment initiative that teaches people the life skill of growing food for themselves, is co-ordinated by the FTFA, and is a Woolworths Trust social investment project. EduPlant makes a difference by contributing to food security, sustainable development and building capacity in South African communities.

Through the Woolworths Trust EduPlant programme, schools develop food-gardens using permaculture techniques. In harmony with nature,

EduPlant schools grow vegetables, fruit, herbs and medicinal plants. These schools provide food for hungry children and their families.

International engagements

To promote international initiatives, the Department of Water Affairs and Forestry produced the Final Country Report on Forest Resource Assessment 2005 and submitted it to the Food and Agriculture Organisation. This will assist the global effort to improve knowledge on the world's forests and forestry. Several international delegations visited South Africa and delivered detailed presentations. This also led to the signing of an agreement with the Russian Federation on forestry in terms of exchange of expertise and information between the two countries.

A number of international visits took place during 2005/06. A forestry delegation participated in the United Nations Forum on Forests (UNFF-6) held in February 2006, at the United Nations headquarters in New York. The two-week session addressed unfinished business from UNFF-5 regarding the development of the international arrangement on forests. Resolution on many of the actions was achieved.

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Addendum

Abbreviations

A

AADP	African Agricultural Development Programme
AAIICT	African Advanced Institute for Information and Communication Technology
ABC	Agricultural Business Chamber
ABC	Audit Bureau of Circulations
Abet	Adult Basic Education and Training
Absa	Amalgamated Banks of South Africa
AC	Advisory Committee
ACAP	Agreement on the Conservation of Albatrosses and Petrels
ACEP	African Coelacanth Ecosystems Programme
ACE	Advanced Certificate in Education
ACP	African-Caribbean-Pacific
ACR	Army Conventional Reserve
ACS	Agricultural Credit Scheme
Acsa	Airports Company of South Africa
ACT	Arts and Culture Trust
ADEA	Association for the Development of Education In Africa
ADS	Approved Destination Status
AEC	African Economic Community
AFIS	Automated Fingerprint Information System
AFU	Asset Forfeiture Unit
Afur	African Forum for Utility Regulators
AHPCSA	Allied Health Professions Council of South Africa
AG	Attorney-General
AGOA	African Growth and Opportunity Act
AICs	African independent churches
AIICT	Advanced Institute for Information and Communications Technology
AIP	Association of Independent Publishers
Aisa	African Institute of International Affairs
Alsi	all-share index
ALTX	Alternative Exchange
Amib	African Peace Mission in Burundi
Amis	African Union Mission in Sudan
AMP	African Mining Partnership
AMPS	All Media Products Survey
AMTS	Advanced Manufacturing Technology Strategy
ANC	African National Congress
APRM	African Peer Review Mechanism
AP	Associated Press
Apis	Agricultural Products Inspection Services
ARC	Agricultural Research Council
ARDM	Agricultural Risk and Disaster Management
Aressa	Antarctic Research Strategy
Armscor	Armaments Corporation of South Africa
ART	Antiretroviral treatment
ARV	antiretroviral
APSD	African Public Service Week
ASA	Advertising Standards Authority
Asean	Association of South-East Asian Nations
AsgiSA	Accelerated and Shared Growth Initiative for South Africa
Asom	Association of Marketers
ATD	awaiting-trial detainees
ATNS	Air-Traffic Navigation Service
ATP	Agritourism Programme
ATR	Army Territorial Reserve
ATU	African Telecoms Union
AU	African Union

B

BA	British Airways
Basa	Business Arts South Africa
BBBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
bbls	barrels
BBSDP	Black Business Supplier Development Programme
BCLME	Benguela Current Large Marine Ecosystem
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
Blindbib	South African Library for the Blind
BLNS	Botswana, Lesotho, Namibia and Swaziland
BMCC	Broadcasting Monitoring Complaints Committee
BNC	Binational Commission
BNG	Breaking New Ground
BoM	Buddyz on the Move
Brics	biotechnology regional innovation centres
BSRP	Building for Sport and Recreation Project
BTec	Bachelor's Degree in Technology
BTT	Board of Tariffs and Trade

