



APRM

African Peer Review Mechanism



SECOND REPORT ON THE IMPLEMENTATION OF SOUTH AFRICA'S APRM PROGRAMME OF ACTION



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i. MESSAGE FROM HIS EXCELLENCY PRESIDENT JACOB ZUMA



MR J.G. ZUMA
PRESIDENT OF THE REPUBLIC
OF SOUTH AFRICA

The African Peer Review Mechanism, (APRM), is one of the most important and innovative instruments of the African Union's New Partnership for Africa's Development (NEPAD).

It is important because it encourages African nation states to not only make undertakings about good governance but to work hard to make this pledge a reality.

We have great honour therefore to subject ourselves to this important exercise and to share with our peers what we think we have achieved over the past few years, in pursuit of the objectives enshrined in the Constitutive Act of the African Union.

This our second APRM report since we went through the peer review process in July 2007, in Accra, Ghana. It covers the period January 2009 to September 2010, a period covered largely by electoral activities and the establishment of the fourth democratic administration, following

the successful fourth national general elections held in April 2009.

The declaration of the 2009 elections by the Southern African Development Community (SADC), the African Union (AU) and the European Union (EU), amongst others, as free and fair further confirms that we have become a well-functioning democracy in a comparatively short space of time, since the first historic general elections of 1994.

We have consolidated our democracy, which is underpinned by the supremacy of the Constitution and the rule of law, the promotion of human rights and the independence of the judiciary amongst key tenets.

We have also since the dawn of freedom and democracy striven to build a State that unites all the people of our country in their diversity. Therefore, the years 2009 and 2010 have been characterised by intensive work to help us take forward our mission of building a united, non-sexist, non-racial, democratic and prosperous South Africa, building on the success of previous administrations.

Our Constitution is unique in that its Bill of Rights enshrines socio-economic rights such as access to basic services. This enjoins the State to work harder to ensure that all citizens enjoy these rights. Therefore faster and improved service delivery is the driving force of the fourth administration. We have to ensure that the wonderful policies that our government develops translate into programmes that improve the quality of life of our people.

To achieve this goal, we had to change the way government works in order to improve the delivery of services. We introduced a comprehensive performance monitoring and evaluation programme across government, with new innovations such as the signing of performance and delivery agreements by Cabinet Ministers.

Another new development was the establishment of a National Planning Commission. The Commission will produce reports on a range of issues that impact on our long term development, such as water security, climate change, food security, energy security, infrastructure planning, human resource development, defence and security matters, the structure of the economy, spatial planning and demographic trends. This exercise will enable us to make government's long-term policies and plans more coherent and focused on achieving the prosperous society we envisage.

The period under review was also characterised by the global economic recession which affected many countries including ours. Although many jobs were lost, South Africa was able to weather the storm.

Through working together as government, business, labour and the community sector, we were able to come up with mechanisms that enabled us to assist companies in distress and to save many other jobs that would otherwise have been lost.

Of course, the highlight of 2010 for South Africa and indeed Africa was the hosting of the 2010 FIFA Soccer World Cup tournament for the first time on African soil. We were quite honoured to be offered the opportunity to host this event on behalf of the African continent.

We appreciate the support received from our brothers and sisters in the continent. Many Heads of State and Government took time off to attend the opening and closing ceremonies and some of the games. This support demonstrated that the entire continent was the host.

We wanted a World Cup that would contribute to social cohesion and national pride and which would enhance African solidarity and improve the country's global reputation. Our expectations were exceeded.

A new era of Afro-optimism has swept across the continent and the world. Africans have always believed in themselves. Now, the world believes in them too and the World Cup tournament contributed a great deal to this change in perceptions.

Importantly, the World Cup served as a tool of social cohesion, reaffirming our common South African and African identity.

A most tangible legacy that must come out of the World Cup is education. The One Goal Education Campaign, which was a rallying cry of the 2010 FIFA Soccer World Cup, should not be seen as having been just a once-off promotional campaign which died with the World Cup. Linking soccer with education takes the beautiful game to the youth and ensures its future. We came together as a number of African Heads of States and Government to launch the One Goal Campaign on the 11th of July on the final day of the World Cup spectacular. We trust that going forward; all of us will work harder to ensure that every African child is able to go to school.

Although the FIFA World Cup tournament came to South Africa and it is gone, the successful story about South Africa as hosts of the tournament is a lasting legacy. We proved the doomsayers wrong and proved that an African country was capable of hosting the event.

As a result of hosting the 2010 FIFA World Cup, infrastructure development received a major boost which includes integrated transport system that responds to travel demand both nationally and internationally. Presently, the country has ten well-developed stadia which can cater for any major event that the country is assigned to host.

We present this report at a time when our country is preparing for the third Local Government elections. We have no doubt that the elections will be conducted in an environment that is free and fair as have all elections since 1994 in our country.

We thank all who assisted us in the review process, especially Professor Adebayo Adedeji, the former Chairperson of the APR Panel of Eminent Persons and a lead Panellist who has presided over the assessment processes of our country since we acceded to the APRM.

He announced his retirement last year but continued to share his time and experience with the APR processes in the SADC Region, giving guidance to the process of writing the report we are presenting today.

It is my honour to commend this Second Report of the Republic of South Africa to the panel.

JACOB G ZUMA

PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA

November 2010

ii. FOREWORD BY THE FOCAL POINT



MR M.R. BALOYI, MP
MINISTER FOR PUBLIC SERVICE
AND ADMINISTRATION

As South Africa's Focal point and the Chairperson of the National Governing Council of the African Peer Review Mechanism, I hereby confirm that the APRM programme is more vibrant now than it was at the time of accession. Structures of the APRM meet regularly to deal with issues as per the programme. Community meetings organised around the programme of the APRM are still attended by large numbers of people, confirming that they still embrace the instrument. This takes place within the context of our vibrant democracy that cuts across to Government structures, Business Sector and general organs of civil society.

We are working hard to do things differently to ensure an improvement in the participation of civil society in general, particularly from the point of view of resource provision, as, without a dedicated budget to support the activities of civil society formations, they experience some challenges. The government continues to work tirelessly to assist civil society organizations with resource mobilisation..

In the process of developing this report, we held consultative conferences in the nine Provinces of the country. These provided an opportunity for all the sectors of the APRM processes to input into the report. We then organised a National Consultative Forum wherein we consolidated all the views drawn into writing this report. This report is therefore a product of engagements by South Africans, drawn from their own experiences.

Emanating from these consultations, this report acknowledges the existence of outstanding issues and challenges as outlined in the Matrix section.

South Africa therefore submits this report against the APRM thematic areas to the effect that;

- Democracy and political governance continue to find expression of stability in the manner in which the country implements its constitutional obligations for good governance,
- Economic governance and management yield favourable conditions for economic growth that

create an environment of equal opportunities and participation by all its citizens,

- Corporate governance continues to transform the manner in which government, business and other entities are managed on behalf of defined stakeholders,
- Socio-economic development has thus far advanced to an extent that consensus is developing on contentious issues such as the definition of poverty, integrated and holistic approach to managing HIV and AIDS, and children's health and nutrition.

We commit ourselves to further leading processes of accountability to the programme of the African Peer Review Mechanism and to ready ourselves for the next review.

Notwithstanding that, there are still outstanding matters in the implementation of the NPoA, thus the country shall submit the third report responding to all outstanding matters by the year 2013 and will assess at that time if it is ready for the 2nd peer review.

FOCAL POINT: MR M.R. BALOYI, MP

MINISTER FOR PUBLIC SERVICE AND ADMINISTRATION

November 2010

iii. ACKNOWLEDGEMENTS

- (i) The Economic, Social and Cultural Council (ECOSOCC) South Africa Chapter comprising of the following organisations:
 - Business Unity South Africa (BUSA),
 - Congress of South African Trade Unions (COSATU),
 - Disabled People South Africa (DPSA),
 - National Council of Trade Unions (NACTU),
 - South African Chapter of African Renaissance (SACAR),
 - South African Council of Churches (SACC),
 - South African National Civic Organisation (SANCO),
 - South African NGO Coalition (SANGOCO),
 - South African Youth Council (SAYC), and
 - Women's National Coalition (WNC),
- (ii) The Government of the Republic of South Africa, and
- (iii) Traditional Leaders

iv. ABBREVIATIONS

AA	Affirmative Action
ABET	Adult Basic Education and Training
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
APR-F	African Peer Review Forum
APRM	African Peer Review Mechanism
ART	Antiretroviral Treatment
ASGISA	Accelerated and Shared Growth Initiative for South Africa
AU	African Union
BACSA	Business Against Crime South Africa
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BLSA	Business Leadership South Africa
BPO	Business Process Outsourcing
BUSA	Business Unity South Africa
CCMA	Commission for Conciliation, Mediation and Arbitration
CEDAW	Convention on the Elimination of All forms of Discrimination Against Women
CEE	Commission for Employment Equity
CIPC	Companies and Intellectual Properties Commission
CIPRO	Companies and Intellectual Properties Commission
CMIS	Corruption Management Information System
COGTA	Department of Cooperative Governance and Traditional Affairs
COIDA	Compensation for Occupational Injuries and Diseases Act
COPE	Congress of the People
CoRMSA	Consortium for Refugees and Migration in South Africa
CPFs	Community Policing Forums

CPI	Consumer Price Index
CRLR	Commission for the Restitution of Land Rights
CSG	Child Support Grant
DA	Democratic Alliance
DBSA	Development Bank of Southern Africa
DENOSA	Democratic Nurses Organisation of South Africa
DHA	Department of Home Affairs
DHET	Department of Higher Education and Training
DLGH	Department of Local Government and Housing
DoE	Department of Education
DoL	Department of Labour
DPSA	Department of Public Service and Administration
DRC	Democratic Republic of the Congo
DTI	Department of Trade and Industry
DVA	Domestic Violence Act
EAP	Economically Active Population
ECOSOCC	Economic, Social and Cultural Council
EPWP	Expanded Public Works Programme
EU	European Union
FET	Further Education and Training Colleges
FIFA	Federation Internationale de Football Association
FRSP	Financial Reporting Standards Panel
FTA	Free Trade Area
GDP	Gross Domestic Product
HCT	HIV Counselling and Testing
HIV	Human Immunodeficiency Virus
HOSPERSA	Health and Other Service Personnel Trade Union of South Africa
HSGIC	Heads of State and Government Implementation Committee
ICD	Independent Complaints Directorate

IDP	Integrated Development Plan
IFSNP	Integrated Food Security and Nutrition Programme
INP	Integrated Nutrition Programme
IPAP II	Industrial Policy Action Plan II
IPID	Independent Police Investigative Directorate
ISRDP	Integrated Sustainable Rural Development Programme
IWF	Isivande Women's Fund
JCPS	Justice Crime Prevention and Security Cluster
JIPSA	Joint Initiative on Priority Skills Acquisition
JSE	Johannesburg Stock Exchange
LED	Local Economic Development
MDGs	Millennium Development Goals
MEC	Member of Executive Council
MIG	Municipal Infrastructure Grants
MoU	Memorandum of Understanding
MPSA	Minister for Public Service and Administration
NACF	National Anti- corruption Forum
NAPTOSA	National Professional Teachers' Organisation of South Africa
NATU	National Teachers' Union
NCR	National Credit Regulator
NEDLAC	National Economic Development and Labour Council
NEEDU	National Education Evaluation Development Unit
NEHAWU	National Education, Health and Allied Workers Union
NEPAD	New Partnership for Africa's Development
NGC	National Governing Council
NSA	National Skills Authority
NSF	National Skills Fund
NUMSA	National Union of Metal Workers of South Africa
NUPSAW	National Union of Public Service & Allied Workers

OCIPE	Office of Companies and Intellectual Property Enforcement
OECD	Organization for Economic Co- operation and Development
OSD	Occupational Specific Dispensation
PAJA	Promotion of Administrative Justice Act
PALAMA	Public Administration Leadership and Management Academy
CPTD	Continued Professional Teacher Development Management System
PFMA	Public Finance Management Act
PGCs	Provincial General Councils
PGDS	Provincial Growth and Development Strategies
PMTCT	Prevention of Mother to Child Transmission
PoA	Programme of Action
POCA	Prevention of Organised Crime Act
POPCRU	Police and Prisons Civil Rights Union
PRECCA	Prevention and Combating of Corruption Activities Act
PSA	Public Servants Association of South Africa
PSC	Public Service Commission
PSCBC	Public Service Coordinating Bargaining Council
RSA	Republic of South Africa
SABC	South African Broadcasting Corporation
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADTU	South African Democratic Teachers Union
SAHRC	South African Human Rights Commission
SAPS	South African Police Service
SAPU	South African Police Union
SAQA	South African Qualifications Authority
SASSETA	South African Safety and Security Education Training Authority
SCOPA	Standing Committee on Public Accounts
SETA	Sector Education and Training Authority

SHARP	South African HIV/AIDS Research and Innovation Platform
SMEs	Small and Medium Enterprises
SMME	Small Medium Micro Enterprise
SMS	Senior Management Service
SOEs	State Owned Entities
SRI Index	Socially Responsible Investment Index
SRP	Securities Regulation Panel
TB	Tuberculosis
UIF	Unemployment Insurance Fund
UN	United Nations
UNCAC	United Nations Convention against Corruption
URP	Urban Renewal Programme
VEP	Victim Empowerment Projects

v. MAP OF AFRICA



vi. NATIONAL CONSULTATIVE CONFERENCE DECLARATION ON THE REPORT

National Consultative Conference Declaration on *The Second Report On The Implementation Of South Africa's APRM Programme Of Action*

We, the South African community of the African Peer Review Mechanism (APRM), comprising of Government, Civil Society and Traditional Leaders gathered here in Boksburg (Republic of South Africa), on this **29th day of November 2010** at the National Conference, organised by the National Governing Council,

Noting

- that the Republic of South Africa (RSA) acceded to the African Peer Review Mechanism in the year 2004 and the country went through the process of Peer Review by submitting its Self Assessment Report which was later followed by the Country Review Report (CRR) of 2007 issued by the Heads of State and Government of participating countries in the Mechanism (APR Forum),
- that a National Programme of Action (NPoA) was developed as an enforcement mechanism for the implementation of the subsequent CRR recommendations,
- That in terms of the NPoA, the country submitted its first progress report in January 2009, and further committed to respond to the outstanding and identified cross-cutting issues,
- That South Africa's engagement of the APRM process is an inclusive process characterised by active participation of all sectors of the APRM community making this declaration.

Further Noting that;

- The country is due to submit its Second Implementation of NPoA Report in January 2011,
- The successful hosting of the FIFA 2010 Soccer World Cup by South Africa, the first on African soil, is a big story to be shared as part of the Second Implementation Report

Confirming

- That the APRM remains a strategic tool in the promotion of good governance in the African Continent,
- That the RSA regards the APRM as an invaluable instrument for peer review, self-reflection and self-correction in order to achieve inter/intra-State political stability, economic growth and job creation as well as regional integration.
- That the RSA remains committed to the MoU of the African Union that established the APRM

Declare that

- this report is submitted as an account of the country's performance measured against the APRM thematic areas to the effect that;
 - Democracy and political governance continue to find expression of stability in the manner in which the country implements its constitutional obligations for good governance,
 - Economic governance and management yield favourable conditions for economic growth that create an environment of equal opportunities and participation by all its citizens,
 - Corporate governance continues to transform the manner in which government, business and other similar entities are managed on behalf of defined stakeholders,
 - Socio-economic development has thus far advanced to an extent that consensus is developing on contentious issues such as the definition of poverty, integrated and holistic approach to managing HIV and AIDS, and children's health and nutrition.
- there are still outstanding matters in the implementation of the NPoA,
- we shall submit the 3rd report responding to all outstanding matters by the year 2013,
- We will assess at that time if the country is ready for the 2nd peer review.

