

APPENDIX III



**REPORT ON THE
PEER REVIEW OF SOUTH AFRICA
BY THE COMMITTEE OF HEADS OF STATE
AND GOVERNMENT PARTICIPATING IN
THE AFRICAN PEER REVIEW MECHANISM
[APR FORUM]**

01 JULY 2007, ACCRA, GHANA



I. INTRODUCTION

1. The peer review of both South Africa and Algeria was conducted at the 7th Summit of the Committee of Heads of State and Government Participating in the African Peer Review Mechanism [APR Forum] which was held on 01 July 2007 in Accra, Ghana. The Summit was presided over by His Excellency Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia and Chairperson of the APR Forum. In what follows, we present the summary of the deliberations on the conduct of the peer review of South Africa at the Summit Meeting.

II. ATTENDANCE

2. The following 18 Heads of State and Government were in attendance:
 - I. His Excellency Meles Zenawi, Prime Minister of the Federal Democratic Republic of Ethiopia (Chairperson of the Forum);
 - II. His Excellency Abdelaziz Bouteflika, President of the Republic of Algeria;
 - III. His Excellency Thomas Yayi Boni, President of the Republic of Benin;
 - IV. His Excellency Blaise Compaoré President of the Republic of Burkina Faso;
 - V. His Excellency Ismail Omar Guelleh, President of the Republic of Djibouti;
 - VI. His Excellency El-Hadj Omar Bongo, President of the Republic of Gabon;
 - VII. His Excellency John Kufuor, President of the Republic of Ghana;
 - VIII. His Excellency Mwai Kibaki, President of the Republic of Kenya;
 - IX. His Excellency Pakalitha Bethuel Mosisili, the Prime Minister of Lesotho;
 - X. His Excellency Bingu Wa Mutharika, President of the Republic of Malawi;
 - XI. His Excellency Armando Guebuza, President of the Republic of Mozambique;
 - XII. His Excellency Umaru Yar'Adua, President of the Federal Republic of Nigeria;
 - XIII. His Excellency Paul Kagame, President of the Republic of Rwanda;
 - XIV. His Excellency Abdoulaye Wade, President of the Republic of Senegal;
 - XV. His Excellency Thabo Mbeki, President of the Republic of South Africa;

- XVI. His Excellency Jakaya Kikwete, President of the Republic of Tanzania;
- XVII. His Excellency Yoweri K. Museveni, President of the Republic of Uganda and;
- XVIII. His Excellency Levy Mwanawasa, President of the Republic of Zambia.

- 3. The Heads of State and Government of Angola, Cameroon, Republic of Congo, Egypt, Mali, Mauritius and Sudan were represented.
- 4. The Seven Eminent Persons of the African Peer Review Mechanism Panel [APR Panel] were also in attendance.

III. THE PEER REVIEW OF SOUTH AFRICA

- 5. The peer review of South Africa commenced with a presentation of an overview of the Country Review Report by Prof. Adebayo Adedeji, the lead Panellist for South Africa. Thereafter, His Excellency Thabo Mbeki, President of South Africa, responded to the report. Forum deliberations on the report then ensued.

a. **Presentation of the South Africa Country Review Report by Prof. Adebayo Adedeji.**

- 6. Prof. Adebayo Adedeji presented the national process, the methodology for the review and key findings of the South African Country Review Report.

i. **Overview of the National Process**

- 7. Prof. Adedeji outlined South Africa's institutional structures for participation in the APRM. He noted that as one of the pioneer countries to accede to the APRM in March 2003 in Abuja, Nigeria, South Africa established a 29-member National Governing Council chaired by the country's APRM Focal Point which provided strategic and policy guidance to the national process. An APRM Country Support Mission (CSM) visited South Africa between November and December 2005 to formally launch the process in the country.
- 8. He also drew attention to some of the several innovations that characterised the official launch of the APRM in South Africa which are noteworthy and worthy of emulation. These included the establishment of Provincial Governing Councils (PGCs) in all of the country's nine provinces; the simplification of the questionnaire and its translation into the country's 11 official languages; as well as the adoption of a wide media and information dissemination strategy.