C

CAADP	Comprehensive African Agricultural Development Programme
Caricom	Caribbean Community
CaBEERE	Capacity-Building Programme for Renewable Energy and Energy Efficiency
CASP	Comprehensive Agricultural Support Programme
CBD	Convention on Biological Diversity
CBE	Council for the Built Environment
CBNRM	Community-Based Natural Resource Management
CBOs	community-based organisations
CBPWP	Community-Based Public Works Programme
CBRTA	Cross-Border Road Transport Agency
CC	Constitutional Court
CCD	Convention to Combat Desertification
CCDI	Cape Craft and Design Institute
CCF	credit-card format
CCF	Comprehensive Country Co-operation Framework
CCMA	Commission for Conciliation, Mediation and Arbitration
CDA	Central Drug Authority
CDI	Co-operative Development Initiative
CDM	Clean Development Mechanism
CDWs	community development workers
CEE	Commission for Employment Equity
CEF	Central Energy Fund
CEIRD	centres of excellence in industrial research and development
CEM	Council of Education Ministers
CEO	Chief Executive Officer
CFCs	chlorofluorocarbons
CFG	Courier Freight Group
CGE	Commission on Gender Equality
CGS	Council for Geoscience
CHE	Council on Higher Education
CHPC	Centre for High Performance Computing
CHW	Community Health Worker
CIDB	Construction Industry Development Board
CIDP	Construction Industry Development Programme
CIP	Critical Infrastructure Programme
Cipro	Companies and Intellectual Property Registration Office
Cirad	French Agricultural Centre for International Development
CIS	Cadastral Information System
Cites	Convention on International Trade in Endangered Species
CJS	criminal justice system
ClaRA	Communal Land Rights Act
CMAs	catchment management agencies
CoEs	centres of excellence
CoP	Conference of the Parties
Cosse	SADC Committee of Stock Exchanges
CPA	comprehensive peace agreement
CPA	Cotonou Partnership Agreement
CPA	Community Press Association
CPD	Continuing Professional Development
CPF	Community Policing Forum
CPI	Consumer Price Index
CPIDP	Construction and Industry Development Programme
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
CRLR	Commission on the Restitution of Land Rights

CSD	Commission on Sustainable Development
CSG	Child Support Grant
CSIR	Council for Scientific and Industrial Research
CSN	Community Services Network
CSPBs	correctional supervision and parole boards
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
DA	Democratic Alliance
DBSA	Development Bank of Southern Africa
DCOs	doping control officers
DCT	Durban Container Terminal
DDT	dichloro-diphenyl-trichloroethane
DFID	Department for International Development
Dissa	Disability Sport South Africa
DIU	Departmental Investigation Unit
DMO	Destination Marketing Organisation
DNA	Designated National Authority
DNR	Direct Normal Radiation
DNS	Digital Nervous System
Docex	Document Exchange
Dots	document-tracking system
Dots	Directly Observed Treatment Short Course
DPP	Director of Public Prosecutions
DRC	Democratic Republic of Congo
DRS	Deeds Registration System
DSO	Directorate: Special Operations

E

EAD	Elite athlete with disability
EAP	Employee Assistance Programme
EC	European Commission
EC	Executive Council
ECC	Employment Conditions Commission
ECD	Early Childhood Development
ECDP	Emerging Contractor Development Programme
Ecosocc	Economic, Social and Cultural Council
Ecowas	Economic Community of West African States
EDC	Energy Development Corporation
EDI	electricity distribution industry
EDL	Essential Drug List
EEZ	Exclusive Economic Zone
EFA	Education For All
EIAs	environmental impact assessments
EIB	European Investment Bank
EIDD	Enterprise and Industry Development Division
EIPs	environmental implementation plans
Efta	European Free Trade Area
ELRC	Education Labour Relations Council
EMS	Emergency Medical Service
Enpat	National Environmental Potential Atlas
EPRD	European Programme for Reconstruction and Development
EPWP	Expanded Public Works Programme
ESDS	Employment and Skills Development Services
ESF	Equitable Shares Formula
ESI	electricity supply industry
ETD	Education, Training and Development
ETQS	Education and Training Quality Assurance
EU	European Union

F

Fabi	Forestry Agricultural Biotechnology Institute
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
FCJ	Forum of Community Journalists
FCTC	Framework Convention on Tobacco Control
FDI	foreign direct investment
FED	Forestry Enterprise Development
FET	Further Education and Training
FETC	Further Education and Training Certificate
FFC	Financial and Fiscal Commission
FIC	Financial Intelligence Centre