1. EXECUTIVE SUMMARY

South Africa hereby submits the Second Annual Report on the Implementation of the APRM National Programme of Action (NPoA). This Report details progress made during the period January 2009 to November 2010.

The country acceded to the African Peer Review Mechanism in March 2003, thus voluntarily consenting to a review by peers on the African Continent in the areas of Democracy and Political Governance, Economic Governance and Management, Corporate Governance as well as Socio-Economic Development.

This review commenced with a self-assessment process in 2005 which culminated into a Self-Assessment Report submitted to the APR Forum in 2006. Subsequently, the country was peer reviewed and the Country Review Report (CRR) was issued in July 2007, which included the NPoA for its implementation. As part of compliance, the country is expected to report annually on the implementation of the NPoA.

In this report South Africa accounts in terms of the four thematic areas and cross-cutting issues identified in the Country Review Report and National Programme of action

1.1 Democracy and Political Governance

In this thematic area the report responds and provides information on increased civil society participation, advancement of gender equality, access to information on human rights and institutions of justice, and tackling corruption.

The Public Service Coordinating Bargaining Council (PSCBC) as a central institution of interface in public service bargaining is explained in the context of labour's participation. Since the submission of the First Report, steps were taken to strengthen social dialogue around National Economic Development and Labour Council (NEDLAC) processes on economic and capacity development challenges with social partners. NEDLAC allows for government to be in a formal social dialogue with organised labour, business and community groupings on a national level to discuss and reach consensus on social and economic policy.

In 2009 Government established a special task team comprising government, labour and business to respond to the impact of the global economic crisis. The team proved that collaboration between sectors can yield positive results. A number of measures were instituted.

Government has also kept in touch with citizens directly, with President Zuma leading the drive to visit many parts of the country to interact with the public and to assess service delivery. The Presidential hotline was launched in September 2009 as part of the government's drive to enhance interaction with citizens. Members of the public are able to phone the Presidency to raise suggestions, compliments or complaints.

Government also published the National Framework on Ward Funding and the Local Government Municipal Regulations for the Term of Office of Ward Committee Members in October 2009, with the intention of improving the functioning of ward systems. In addition, key regional and international protocols have been endorsed by South Africa

The Report further details key initiatives that have been put in place towards the advancement of the rights of women. Government and civil society have also continued to implement measures aimed at eliminating violence against women and children.

In 2009, the Ministry of Women, Children and Persons with Disability was established to focus on improving the status and conditions of the said groupings in society.

Government has also continued with its drive to raise public awareness and access to information on Human Rights. Marginalised and vulnerable groups have taken advantage of this commitment as a vehicle through which to enhance their participation in matters of governance.

Corruption has been identified as an impediment to national integrity; hence the fight against corruption remains a key priority for government. To this end, several measures have been put in place with the objective of combating corruption.

The institution of Traditional Leadership is well entrenched within the country's framework of governance. Government has enacted progressive legislation in recognition of the institution which is the repository of the customary law systems and custodians of the country's culture. Furthermore, measures have been taken by the National House of Traditional Leaders to establish a Regional House of Traditional Leaders within the SADC region, the long-term vision being to establish a Continental House of Traditional Leaders.

Following the tabling of the First Report, the country has witnessed significant changes that have demonstrated the strengths of its democracy. Chief amongst these changes was the holding of yet another national election that was declared free and fair by all observer missions. As a result of the electoral mandate there was also a reconfiguration of existing ministries and the establishment of new ministries in order to afford greater focus to the electoral mandate and development priorities of the current administration.

1.2 Economic Governance and Management

This thematic area address the following: Unemployment, capacity constraints and service delivery challenges, capacity and skills improvement in public expenditure management, economic integration in SADC.

The 2007 National Industrial Policy Framework (NIPF) sets out government's broad approach to industrialisation and identifies priority sectors to promote the growth of a strong local industrial and services economy. In the interest of accelerating the NIPF mechanism, government launched the Industrial Policy Action Plan II (IPAP II). Through IPAP II, public entities and non-state actors (supported by government incentives), are expected to deliberately

optimise the creation of work opportunities through the delivery of public services. Government has developed a Framework for South Africa's response to, amongst others, unemployment and the International Economic Crisis.

The country has made progress in accelerating access to basic services for the poor and remains committed to addressing service delivery challenges that persist. Some of these initiatives include the new Comprehensive Rural Development Plan, Municipal Infrastructure Grants and Local Economic Development Plans.

The Performance, Monitoring, Evaluation and Administration Ministry has also developed national key performance areas (KPA's) for local government, including the establishment of a Local Government War Room based at the Development Bank of Southern Africa (DBSA). Provincial governments have thus concentrated efforts in assisting municipalities with the implementation of Local Economic Development (LED) strategies and resolutions of growth and development summits that were held in municipalities.

There is also the timely and regular audited fiscal reporting of the operations of public enterprises to permit effective oversight by the National Treasury and the major commercial public enterprises (State Owned Enterprises). In order to institutionalise these capacity and skills improvement measures as well as in dealing with the public expenditure management gaps, the Public Administration Leadership and Management Academy (PALAMA) offers public servants training in the interest of improving service delivery.

1.3 Socio-Economic Development

Definitions and measurements of poverty have also been agreed upon and applied. In 2007, the CRR reported that despite being a middle-income country, South Africa experiences widespread poverty and inequality. Government remains committed to alleviating poverty, and has thus introduced a number of initiatives during the period under review. These include the *Social Assistance Programme*.

The need for coordinated anti-poverty programmes and monitoring tools has led to the acceleration of The War on Poverty Campaign. Targeted beneficiaries are women; children; youth; people with disabilities; the aged; the chronically ill; the unemployed; working poor; rural areas, townships, informal settlements and inner cities.

In relation to HIV and AIDS, the country's plan prioritises the following: the provision of strategic leadership and the creation of a social compact with organs of civil society; accelerated implementation of the *HIV/AIDS, and STI National Strategic Plan 2007-2011*, and increased focus on TB and other communicable diseases; review of the drug policy; and strengthening research and development.

In order to increase the number of qualified teachers, the government is currently implementing the National Policy Framework for Teacher Education and Development, in particular the *Funza Lushaka* Bursary Scheme and the Teacher Recruitment Campaign with a target of 12 000 new teachers by 2014. Government, through the DoE, has also introduced the National Education Evaluation Development Unit (NEEDU) in order to strengthen accountability systems in basic education.

The skills development Levies Act requires companies to contribute or be taxed 1% of their payroll to the South

African Revenue Service, and depending on which sector the company is in, the money will be transferred to their Sector Education and Training Authority (SETA). In the BEE Act's Codes of Good Practice, large companies are required to spend 3% of their payroll on training black people, black women, and black disabled people.

1.4 Cross-cutting Issues

Further efforts aimed at accelerating the process of land reform in South Africa include: the establishment of a dedicated Department of Rural Development and Land Reform, mentioned under the thematic area Democracy and Governance, to deal with issues of rural development and land affairs in order to ensure sustainability of land reform programmes; and the tabling of the Expropriation Bill before Parliament with the object of empowering government to pay a fair price for land.

Recognising that violence against women is an obstacle to the achievement of equality, development and peace, governments at the Fourth World Conference on Women in Beijing committed to strategic objectives, and in October 2009 the South African government produced a report in anticipation of the 2010 Fifteen Year Review of the Beijing Platform for Action. In South Africa, violence against women and children contravenes numerous constitutionally guaranteed rights, such as rights to inherent dignity, the right to life, the right to freedom and security of the person and the right to bodily and psychological integrity.

The South African Safety and Security Education Training Authority (SASSETA) is supporting the development of the Family Law Learnership, which includes training on the social context of domestic violence and the Domestic Violence Act (DVA), Act 116 of 1998. Recognising that the fight against crime is not the business of government alone, the South African citizenry has formed community groups and societies, across sectors, to assist the government in combating criminal activities.

The South African National Heritage Council is also spearheading the use of national symbols, indigenous knowledge systems and the historical experience of South Africa to build national identity. Consequently, government introduced the Affirmative Action policy whose spirit was expressed in the Employment Equity Act of 1998, the Black Economic Empowerment Act of 1999 and generally the legislative framework that is currently being developed specifically to respond to the challenges faced by vulnerable groups (women, children, youth, the elderly and people with disabilities).

Disparities continue to exist between the public and private sectors regarding employment equity targets. In the public sector, concerted efforts to ensuring compliance with employment equity targets have generally resulted in an improvement across all levels over the years. For example, the Public Service has witnessed a steady increase of women in senior management positions (levels 13- 16) over time: 30% in December 2005; 34.8% in March 2009 and 36.0% in March 2010. Although targets are as yet to be met, in particular at the Senior Management Service (SMS) level and for people with disabilities, there is notable improvement and government continues to set progressively higher targets to demonstrate commitment in the recruitment and retention of women, Blacks and people with disability, to the levels of middle and senior management.

2. INTRODUCTION

South Africa hereby submits its Second Report on the Implementation of the National Programme of Action (NPoA). This report reflects progress made since the First Report and gives an account on the thematic areas as well as the cross cutting issues that are raised therein.

This Report is divided into five sections. Section A contains the Executive Summary and Section B deals with the overall assessment in the implementation of the NPoA. Responses to the following cross-cutting issues are addressed in Section C: Land Reform, Violence against Women and Children, Crime, Xenophobia, Racism, Managing Diversity, Affirmative Action (AA) and Black Economic Empowerment (BEE). Section D provides the FIFA 2010 World Cup Report. Section E is an abridged version of the main report and is presented in the form of a matrix which provides progress achieved and outstanding issues against the four thematic areas and cross cutting issues.

3. BACKGROUND

The APRM is a voluntary instrument of the African Union (AU) with the objective of fostering the adoption of policies, standards and practices that will lead to political stability, high economic growth, sustainable development and accelerated regional and economic integration. This is achieved through sharing of experiences and reinforcement of successful best practices, including identifying deficiencies, and assessing the needs for capacity building of participating countries.

Assessment under the APRM is conducted within four thematic focus areas; Democracy and Political Governance; Economic Governance and Management; Corporate Governance and Socio-economic Development.

South Africa is amongst the first thirty countries that have voluntarily acceded to the APRM process. Acceding to the process entails undertaking to submit to periodic peer reviews and commitment to implementing the NPoA arising from the Country Review process. The country was peer reviewed in 2007 resulting in a Country Review Report (CRR) that included an NPoA.

4. DEMOCRACY AND POLITICAL GOVERNANCE



“Government, in partnership with civil society and communities, continues to work tirelessly to ensure that the South African society is inclusive and its diverse nature is well represented in all nation-building initiatives. As a result, forums and mechanisms for social dialogue have been established and strengthened”

In this thematic area the Country Review Report (CRR) identified the following issues to be addressed:

- Increased Civil Society Participation
- Advancement of gender equality
- Access to information on human rights and institutions of justice
- Tackling corruption

In this thematic area South Africa introduces two sections that are not covered in the CRR, and these are;

- Institutionalisation of democracy
- Institution of traditional leadership

4.1 Increased civil society participation

Government, in partnership with civil society and communities, continues to work tirelessly to ensure that the South African society is inclusive and its diverse nature is well represented in all nation-building initiatives. As a result, forums and mechanisms for social dialogue have been established and strengthened. Since the submission of the First Report, steps were taken to strengthen social dialogue around the National Economic Development and Labour Council (NEDLAC)¹ initiatives on economic and capacity development.

In response to the global economic crisis which had a negative impact on the South African economy resulting in major job losses, social partners, through NEDLAC, adopted a Framework for South Africa's Response to the Global Economic Crisis in February 2009. The Framework provides measures for curbing job losses through the introduction of funds by the country's Development Finance Institutions (DFI).

These funds were mainly targeted at companies in distress as well as those workers that were to be retrained for deployment in other sectors of the economy that could absorb them. The broad principles governing the Framework are directly linked to taking active steps in dealing with the vulnerable and their jobs as well as to ensure that all of

1 The NEDLAC is a platform by which government, labour, business and community organizations partner to solve problems and negotiate on economic, labour, development issues, and other related challenges facing the country. NEDLAC conducts its work in four broad areas, covering public finance and monetary policies, labour market policies, trade and industrial policies, as well as development policies.

the activities are aimed at strengthening the capacity of the economy to grow and create decent jobs.

The Public Service Coordinating Bargaining Council² (PSCBC) plays a central role in facilitating negotiations on issues related to conditions of service for public servants. . It has among others, facilitated an agreement on the retention strategy for professionals in the public service, referred to as the Occupation Specific Dispensation (OSD)³.

New initiatives during the period under review also saw the launch of the Presidential Hotline in September 2009 as part of the government's drive to enhance interaction with citizens. The Hotline receives complaints that reflect the diverse concerns of the South African populace. These concerns include , service delivery issues such as, land claims, housing shortages as well as challenges related to crime and corruption .

Since its inception, the Hotline has received a large volume of calls, indicating both the need for such a service and the eagerness of South Africans to interact with government. During the period under review 72 299 calls were received, 79% were complaints, of which 53% were resolved.

Government continues to utilise *Izimbizo*⁴ as forums for public participation on matters affecting communities and civil society. The issues that form the content for these interactions are taken from the Government Programme of Action, and also emanate from issues raised through the Presidential Hotline.

4.2 Advancement of gender equality

The establishment of the Ministry of Women, Children and Persons with Disability in 2009 was a major contribution to the mainstreaming of programmes aimed at promoting the socio-economic advancement of women and other vulnerable groups. The Department is being capacitated to enable it to carry out its mandate.

The National Policy Framework on Gender Equality has led to the creation of entities within every sphere of government to ensure gender mainstreaming and the promotion of gender equality. Other key initiatives include the development and implementation of the Public Service Gender Equity Strategy which assists government in reaching its 50% minimum target representation of women. A Gender Mainstreaming course for the Public Service was developed in 2009 and is being rolled out to departments.

Government and civil society continue to implement measures aimed at eliminating violence against women and children. These measures include initiatives such as the highly successful and popular campaign of 16 Days of Activism for No Violence Against Women and Children; 365 Days National Action Plan to eradicate violence;

2 The PSCBC is the largest bargaining council in South Africa, covering over one million workers. Its parties are the State as Employer, and public service unions, who represent 90% of public service employees at the national and provincial spheres of government. The PSCBC's key function is to create a platform for developing sound labour relations in the public service, through the provision of independent collective bargaining and dispute management services.

