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Consolidating South African Foreign Policy

Introduction

Does the South African Department of Foreign Affairs (DFA) have the institutional capacity to achieve its diverse and ambitious foreign policy objectives? Stated differently, is South Africa successfully moving from an ideological and idealist vision for its role in international relations, to one of effective policy implementation? A second more fundamental question is whether or not South Africa's foreign policy is aligned with its domestic policy imperatives, such as accelerated economic growth, job creation and sustainable human development?

This *Foreign Policy Monitor* makes an introductory assessment of the alignment between aspects of DFA strategy, policy and delivery. It examines recent departmental strategic plans, Annual Reports and annual budgets, together with DFA presentations to the Parliamentary Portfolio Committee on Foreign Affairs. It concludes with recommendations for enhancing departmental alignment and performance.

the African Agenda. Furthermore, all government departments are tasked with implementing the SADC Regional Indicative Strategic Development Plan. The increasing scope of the Department's work and the executive commitment to it was acknowledged by the April 2004 appointment of a second Departmental Deputy Minister, Sue van der Merwe. The comparative budgetary priority given to the Department of Foreign Affairs is illustrated below:

Department	2006-2007 Budget allocation (R millions)
Foreign Affairs	3,042,149
Home Affairs	2,800,405
Minerals & Energy	2,548,272
Environmental Affairs & Tourism	2,018,053
Agriculture	1,957,648
Labour	1,512,749
Arts & Culture	1,318,476
Communications	1,280,194
Public Enterprises	683,457

Source: Republic of South National Treasury Budget 2006 National Medium Term Expenditure Estimates, <http://www.treasury.gov.za>

A number of challenges arise when assessing the role and annual performance of the DFA. The first is institutional. Since the tectonic political changes in 1990 the department has operated in a state of managerial, political and ideological flux. From 1994 the department has had four Directors-General, as well as a fifth Acting Director-General for about 20 months. This is particularly problematical for the DFA given that the Minister's and Deputy Ministers' travel commitments make them more dependent on the Director-General for the department's overall management. Each successive Director-General has also brought his own approach to the structure and management of the department, some of which were not always consonant with those of the minister or senior departmental officials. The department's 2006-09 Strategic Plan

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Editor: Tom Wheeler

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DFA: A Priority Department?

Together with those of Finance and Defence, the portfolio of Foreign Affairs enjoys cabinet seniority. To a degree this is also reflected in the relative size of the Foreign Affairs budget appropriation. The 2006-07 Foreign Affairs budget of R3.042 billion should be viewed in conjunction with other departmental appropriations, such as those of the Department of Trade and Industry (R3.6 billion) and Defence (R23.8 billion), as well as the Presidency (R255 million), all of which are key role-players in South Africa's overall foreign policy. It should be noted too that in taking the lead in South Africa's African Peer Review Mechanism country review, departments such as the Department of Public Service and Administration play an important role in promoting

acknowledges the need for the development of a departmental organisational culture.

The creation of a conducive culture would facilitate the entrenchment of the values of the government and DFA through a process of translating the values into concrete and achievable behavioural competencies. A training programme to address the gaps between the current and desired cultures will be put in place.⁹

Despite this organisational flux, DFA recently developed greater strategic clarity, leading to an improvement in programmatic consistency and institutional coherence.

Secondly, unlike for example, the Departments of Health and Housing, the DFA's outputs are not always easily measured. The achievement of 'international influence' is central to South Africa's foreign policy objectives, yet is notoriously difficult to measure. Furthermore, by definition, the bulk of the department's foreign relations activity takes place outside of the country and is not easily accessible to analytical scrutiny.

A further peculiarity of the DFA is two-thirds of its budget is externally (e.g. dollar or euro) denominated and sensitive to ex-change rate fluctuations. In the early 2000s, for instance, the sharp depreciation of the rand against a basket of major currencies necessitated supplementary budgetary appropriations, skewing the overall trend of departmental appropriations. To counter this, a currency hedging contingency mechanism with the Treasury has been put in place.

Assessing DFA Budget Against Policy & Operational Objectives

Between 1998-99 and 2001-02 the Foreign Affairs budget grew at an annual rate 17.5%. This mirrored the rapid expansion of South African diplomatic missions, particularly in the developing world, as well as increased provision for rand depreciation. During the period 2005-06 the department increased its representation to 97 countries with 112 missions. It is anticipated that DFA will increase the number of countries in which South Africa is represented by three per year for the next three years. By the end of the current decade, South Africa will have a mission in every African state.