FIG	Foreign Investment Grant
Fieta	Forest Industries Education and Training Authority
FM	Frequency Modulation
FMD	foot-and-mouth disease
FNB	First National Bank
Fosad	Forum of South African Directors-General
FPA	Fire Protection Association
FPB	Film and Publications Board
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
Gaap	Generally Accepted Accounting Practice
GAW	Global Atmosphere Watch
GBADS	ground-based air defence systems
GBIF	Global Biodiversity Information Facility
GCIS	Government Communication and Information System
GDP	gross domestic product
GDPR	Gross Domestic Product Per Region
GDS	Growth and Development Summit
GEF	Global Environment Facility
Gems	Government Employees Medical Scheme
GEPF	Government Employees Pension Fund
GEOSS	Global Earth Observation System of Systems
GET	General Education and Training
GGP	gross geographical product
GGR	Gross Gambling Revenue
GHG	greenhouse gas
GIS	Georeferenced Information System
GITO	Government Information Technology Officers
GLTP	Great Limpopo Transfrontier Park
GM	Genetically Modified
GMOs	genetically modified organisms
GPS	Global Positioning System
GPT	General Preferential Tariff
GSC	General Services Counter
GSP	Generalised System of Preferences
GSLWP	Greater St Lucia Wetlands Park
GWh	gigawatt-hour

H

ha	hectare
HartRAO	Hartebeesthoek Radio Astronomy Observatory
HCE	Housing Consumer Education Programme
HDIs	historically disadvantaged individuals
HE	Higher Education
Hedcom	Heads of Education Departments Committee
HEQC	Higher Education Quality Committee
Hess	High-Energy Stereoscopic System
HG	Higher Grade
HMO	Hermanus Magnetic Observatory
HoDs	Heads of departments
HPCSA	Health Professions Council of South Africa
HPP	High-Performance Programme
HR	human resources
HRD	human resource development
HRM	human resource management
HSGIC	Heads of State and Government Implementation Committee
HSIC	Heads of State and Government Implementation Committee
HSRC	Human Sciences Research Council

I

IAAF	International Association of Athletics Federations
IBA	Independent Broadcasting Authority
IBO	International Boxing Organisation
IBSA	India-Brazil-South Africa
ICAO	International Civil Aviation Organisation
Icasa	Independent Communications Authority of South Africa
ICC	International Chamber of Commerce
ICC	International Criminal Court
ICD	Independent Complaints Directorate
ICGEB	Centre for Genetic Engineering and Biotechnology
ICSU	International Council for Science

ICT	information and communications technology
ID	identity document
Idasa	Institute for Democracy in South Africa
IDC	Industrial Development Corporation
IDMT	Interdepartmental Management Team
IDP	Integrated Development Plan
IDZ	Industrial Development Zone
IEC	Independent Electoral Commission
IECs	integrated energy centres
IEP	Integrated Energy Planning
IF	Innovation Fund
IFAP	International Federation of Agricultural Producers
IFCC	International Fellowship of Christian Churches
IFP	Inkatha Freedom Party
IFSNP	Integrated Food Security and Nutrition Programme
IJS	integrated justice system
IKS	indigenous knowledge systems
ILS	instrument landing system
IMC	International Marketing Council
IMCI	Integrated Management of Childhood Illnesses
IMDP	Integrated Management Development Programme
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
ISCI	Integrated Sustainable Community Initiative
ISCW	Institute for Soil, Climate and Water
IRWH	Infield Rainwater Harvesting
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
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
Itec	Intergovernmental Committee on Trade and Economic Co-operation
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
Jipsa	Joint Initiative for Priority Skills Acquisition
JITB	Johannesburg International Trade Bureau
JMC	Joint Ministerial Commission
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	JSE Limited

K

Kat	Karoo Array Telescope
KLF	Komatiland Forests
km	kilometre
KM	Knowledge Management
kWh	kilowatt-hours