3 OSD is a retention strategy for professionals in the public service and further enhancement of conditions of service as contained in PSCBC Resolution 1 of 2007

4 *Izimbizo* is a Zulu word referring to community gatherings: In this context it refers to community consultation gatherings organized by government as a platform to interact directly with communities on service delivery matters that affect them.

popularization of '*Project Ndabezitha*' which is a mechanism for integrated management of domestic violence cases towards the effective implementation of the Domestic Violence Act as a partnership between government and traditional leaders.

Government has also registered progress in its quest to comply with domestic and international obligations in ensuring gender equity in political representation. South Africa ratified the 2008 SADC Protocol on Gender and Development which requires a 50/50 representation of women in political leadership by 2015. *Between 2004 and 2009, women's representation in Parliament has increased considerably from 27.8% to 44.0%.* Furthermore, women's representation in Cabinet has increased from 27% in 1994, to 41% in 2009. In addition, five of the nine provincial Premiers are women. Likewise, women's representation in provincial legislatures has increased considerably from 24% in 1994, to 50% in 2009.

4.3 Access to information on human rights and institutions of justice

The advancement of human rights and the promotion of democracy are pillars on which South Africa's Constitution rests. One of the government's main projects that seeks to raise public awareness and access to information on human rights is the *Know Your Service Rights Campaign*, which was launched in 2007.

During the period under review Phase II of the Campaign was strengthened. This phase offers communities information about the laws, government services, and recourse options available to them, in the form of a publication and an internet database. The publication and database include information on rights related to the structures of the Criminal Justice System, the powers of the police, child justice, access to courts, and correctional services, amongst others. The campaign booklets have been published in all eleven official languages, with the aim of inclusively reaching those who may otherwise not understand other languages outside their mother- tongues.

Similarly, government has developed the Customer Charter and Services Booklets in order to inform the public about its services. Guidelines on the Prevention and Management of Sexual Violence and Harassment in Public Schools have also been developed and these have been widely distributed in schools. Draft materials which are intended to improve understanding of democratic values, human rights and gender equity amongst young people have also been finalized.

In compliance with the task of educating society about their rights as contained in the Promotion of Administrative Justice Act (PAJA), the government has conducted community awareness campaigns using regional radio stations and has also conducted training sessions with different organs of state. These interventions will assist in the institutionalization of the promotion of fair and impartial administration in the Public Service.

4.4 Tackling Corruption

The fight against corruption remains a key priority for the country. A number of initiatives and structures have been created to reduce the level of corruption and strengthen the national integrity system. The establishment of the Special Anti-corruption Unit and the local government anti-corruption inspectorate unit to investigate and manage disciplinary processes in the three sphere of government ; the establishment of the Multi-Agency Working Group to investigate corruption in procurement, the establishment of the Anti-corruption Task Team to coordinate the work of law enforcement agencies and watchdog bodies are among key initiatives government has introduced to tackle corruption.

In 2009, the President established the Inter-Ministerial Committee (IMC) on Corruption to coordinate anti-corruption initiatives. The main thrust of the IMC includes: ensuring coordinated anti-corruption efforts; promoting policy coherence and alignment on cross-cutting anti-corruption programmes of government; reviewing procurement practices and address weaknesses in the criminal justice system so as to ensure that efficient prosecution takes place.

Government is developing an Integrated Financial Management System (IFMS) which will include information on corruption amongst others. The System will allow for e-filing of a set of anti-corruption measures such as financial disclosures. These will interface with other databases to provide comprehensive information on corruption and allow for tracking of conflict of interests.

Government and the Business Sector signed an agreement in March 2009, to implement a business anti-corruption programme. The programme is intended to raise awareness of anti-corruption measures and provide training to the business sector on international anti-corruption instruments. Consequently the first and second annual anti-corruption business forums were hosted in October of 2009 and 2010 respectively. The first forum adopted a code of ethics for the business sector. During the second forum, the business sector committed to supporting the government's Special Anti-corruption Unit.

As part of international and continental initiatives, South Africa has assisted the Democratic Republic of Congo (DRC) in hosting the first national anti-corruption forum in December 2009 which resulted in the adoption of the National Anti-corruption Strategy in October 2010. South Africa has also ratified and acceded to various international anti-corruption instruments such as the Organisation for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Public Officials in International Business Transactions. In this regard, the country went through the second phase of assessment that produced a report which was adopted by the governing structure of the Convention, the OECD Anti-bribery Working Group. The results thereof confirmed that the country is compliant with the Convention.

4.5 Institutionalisation of Democracy

Since the submission of the First Report, South Africa has seen significant changes that have demonstrated the strengths of its democracy. These include the fourth national and provincial general elections of April 2009, and the subsequent inauguration of the new administration. All Electoral Observer Missions, including the AU, the EU and SADC Electoral Commissions, declared the elections “free, fair, transparent and credible”.

The elections were contested by 26 political parties at national level, and 38 at provincial level. Out of the 26 parties that contested at the national level, 13 are now represented in the National Assembly. Given that not all parties that contest the provincial elections contest the national elections, party representation at the provincial level varies across the legislatures. As such, only 11 out of the 38 parties are represented across the provincial legislatures.

Out of 17,919,966 votes cast, the ANC received 11, 650,748 votes, which translated to 264 seats (65, 90%) out of 400 seats in the National Assembly. The official opposition, the Democratic Alliance (DA), received 2, 945 829 votes which translates to 67 seats (16, 66%) and Congress of the People (COPE) received 1, 311 027 which translates to 30 seats (7, 42%). The remaining seats are shared amongst the smaller parties. The divergence of political ideas in the National Assembly continues to enrich the house with the necessary vibrancy that contributes to the development of South African society and its constitutional democracy.

Informed by its electoral mandate, the new administration reconfigured the macro-structure of government in order to advance the country’s developmental agenda. This reconfiguration includes the creation of new Ministries and departments which include amongst others:

- The Ministry in the Presidency responsible for the National Planning Commission;
- The Ministry in the Presidency responsible for Performance, Monitoring, Evaluation as well as Administration in the Presidency.
- The Ministry for Economic Development;
- The Ministry of Women, Children, and Persons with Disabilities;
- The Ministry of Rural Development and Land Reform;

- The Department of Military Veterans;
- The Ministry for Cooperative Governance and Traditional Affairs;

Informed by its electoral mandate, the primary focus of government is on five (5) key priorities namely, providing quality education, creating decent jobs, providing quality health, promoting rural development and intensifying the fight against crime and corruption. In pursuit of this electoral mandate, the government identified twelve (12) outcomes; namely:

1. An improved quality of basic education;
2. A long and healthy life for all South Africa;
3. All South African should be safe and feel safe;
4. Decent employment through inclusive growth;
5. A skilled and capable work force to support an inclusive growth path;
6. An efficient, competitive and responsive economic infrastructure network;
7. Vibrant, equitable, sustainable rural communities with food security for all;
8. Sustainable human settlement and improved quality of household life;
9. A responsive, accountable, effective and efficient local government system;
10. Environmental assets and natural resources that are well protected and enhanced;
11. Creating a better South Africa, and contributing to a better and safer Africa and World;
12. An efficient and development oriented public service and an empowered, fair and inclusive citizenship.

The new outcomes-based approach adopted by Cabinet has introduced a system of performance management in terms of which all Ministers sign Performance Agreements with the President. In turn Ministers sign collaborative Delivery Agreements amongst each other and respective provincial executing authorities according to the specific outcomes responsibility. The President also signs Inter-governmental Delivery Protocols with all Provincial Premiers.

4.6 Institution of traditional leadership

The South African Constitution recognises the institution, status and role of traditional leadership. This institution is also recognised as a repository of customary law - and a custodian of - culture, traditions, customs and values. The Constitution further provides for the establishment of a Council of Traditional Leaders and Provincial Houses of Traditional Leaders. These structures are intended to maximize the participation and involvement of traditional leaders - in matters of governance. The reconfiguration of the Department of Provincial and Local Government into the Ministry of Cooperative Governance and Traditional Affairs attests to government's commitment to strengthen the institution of traditional leadership.

Government has put in place policy and legislative mechanisms to define and place the institutions of traditional leadership within the democratic dispensation. According to the White Paper on Traditional Leadership and Governance (2003) traditional leaders are required to be - part of democratic leadership and governance structures.

In South Africa traditional leadership is an institution defined in terms of traditional practice; the institution also operates within recognised governance practices. A case in point in this regard is that in July 2010, the President made a pronouncement on the findings of the Commission on Traditional Leadership Disputes and claims, popularly known as the "Nhlapo Commission". The aim of the Commission was to investigate and make a determination on the legitimacy of the monarchies.

The Commission's findings indicate that South Africa has only seven legitimate Kings and Queens out of a total of thirteen (13). The other six (6) whose regal status is not confirmed, will come to an end at the passing on of the incumbent, with successor status converted to that of *Principal Traditional Leadership*, with the proviso that where there is a vacancy, such a conversion in status takes place with immediate effect.

A further development in the recognition of all traditional leaders in South Africa has been the inauguration of Khoisan⁵ traditional leaders in the Northern Cape Provincial House of Traditional Leaders in April 2009. This inauguration demonstrates the country's declared intent of honouring its commitment to indigenous communities. This marks the first and visible recognition of the Khoisan people as part of the traditional institution of leadership.

⁵ The Khoisan are a group of Southern African indigenous people, comprising of the Khoi-khoi, San, Ovahimba, Kxoe and Hottentots. They are the first known settlers of southern Africa, as indicated by their prehistoric rock paintings. These groups were never recognised until this current move. The first recognition of the Khoisan is the establishment of the provincial house of traditional leaders that includes them.

5. ECONOMIC GOVERNANCE AND MANAGEMENT



“ All of the work opportunities generated by the EPWP are therefore combined with training, education or skills development, with the aim of increasing the ability of people to earn an income once they leave the programme”

In this thematic area the Country Review Report identifies the following issues to be addressed;

- Unemployment
- Service delivery challenges
- Public expenditure management capacity
- Economic integration in Southern Africa

5.1 Unemployment

Unemployment⁶ remains one of the challenges facing South Africa. The official unemployment rate at the time of reporting was 25,3%, which translates to 4.3 million people. This can be attributed to a number of external and internal factors. The latter include the shortage of critical skills, whilst the former are induced by global economic variables such as the credit crunch that still affects the global financial markets. According to recent statistics released by Statistics South Africa (Stats SA), between the first quarter (January-March) and second quarter (*April-June*) of 2010, the working age population rose from 31,35 million to 31,40 in the second quarter- an increase of 49 000 persons, and equivalent to a rise of 0,2 % over the period. Over the same period, the labour force (i.e. the sum of the employed and the unemployed) decreased by 0,3% to 17,1 million in the second quarter. During the same quarter, the number of employed persons was 0,5% lower than in the first quarter (a decline of 61 000). This was largely on account of a fall in formal sector employment (non agriculture) from 9,0 million in the first quarter to 2,8 million in the second quarter (– down 129 000 (1,4%)). Informal sector gains of 115 thousand (up 5,7%) in the second quarter.

Following the quarterly increase of 145 000 persons who were unemployed in the first quarter, the second quarter result indicates that the number increased by 2 000. The number of persons not economically active rose by 109 000 from 14,2 million in the first quarter to 14,3 million in the second quarter – a quarterly increase of 0,8 %. This

6 According to Stats SA's official definition: "The unemployed are those people within the economically active population who: (a) did not work during the seven days prior to the interview, (b) want to work and are available to start work within two weeks of the interview, and (c) have taken active steps to look for work or to start some form of self-employment in the four weeks prior to the interview" (italics in the original) (Statistics South Africa Labour Force Survey: September 2005 (Statistics South Africa (2005)) xxiv). The 'expanded definition', on the other hand, excludes criterion (c). The expanded definition of 'the unemployed' includes the discouraged work-seekers. The 'discouraged work-seekers' are those persons who "did not take active steps to find employment in the month prior to the survey interview" (Op cit). The 'economically active population' "consists of both those [persons] who are employed and those who are unemployed" (ibid).

increase suggests that some persons who had previously been employed in the first quarter may have become 'not economically active' during the second quarter of the year.

Youth unemployment remains one of the most pressing challenges in the country. The global economic crisis impacted negatively, particularly on the youth within the 18 – 24 age cohort. Youth employment declined by 17,4% versus overall decline of employment of approximately 8% in the period under review. In response, government proposed a youth employment subsidy during the 2010 Budget. This is part of a multi-pronged approach to addressing youth unemployment and includes aspects such as entrepreneurship development, training programmes and employment services to improve job searching and matching.

In order to reduce the rate of unemployment and grow the economy, government continues to implement key policy initiatives. The 2007 National Industrial Policy Framework (NIPF) sets out the government's broad approach to industrialisation and identifies priority sectors to promote the growth of a strong local industrial and services economy. Government launched the Industrial Policy Action Plan II (IPAP II)⁷ in February 2010 as a NIPF acceleration mechanism. The IPAP II has identified four lead sectors to fast-track its implementation, namely: capital and transport equipment and metal fabrication; automotives and components; plastic fabrication and pharmaceuticals, as well as forestry, pulp and paper and furniture. Business Process Outsourcing (BPO) and Tourism were also identified as priority sectors to grow the economy.

In the clothing and textile sector, 32 companies had accessed R434 million by April 2010 as part of implementing IPAP II. In 2009, rebate certificates with a deemed value of just over R5 billion for quantifying products were issued in the automotive sector. In the 2010 financial year the uptake for investment support in the automotive sector was R 1.1 billion. These measures will go a long way to reverse the 25 000 jobs lost since the start of the recession. As of July 2010, figures to date indicate that 1 196 jobs have been created since the beginning of the 2010 financial year in the automotive sector. Funds have also been allocated for the film, tourism and BPO subsectors as a result of this initiative. This played a significant role in ensuring that 5 693 jobs were created in the BPO subsector between April and September 2009.

Government continues with the implementation of the Expanded Public Works Programme (EPWP). This is a government-wide intervention aimed at creating employment opportunities for the poor and vulnerable through the utilisation of public sector expenditure. Given that most of the unemployed are unskilled, the emphasis is on relatively unskilled work opportunities. Training, education or skills development are integral to the EPWP, with the aim of increasing the ability of people to earn an income once they leave the programme. Public bodies from all spheres of government and the non-state sector (supported by government incentives), are expected to

7 IPAP I was implemented in 2007 as a three year programme. This has been updated and significantly expanded to produce IPAP II, which was launched in 2010.

deliberately optimise the creation of work opportunities through the delivery of public and community services. The EPWP creates employment opportunities in the following ways:

- Increasing the labour intensity of government-funded projects;
- Creating work opportunities in public environmental programmes;
- Developing small businesses and cooperatives, including utilizing general government expenditure on goods and services to provide the work experience component of small enterprise learnership / incubation programmes; and
- Creating work opportunities in public social programmes.

Phase I of the programme, in the First Report, was launched in May 2004 and the target was the creation on one million job opportunities, and this was exceeded with the creation of 1, 4 million job opportunities.

Government launched Phase II of the programme in April 2009. The goal of EPWP II is to create 2 million Full-Time Equivalent (FTE) jobs for the poor and unemployed through the delivery of public and community services. This will scale up from 210 000 FTE jobs in 2009 /10 to 610 000 FTE jobs in 2013 /14. This translates to 4, 5 million (short and ongoing) work opportunities. The most distinctive feature is the introduction of a fiscal incentive to support infrastructure projects funded by provinces and municipalities to create additional work opportunities.