For the five-year period 2001-02

Department of Foreign Affairs Budget 2001-02 & 2006-07			
	2001/02	2006/07	% increase
DFA Programme appropriation			
Administration	154 659	673 723	436
Foreign relations	1 606 516	1 783 845	11
Public diplomacy & protocol	47 830	111 051	232
International transfers	128 607	473 530	368
Total budget	2 079 297	3 042 149	46
Source: RSA National Treasury Budget National Medium Term Expenditure Vote 3 Foreign Affairs, http://www.treasury.gov.za .			

to 2006-07 the Foreign Affairs budget increased from R2.079 billion to R3.042 billion, representing a total growth of 46% at an annual growth rate of 8% per annum.

For budgetary purposes the Department of Foreign Affairs houses four programmes:

Programme 1: Administration: responsible for the overall management of the department and its policy development.

Programme 2: Foreign Relations: promotes South Africa's bilateral, multilateral and institutional affairs in accordance with the country's domestic and foreign policy values.

Programme 3: Public Diplomacy and Protocol: promotes an understanding of South Africa's global relations and provides protocol services.

Programme 4: International Transfers: responsible for the payment of international institutional, organisational and fund membership fees (such as to the UN, African Union (AU) and the Southern African Development Community (SADC)).

Despite a marked expansion in South Africa's foreign relations, since 2001-02 the Foreign Relations Programme budget allocation has increased by a mere 11% in absolute terms. This is due, in part, to the relative strengthening of the Rand in recent years. The Foreign Relations Programme still accounts for some 60% of the DFA budget, with the single largest budget line item being salaries of R1.392 billion, accounting for 46% of the total. Recent appropriations within the Administration Programme have shown a substantial increase in expenditure. The 2003-04 allocation of R96.8 million has grown to R300 million in 2006-07 and is projected to grow to R500 million in the 2008-09 medium-term expenditure estimate. Provision for the new Departmental Head Office is included in this. Expenditure on the construction of

missions has increased markedly from R77.6 million in 2003-04 to R192 million in 2006-07. The 2006-07 figure represents a more than five-fold increase over the R34.5 million spent in 2005-06. The International Transfers Programme budget has growth 368% over the five-year period. The 2006-07 figure also represents an increase of 45% above the previous year's appropriation of R326.5 million.

DFA Strategic Plan: Fusing the African Agenda

The Departmental Strategic Plan sets key objectives for the department over a rolling four-year period. In so doing it provides the overarching framework for the activities of the department's nine branches, namely: Africa Bilateral, Africa Multilateral, Asia & Middle East, Multilateral, Americas and Caribbean, Europe, State Protocol Corporate Services, Human Resources and the Foreign Service Institute. Business plans of the various DFA units inform and are informed by the Strategic Plan. The plan is divided into three key performance areas (KPA), Medium-Term Priorities and Objectives, Service Delivery Improvement Plan and Resource Allocations per departmental programme. The first KPA comprises the following medium-term objectives: consolidation of the African agenda; South-South co-operation; global governance – political issues; global governance – socio-economic issues; and bilateral relations.

Leading from the identification of the above priority areas, the department designs an annual Service Delivery Improvement Plan that serves as an operational blueprint. Each KPA is underpinned by core objectives such as 'Strengthening the AU and its structures'. The achievement of these objectives is, in turn, measured by performance indicators such as 'the implementation of AU Summit decisions'. Within the DFA Strategic Plan, each objective is disaggregated into a set of critical issues. In the case of the objective of 'Strengthening the AU', for example, this is to be achieved by acting on 12 critical issues such as 'support for the Pan-African Parliament and establishing AU Financial Institutions'. The range and complexity of the Strategic Plan is indicated by the fact that the service delivery improvement plan enshrines some 40 objectives measured

against 225 performance indicators, underpinned by 403 critical issues.

Whilst there is a nominal degree of synchronicity in reporting between the Strategic Plan Service Delivery Improvement Plans and the Annual Report, little detail is provided in either document regarding the achievement of, or failure to meet, specific objectives, nor the degree to which performance indicators have been met. This can be fundamental, such as in the slippage in meeting targets for SADC restructuring and regional harmonisation. Furthermore, a discussion of the steps taken to address such variance is almost entirely absent from the narrative.

The foremost strategic priority for South Africa's international relations is the consolidation of the African Agenda. The African Agenda is also promoted through the pursuit of the other KPA's. The 2006-09 Strategic Plan asserts that the interests of the African continent are central to South Africa's foreign policy.