9. South Africa submitted its Country Self-Assessment Report (CSAR) and draft National Programme of Action (NPOA) to the APR Secretariat in June 2006 and this paved the way for the fielding of the CRM from 9-25 July 2006. The 22 member CRM comprised African experts drawn from 13 African nationalities interacted with various stakeholders, including the National Governing Council (NGC), Provincial Governing Councils (PGCs), Cabinet Ministers, members of the Executive Councils (MECs), members of the National Assembly and the Provincial Assemblies, Civil Society Organisations (CSOs) such as trade unions, women's groups, youth groups, faith-based organisations (FBOs), non-governmental organisations (NGOs), media, academia and political parties. In all, the nine provinces of South Africa held interactive sessions with the APRM.

ii. The Methodology for the Review

10. Prof. Adedeji explained the methodology used in the review process. He noted that the APRM Mission relied on the objectives, standards and criteria outlined in the Base Documents which has been approved by the APR Forum for the review process. Since the Country Self Assessment Report has been prepared in line with the methodology stipulated in the Base Document, the CSAR provided the basis for the preparation of the Country Review Report. Every objective in each of the four thematic areas, accordingly, begins with a summary of the self assessment report. Prof. Adedeji emphasised that the APRM peer review process is completely devoid of any ideological underpinnings and that the APRM is not a finger-pointing exercise but a mechanism for advancing good governance and development. The APRM strives to be people-centred and is inclusive of all stakeholders.
11. Prof. Adedeji also highlighted that the mission took cognisance of the historical legacy of South Africa, a country that had waged a protracted and bloody struggle against colonial and apartheid rule that lasted 342 years. Five legacies of apartheid have however persisted: a dualistic polity, poverty, unemployment, inequitable distribution of wealth and income and a high incidence of crime. These have continued to be challenges for the new democratic government.

iii. Review Findings

12. Prof. Adedeji then highlighted the overall picture of the report. These included key challenges in governance and socio-economic development in South Africa, cross-cutting issues, the strengths and best practices in governance in the four thematic areas.
13. **Key Challenges:** Fourteen key challenges were highlighted. These include:
- i. Brittle and sensitive race relations;
 - ii. Fear from minorities that government is not doing enough to assure the cultural, education and language rights guaranteed by the Constitution;

- iii. The need for Black Economic Empowerment Strategy to be broadened and deepened beyond the enrichment of a few individuals;
- iv. Failure of education system to adequately provide school-leavers with the skills and competencies needed to contribute more constructively to the economy;
- v. High levels of indiscipline and criminality in schools as well as increasing drop-out rates at the tertiary level;
- vi. Persistent challenge in converting democratic ideals into practice. For instance, ordinary South Africans have insufficient contact with their political representatives;
- vii. The pervasive and inhibitive legacy of apartheid, as reflected in entrenched socio-economic inequalities, pervasive poverty and high unemployment levels;
- viii. The critical shortage of skills, resulting in weak implementation capacity, especially at local government level;
- ix. The high level of HIV infection rate – believed to be the second highest in the world;
- x. The under-representation of women in the private sector;
- xi. The high levels of violent crime;
- xii. High levels of gender-based violence and violence against children;
- xiii. High levels of xenophobic tendencies, especially against foreigners from other African countries; and,
- xiv. Reluctance of some beneficiaries of apartheid policy to contribute to the reconstruction and development of the country.

14. **Overarching Issues:** Prof. Adedeji further pointed out that that the report had identified 11 overarching issues (areas of deficiencies or shortcomings in the South African system which are recurrent and/or interrelated and therefore necessitate a holistic approach because of the wider impact they have on the quality of governance in all areas). These include the following:

- i. Unemployment;
- ii. Capacity constraints and poor service delivery;





- iii. Poverty and inequality;
- iv. Land reform;
- v. Violence against women;
- vi. Violence against children;
- vii. HIV and AIDS pandemic;
- viii. Corruption;
- ix. Crime;
- x. Racism and xenophobia; and
- xi. Managing diversity.