L

l	litre
LED	local economic development
LHWP	Lesotho Highlands Water Project
Liasa	Library Association of South Africa
Lis	Library and Information Services
LMIS	Labour-Market Information and Statistics
LPG	liquid petroleum gas
LRAD	Land Redistribution for Agricultural Development
LREF	Land Reform Empowerment Facility
LTPS	Land Transport Permit System

M

m^3	million cubic metres
m	metre
M&E	monitoring and evaluation
Mafisa	micro-agricultural financial institutions of South Africa
Mappp-Seta	Media, Advertising, Publishing, Printing and Packaging Sector Education and Training Authority
MCA	MultiChoice Africa
MCC	Medicines Control Council
MCLI	Maputo Corridor Logistics Initiative
MDDA	Media Development and Diversity Agency
MDGs	millennium development goals
MEC	Member of the Executive Council
Mercosur	South American Common Market
MERS	Micro-Economic Reform Strategy
MFMA	Municipal Finance Management Act
MFN	Most Favoured Nation
MFRC	Micro-Finance Regulatory Council
MFSA	Marketing Federation of South Africa
MHIC	Mental Health Information Centre
MHSA	Mine Health and Safety Act
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
MiningTek	Mining Technology Division
Mℓ	million litres
MK	uMkhonto weSizwe
MLA	Micro-Lenders Association
MLDP	Municipal Leadership Development Programme
MMM	MultiMarket Model
MMSD	Mineral and Mining for Sustainable Development
MoU	Memorandum of Understanding
MPAs	marine protected areas
MPC	Monetary Policy Committee
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
MSc	Master of Science
MST	Marketable Securities Tax
mt	metric ton
MTech	Master's Degree in Technology
Mt	million tons
MTN	Mobile Telephone Network
MW	medium wave
MW	megawatts
MTEF	Medium Term Expenditure Framework
MYIP	Multi-Year Implementation Plan

N

NAASP	New Asian-African Strategic Partnership
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
Nacoc	National Co-ordinating Committee
NACF	National Anti-Corruption Forum
NACTT	National AIDS Children's Task Team
NAEHMP	National Aquatic Ecosystem Health Monitoring Programme
Nafu	National African Farmers' Union
NAFVSA	National Film, Video and Sound Archives
Nail	New Africa Investments Limited
NAM	Non-Aligned Movement

Namac	National Manufacturing Advisory Centre
NAMC	National Agricultural Marketing Council
NAMF	New Africa Mining Fund
NAP	National Anti-Corruption Programme
NARF	National Agricultural Research Forum
NBFET	National Board for Further Education and Training
NBI	National Botanical Institute
NBN	National BioInformatics Network
NBS	National Biotechnology Strategy
NCACC	National Conventional Arms Control Committee
NCCS	National Crime Combating Strategy
NCHM	National Cultural History Museum
NCLIS	National Council for Library and Information Services
NCOH	National Centre for Occupational Health
NCOP	National Council of Provinces
NCR	National Credit Regulator
NCRF	National Community Radio Forum
NCS	National Curriculum Statement
NCSP	National Crime Prevention Strategy
NDA	National Development Agency
NDMP	National Drug Master Plan
NDPP	National Director of Public Prosecutions
NEAF	National Environmental Advisory Forum
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
NFDRSA	National Fire Danger Rating System for South Africa
NFLS	National Freight Logistics Strategy
NFVF	National Film and Video Foundation
NG	Nederduitse Gereformeerde (kerk)
NGB	National Gambling Board
NGC	National Governing Council
NGOs	non-governmental organisations
NGRP	National Responsible Gambling Programme
NHBRC	National Home-Builders Registration Council
NHC	National Heritage Council
NHC	National Health Council
NHS	National Health System
NHFC	National Housing Finance Corporation
NHLS	National Health Laboratory Service
NHRP	National Human Resource Plan
NIA	National Intelligence Agency
NIB	National Immigration Branch
NICD	National Institute for Communicable Diseases
NIPP	National Industrial Participation Programme
NIRP	National Integrated Resource Plan
NIU	National Intervention Unit
NIV	National Institute for Virology
NLB	National Lotteries Board
NLP	National LandCare Programme
NLPF	National Language Policy Framework
NLR	National Loans Register
NLS	National Language Service
NLSA	National Library of South Africa
NLUs	national lexicography units
NMPS	National Mining Promotion System
NMT	non-motorised transport
NNP	New National Party
NNR	National Nuclear Regulator
NP	National Party
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
NRDS	National Research and Development Strategy
NRF	National Research Foundation
NSA	National Skills Authority
NSDF	National Spatial Development Framework
NSDS	National Skills Development Strategy
NSIF	National Spatial Information Framework
NSF	National Skills Fund
NSFAS	National Student Financial Aid Scheme
NSI	National System of Innovation
NSNP	National School Nutrition Programme