This phase saw the launching and piloting of the Community Works Programme (CWP) in 3 districts and 10 villages in the Alfred Nzo Municipality, in the Eastern Cape. Between April and December 2009, 482 742 work opportunities were created. In order to facilitate the implementation of Phase II, protocol agreements with clear targets for each province and municipality, clarifying their contributions towards the attainment of the target have been signed with all Premiers and Mayors.

The CWP is an inter-departmental partnership programme aimed at creating employment through social development projects. These partners are tasked with contributing to increasing forms of public works, special employment programmes or publicly funded employment. The CWP offers regular work of at least two days a week or eight days a month to individuals based on a developmental approach of identifying work opportunities at community level. These work opportunities range from activities such as home-based care, food gardens, environmental services and the creation and maintenance of community assets such as parks, schools, clinics, churches, roads and water pipelines.

The success of the CWP lies in the ward communities and local development forums identifying constructive work opportunities, which ensures alignment with local government's Integrated Development Plans (IDPs). Furthermore, 65 percent of funding is allocated to wages and is thus a cost-effective and labour-intensive method of job creation.

Since the adoption of the *Framework for South Africa's Response to the Global Economic Crisis* in February 2009,

the following has been achieved: (i) the launch of about 20 actions to address the crisis, from efforts to respond to communities in distress, vulnerable workers and troubled enterprises and sectors; (ii) the launching of a fund for enterprises in distress, and to this effect; the Industrial Development Corporation (IDC) allocated R6.1 billion to support companies hard-hit by the economic crisis. Applications to the value of R1.1 billion were approved and; (iii) as part of a strategy to avoid retrenchment, private companies and trade unions were able to access government's Training Layoff Scheme. The Scheme was jointly launched with the Commission for Conciliation Mediation and Arbitration (CCMA) in September 2009. The Unemployment Insurance Fund (UIF) and National Skills Fund committed R2.4 billion to the scheme.

5.2 Service Delivery Challenges

Progress has been made in accelerating access to basic services for the poor. Government continues to build on initiatives such as Free Basic Services, the new Comprehensive Rural Development Plan, Municipal Infrastructure Grants and Local Economic Development Plans, to unblock service delivery. Yet, during the period under review, the country witnessed service delivery-related protests.

A Government report on the state of Local Government identifies the causes of the protests as being varied and complex and places these into four broad categories: systemic, (such as maladministration, fraud, nepotism and corruption); structural (such as healthcare, unemployment, and land issues); governance (such as weak leadership, the erosion of public confidence in leadership and ineffective public participation); and opportunism (such as the pursuit of private gain at the expense of the common good)

In addressing these challenges several mechanisms have been put in place, these include :

- Accelerated community outreach programme
- Integrated public participation arrangements such as ward community systems, constituency office systems, *Izimbizo*, and street committees; and
- Stakeholder participation and coordination mechanisms

Government has also developed national key performance areas (KPA's) for local government, including the establishment of a Local Government War Room based at the Development Bank of Southern Africa (DBSA). A new Integrated Development Plan Format Guide, aimed at providing guidance on how to structure and organize the IDP process has been developed. To this effect, government has further facilitated the training of 88 officials in the IDP Skills programme in Gauteng and Free State in October 2009.

The initiation of programmes aimed at accelerating service delivery through the stimulation and development of local economies and infrastructure remains a priority for the government. Provincial governments have thus concentrated efforts in assisting municipalities with the implementation of Local Economic Development (LED) strategies and resolutions of growth and development summits that were held in municipalities. For instance, a partnership between the Eastern Cape Department of Agriculture and the Chris Hani District Municipality has led to

R2, 9 million being pumped into the construction of livestock marketing and handling facilities. Municipalities have also benefitted from the Nguni Programme where bulls and heifers have been given to farmers.

During the period under review, government's spatial and LED programmes focused on a project to assist with capacity building for the development and implementation of local economic development strategies, with 17 district municipalities receiving technical assistance. Through the IDC, support has also been made available for the development of catalytic LED projects in a number of municipalities. Government has also continued to develop and implement service delivery infrastructure to support SMMEs, including women-led enterprises, as well as co-operatives in municipalities.

Government has also prioritised the revitalisation and development of rural areas. In this regard, land is seen as being central to poverty alleviation, job creation, food security and entrepreneurship. This outlook links to the development of a Comprehensive Rural Development Strategy (CRDS) that is indicative of its commitment to prioritizing disadvantaged rural nodes. The strategic objective of the CRDS is to achieve social cohesion and development among rural communities. Its implementation is based on a three-pronged strategy: (i) coordinated and integrated broad-based agrarian transformation; (ii) an improved land reform programme and; (iii) strategic investments in economic and social infrastructure.

The Programme was piloted at two Presidential priority project sites; Muyexe Village in Limpopo and Riemvasmaak in the Northern Cape. Government has since rolled out the Programme in 21 rural wards and will gradually expand to 160 wards by 2014. The focus of the programme continues to be the creation of jobs in rural areas thereby redefining the urbanization frontiers.

The DBSA, through the *Siyenza Manje* Programme, introduced the Project Portfolio Office (PPO)'s project management solution tool to assist with achieving its monitoring of objectives at low capacity municipalities. PPO is a web-based, enterprise capable application that is designed, developed and supported in South Africa to assist organisations from a number of industries to manage projects and project portfolios. The application is also used to monitor and evaluate progress of municipalities in terms of its business plans, and the management of performance against targets and analysis of reports.

An estimated R340-million was also disbursed by the DBSA's Development Fund through the *Siyenza Manje* Programme. During the period under review, the Programme employed 189 engineers and technicians, 80 finance experts, 26 planners, 156 young professionals and 164 artisans. More than 120 of these employees were seconded to 199 municipalities and 18 government departments, which facilitated 3 825 Municipal Infrastructure Grants (MIGs) and capital expenditure projects to the value of R8.9-billion. These projects created 64 869 jobs and provided 107 195 households with access to sanitation services and 406 719 households with access to bulk sanitation. In addition, 203 125 households were connected to water reticulation networks and 410 093 households to bulk water.

Government aims to improve the efficiency and impact of public spending, reprioritise spending towards key objectives (education, health, rural development, job creation and fighting crime), identify savings and contain costs, reform procurement practices to reduce fraud and exploitation of state resources. Through the PFMA there is broad transparency demonstrated by inter-governmental fiscal relations, the oversight of public enterprises, public borrowing, and public access to key fiscal information.

Further to this, there is a civil society driven approach referred to as the People's Budget Campaign (PBC). The PBC bases its proposals from a pro-poor perspective and within the framework of the realisation of socio-economic rights, including but not limited to, the right to dignity and life. The PBC has, for the past nine years, tabled proposals on spending and revenue to government as part of public participation in the budgetary process. Organisations involved in this Campaign are COSATU, SACC and SANGOCO.

The culture of transparency with regards to budget documentation is visible. The government's fiscal information, tax revenue, procurement and audit information is made available timeously through government websites, public and academic libraries. There have been efforts made at improving access to public information through the use of simplified budget material and encouraging direct public interaction with the Minister of Finance through web submissions.

The Estimates of National Expenditure provides relevant public sector financial information in a timely and systematic manner, linking performance targets to budgeted expenditure. The 2010 Estimates of National Expenditure presented a summarised account of the spending plans of all national departments and agencies for the three financial years between 2010/11 to 2012/13, expenditure outcomes for the previous three years between 2006/07 to 2008/09 and revised estimates for the year 2009/10.

The government's budget preparation for the 2009/2010 cycle focused extensively on finding savings within departmental and agency baselines and on redirecting expenditure towards key priorities within these institutions. Savings arose from effecting changes in public sector spending habits and instituting cost-cutting measures.

Government plans to reform procurement systems, rationalise public entities and review a range of programmes in order to accommodate increased spending on its priorities. National departments undertook a rigorous budget baseline savings exercise, and identified R23 billion in savings over the medium term: R6.5 billion in 2010/11, R8.6 billion in 2011/12 and R7.9 billion in 2012/13.

At local government level, approximately R2.6 billion in savings was identified over the three year period that began in 2009. Every endeavour was made to decrease spending on non-core goods and services, reschedule expenditure over time in the case of delays, effect exchange rate savings in respect of payments to foreigners, reduce transfers to certain public entities, improve financial management, reduce expenditure on administration in favour of frontline services and find alternative sources of financing.

5.3 Public Expenditure Management Capacity

The Office of the Auditor-General is one of the key institutions that exercises oversight over public finance expenditure management. During the period under review, government launched *Operation Clean Audit 2014*. The Operation seeks to ensure that by the year 2014 all municipalities and provincial departments will have achieved clean audits on their financial statements and they will also be maintaining systems for sustaining quality financial statements and management information.

Furthermore, all accounting officers, both in municipalities and provincial departments are expected to include

in their performance contracts audit management, integrated risk management, functioning of audit committees and internal audit units. Government has developed a Financial Management Capability Maturity Model which provides the basis for a consistent assessment methodology to determine the capability of government institutions to discharge their financial management responsibilities. Another intervention is the Financial Capacity Building Model which has been implemented to ensure that national and provincial departments apply uniform skills audit processes and standards.

South Africa has been ranked first in the 2010 Open Budget Index (OBI). The OBI is an independent, comparative measure of budget transparency and accountability around the world. Started in 2006, it is produced every two years. South Africa had scored 92 out of a possible 100 points. The index measures the ability of a country to release meaningful budget information, making it easy for the public and oversight institutions to hold government accountable, and to have meaningful input into decisions about how to use public resources.

The Money Bills Amendment Procedure and Related Matters Act, Act 9 of 2009 was gazetted in April 2009. The Act aims to provide for a procedure to amend Money Bills before Parliament and for norms and standards for amending Money Bills before provincial legislature and as well as providing for a host of related matters. The Act establishes Appropriation Committees and Finance Committees in both Houses of Parliament.

In essence, the Act enables Parliament to hold government accountable and for the first time affords it the power to amend the budget. Furthermore, the Act prescribes a new approach to the budgetary process as it enables Parliament to interrogate the strategic deployment of resources by government. The Act however does not confer unlimited powers to Parliament to amend the fiscal framework, strategic focus or actual budget allocations but strengthens its oversight roles and endeavours to move from ordinary to outcomes-based oversight.

In order to institutionalise these capacity and skills improvement measures as well as in dealing with the public expenditure management gaps, PALAMA offers public servants training in the interest of improving service delivery. The institution has also introduced an Executive Development Programme that includes public expenditure management and finance as modules. There are also other initiatives by organs of state such as the DBSA's *Vulindlela* Academy training programme on finance for senior managers in government across all spheres.

5.4 Economic Integration in Southern Africa

South Africa considers regional economic relations in Southern Africa as an essential aspect of its broader international relations objectives. Government has committed itself to promote regional cooperation in a manner that addresses current trade imbalances. This view is based on the following major considerations: first, South Africa's democratic transformation, stability, security and economic development could not be assured if the region and the continent continued to be confronted with underdevelopment, instability, poverty and marginalisation. Second, regional economic cooperation and integration presents opportunities for regional industries to expand their markets, achieve economies of scale, and enhance competitiveness as a platform to participate in the global economy.

These considerations have been critical in informing South Africa's engagement in two regional processes: the re-negotiation of the Southern African Customs Union (SACU) agreement and negotiations to consolidate the Southern African Development Community (SADC). SACU enjoins South Africa with Lesotho, Botswana, Namibia and Swaziland in a customs union – the oldest in the world – where goods flow free of any tariff duties. South Africa, Lesotho, Swaziland and Namibia are further integrated through the Common Monetary Area where currencies are pegged and are freely convertible. Aside from strong cooperation on security, international relations, the SADC agenda has been shaped by the negotiation and implementation of the Trade Protocol in 2000.

South Africa, the Chair of the Southern African Customs Union (SACU) for the period July 2010-July 2011, hosted the Union's Heads of State and Government Summit in July 2010. The Summit reflected on the achievements and challenges of the Union and deliberated on its future strategic direction in view of recent regional and global developments.

South Africa remains committed to contributing to the realisation of the new vision for SACU; an economic community with equitable and sustainable development, dedicated to the welfare of its people for a common future, which was adopted and signed on 22 April 2010. South Africa supports moving SACU forward as a developmental economic community. In order to make meaningful progress, the SACU Member states have agreed to focus the work programme on a few but critical priority areas. These include (i) developing a regional industrial policy, including a trade and tariff policy; (ii) cross-border trade facilitation initiatives; (iii) the review of the revenue-sharing arrangement; (iv) establishing common institutions within an agreed policy framework; and (v) promoting a unified engagement in trade negotiations

A number of interventions to integrate the sub-region's economic activities have been put in place as part of government's efforts to further strengthen regional economic integration in the SADC region. Within the area of competition policy, a Declaration on Regional Cooperation in Competition and Consumer Laws and Policies was signed by SADC Heads of State and Government at the 29th SADC Summit in 2009. This declaration provides for the establishment of a Standing Committee on Competition and Consumer Laws and Policy and other measures to enhance cooperation between member states on enforcement of competition and consumer laws.

Progress was made in 2009 to harmonise policies so as to enhance food security in the region. SADC Agriculture Ministers re-affirmed the importance of coordinated research and endorsed the establishment of a sub-regional research organisation and further approved the MoU for the implementation of the SADC Harmonised Seed Regulatory System aimed at improving seed trade and the availability of high quality seed farmers in the region. Efforts to harmonise policies related to immigration, gender, health, science and technology and labour in the region were undertaken during 2009.

6. CORPORATE GOVERNANCE



“The Broad-Based Black Economic Empowerment B-BBEE Codes of Good Practice as issued by the government, are to be applied in the development, evaluation and monitoring of Black Economic Empowerment (BEE) charters, initiatives, transactions and other implementation mechanisms.”

The first report indicated the legislative framework on Corporate Governance as it emanates from constitutional provisions and prescripts. Key to the framework was legislation governing companies and related transformation matters such as, Broad-Based Black Economic Empowerment (B-BBEE).

The Companies Bill, which was still before parliament at the time of tabling the First Report, became an Act of parliament in February 2009. The Act seeks to promote the development of companies within all sectors of the economy, encouraging active participation in economic organisation, the management, productivity and the reaffirmation of the concept of 'the company' as a means of achieving economic and social benefits. It is also meant to ease regulatory burden and streamline the company registration process by integrating all corporate business undertakings into one regulatory regime. This will, in the main, deal with the transformation issues identified in the CRR.

Companies have various transformative charters that they need to adhere to in terms of redressing the imbalances and ownership distortions created by apartheid inspired economics. The Government-sponsored Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice are to be applied in the development, evaluation and monitoring of Black Economic Empowerment (BEE) charters, initiatives, transactions and other implementation mechanisms.

The procurement system has been designed to ensure enforcement of codes found in these charters. In their quest to meet the B-BBEE codes, companies have developed enterprise development programmes where entrepreneurship development has been foregrounded as a business imperative rather than a quota compliance matter. The support of SMMEs by conglomerates and private enterprises has thus far created new businesses in the historically marginalised communities. The procurement spend of these companies is also utilised as a mechanism to expand the second/ informal economy.