15. **Strengths:** The following are the 15 major strengths identified in the report.

- i. One of the most progressive Constitutions in the world, which guarantees both civil and socio-economic rights;
- ii. Existence of a political environment conducive to political debate, dialogue and contestation;
- iii. Significant progress made in signing, ratifying and implementing international standards and codes;
- iv. First-world economic and physical infrastructure;
- v. The largest and most sophisticated economy in Africa;
- vi. Sound, transparent and predictable economic policies;
- vii. Strong public financial management system;
- xii. Being well-positioned technologically to be able to compete in the global market;
- viii. Ranking among the best performers in corporate governance in emerging markets;
- ix. A robust legal system that ensures lawful protection of property rights and intellectual property rights;

- x. An adequate regulatory framework for economic activity in the country, supported by a wide variety of regulatory institutions;
- xi. A good framework for the protection of human rights and labour rights;
- xii. Existence of credible institutions such as the Public Investment Corporation, the Industrial Development Corporation (IDC), a number of well-known multinational institutions and world-class universities;
- xiii. Self-sufficiency in development financing; and
- xiv. Strong representation of women in the public sector.

16. **Best Practices:** While the review had identified several achievements, at least 18 of them are considered best practices worthy of emulation. These are:

- i. Co-operative Government;
- ii. Popular Participatory Governance through Imbizo;
- iii. Taking the Parliament and Provincial Legislatures to the People Programme;
- iv. Batho Pele, a Citizen's Charter meaning People first;
- v. Multi-Purpose Community Centres;
- vi. The Budget Formulation Process;
- vii. South African Revenue Service;
- viii. JSE Securities Exchange ;
- ix. State-Owned Enterprises;
- x. The Mzansi Account for the Un-banked;
- xi. The JSE and Triple Bottom Line Reporting;
- xii. The Financial Sector Charter;
- xiii. The King Reports;
- xiv. Regulation of the Auditing Profession;
- xv. Self-Reliance in Funding Development Programmes;





- xvi. Provision of Basic Needs in South Africa: The Case of Electricity;
- xvii. Provision of Socio-Economic Rights in South Africa.; and
- xviii. Promoting Gender Equality.

17. Prof. Adedeji concluded by conveying the Panel's confidence in the ability of South Africa to address fully the identified challenges and overarching issues. South Africa has accordingly prepared a national programme of action whose estimated cost of implementation at ZAR 13, 901.5 billion (approximately USD 2 billion) is to be financed through domestically generated resources.

b. Response by President Thabo Mbeki of South Africa

18. President Mbeki indicated that the South Africa Country Review Report is indeed a very good report. A lot of work went into it and he commended the Panel for the painstaking effort in coming up with it. President Mbeki also mentioned the enthusiasm that the APR process has generated in his country.

19. South Africa views the APRM as one of the uniquely African solutions that would enable the continent to move forward. He is very proud to declare that the Peer Review works. The country acknowledges the strengths and challenges in the report and has taken note of the 18 best practices identified. South Africa has drafted a National Programme of Action to respond to the challenges and will report on the progress on the implementation thereof to the Forum in line with the APRM requirements.

20. Due to the importance attached to the APRM, the President noted that he would raise some issues which if addressed will help in strengthening the mechanism. On conceptual and methodological framework, President Mbeki noted that he disagreed with some statistical underpinnings of the report particularly those on crime, the findings on floor-crossing and Xenophobia.

21. **Crime** - President Mbeki took issue with the report's suggestion that there is an unacceptably high level of violent crime. In the President's view, this appears to be an acceptance by the Panel of a populist perception of the problem. Johannesburg, for example, has 21 police precincts and only two of them (in certain demographic locations) accounted for more than 33 percent of reported crime. Crime occurs in most depressed black neighbourhood and it is concentrated geographically. A comparative study with the United States of America found the same pattern. The way crime is posed may not assist the Forum in rendering the necessary support to South Africa. In this context, the report needs to go beyond the general view.