NSSD	National Strategy for Sustainable Development
NSW	National Science Week
Nufcor	Nuclear Fuels Corporation
Nurcha	National Urban Reconstruction and Housing Agency
NWRIA	National Water Resource Infrastructure Agency
NWRS	National Water Research Strategy
NYC	National Youth Commission
NZG	National Zoological Gardens

O

OAG	Office of the Auditor-General
OAU	Organisation of African Unity
OBE	outcomes-based education
OBP	Onderstepoort Biological Products
ODA	Overseas Development Assistance
ODI	One-Day International
ODS	ozone-depleting substances
OECD	Organisation for Economic Co-operation and Development
OHS	occupational health and safety
OIE	*Office International des Épizooties*
OIV	International Wine Office
Onub	United Nations Operation in Burundi
OPA	Online Publishers' Association
OPSC	Office of the Public Service Commission
OSI	Open Society Institute

P

PAC	Pan Africanist Congress
PanSALB	Pan South African Language Board
PAP	Pan-African Parliament
Papu	Pan African Postal Union
PAS	provincial academies of sport
Pasa	Petroleum Agency SA
PBMR	Pebble Bed Modular Reactor
PC	Project Consolidate
PCC	President's Co-ordinating Council
PCS	Public Service Commission
Pefol	Panel of Experts on Foreign Ownership of Land
PetroSA	Petroleum, Gas and Oil Corporation of South Africa
PFM	Participatory Forest Management
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
PGDS	Provincial Growth and Development Strategy
PGMs	platinum-group metals
PHC	primary healthcare
PHP	People's Housing Process
PHPT	People's Housing Partnership Trust
PIC	Public Investment Commissioner
PIC	Public Investment Corporation
PILIR	Management Policy and Procedure on Incapacity Leave and Ill-Health
PIPs	properties in possession
PITs	public information terminals
PlantBio	Plant Biotechnology Innovation Centre
PLROs	provincial land reform offices
PMSA	Print Media South Africa
PMTCT	preventing mother-to-child transmission
PNC on ISAD	Presidential National Commission on Information Society and Development
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
PSM&ES	Public Service Monitoring and Evaluation System
PSW	Public Service Week
PTA	Preferential Trade Agreement
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
REF	Risk Equalisation Fund
Rera	Regional Electricity Regulators' Association
RFSTP	Regional Food Security Training Programme
RHLF	Rural Housing Loan Fund
RHP	River Health Programme
Risa	Research and Innovation Support Agency
RNCS	Revised National Curriculum Statement
RPP	Research Policy and Planning
RSC	Regional Services Council
RTMC	Road Traffic Management Corporation
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
Saafqis	South African Agricultural Food and Quarantine Inspection Services
Saao	South African Astronomical Observatory
Saasta	South African Agency for Science and Technology
Saavi	South African Aids Vaccine Initiative
Saats	South African Air Traffic System
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
Sacob	South African Chamber of Business
Sacu	Southern African Customs Union
SADC	Southern African Development Community
SADB	South African Diamond Board
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
Sahara	Social Aspects of Aids Research Alliance
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
Samaf	South African Micro-Finance Apex Fund
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
Sanas	South African National Accreditation Standards
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
Saneri	South African National Energy Research Institute
Sanli	South African National Literacy Initiative
SANParks	South African National Parks
Sanral	South African National Roads Agency Limited
Sapa	South African Press Association
Sapip	South African Pesticide Initiative Programme
Sapp	Southern African Power Pool
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
Sarchi	South African Research Chairs Initiative
Sars	South African Revenue Service
Sasar	South African Search-and-Rescue Organisation
Sasc	South African Sports Commission
Sascoc	South African Sports Confederation and Olympic Committee
SASS	South African Secret Service
Sassa	South African Social Security Agency
SASSMC	South African Small-Scale Mining Chamber
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
SAWS	South African Weather Service
SCI	Social Cohesion and Integration
SCLP	Sustainable Coastal Livelihoods Programme
Scopa	Standing Committee on Public Accounts
SDF	Spatial Development Framework
SDI	Spatial Development Initiative
SDIP	Service-Delivery Improvement Programme
SDP	Strategic Defence Procurement
Seda	Small Enterprise Development Agency
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	Standard Generation Body
SHF	Social Housing Foundation
SHI	Social Health Insurance
SIP	Strategic Investment Programme
Sita	State Information Technology Agency
SIU	Special Investigating Unit
Ska	Square Kilometre Array
SMEs	small and medium-sized enterprises
SMEDP	Small Medium Enterprise Development Programme
SMMEs	small, medium and micro enterprises
SMPP	Siyadlala Mass Participation Programme
SMS	Senior Management Service
SNO	Second National Operator
Soca	Sexual Offences and Community Affairs
SOEs	state-owned enterprises
SPF	Sector Partnership Fund
SPS	Soil Protection Strategy
SQF	SiyaQhubeka Forests
SRII	Socially Responsible Investment Index
SRSA	Sport and Recreation South Africa
SSM	small-scale mining
SSP	Skills Support Programme
SSPD	Sasol Slurry Phase Distillate
Stac	Science and Technology Agreements Committee
STD	State Diamond Trade
STIs	sexually transmitted infections
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
TAU	Transvaal Agricultural Union
TB	tuberculosis
TBCSA	Tourism Business Council of South Africa
TCTA	Trans Caledon Tunnel Authority
TDCA	Trade Development and Co-operation Agreement
Teba	Employment Bureau of Africa
TEF	Tourism Equity Fund
Tep	Tourism Enterprise Programme
TFCAs	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 African Development
Tisa	Trade and Investment South Africa
Tissa	Telephone Interpreting Service of South Africa