King III Report on Corporate Governance released in September 2009, is a voluntary code of good practice which promotes ethics as the foundation of corporate governance and requires effective and responsible leadership of companies that is characterised by the ethical values of responsibility, accountability, fairness and transparency. Responsible leaders should ensure that companies are sustainable in relation to economic, social and environmental impact in communities within which they operate. King III requires a reflection on the impact of business in society and a realisation that business should be done ethically.

In order to make the governance system effective, shareholders should fulfil their role in the accountability chain, as ownership comes with responsibility. To give guidance on how this responsibility is to be exercised, South Africa has produced an Investors Code. The Investors Code aims to provide principles and guidance to institutional shareholders' responsible execution of their role. The new Investors Code will deal with matters such as accountability of institutional investors to the ultimate beneficiaries of these investments, engagement with investee companies, consideration of environmental, social and governance issues, as well as voting and disclosure procedures.

The CRR identifies a number of institutions and social groups that are underdeveloped. Key to these is the support for women-led enterprises and implementation of B-BBEE. Government support for Small, Medium and Micro Enterprises (SMMEs), especially those led by women, took a step forward when the Cabinet approved

10 products for government preferential procurement: Advertising, Media, Communications; Interior and Exterior Cleaning Services and Products; Clothing and Textiles; Computer Equipment and Consumables; Interior and Exterior Furniture and Décor; Events Coordination and Management; Travel Coordination and Shuttle Services; Food Perishable Supplies; Stationery Supplies and Printing; and Maintenance and Repairs, Construction, Office Space, Furniture, Computers and Vehicle Body Works.

The Cabinet approved the implementation of measures to ensure that SMMEs are paid within 30 days, and supported extending the mandate of, for instance, Khula Enterprise Finance Ltd to include direct lending. In September 2009 government launched the SMME late payment assistance hotline. The objective of the hotline is to follow up on outstanding SMME invoices in government departments and municipalities, as well as provide encouragement at all spheres of government in streamlining systems and processes for SMME payments. The hotline also allows for the gathering of data regarding the extent of the problem, with a view to continuous improvements.

The National Youth Development Agency⁸ (NYDA) assists youth-owned SMMEs and Khula Enterprise Finance Ltd offers support to small and medium enterprises. There are a number of other initiatives for SMMEs carried out by government and other agencies.

The First Report discussed the Consumer Protection Act 68 of 2008 and consumer education campaigns that took place in the country in 2008. The Act was enacted into law in April 2009. This Act promotes fair, accessible and sustainable marketplace for consumer products and services, it also establishes national norms and standards relating to consumer protection. It further provides for improved standards of consumer information, prohibits certain unfair marketing and business practices, promotes responsible consumer behaviour, promotes a consistent legislative and enforcement framework relating to consumer transactions and agreements and establishes the National Consumer Commission.

The National Credit Act, No 34 of 2005, which established the National Credit Regulator (NCR) is a further consumer protection measure that assisted the country in withstanding the global economic melt-down.

⁸ The National Youth Development Agency is a South African youth development agency aimed at creating and promoting coordination in youth development matters. The NYDA results from the merger of the National Youth Commission and the Umsobomvu Youth Fund. It was launched on 16 June 2009 by the President of South Africa.

7. SOCIO-ECONOMIC DEVELOPMENT



“During this reporting year, a substantive number of mechanisms to improve the effectiveness and efficiency of education have been implemented.”

7.1 Poverty Alleviation

Government remains committed to poverty alleviation, and has thus introduced a number of initiatives and continues to implement those initiated earlier. One of them is the *Social Assistance Programme*, which involves cash transfers including Social Relief of Distress which involves temporary provision of food parcels, food vouchers or cash of assistance to persons who are unable to meet their family's most basic needs for a maximum period of three months. However, in exceptional cases, extensions may be granted for a further three months.

In October 2009, the Cabinet announced the extension of the Child-Support Grant (CSG) to eligible children between the ages of 15 and 18 years. The CSG for 15-year-olds came into effect in January 2010. The implementation will be carried out in phases until 2012. More than 14 million people are benefiting from the expansion of the Social Assistance Programme. Government has also equalised the qualifying age for access to the Old Age Grant to 60 years for both men and women.

Government introduced the Integrated Nutrition Programme (INP) which focuses on children under six years, pregnant and breast-feeding mothers and all people with chronic diseases. The INP has seven main focus areas, which are:

- Disease-specific nutrition support, treatment and counselling (Nutrition Supplementation Programme and guidelines for children with under nutrition, over nutrition, tuberculosis and HIV)
- Growth monitoring and promotion (Growth monitoring and promotion guidelines and training manuals)
- Control of micronutrient deficiencies (dietary diversification, parasite control, food fortification, and immunisation)
- Promotion, protection and support of breastfeeding
- Nutrition education, promotion and advocacy
- Contribution to household food security (Integrated Food Security and Nutrition Programme and the National School Nutrition Programme)
- Food service management (Meals in public institutions and Technical support for dieticians in public institutions)

To contribute to household food security and to eradicate hunger, under-nutrition and food insecurity by 2015, the government has established an Integrated Food Security and Nutrition Programme (IFSNP) centred on agriculture. The main objectives of the programme are to increase household food production, improve income generation and job opportunities, improve nutrition and food safety, provide safety nets and food emergency management systems, and improve information systems.

To mitigate the poverty related learning problems, the ongoing school feeding scheme, referred to as the *National School Nutrition Programme* has been extended to some poor secondary schools. School feeding is part of the integrated poverty alleviation strategy for South Africa which was initially targeted at primary school children.

7.2 An integrated and holistic approach to HIV and AIDS

Government has developed the *10 Point Plan of the Health Sector 2009-2014* to strengthen its ability to meet the health related Millennium Development Goals (MDGs).⁹ In relation to HIV/AIDS, the plan prioritises the following:

- Provision of strategic leadership and creation of a social compact with organs of civil society ;
- Accelerated implementation of the HIV/AIDS, and STI National Strategic Plan 2007-2011, and increased focus on TB and other communicable diseases;
- Review of the Drug Policy; and
- Strengthen Research and Development.

The Programme has been endorsed by a wide range of key stakeholders in the health sector, including trade unions; medical associations; nursing organisations; the private health sector, NGOs and civil society. The Programme was also endorsed at the Public Health Summit held in March 2010.

To give practical expression to the Programme, government announced a new revitalised AIDS-prevention-and-treatment plan to scale up the fight against HIV and AIDS on World Aids Day in 2009. Among the announcements made by the President was the revision of the treatment programme to ensure an upscale in the provision of ART to pregnant women at CD4 count of 350 or less, to enhance maternal survival. ART is also being provided to people co-infected with TB and HIV at a CD4 count of 350 or less. Strategies to enhance the Prevention of Mother to Child Transmission (PMTCT) programme have also been developed to ensure that by 2014/15; more than 95% of babies born to HIV positive mothers are HIV negative. HIV positive pregnant women are also now receiving free dual therapy from 14 weeks of pregnancy (previously 28 weeks) until post delivery. The proportion of HIV positive babies in 2009/10 is 9.4%, revealing a decline from the estimated 15.2% in 2008/09.¹⁰

In April 2010, South Africa National Aids Council (SANAC) began a massive HIV Counselling and Testing (HCT) campaign as part of the renewed focus on HIV and AIDS. The President, the Deputy President, Cabinet Ministers, Provincial Premiers, as well as leaders of civil society took HIV tests to encourage testing and to destigmatise HIV. This has increased public awareness on the need for HIV and AIDS voluntary testing. As of July 2010 more than one million people had tested voluntarily for HIV and 70, 605 had been enrolled onto the ART programme.

⁹ Goal 6: Combat HIV/AIDS, Malaria, and other diseases

¹⁰ South African Millennium Development Goals Country Report, 2010

The 2009 National Community Survey indicates that knowledge of treatment has increased significantly, with 87% (2009) compared to 42% (2006) of those who knew about treatment identifying ARTs as a treatment, and 73% (2009) compared to 40% (2006) of them knowing that it was a lifetime commitment.

7.3 Improved effectiveness and efficiency of the education system

A substantive number of mechanisms to improve the effectiveness and efficiency of education have been implemented. These include support and development mechanisms for the teaching profession that are aimed at producing more educators.

The Continued Professional Teacher Development (PCTD) Management System has been introduced as an intervention to further increase functional literacy rates at selected 144 schools across the country. Further, prospective teachers are provided with bursaries by government. Teacher Resource Centres have been established in every Department of Education (DoE) region.

Government is currently implementing the National Policy Framework for Teacher Education and Development in order to increase the number of qualified teachers, through initiatives such as the *Funza Lushaka* Bursary Scheme¹¹ and the Teacher Recruitment Campaign, targeting 12 000 new teachers by 2014. As of August 2010, the Scheme had disbursed R400 million to support 9 200 student teachers with full cost bursaries.

A National Certificate at Further Education and Training Colleges (FET) was introduced with enrolments for 2010 at 126 127 students in order to increase the number of college graduates with entrepreneurial and vocational skills. Since its inception in 2008, the initiative has produced 133 171 graduates with entrepreneurial skills. Government has also introduced the National Education Evaluation Development Unit (NEEDU) in order to strengthen accountability systems in basic education. NEEDU policies, procedures and instruments were finalised in March 2010 and school principals have since signed performance contracts.

In the period under review, two major developments to improve the skills base in the country are the following:

- Extension of the National Skills Development Strategy (NSDS) II by one year, from March 2010 to March 2011 in order to assess the SETA landscape and architecture of the NSDS.
- The release of the draft framework for the National Skills Development Strategy 2011/12 to 2015/16 to guide the development of the Sectoral Skills Plans (SSP).¹²

11 *Funza Lushaka Bursary Scheme* is a multi-year programme that promotes teaching in public schools

12 SSPs are five-year skills development reports prepared by SETAs aimed at identifying: the skills needs of industry/economic sectors and possibilities and constraints in the effective utilization and development of skills in relation to government's priorities and objectives of the NSDS, Provincial Growth and Development Strategies and relevant industry/economic strategies.

Other initiatives in the country's campaign to improve the effectiveness and efficiency of the education system include:

- Increasing facilities to accommodate more children in Early Childhood Development Centres;
- Accelerating the implementation of the 'no fee' policy in schools designed to support learners from poor backgrounds. During this reporting period, 60% of learners nationally achieved a no-fee status;
- Provision of free transport for learners who live far from schools;
- The establishment of the Girls Education Movement programme to ensure the sustained access to and retention of girls in both primary and secondary schools

South Africa's Third Millennium Development Goals Country Report submitted at the UN MDG Review High Level Plenary Meeting in New York in September 2010 shows that our country is on a positive trajectory to achieve the MDG targets especially relating to primary education. What is more impressive is that the proportion of girls attending primary, secondary and tertiary education has improved significantly

8. CROSS-CUTTING ISSUES



“A number of significant successes were achieved in the fight against crime. The drop in the incidences of murder represents a highlight in this reporting period.”

As indicated in the Executive Summary, the country reports on the Cross Cutting Issues as follows:

8.1 Land Reform

The 1913 Land Act¹³ created imbalances in land ownership that are still visible in modern day South Africa. Land ownership patterns continue to define in fundamental terms the South African inequality landscape. In this Report, interventions by government and civil society are discussed.

South Africa has embarked on a land reform programme that includes Restitution of Land Rights, Land Redistribution and Land Tenure Reform.

The restitution programme seeks to restore land rights to people who were dispossessed of their land by the 1913 Land Act. The Restitution of Land Rights Act of 1994 was promulgated to deal with the effects of the 1913 Land Act. The Act restores land rights by way of the return of the actual piece of land, the provision of an alternate piece of land or the payment of monetary compensation thereof. The Act makes provision for the establishment of a Commission for the Restitution of Land Rights (CRLR) and a Land Claims Court to facilitate its implementation.

Government has already approved an extension for the restitution process.. Due to the complexity of some of the rural land claims, the deadline set by the CRLR will require an integrated and concerted effort by government. There is, however, marked progress on the restitution frontier, particularly in the following areas:

- Strengthened relationship with the Executive Committee of the House of Traditional Leaders to expedite conflicts and confusion pertaining to Traditional Leadership in the restitution process
- Communication strategies have achieved success through campaigns, such as the Siz'obathola Campaign in the Free State, by tracing 'untraceable' claimants
- In the Free State, the Regional Land Claims Commission has built relationships with key stakeholders, such as relevant departments, the Small Enterprise Development Agency (SEDA) and the Free State Rural Development Association to provide support for the sustainability of projects.

13 The Act allocated 87% of arable land was put under white minority ownership whilst the majority of black Africans had to contend with only 13%. Decades of land dispossession have culminated in the current dual agricultural sector, comprising a well-developed white commercial sector and a predominantly black subsistence- oriented sector in the communal areas. The extent to which the 1913 Land Act was implemented differed according to province; with the then Orange Free State being the province where the Act was fully implemented, resulting in the complete abolition of independent tenancy for African people. Africans were either forced to become wage labourers on white-owned farms or displaced from the Free State to what later became known as homelands where agricultural production soon collapsed.

Through the process of land redistribution, the government seeks to address the legacy of racial inequality in accessing land and creating opportunities for development. It is meant to provide historically marginalised South Africans with access to land for residential and commercial purposes to improve their livelihoods.

Tenure reform seeks to ensure land tenure security for people living on commercial farms and for those living in communal areas, largely in the former apartheid-created 'Bantustans'¹⁴. With regard to security of tenure for people living on farms, the main achievement has been legislation that regulates occupation and eviction of people from land. However, despite this legislative framework, incidents of farm evictions and the abuse of farm workers and farm dwellers is still continuing. Communal land rights were also restored with the purpose of giving secure land tenure rights to persons and communities who occupy and use land that was taken away in terms of the 1913 Land Act.

Further efforts aimed at accelerating the process of land reform in South Africa include: the establishment of a dedicated Department of Rural Development and Land Reform, mentioned under the theme Democracy and Governance, to deal with issues of rural development and land affairs in order to ensure sustainability of land reform programmes; and the tabling of the Expropriation Bill before Parliament with the object of empowering government to pay a fair price for land. Government has also developed alternative approaches relating to the restitution and redistribution programme. The following principles underpin the new approach towards sustainable land reform:

- De-racialisation of the rural economy for shared and sustainable growth;
- Democratic and equitable land allocation and use across gender, race and class and;
- Strict production discipline for guaranteed national food security.

It is against this background that government has introduced a new programme called the Recapitalisation and Development Programme. The objectives of the Programme are to increase production, to guarantee food security, to graduate small farmers into commercial farmers and to create employment opportunities within the agricultural sector. The core principles of the programme are mentorship, co-management and share equity.

8.2 Violence against Women and Children

Eradicating violence against women and children remains central to South African programmes on social transformation. Violence against women, according to the UN Civil Society Plenary Session¹⁵, is increasingly acknowledged as both a consequence and a cause of poverty among women and children. One study has estimated that incidents of violence can result in loss of household income equivalent to 25-30 percent of the monthly income of poor households. It has also been estimated that for South Africa, the loss of economic output due to violence against women is as high as R3 billion per annum¹⁶.