The future of South Africa is inextricably linked to that of Africa and the South. The Consolidation of the African Agenda, therefore, serves as a point of departure in our engagements with the international community.^b

The 2006-07 National Budget states that the department's engagement in Africa will continue to be anchored on strengthening the AU and its structures; promoting integration and development through SADC; promoting the implementation of the New Partnership for Africa's Development; supporting peace, security, stability and post-conflict reconstruction initiatives; and strengthening bilateral relations.^c

The policy priority given to consolidating the African Agenda is largely reflected within the Department's Foreign Relations budget illustrated below.

Programme Foreign Relations Expenditure Estimate (R000's)			
	2005-06	2006-07	% change
Africa	588 151	628 521	+ 7%
Asia and Australia	368 857	376 929	+ 2%
Americas and Europe	661 084	646 566	- 2%
Multilateral	130 454	131 830	+ 1%
Total	1 736 546	1 783 845	+ 3%
Source: RSA Department of Finance, 2006-2007 Appropriation Bill, Vote 3 Foreign Affairs			

Although the R628 million allocated to South Africa's foreign

relations with Africa is slightly less than the R646 million for the Americas and Europe, the latter missions are generally more expensive to operate than those in Africa. Furthermore, the increase in budget allocation for Africa far outstrips that of Asia and Australasia and contrasts with a decline in the allocation to the America's and Europe. In addition, manpower secondments to the AU representing about R155 million, (up from R80 million in 2005-06), as well as R150 million towards the recapitalisation of the African Renaissance Fund (up from R50 million in 2004-05 and R100 million in 2005-06) account for the bulk of the increase in international transfers. From January 2006 South Africa will pay for 15% of the AU budget. This leap in international transfers in favour of the AU is consistent with and supportive of the department achieving its goal of advancing the African Agenda.

A question must be raised, however, regarding the possible secondment of DFA personnel to the African Union when the department continues to suffer from personnel shortages. Similarly, whilst the secondment of DFA personnel to SADC and the SADC Secretariat is consistent with the department's institutional vision and mission, this ought not to be done at the expense of departmental functionality. South Africa cannot achieve its foreign policy objectives by weakening the personnel cohort of the DFA, no matter how laudable the intention. In this regard, no mention is made in DFA Strategic Plans or Annual Reports of how the experience acquired by seconded personnel will be used institutionally and in future policy formulation. It would be important that such regional, multilateral and pan-African experience is not lost to the department, but rather is fed back and integrated into the African and multilateral branches and their respective desks.

Critical Issue: DFA Personnel Capacity

Despite 12 years of transformative policies, marked personnel anomalies persist, the most glaring of which is the dearth of female career diplomatic Heads of Mission (HOM). Just three Heads of Mission are female career

diplomats. This contrasts with 39 male career diplomat Heads of Mission. A further peculiarity is the 51 HOM's that are political appointees, representing 55% of all HOM's. A crucial area of concern is the persistent high vacancy rate within the department despite the recent intensive two-year recruitment campaign. The extent of the problem is depicted below:

DFA Employment and vacancy rates by salary bands 31 March 2005			
Salary band	Number of posts	Number of posts filled	Vacancy rate %
Lower skilled	284	224	21
Skilled	271	149	45
Highly skilled production	996	442	56
Highly skilled supervision	1064	851	20
Senior management	231	206	11
Political office bearers	3	3	0
Total	2849	1875	34
Source: Republic of South Africa, Department of Foreign Affairs, Annual Report 2004/05.			

For the period 2005-06, almost 50% (47 out of 98) of all departures from the department were resignations. No reasons for resignations are provided in departmental reports, thus it is unclear what corrective measures are being, or can be, taken to bring down their number. The 2004-05 Annual Report notes that exit interviews will henceforth be conducted. During the same period, the turnover rate of skilled personnel was 46%. Given the departmental personnel shortages, together with the costs of professional recruitment and training, it is crucial to reduce resignations and retain key personnel. Departmental operations are also hampered by a proliferation of dispersed offices across Pretoria. In addition to the departmental inefficiencies this dispersal generates, it also limits inter-branch communication and encourages silo thinking. The construction of the new Head Office building in Pretoria (scheduled for completion in the 2007-08 financial year) is thus a welcome development. The department has also undertaken a skills audit, the results of which have not been made public. It will be important to bring appropriate resources to bear to plug the gaps identified within the skills audit.

Overall, it remains unclear whether South Africa's diplomatic service has the requisite skills to achieve its strategic objectives. For example,

French, Portuguese, Swahili and Arabic language proficiency are pre-requisites for effective diplomacy in many African countries. Spanish language skills in Latin America and Mandarin in China are pre-requisites, but no language proficiency figures are provided within DFA reports. Furthermore, a comprehensive understanding of trade and tariff

Expenditure on formal training and staff development has also grown substantially in recent years from R1.7 million in 2003-04 to R10.3 million for the 2006-07 period, with the number of employees undergoing training and skills development rising from 656 in 2003-04 to 1,630 for 2006-07.