TJDR	The Jupiter Drawing Room
TKC	Trans-Kalahari Corridor
TLP	Tourism Learnership Project
TMNP	Table Mountain National Park
TRC	Truth and Reconciliation Commission
TRP	Taxi Recapitalisation Programme
TSP	Tshumisano Station Programme
TTC	Technology Transfer Centre
Twib	Technology for Women in Business

U

UAE	United Arab Emirates
UAVs	unmanned aerial vehicles
UIF	Unemployment Insurance Fund
UK	United Kingdom
Umalusi	General and Further Education and Training Quality Assurance Council
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
Unced	United Nations Conference on Environment and Development
Unctad	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
Unep	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
Unga	United Nations General Assembly
Unicef	United Nations Children's Fund
Unisa	University of South Africa
Unesco	United Nations Educational, Scientific and Cultural Organisation
UNSG	United Nations Secretary-General
UPU	Universal Postal Union
URP	Urban Renewal Programme
USA	United States of America
USA	Universal Service Agency
USALS	underserviced area licences
USOs	universal service obligations
USSR	Union of Soviet Socialist Republics
UST	uncertified securities tax

V

V&A	Victoria and Alfred
VAT	value-added tax
VCT	voluntary counselling and testing
VEP	Victim-Empowerment Programme
VLBI	very long baseline interferometry
VOC	Dutch East India Company

W

Wada	World Doping Agency
War	Water Alliance Reform
WEF	World Economic Forum
Westcor	Western Power Corridor Project
WfW	Working for Water
WHO	World Health Organisation
WPC	World Petroleum Congress
WRC	Water Research Commission
WRS	Water Resource Strategy
WSAs	water service authorities
WSDP	Water Resource Development Plan
WSDSP	Workplace Skills Development Support Programme
WSSD	World Summit on Sustainable Development
WTO	World Trade Organisation
WTO-SPS	World Trade Organisation Agreement on the Application of Sanitary and Phytosanitary Measures
WTW	Water Treatment Works
WUAs	water-user associations
WWF	World Wildlife Fund

X

XDR TB	Extreme Drug-Resistant Tuberculosis

Z

Zapu	Zimbabwe African People's Union
ZCC	Zion Christian Church
Zipra	Zimbabwean People's Revolutionary Army
ZPCSA	Zone of Peace and Co-operation in the South Atlantic