14 'Bantustan refers to a tribal reserve for black inhabitants in South Africa. The term was extensively used to justify the relocation of black people in terms of the Land Act of 1913. Bantustans were also created to provide an Apartheid South Africa version of self-government and pseudo independent for black people in areas designated for black inhabitants based on ethnicity.

15 UN Civil Society Plenary Session, 14-15 June 2010

Despite these challenges, government continues to implement interventions that are aimed at protecting the rights of women and children. The establishment of the Ministry of Women, Children and Persons with Disabilities replaced National Offices on the Status of Disabled Persons (OSDP), the Status of Women (OSW) and Rights of Children (ORC) and to strengthen delivery on the rights of these vulnerable groups.

Recognising that violence against women is an obstacle to the achievement of equality, development and peace, governments at the Fourth World Conference on Women in Beijing committed to strategic objectives, and in October 2009 the South African government produced a report in anticipation of the 2010 Fifteen Year Review of the Beijing Platform for Action. In South Africa, violence against women and children has been found to be contravening numerous constitutionally guaranteed rights, such as rights to inherent dignity, the right to life, the right to freedom and security of the person and the right to bodily and psychological integrity.

In its efforts to improve services for the victims of violence, government started the implementation of the first phase of the National Register for Sex Offenders from June 2009. In September 2010, government announced that the national register of sexual offenders had been put in place and so far contained the names of nearly 600 people who have abused children and mentally disabled patients. The second phase of the register deals with the capturing of past convictions and is in the process of being implemented.

The Child Justice Act also came into effect in April 2010. This legislation is designed to provide a twin-track child welfare and justice approach that focuses on prevention, early intervention, diversion from crime and the rehabilitation of children in conflict with the law.

The South African Safety and Security Education Training Authority (SASSETA) is supporting the development of the Family Law Learnership, which includes training on the Social Context of domestic violence and the Domestic Violence Act (DVA), Act 116 of 1998. Furthermore, the Justice, Crime Prevention and Security Cluster (JCPS) approved the National Policy Guidelines for Victim Empowerment. The Policy Guidelines and the National Resource Directory were launched in July 2009.

The year 2009 also marked the 10-year anniversary of the National 16 Days Activism Campaign on No Violence Against Women and Children. To mark the start of the campaign, government hosted a National Stakeholder Summit in November 2009. The Summit discussed, amongst other critical issues, measures needed to increase levels of awareness, as well as necessary and effective interventions in addressing the growing gender-based violence and the violation of children's rights. Government has embarked on a process of reviewing and updating the Children's Rights Charter to include emerging challenges such as the use of children as subjects of pornography and their exposure to pornographic material.

Other initiatives include:

- 17 Thuthuzela Care Centres established across the country in communities with high incidents of sexual violence by March 2009.

- 19 Victim Empowerment Projects (VEP) funded by the Criminal Asset Recovery Funds.¹⁷
- Development of the Directory on Services for Victims of Violence and Crime which contains services provided by over 1 500 organisations (government and civil society) in all provinces. The directory empowers people to access services that are available in their area.
- Victim friendly facilities which have been established in high contact crime police stations.
- The development and sustaining of dedicated Sexual Offences Courts.
- The Domestic Violence Act provided for shelters to be established. There are currently 96 shelters in South Africa, from 39 in 2001. The development of a Men and Boys Strategy on the Prevention of Gender Violence. The Strategy was piloted in one province in 2009

8.3 Crime

South Africa's CRR highlighted the importance of an integrated approach that simultaneously tackles the challenges confronting the criminal justice system while attending to the most pressing socio-economic challenges. During the period under review, government intensified efforts to strengthen the criminal justice system by undertaking a number of initiatives. In 2009, Government established the Directorate for Priority Crime Investigation, commonly known as the Hawks. The Directorate is mandated to prevent, combat and investigate national priority offences such as organised crime, corruption, economic crime as well as any other crime referred to them (Hawks) by the National Police Commissioner.

In the same year, government reviewed the human capital requirements for specific occupational categories in the National Prosecuting Authority (NPA). As a result, the total number of prosecutors employed increased from 2 488 in March 2009 to 2 571 in September 2009. Furthermore, the South African Police Services (SAPS) launched a recruitment drive to fill the vacancies, with a total of 14 977 new constables being allocated to the Detective Services in all the Provinces.

A number of significant successes were achieved in the fight against crime. The drop in the incidences of murder represents a highlight in this reporting period. For the first time since the establishment of the South African Police Service in 1995/1996, incidents of murder decreased from 26 877 in 1995/1996 to 16 834 cases in 2009/2010, representing a 50% reduction¹⁸.

¹⁷ This is a fund created out of proceeds of crime as repossessed by the Asset Forfeiture Unit.

While murder figures are still high, the country is encouraged by the progress made thus far. Incidents of attempted murder saw a decrease of 6.1%, while reductions by 10.4% in street/public robbery and 6.8% in car-hijackings were also reported. The latter was accompanied by a stabilization of the number of residential and business robberies reported in the country. The positive developments reflected by these notable decreases will be sustained and enhanced.

During the period under review, government made concerted efforts to ensure a speedy resolution of court cases. This saw High and Lower Courts finalising 113 928 cases during April and July 2009, with a conviction rate of 79.5%.

Measures to promote the rehabilitation of detainees to reduce recidivism were also taken within the correctional services. Two thousand three hundred and fifty six (2 356) out of 7 444 offenders who were registered for Adult Basic Education and Training (ABET) participated in literacy programmes. Furthermore, offenders are participating in Further Education and Training (FET) Programmes as part of corrections.

Recognising that the fight against crime is not the business of government alone, the South African citizenry has formed community social groups, across sectors, to assist the government in combating criminal activities. The SAPS has also established strategic partnerships with various organizations, such as Business Against Crime, the South African Broadcasting Corporation (SABC), Independent Radio Stations, Community Policing Forums (CPFs), non-governmental organizations and religious groups.

As a result of the community-police partnerships, 132 organized crime rings were investigated in the year ending January 2009, with 470 syndicate members arrested. In the same period, the partnership between the police and business led to the arrest of 613 people and the seizure of R24 million worth of drugs, firearms, and other items.

The SAPS is also implementing a policing concept aimed at raising the levels of community involvement at grass roots levels. This concept is called 'sector policing' and directly means the division of police precincts into smaller, more manageable geographic areas. In communities where the concept is fully functional, those involved have reported positive changes on the levels of crime.

The business community, through Business Against Crime South Africa (BACSA), also partners with the SAPS to fight crime. In order to give effective support to Government, BACSA has mobilised partnerships with business associations/organisations which focus on crime matters on behalf of the business sector. The organisation also enjoys strong support from Business Leadership South Africa (BLSA) and Business Unity South Africa (BUSA). To illustrate commitment in the fight against crime, the operating budget of BACSA in the 2009/2010 financial year is

R26.7 million. The budget includes project operational costs and overheads of 15%. The budget will also ensure the optimum implementation of the following projects:

- *The Violent Organised Crime (VOC) Work Group*: crime prevention and response to specific requests from SAPS regarding Business Robberies, Residential Robberies, and Motor Vehicle Hijackings,
- *The Criminal Justice System (CJS) Review*: aimed at bringing together the Judiciary and Magistracy, the Police, Prosecutors, Correctional Services and the Legal Aid Board and other interventions including the empowerment of CPFs,
- *The Non-ferrous Metal Theft (NFMT) Project*: assisting government initiatives in combating the theft of non-ferrous metals.

8.4 Xenophobia

Xenophobia is a problem afflicting countries around the world. It manifests itself in unfounded fear of foreign nationals as well as the tendency to view them as the cause of socioeconomic challenges experienced in the host country.¹⁹ Social ills and economic recession often trigger negative perceptions about foreign nationals. These perceptions in certain countries tend to mutate into resentment and violent attacks on foreign nationals.

Foreign nationals have lived in South Africa for decades peacefully and many South Africans lived in exile in various countries around the continent. This generates a view that the trigger of any hostility may at times also go beyond socio-economic factors to opportunism by criminal elements, given the normality of relations in many communities around the country.

South Africa continues to undertake several measures to make foreign nationals feel welcome in the country. One of these is the review of the immigration policy. Through this review particular focus was placed on the definitions of, amongst others, refugees and asylum seekers in the Refugee Act of 1998. Government also addresses the delegation of powers and the establishment of refugee reception centres. Of significance in the review is the dissolution of the Standing Committee for Refugee Affairs and Refugee Appeals Board in favour of a new Refugee Appeals Authority. The review also provides clarification and the revision of procedures relating to the process of determining refugee status.

In this review, clarification on the rights and responsibilities of asylum seekers is provided.

19 Report on “Probing Violence and Attacks on Foreign Nationals”, compiled by Task Team of Members of Parliament, June 2008

Government has also rolled out a communication strategy designed to encourage mutual respect between foreign nationals and citizens. Government is also piloting a project on xenophobia in secondary schools around the Gauteng province to promote understanding of co-existence and the need for unity and cohesion. A strategy for local integration of refugees and asylum seekers has also been developed. This strategy is aimed, *inter alia*, at promoting and facilitating the full integration of refugees into the local communities, education institutions and the labour market. The strategy also seeks to establish multi-stakeholder partnerships to promote the integration of foreign nationals into South African communities.

This unit gives practical effect to the Immigration Act of 2002, which aims, amongst others to set in place a new system of immigration control which ensures that xenophobia is prevented and countered, both within government and civil society. A strategy for local integration of refugees and asylum seekers has been developed. This strategy is aimed, *inter alia*, at promoting and facilitating the full integration of refugees into the local communities, education institutions and the labour market. The strategy also seeks to establish multi-stakeholder partnerships to promote the integration of foreign nationals into South African communities.

Following the violent attacks of May 2008 in which more than 60 people, including South Africans, were killed, the Consortium for Refugees and Migration in SA (CoRMSA) requested for a South African Human Rights Commission (SAHRC) investigation. The investigation was launched in October 2009 and the report was completed in February 2010. This investigation was designed to focus on the issue of the rule of law, justice and impunity in relation to the 2008 violence within the context of national and international law.²⁰ This report is currently being used by government and other stakeholders in their efforts to address the challenges of xenophobia in the country.

The APRM National Consultative called for a special Summit to discuss xenophobia in order to capture all perspectives with a view to formulate the country's strategy. This will also include the participation of foreign nationals.

8.5 Racism

The struggle for liberation in South Africa was in essence a struggle against racism. A lot of progress has been made to create a non-racial and inclusive society. We have in place laws such as the Constitution of the Republic; the Promotion of Equality and Prevention of Unfair Discrimination Act (ACT 4 of 2000); the Employment Equity Act (Act 55 of 1998) and others that specifically make it illegal for the practice of racial discrimination in whatever shape or form. Other significant interventions by the State include the establishment of Equality Courts²¹; the Access to

20 Report of the SAHRC Investigation into Issues of Rule of Law, Justice and Impunity arising out of the 2008 Public Violence against Non-National p. 11

Justice and the Promotion of Constitutional Rights Programme²², which commenced in April 2009.

The unity and cohesion that was demonstrated during the 2010 FIFA Soccer World Cup also indicated that it is possible to build a truly non-racial society and that South African can be able to transcend barriers such as colour. However, the damage caused by decades of apartheid and racist oppression, there are still incidents which appear to be influenced by racism, which indicates that a lot of work must still be done to truly eradicate this scourge. The Preamble of the Equality Act indicates that more work must still be done to eradicate racism. It states that: “Although significant progress has been made in restructuring and transforming our society and institutions, systemic inequalities and unfair discrimination remain embedded in our social structures, practices, and attitudes”²³.

The continuing existence of racism and acts of racial discrimination is corroborated in part by the Preamble of the Equality Act, which inter alia, states that: “Although significant progress has been made in restructuring and transforming our society and institutions, systemic inequalities and unfair discrimination remain embedded in our social structures, practices, and attitudes”²⁴. During the period under review, the country has continued to witness cases of racially inspired and motivated developments. One such case was the much-publicised and recently concluded high-profile incident that made international headlines for its perceived potential to polarize the country as reported in the previous report. The case involves an act committed by four students of the University of the Free State. The four were convicted²⁵ and fined R20, 000 each after pleading guilty to *crimen injuria* for making a video that put Black janitorial staff at the school through a series of humiliating tasks in 2008.

One of the incidents of racism reported during the period under review involves an act committed by four students of the University of the Free State. The four were convicted²⁶ and fined R20, 000 each after pleading guilty to *crimen injuria* for making a video that put Black janitorial staff at the school through a series of humiliating tasks in 2008.

Nonetheless, as the country’s democracy matures, so does the development of race relations. Increased public awareness campaigns, the hosting of high profile sporting events such as the 1995 Rugby World Cup, the 1996 African Cup of Nations, the 2006 Cricket World Cup as well as the Confederations and Cup in 2009 and the 2010 FIFA World Cup have resulted in the growing embrace of national symbols such as the national anthem, the national flag, coat of arms and national colours. This development indicates the growing impact on social cohesion and nation building initiatives in the country.

21 By August 2009 382 of these courts were set up and functioning throughout the country.

22 Developed jointly by the Department of Justice and Constitutional Development and the European Union

23 Preamble of the Promotion of Equality and Prevention of Unfair Discrimination Act.

24 Preamble of the Promotion of Equality and Prevention of Unfair Discrimination Act.

25 See *State v Reitz Four*

26 See *State v Reitz Four*

More intensive programmes are being planned to promote social cohesion. Social inequalities are being addressed through a number of legislative, regulatory, and society driven programmes.

8.6 Managing Diversity

The South African government realises and acknowledges that the prominence of diversity issues in all spheres of life necessitates the attention of the nation to focus on programmes that will create peaceful, stable and prosperous societies in future.

The potential for destructive conflict and instability is high in situations where individuals from diverse situations and backgrounds find themselves in shared space and mutual activity. Thus, diversity management is a key executive competency within public and private sectors, as well as civil society. The ability to manage diversity goes beyond the obvious physically pre-determined aspects of different racial and gender groupings and reflects other social, political and economic constructs.

The Bill of Rights provides principles within which issues of diversity can be conceptualised. Emanating from this policy directive, South Africa has developed the following tools to manage and promote the country's diversity towards nation-building and social cohesion; and these are:

- The 5 Values²⁷ adopted by the National Conference on Ubuntu on August 2010 Tolerance
- Sports, Arts and Culture
- Culture of Dialogue
- Reconciliation
- Moral regeneration
- Education
- Personal Transformation

²⁷ Integrity and Honesty; Justice; Respect and Acceptance; Responsibility and Accountability; Industriousness; Compassion and Care

- Inclusivity
- Science, Spirituality, Language and Religion.