22. The President challenged some of the statistics on crime which he noted may have resulted from weak information base, leading to wrong conclusions. He singled out paragraph 3.17

of the Executive Summary, which states inter-alia:

‘There is also concern about persisting violence against women, which requires immediate action. Estimates of the extent of violence vary as there is widespread underreporting. However, statistics from the South African Police Service (SAPS) indicate that there were:

- 54, 293 rapes in 2001/02;
- 52, 425 rapes in 2002/03;
- 52, 733 rapes in 2003/04;
- 55, 114 rapes in 2004/05; and
- 54, 926 rapes in 2005/06.

23. President Mbeki noted that the statement above could be misleading as this only denotes the incidents of rape that were reported, some of which could have resulted in acquittals.
24. **Floor Crossing** - The report notes that the mission found that floor crossing is of concern to both the electorate and political parties. President Mbeki stated that floor crossing may be of concern to the opposition but not to the electorate. In this regard, he noted that, the report hints at the desirability of change of the electoral laws on the basis of averments that cannot be substantiated.
25. **Contextualisation of Poverty:** Apartheid had a long and extraordinary impact on South Africa leading to widespread endemic poverty. This should be given due regard in analysis. For example, the report in paragraph 697 states that “Real per capita income decreased and past socio-economic inequalities have largely remained unchanged”. This gives the impression that some aspects of economic policy making have failed. The President asked that given the nature of poverty and the manner with which it has been constructed, could anything have been done in 13 years to significantly improve the situation? This would greatly assist the country if the question had been posed this way.
26. President Mbeki further stated that in certain cases the base years are not stated. For example, if poverty had not decreased, from what base year? There are indications that real wages have gone up, there is rapid growth of small businesses that formally register, and the Government has made strides in providing free housing, basic water and electricity. Moreover, any inference drawn on 1994 as base year will be wrong. He reiterated that there is a real problem of statistics and gave the example of burial in Durban, Kwa-Zulu Natal in 1996. While information was available on the number of white and Indians which were buried, there was none on blacks.
27. **Xenophobia** - The report notes that xenophobic tendencies prevail, which is simply not true. South Africa does not even have refugee camps. Again, the presentation of this





problem represents a popular view. President Mbeki illustrated the point by alluding to a recent state visit by President Kabila of the Democratic Republic of Congo (DRC) to South Africa when some illegal immigrants of DRC origin openly requested the two Presidents to regularise their status. According to President Mbeki, the fact that these illegal immigrants were able to address the two Presidents openly illustrates how comfortable they feel in South Africa.

c. Forum Discussion

28. The Forum discussed some key issues arising from the report, as elaborated hereafter.
29. **His Excellency Yayi Boni**, President of Benin commended the Panel for the high quality of the document which aptly captures developments in South Africa. He commended President Thabo Mbeki on the reforms carried out in South Africa to facilitate wealth redistribution. He noted that South Africa is a source of pride and an economic power house on the continent.
30. Of concern is the issue of crime and criminality, specifically violence against women and children. He asked President Mbeki how justice is administered in South Africa. Specifically, how do courts react to these problems? Is access to justice guaranteed in these situations? What measures are meted out to offenders and how are they administered?
31. The President also wished to be informed how South Africa is managing economic and trade relations with other African countries, with a view to accelerating regional and economic integration.
32. President Boni concluded his intervention by reiterating his commendation to President Mbeki for the initiatives on wealth creation and distribution in South Africa.
33. **Prime Minister Zenawi** commended the Panel for an excellent Report. He noted that South Africa is the first country in Africa that has rejected neo-liberal ideology and proposed an alternative. It would enrich the mechanism if we all learn from this.
34. The Prime Minister drew attention to Paragraphs 17¹ and 21² of the Response by the Government of South Africa to the Country Review Report. He indicated that it will benefit the Panel and enrich the Mechanism if we all learn from these comments. He also noted that the Government raised matters of ideology which involve the characterisation of the State and accordingly outlined some indicative parameters of the developmental state, including the following:

¹ Para 17: There are a number of important implications that emanate from this analytical starting point that underpin key aspects of the South African response. These include the importance of building reliable data to avoid the dangers of ideological constructs, the need for consistent characterisations of the state and democracy that are free from ideological paradigms imported from different situations, the need for rigour in attributing causality and the imperative of a thorough consideration of country-specific historical legacies and their effects.