Recommendations

To achieve its departmental vision and mission, the DFA must fill its managerial gaps particularly at the senior levels. As a short-term measure, the department could consider three-year secondments of senior retiring corporate executives and academics. An increasing number of senior South African businesspeople have extensive international business experience that can be usefully applied to South Africa's diplomatic missions and within Head Office. A number of senior retiring academics also possess appropriate experience, contacts and education that can be brought to bear for the benefit of the country.

Relatedly, closer international co-operation between the Department of Foreign Affairs and South African business is desirable. Many South African corporations have rapidly internationalised their operations since 1990, particularly in Africa and Asia and could usefully share their operational experiences with DFA officials, trainees and cadets. Conversely, there is a growing sense amongst governmental circles that South African business may not be taking seriously the government's foreign policy objectives, nor making a contribution to these objectives. Thus, closer and structured dialogue between South African business and the DFA could clarify positions and deliver considerable synergies.

Thirdly, a customer audit could be a valuable exercise to assess the degree to which the DFA is meeting and maximising its service role with key stakeholders such as travelling government and provincial officials, businesspeople and tourists.

Fourth, as part of its oversight role, the Parliamentary Portfolio Committee on Foreign Affairs (PCFA) could conduct an annual audit to assess the degree of achievement or variance against the objectives

set by the DFA. NGOs and foreign-policy think tanks can play a greater role in assisting parliament in its oversight role by researching the alignment between DFA Strategic Plans, Annual Reports, budgets and achievements of the DFA. Moreover, think tanks can make a valuable input into assessing South Africa's foreign policy formulation and strategic choices in support of the PCFA.

Linked to the above, it is important that parliament be given adequate time to assess the achievements and operations of the DFA in advance of the DFA budget presentations. Given the range of demands placed on MPs particularly at budget time, the PCFA requires time to read and analyse the DFA Annual Report and to conduct its variance assessment before the department makes its annual submission to the Committee. An institutional mechanism may be required to assess the steps taken to align activities with strategy. An institutional mechanism is also required between DFA and parliament to ensure that parliament's input is taken seriously and acted upon. In cases where parliament's input has not been accepted, adopted, adhered to, or acted upon, the reasons for this require clarification and discussion.

Finally, in order to achieve the vision of an integrated SADC and to prevent further protocol slippage, mechanisms between the DFA, the SADC Parliamentary Forum and the South African parliament need to be developed to ensure far greater cohesion and alignment between these key stakeholders.

Endnotes

^a Republic of South Africa Department of Foreign Affairs, Strategic Plan 2006-2009, p.108, Pretoria, undated.

^b Republic of South Africa Department of Foreign Affairs, Strategic Plan 2006-2009, p.8, Pretoria, undated.

^c Republic of South Africa Department of Finance, 2006-2007 Appropriation Bill, Vote 3 Foreign Affairs, pp.29-30, Pretoria, 2006.

^d Republic of South Africa Department of Foreign Affairs, Strategic Plan 2006-2009, pp.6-7, Pretoria, undated.

DFA Employment and Vacancies by Critical Occupation, 31 March 2005			
Critical occupations	Number of posts	Number of posts filled	Vacancy rate %
H.O.M.	110	94	14
Diplomatic Corps	785	405	48
Senior management	234	209	11
Total	1129	708	37

Source: Republic of South Africa, Department of Foreign Affairs, Annual Report 2004/05.

regimes is vital to DFA missions' commercial operations. As a middle-ranking developing country operating in a highly competitive global environment, South Africa should be rapidly expanding those foreign commercial and trading relations that will best help achieve its domestic growth and development imperatives. The 2006-09 Strategic Plan notes,

Economic diplomacy remains a priority for our officials in this complex global economic system ... South Africa's foreign policy incorporates economic diplomacy supportive of the Accelerated Shared Growth Initiative for South Africa (ASGISA) in order to grow the economy faster and create more jobs to address the challenge of poverty eradication.^d

But whilst the conceptual linkage between domestic and foreign policy priorities is fundamental, the DFA Strategic Plans and Annual Reports provide insufficient information as to how this is to be achieved. A welcome development, however, is the establishment of the Sub-Directorate for Economic Affairs and Regional Organisations in the Asia and Middle East Branch. This sub-Directorate has the expressed aim of supporting the objectives of the Accelerated and Shared Growth Initiative for South Africa (ASGISA), as well as enhancing South Africa's diplomatic efforts in Asia and the Middle East. Encouragingly too, the Foreign Service Institute has now been upgraded to a full-fledged branch of the department.