Indigenous Knowledge Systems (IKS) Legislation framework promote the Spirit of Unity In this context South Africa recognises the core challenges that continue to threaten efforts at nation building and social cohesion, and these are:

- Generation gap
- Access to information
- Disability issues
- Gender issues
- Ideological differences
- Language issues
- Immorality issues
- Problems of Health and Education
- The Impact of Globalisation

The most profound of these challenges is ideological differences in relation to management of diversity. Such differences manifest themselves religiously and culturally. The differences posed by different religious and cultural denominations/institutions affect the manner in which people deal with health, economic and development issues. The use of Indigenous Knowledge Systems is a tool that helps in addressing these challenges.

Diversity management also includes issues of shared values, norms and customs by society. The South African National Heritage Council is spearheading the use of national symbols and the historical experience of South Africa to build national identity. The need to include in the national heritage landscape historical monuments representative

of the demography of South Africa is receiving attention by government through institutions such as the Freedom Park, Voortrekker Hoogte, Apartheid Museum and various traditional historical sites.

8.7 Affirmative Action

The impact of affirmative action, specifically with regard to employment levels, over the years has tended to depend on the extent to which it is applied. Disparities exist between the public and private sectors. In the public sector, concerted efforts to ensuring compliance with employment equity targets have generally resulted in an improvement across all levels over the years. For example, the public service has witnessed a steady increase of women in senior management positions (levels 13- 16) over time; 34.8% in March 2009 and 36.0% in March 2010 this was an improvement from the period 2005-2009 which averaged 30%. The number of people with disabilities in the public sector has not grown; remaining at 0.20% for March 2009 and March 2010. The economically active figures for Africans in March 2010 are 74%, 10.3% for Coloured people, and 2.8% for Asians while 12.1% represents White people.

A critical institution charged with the monitoring of the employment equity Act is the Commission for Employment Equity (CEE). The CEE is mandated by government and prepares an Annual Report, to reflect on the progress made and to evaluate the effectiveness of the Employment Equity Act (EE Act).

The 10th CEE Annual Report 2009-2010 highlights the following:

- Slow progress on transformation and potential to erode significant achievements made to date.
- The disproportionate representation of the various groups in different occupational levels has impacted negatively on training.
- The 2% target of employment of people with disabilities has not been met.
- Remuneration disparity on the basis of race and gender continues.
- The EE pillar of B-BBEE is not performing optimally and requires reconsideration
- There is a newly formed President's BEE Council.

- Re-definition of the name and shame and praise process which is expected to come into effect in 2011 to drive transformation.

8.8 Black Economic Empowerment (BEE)

Black Economic Empowerment (BEE) came into being as a tool to correct the Apartheid-induced imbalances in the South African economy. Prior to the democratic government taking over in 1994, Black people were expressly excluded from participating in the economy. The initial form of BEE was through the buying and selling of shares in companies that needed black ownership. Civil society bodies in the BEE environment proposed the creation of the BEE Commission to clearly define BEE. After much interaction, the Broad-based Black Economic Empowerment (B-BBEE) Act of 2003 was passed, and the resultant codes of good practice released. The terms B-BBEE and BEE are used interchangeably, but both now refer to the seven elements of BEE that include:

- Ownership – At least 25% ownership by black people in economic entities with voting rights and a right to economic flows from the business.
- Management – At least 40% representation in top management, not only as non executive directors. Targets include representation by black women as well.
- Employment Equity – Representation by black people and black women in managerial roles in the company.
- Skills Development – Companies are required to spend at least 3% of their payroll to train black people, black women, and black disabled people in priority skills for their industry.
- Affirmative Procurement – Companies are required to purchase from BEE compliant suppliers, as well as from small businesses, black owned businesses, and black women owned businesses and black disabled people,
- Enterprise Development – Companies are required to assist small black owned companies in their establishment, development, and sustainability as it is noted that the main way that BEE can be effective is if black entrepreneurs are supported and incubated in the initial stages of the business to increase the likelihood of their success.

- Socio-economic Development – This element encourages companies to contribute in initiatives that bring black people into the mainstream of the economy, such as investing in education, rural development initiatives, and other similar initiatives.

The objectives of the Broad-based Black Economic Empowerment Act no 53 of 2003 (B-BBEE Act) are to facilitate broad-based black economic empowerment by

- promoting economic transformation in order to enable meaningful participation of black people in the economy;
- achieving substantial change in the racial composition of ownership and management structures and in the skilled occupations of existing and new enterprises;
- increasing the extent to which communities, workers, co-operatives and other collective businesses own and manage existing and new businesses and increasing their access to economic activities, infrastructure and skills training;
- increasing the extent to which black women own and manage existing and new businesses, and increasing their access to economic activities, infrastructure and skills training;
- promoting investment programmes that lead to broad-based and meaningful participation in the economy by black people in order to achieve sustainable development and general prosperity;
- empowering rural and local communities by enabling them to gain access to economic activities, land infrastructure, ownership and skills; and
- promoting access to finance for black economic empowerment.

It is not compulsory for a company to comply with the Act, and there are no penalties for non-compliance; but as procurement is an element in the scorecard that counts for 20% of the total score, it has become a driving force for getting companies that do business with organs of State to comply. A supplier's BEE score affects the procurement score of its client. Therefore the client will chose a supplier with the highest score as it improves their score, and chance for acquiring a particular contract as opposed to their competitors with a lower BEE score. Most State Owned Entities (SOEs) utilize the BEE codes, and even have minimum levels of compliance that they expect from their suppliers to remain on their databases, or be eligible to tender for a particular contract.

Companies need BEE certificates in order to tender for contracts with SOEs, large corporates, and with each other. These certificates are verified by BEE Verification Agencies that go into the companies and verify their claims on the seven elements of BEE, as discussed above. Once the information has been verified, they issue a certificate that communicates the company's level of compliance. Only if the company scored less than 30 points would they be considered non-compliant. Everything else above will have a level of contribution, ranging from level 8, and the lowest, to level 1, the highest level of compliance.

9. 2010 FIFA WORLD CUP REPORT



“South Africa hosted a successful World Cup and had the third highest aggregate attendance after the USA and Germany with 3 million people attending 64 matches”

South Africa won the bid to host the 2010 FIFA WORLD CUP on 15th May 2004, the first time ever on the African continent. The hosting accorded South Africa the opportunity to utilize the event to accelerate key development projects, thus creating a lasting legacy for South Africa in particular and the continent in general.

When South Africa launched its bid in 2003 to host the tournament, the emphasis was on showcasing the 2010 World Cup as an *African event*, thus instilling a sense of confidence and spreading prosperity across the continent. This idea found express resonance with the slogan '*Africa's time has come*'.

The hosting of the 2010 FIFA World Cup was supportive to the infrastructure objectives of government as defined in the country's developmental agenda. The infrastructure delivery experience from the World Cup has become one of the invaluable assets for infrastructure development in the African Continent; a key message that underpinned the bidding process. Government's decision to invest in the tournament, as a catalyst for the provision of infrastructure created opportunities that cushioned South Africa against the impact of the global economic recession. The successful staging of the tournament also enhanced South Africa's image internationally as having the capability to handle mega international events.

South Africa hosted a successful World Cup and had the third highest aggregate attendance after the USA and Germany with 3 million people attending 64 matches. South Africa also attained a record fan park attendance. More than 1, 4 million people were passed through the country's border posts during the World Cup. FIFA remarked that South Africa was the best World Cup host ever with regards to hospitality.

In managing the World Cup event, the country demonstrated high standard project management approaches that are now being incorporated into the government's outcomes approach of performance management. These approaches produced infrastructure within FIFA specified times and standards to make the country ready for the hosting of the tournament.

South Africa demonstrated infrastructure capability that can attract foreign direct investment. During the World Cup, the country spent about R 3 billion on transport, telecommunication and stadia. It is further estimated that the tournament has added between 0, 4%-1 % into the Gross Domestic Product (GDP). These investments have increased job opportunities associated with the World Cup.

The World Cup tournament provided the best public relations opportunity for South Africa as an investment destination. It also redefined the service delivery approach for South Africa.

The key lessons and benefits that emerged from the World Cup event included but are not limited to;

- integration of the criminal justice system to fast track case management through the 'World Cup event courts' model that provided swift justice.
- changed public perception on public transport as a result of the non-racial use of all modes of transport ferrying people to and from World Cup match venues and fan parks.

- an introduction through the movement of World Cup competition related fans of integrated public transport system that linked trains, taxis and the bus rapid transport system.
- new roads that have improved mobility in major national roads particularly the envisaged man hour savings on the N1.
- Tourist establishments that have received exposure to nationals and international guests.

The World Cup legacy projects include the One Goal education campaign which received a major boost when President Zuma hosted a Head of State and Government Summit in Pretoria on the 11th of July 2010 to promote the campaign as a legacy of the World Cup competition. This campaign is aimed at promoting access to education for every child around the world.

10. MATRIX



THEMATIC AREA		DEMOCRACY AND POLITICAL GOVERNANCE		
OBJECTIVE 2: CONSTITUTIONAL DEMOCRACY, INCLUDING PERIODIC COMPETITION AND OPPORTUNITY FOR CHOICE, THE RULE OF LAW CITIZEN’S RIGHTS AND THE SUPREMACY OF THE CONSTITUTION				
OBJECTIVE 3: PROMOTION AND PROTECTION OF ECONOMIC, SOCIAL AND CULTURAL RIGHTS, CIVIL AND POLITICAL RIGHTS AS ENSHRINED IN AFRICAN AND INTERNATIONAL HUMAN RIGHTS INSTRUMENTAL				
OBJECTIVE 6: FIGHTING CORRUPTION IN THE POLITICAL SPHERE				
OBJECTIVE 7: PROMOTION AND PROTECTION OF THE RIGHTS OF WOMEN				
OBJECTIVE 2: CONSTITUTIONAL DEMOCRACY, INCLUDING PERIODIC COMPETITION AND OPPORTUNITY FOR CHOICE, THE RULE OF LAW CITIZEN’S RIGHTS AND THE SUPREMACY OF THE CONSTITUTION				
Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Forums and mechanisms for participation in the delivery and monitoring of services are built and strengthened	Enhance and improve the effectiveness of National Social Dialogue Forums	December 2009	Social Dialogue strengthened through Nedlac process. This has resulted in the development of the Framework Agreement with social partners on retention and creation of decent jobs which was launched in February 2009. Government has introduced a dedicated Public Participation Week over and above the regular <i>Izimbizo</i> . The first public participation week was held on 9-15 November 2009.	
	Enhance and improve the effectiveness of government systems and mechanisms.	December 2009	New administration reconfigured the macro-organisation of the state to accelerate service delivery. New departments created and others reconfigured to respond to specific government programmes as outlined in the national developmental agenda	

Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
	Enhance and improve the effectiveness of local social dialogue forums	December 2009	<p>Institutionalization of municipal ward committee systems. National Framework on Ward Funding and the Local Government Municipal Regulations for the Term of Office of Ward Committee Members was published in October 2009.</p> <p>The process of rationalizing traditional leadership has been completed with the confirmation of six (6) kingships/queenships by the <i>Nhlapho</i> Commission.</p>	<p>This legislative framework is intended to improve ward Committee Functionality by ensuring that Ward Committee members are more active and able to effectively support their elected ward councilors to serve the community.</p> <p>The institution of traditional leadership as a custodian of culture and traditions is paramount for rural communities who account for approximately 65% of the South African population.</p>

OBJECTIVE 3 : TO PROMOTE AND PROTECT ECONOMIC, SOCIAL AND CULTURAL RIGHTS AND CIVIL AND POLITICAL RIGHTS AS ENSHRINED IN AFRICAN AND INTERNATIONAL RIGHTS INSTRUMENTS

Expected Output	Required Action as specified in PoA	Time frame	Progress	Remarks
A human rights' culture is strengthened	Know Your Rights Awareness Campaign	Ongoing	Phase II of the Know Your Service Rights Campaign was launched. The Campaign booklets were published in all the eleven (11) official languages, with the aims of reaching out to all communities.	
Racism is successfully combated, leading to the emergence of a truly non racial society.	Intensify joint efforts among all South African to improve social cohesion	Ongoing	<p>The country continues to implement public awareness campaigns including the hosting of high profile events that promote social cohesion. One such event was the staging of the Confederations Cup in 2009 and the Fifa World Cup in 2010.</p> <p>Government hosted the 3rd Africa Song and Dance Festival called <i>Gcwala nga Masiko Africa Unite in Cultural Diversity</i> in September 2009 to highlight and address the challenges the country is faced with, especially on issues of xenophobia, social justice, cultural practices, traditions and customs in the continent.</p> <p>Government has also launched a campaign to popularise National Symbols as a dual project addressing the <i>Bontle-Beautification of Public Spaces Programme</i> which includes the singing of the National Anthem and the <i>Fly the Flag in Every School Campaign</i>, all of which promote patriotism, social cohesion and nation building.</p>	

OBJECTIVE 6: FIGHTING CORRUPTION IN THE POLITICAL SPHERE

Expected Output	Required Action as specified in PoA	Time frame	Progress	Remarks
Decreases in levels of corruption and building national values and integrity in all three spheres of government and in all sectors of society.	Awareness-raising with respect to anti-corruption legislation, codes of conduct, enforcement and implementation in all sectors and across all spheres.	Ongoing	<p>An Inter-Ministerial Committee on corruption was established to coordinate anti-corruption activities in government.</p> <p>Agreement was signed between government and the business sector in 2009 to implement a business anti-corruption programme</p> <p>1st and 2nd Anti-Corruption Business Forums were hosted in October 2009 and 2010, respectively. The 1st Forum adopted a code of ethics for the business sector. The 2nd Forum the business sector committed to support government's Special Anti-Corruption Unit</p>	The programme is intended to raise awareness of anti-corruption measures and provide training to the business sector on international anti-corruption instruments.