² Para 21: A central question is: How is the mandate of the APRM realized in practice? South Africa understands that the values, principles, forms of governance, expressions of democracy, characterizations of the state and their formal constitutional expressions are country-specific and conjunctural. They emerge out of specific historical experiences.

- Accelerated and shared growth is the key motivation of the State. There has to be broad consensus on how this is to be achieved. South Africa has articulated such a plan in the Accelerated Shared Growth Initiative-SA (ASGISA) and this has evolved over time. There is however room for improvement in the implementation of the policy framework, strategies and tactics as well as further consensus to be built especially at societal level.
 - Autonomy of the State from the private sector - The developmental state needs to be independent of the private sector both politically and economically. It needs the economic lever to guide the private sector on development objectives. The government can be supportive of the private sector without necessarily depending on it.
 - Hegemony over development policy - The State requires command over resources and the capacity to direct the private sector into targeted development sectors.
35. On the basis of these characteristic traits of a developmental state, the Prime Minister argued that South Africa can be termed as a “progressive developmental state”.
36. Prime Minister Zenawi then outlined some perceived challenges of the developmental state in South Africa. These include:
- Implementation capacity of the state and society at large particularly the historically disadvantaged group. It would seem the implementation capacity of the state needs augmenting as result of the legacy of apartheid;
 - Expectations of various social forces (as a democratic developmental state various forces expect social justice and equity, fair distribution of wealth). Part of the resources needed to transform the economy are in the State’s hands, but most, is obviously in the hands of the private sector which may not necessarily want change;
 - Land reform: Prime Minister Zenawi cautioned the government on land reform and recommended a more gradual approach to it; and
 - The leadership in South Africa should avoid addressing short term needs at the expense of long-term aspirations.
37. Prime Minister Zenawi also raised the issue of conflation in report writing. He gave the example of Paragraph 902 of the Country Review Report with regard to land reform. He noted that the paragraph begins with an analysis of the land problem which is relevant as far as the rest of the continent is concerned, but does not necessarily fit the South African situation and therefore may mislead the reader.





38. For example, in the case of Ethiopia, in the context of a feudal system, land had to be taken from the big landlords and transferred to the peasants. If this is applied in South Africa, it runs the risk of being reactionary, in as much as South Africa has well developed commercial farms. While it would be desirable for land ownership to reflect the demographics of the nation, land reform should not, on the other hand, have the effect of turning commercial land to peasant farming.
39. Prime Minister Zenawi concluded by noting that the comments from South Africa did not accuse the Panel of lack of objectivity. The interventions on methodology and conceptual issues notwithstanding, this takes nothing away from the quality of the report which is the best that he had seen so far.
40. **President Kufuor** of Ghana congratulated the Government of South Africa for the noteworthy feats recorded in both the political and economic fronts in its 13 years of freedom. It is remarkable what the government has been able to achieve in tackling problems which are more than a century old. The Government of South Africa is proving that it is capable of handling the myriad of problems. He also congratulated the Panel for a Report of very high quality noting that South Africa is not an easy country to review. He appreciated the difficulties of taking cognisance of the nuances of the situation on the ground whilst balancing this with the realities of politics.

IV. CONCLUSION

41. The Forum formally concluded the peer review of South Africa once again commending the Panel for a job well done. South Africa thus becomes the fifth APRM country to undergo the peer review process. The country will report annually to the Forum, the progress in the implementation of the Programme of Action as stipulated in the APRM Base Document.