OBJECTIVE 7 : PROMOTION AND PROTECTION OF RIGHTS OF WOMEN

Expected Output	Required Action as specified in PoA	Time frame	Progress	Remarks
Decrease in crime and violence in general and crime and violence against women and children in particular	Identify and strengthen anti-crime and violence strategies	Ongoing	<p>A Ministry of Women, Children and Persons with Disability was established to place particular focus on addressing the challenges faced by the designated group.</p> <p>The Child Justice Act was promulgated in April 2010.</p> <p>Phase I and II of the National Register for Sex Offenders was implemented. The Register contains names of sex offenders who have abused women, children and persons with disabilities.</p> <p>2009 marked the 10th anniversary of the national 16 Days of Activism Campaign on No Violence Against Women and Children</p> <p>17 <i>Thuthuzela</i> Care Centres established across the country in communities with high incidents of sexual violence by March 2009</p> <p>Victim-friendly facilities have been established in high contact crime police stations</p>	<p>The Act is designed to provide a twin-track child welfare and justice approach that focuses on prevention, early intervention, diversion from crime and the rehabilitation of children with law.</p> <p>By September 2010, the register contained 600 people who had abused children and people with disabilities</p>

Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Active engagement of Communities and Community-Based Organisations in the fight against crime	Identify and strengthen anti-crime and violence in all three spheres of government	Ongoing	<p>Criminal Justice system strengthened with the creation a more capacitated Directorate for Priority Crimes Investigation (HAWKS).</p> <p>SAPS implemented a policing concept aimed at raising the levels of community involvement at local level</p> <p>The business community through BACSA partnered with SAPS to fight crime, focusing particularly on violent organized crime and review of the criminal justice system.</p> <p>A policy to enhance Community Policing Forums (CPFs) was developed.</p>	
Access to justice is increased and improved	Court outreach and accessibility initiatives	Ongoing	<p>A total of fifteen (15) branch courts were brought within closer proximity of communities in six (6) provinces.</p> <p>Magistrate Courts and municipal boundaries were re-aligned to enhance access to justice for communities.</p>	
	Support Programmes for Victims of Crime	Ongoing	<p>South African Safety and Security Education Training Authority (SASSETA) is supporting the development of the Family Law Learnerships which includes training on the social context of domestic violence and the Domestic Violence Act of 1996.</p> <p>The Justice Crime Prevention and Security cluster (JCPS) approved the <i>National Policy Guidelines for Victim Empowerment Programme</i>. The Policy Guidelines and the National Directory was launched in July 2009.</p>	

THEMATIC AREA		ECONOMIC GOVERNANCE AND MANAGEMENT		
OBJECTIVE 1: PROMOTE MACRO-ECONOMIC POLICIES THAT SUPPORT DEVELOPMENT				
OBJECTIVE 2: IMPLEMENT SOUND TRANSPARENT AND PREDICTABLE GOVERNMENT ECONOMIC POLICIES				
OBJECTIVE 3: PROMOTE SOUND PUBLIC FINANCIAL MANAGEMENT				
OBJECTIVE 5: ACCELERATE REGIONAL INTEGRATION BY PARTICIPATING IN THE HARMONISATION OF MONETARY, TRADE AND INVESTMENT POLICIES				
OBJECTIVE 1: PROMOTE MACRO-ECONOMIC POLICIES THAT SUPPORT DEVELOPMENT				
Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Service Delivery is Improved	Improve service delivery through partnerships	December 2009	<p>Government has developed national KPAs for local government and establishment of a Local Government War Room based at the DBSA</p> <p>An IDP Format Guide aimed at providing guidance on how to structure and organize the IDP process was developed. By October 2009, 88 officials had received training on the Guide</p> <p>Provincial administrations have accelerated the implementation of LED strategies and resolutions of growth and development summits.</p> <p>Government introduced the Comprehensive Rural Development Strategy focusing on coordinated and integrated broad-based agrarian reform, improved land reform programmes, and strategic investments in economic and social infrastructure.</p> <p>Through the DBSA's Siyenza Manje programme, an amount of approximately R340 million was utilized to employ engineers, technicians, financial experts, planners, young professional and artisans who were seconded to municipalities and government departments to address bottlenecks in service delivery</p>	<p>Partnerships between the Eastern Cape Department of Agriculture and the Chris Hani District Municipality has led to R2.9 million set-aside for livestock marketing and related programmes.</p> <p>Municipalities have also benefitted from the Nguni Programme where bulls and heifers were handed over to farmers</p>

Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Unemployment is halved by 2014	Implementation of ASGI(SA) and the Industrial Policy Framework which is being finalised	2014	<p>A new growth path has been introduced to align economic growth and decent job creation. Focus is on those sectors of the economy that are labour-intensive.</p> <p>Government launched Phase II of the Industrial Policy Action Plan in February 2010 to accelerate the National Industrial Policy Framework (NIPF)</p> <p>Phase II of the Expanded Public Works Programme was launched in April 2009. Its goal is to create 2 million full-time jobs so as to halve unemployment by 2014. As part of Phase II the Community Works Programme was launched and piloted in 3 districts in the Eastern Cape.</p> <p>The Industrial Development Corporation allocated R6.1 billion to support companies worst affected by the global economic crisis</p>	The NIPF sets out government's industrialization approach

OBJECTIVE 2: IMPLEMENT SOUND TRANSPARENT AND PREDICTABLE GOVERNMENT ECONOMIC POLICIES

Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Processes for public participation in policy formulation and implementation are improved	Education representative structures on how to participate in policy formulation	2009	<p>A civil society driven approach referred to as the People's Budget Campaign continued to be rolled out. Its proposals are informed by a pro-poor perspective and within the framework of realizing the country's developmental agenda.</p> <p>NEDLAC continued to serve as a forum for all social partners (government, organized labour, business and civil society) to deliberate on the country's economic policies in particular those responding to the global economic crisis. The major outcome was the Framework to South Africa's Response to the Global Economic Crisis.</p>	

OBJECTIVE 3: PROMOTE SOUND PUBLIC FINANCIAL MANAGEMENT				
Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Greater efficiency and effectiveness in public expenditure management and monitoring	Enhance Parliament and legislature oversight over the executive, state-owned enterprises, parastatals and quasi-state-owned enterprises	2009	<p>The Money Bills Amendment Procedure and Related Matters Act, Act 9 of 2009 was gazette in April 2009. The Act establishes Appropriation Committees and Finance Committees in both Houses of Parliament.</p> <p>The Finance Committees in both Houses of Parliament have the responsibility to consider and report on the following: the national macro-economic and fiscal policy; amendments to the fiscal framework, revised fiscal framework and revenue proposals and Bills; actual revenue published by the National Treasury, and any other related matters set out in the Act</p>	

Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Greater efficiency and effectiveness in financial management	Improved financial management	2009	<p>Financial management is regulated by the PFMA. Within the context of the Act, government's budget preparations for the 2009/2010 cycle focused extensively on finding savings within departmental and agency baselines and on redirecting expenditure towards key priorities within these institutions</p> <p>Government launched the <i>Operation Clean Audit 2014</i> Programme to ensure that by the year 2014, all municipalities and provincial departments will have achieved clean audits on their financial statements</p>	
Improved service delivery	Improved human resource management	2009	<p>PALAMA offers public servants training with the objective of improving service delivery. Specifically, there is an Executive Development Programme that includes public expenditure management and finance as key modules</p> <p>The DBSA's <i>Vulindlela</i> Academy offers a training programme on finance for senior managers across all spheres of government</p>	

OBJECTIVE 5: ACCELERATE REGIONAL INTEGRATION BY PARTICIPATING IN THE HARMONISATION OF MONETARY, TRADE AND INVESTMENT POLICIES				
Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Harmonization of economic policies and improved trade between member states	Develop a framework for building productive supply capacity in the region	Ongoing	<p>A Declaration on Regional Cooperation in Competition and Consumer Laws and Policies was signed by SADC Heads of State and Government at the 29th SADC Summit in 2009. The declaration provides for the establishment of a Standing Committee to enhance cooperation between member states on the enforcement of competition and consumer rights</p> <p>A tripartite Investment Conference was held in Zambia in April 2009 and focused on energy, transport and trade facilitation for the North-South Corridor Tripartite Framework</p> <p>Progress was made in 2009 to harmonise policies so as to enhance food security in the region. SADC Agriculture Ministers re-affirmed the importance of coordinated research and endorsed the establishment of a sub-regional research organization</p> <p>Efforts to harmonise policies related to immigration, gender, health, science and technology and labour in the region were undertaken in 2009</p> <p>South Africa the chair of SACU for the period July 2010-July 2011 hosted the Union's Heads of State and Government Summit in July 2010. The Summit reflected on the achievements and challenges of the Union and deliberated on its future strategic direction.</p> <p>South Africa remains committed to the realization of SACU's vision of developmental economic community.</p>	

THEMATIC AREA		CORPORATE GOVERNANCE		
OBJECTIVE 1: PROMOTE A ENABLING ENVIRONMENT AND EFFECTIVE REGULATORY FRAMEWORK FOR ECONOMIC ACTIVITIES				
OBJECTIVE 2: ENSURE THAT CORPORATIONS ACT AS GOOD CORPORATE CITIZENS WITH REGARD TO HUMAN RIGHTS, SOCIAL RESPONSIBILITY AND ENVIRONMENTAL SUSTAINABILITY				
OBJECTIVE 3: PROMOTE ADOPTION OF CODES OF GOOD BUSINESS ETHICS IN ACHIEVING THE OBJECTIVES OF THE CORPORATION				
OBEJECTIVE 4: ENSURING THAT CORPORATIONS TREAT ALL THEIR STAKEHOLDERS (SHAREHOLDERS, EMPLOYEES, COMMUNITIES, SUPPLIERS AND CONSUMERS) IN A FAIR AND JUST MANNER				
OBJECTIVE 1: PROMOTE AN ENABLING ENVIRONMENT AND EFFECTIVE REGULATORY FRAMEWORK FOR ECONOMIC ACTIVITIES				
Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
New Companies' legislation is adopted	Accelerate reform of the Companies Act and enhance public participation in the process to empower vulnerable groups	2008	The Companies Act, Act No. 71 of 2008 ('new Act') was signed by the President on 8 April 2009. The Act is intended to ease regulatory burden and streamline the company's registration processes by integrating all corporate business undertakings into one regulatory regime.	
Improved monitoring mechanism	Develop compliance-monitoring mechanisms	2009	The new Companies' Act provides for the administration and enforcement of monitoring and regulatory bodies such as the Companies and Intellectual properties Commission (CIPC), the takeover Regulation Panel, the Companies Tribunal, and the Financial reporting Standards Council (FRSC)	

OBJECTIVE 2: ENSURE THAT CORPORATIONS ACT AS GOOD CORPORATE CITIZENS WITH REGARD TO HUMAN RIGHTS, SOCIAL RESPONSIBILITY AND ENVIRONMENTAL SUSTAINABILITY

Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Increased integration of the national development imperatives into the planning and conduct of companies in the private sector	Increase levels of social investment		South Africa places high regard on corporate social investment (CSI)/ social responsibility investment (SRI). The CSI/SRI is an initiative of the Government Employees Pension Fund as a measure to support responsible investment. It is the country's benchmark for corporate citizenship and has as its constituents JSE listed companies with high standards of environmental, economic and social performance as well as good governance	

OBJECTIVE 3: PROMOTE ADOPTION OF CODES OF GOOD BUSINESS ETHICS IN ACHIEVING THE OBJECTIVES OF THE CORPORATION

Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Increase in the number of women-led enterprises	Support women-led enterprises	Ongoing	Cabinet approved 10 products for government preferential procurement.	
Improved capacity of institutions to participate in corporate governance initiatives	Open a multi-stakeholder national consultative forum for discussions on the implementation of the King II	Ongoing	King III Report on corporate governance was released in September 2009. King III is intended to promote ethics as the foundation of corporate governance and requires effective and responsible leadership. King III also requires a reflection on the impact of business in society and a realization that business should be done ethically	
Enhanced professional ethics in all sectors	National ethics campaign in government, civil society and business	Ongoing	As part of its anti-corruption initiatives South Africa developed a Public Sector Integrity Framework aimed at strengthening measures and standards for managing integrity and promoting ethical conduct in the public sector	

OBJECTIVE 4: ENSURING THAT CORPORATIONS TREAT ALL THEIR STAKEHOLDERS (SHAREHOLDERS, EMPLOYEES, COMMUNITIES, SUPPLIERS AND CONSUMERS) IN A FAIR AND JUST MANNER

Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Consumer and shareholder activism strengthened	Consumer education campaign	2009	The Consumer and Protection Act, Act 68 of 2008 was enacted into law in April 2009. The Act promotes a fair, accessible and sustainable marketplace for consumer products and services. The primary purpose of the Act is to prevent exploitation or harm to consumers and to promote their social wellbeing. The strict implementation of the National Credit Act was key in cushioning consumers from the negative impact of the global economic recession	

THEMATIC AREA

SOCIO-ECONOMIC DEVELOPMENT

OBJECTIVE 2: ACCELERATE SOCIO-ECONOMIC DEVELOPMENT TO ACHIEVE SUSTAINABLE DEVELOPMENT AND POVERTY ERADICATION

OBJECTIVE 3: STRENGTHEN POLICIES, DELIVERY MECHANISMS AND OUTCOMES IN KEY SOCIAL AREAS INCLUDING EDUCATION AND COMBATING OF HIV AND AIDS AND OTHER COMMUNICABLE DISEASES

OBJECTIVE 2: ACCELERATE SOCIO-ECONOMIC DEVELOPMENT TO ACHIEVE SUSTAINABLE DEVELOPMENT AND POVERTY ERADICATION

Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Land reform implementation contributes to sustainable rural livelihoods	Rapid implementation of land redistribution, restitution and tenure reform projects	Ongoing	The creation of the Department of Land Reform and Rural Development is a major step forward in addressing the issue land redistribution and restitution.	The Expropriation Bill if promulgated into law will give further impetus to government's efforts to accelerate land reform.

OBJECTIVE 3: STRENGTHEN POLICIES, DELIVERY MECHANISMS AND OUTCOMES IN KEY SOCIAL AREAS INCLUDING EDUCATION AND COMBATING OF HIV AND AIDS AND OTHER COMMUNICABLE DISEASES

Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Improved effectiveness and efficiency of the education system at all levels	Develop a strategy to encourage more students, especially female, enrollment in mathematics and science in secondary schools	Ongoing	<p>The public and private sector, as well as civil organizations, continue to run bursary programmes that recruit mathematics and science students, especially female students.</p> <p>The Girls Education Movement Programme to ensure sustained access to and retention in both primary and secondary schools.</p>	
	Teacher training implementation of the National Policy Framework for the Teacher Education	Ongoing	<p>The <i>Continued Professional Teacher Development (PCTD)</i> Management System has been introduced as an intervention at 144 schools nationwide</p> <p>Teacher Resource Centres have been established in every Department of Education region</p> <p>To increase the number of teachers, the government is currently implementing the National Policy Framework for Teacher Education and Development, through the <i>Funza Lushaka</i> Bursary Scheme and the Teacher Recruitment Campaign. By August 2010, the bursary Scheme had disbursed R400million to support 9200 student teachers.</p>	

Expected output	Required Action as specified in PoA	Time frame	Progress	Remarks
Strategies for ensuring children's health and development need improvement	National School Nutrition Programme, including social mobilization for food gardens implemented	Ongoing	The <i>National School Nutrition Programme</i> , which was initially targeted at primary school children, has been extended to some poor secondary schools	
	Nutrition Programmes implemented in pre-primary schools that cater for needy children		The <i>National School Nutrition Programme</i> continues its roll-out to primary school children	
	Community—based feeding scheme for disadvantaged children		Government established the Integrated Food Security and Nutrition Programme (IFSNP). The main objectives are to increase household food production, improve income generation and nutrition and food safety	
Multi-sectoral, collaborative partnerships, strategies and programmes to reduce the prevalence of HIV and the impact of AIDS, TB, Malaria and other communicable diseases are implemented	Local, provincial and national consultative conferences on public health, HIV and AIDS strategies, with an emphasis on implementation		<p>The Public Health Summit held in March 2010 endorsed government's <i>10 Point Plan of the Health Sector 2009-2014</i>. The Plan, amongst others, prioritises accelerated implementation of the HIV/AIDS and STI National Strategic Plan, increased focus on TB and other communicable diseases, review of the drug policy, provision of strategic leadership and creation of a social compact with organs of civil society</p> <p>In April 2010, South Africa began an extensive HIV Counseling and Testing (HCT) Campaign. The President, Deputy-President, and Cabinet Ministers, Provincial Premiers as well as private sector and civil society leaders publicly took HIV tests to encourage testing and to destigmatise HIV.</p>	

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NOTES

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