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Abbreviations and acronyms

ACCORD	The African Centre for the Constructive Resolution of Disputes
AfDB	African Development Bank
ANC	African National Congress
APF	Africa Partnership Forum
APRM	African Peer Review Mechanism
ARICF	African Renaissance and International Cooperation Fund
ARF	African Renaissance Fund
ASGISA	Accelerated and Shared Growth Initiative – South Africa
AU	African Union
AUC	African Union Commission
AUPSC	AU Peace and Security Council
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BLNS	Botswana, Lesotho, Namibia and Swaziland
BRICS	Brazil, Russia, India, China and South Africa
CABRI	Collaborative Africa Budget Reform Initiative
CIVCAP	civilian capacity
CCR	Centre for Conflict Resolution
CSI	corporate social investment
CSIR	Council for Scientific and Industrial Research
CSO	civil society organisation
CSR	corporate social responsibility
CSVr	Centre for the Study of Violence and Reconciliation
DAC	Development Assistance Committee
DBSA	Development Bank of Southern Africa
DFI	development finance institution
DFID	Department for International Development (UK)
DIRCO	Department of International Relations and Cooperation
DPME	Department for Performance Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DRC	Democratic Republic of Congo
DTI	Department of Trade and Industry
ECPLF	Economic Cooperation Promotion Loan Fund
EDD	Economic Development Department
EISA	Electoral Institute for Sustainable Democracy in Africa
EITI	Extractive Industries Transparency Initiative
FDI	foreign direct investment
G20	Group of Twenty
GDP	gross domestic product
GEAR	Growth, Employment and Redistribution
GNI	gross national income
HSRC	Human Sciences Research Council
IBSA	India, Brazil and South Africa
IDA	International Development Association
IDC	Industrial Development Corporation
IEC	Independent Electoral Commission
IFIs	international finance institutions
IGD	Institute for Global Dialogue
IJR	Institute for Justice and Reconciliation
IMF	International Monetary Fund
ISS	Institute for Security Studies
JSE	Johannesburg Stock Exchange

KP	Kimberley Process
LDC	Least Developed Country
M&E	monitoring and evaluation
MDC	Movement for Democratic Change
MDG	Millennium Development Goal
NBI	National Business Initiative
NDP	National Development Plan
NEPAD	New Partnership for Africa's Development
NGO	non-governmental organisation
NGP	New Growth Path
NOCPM	National Office for the Coordination of Peace Missions
NPC	National Planning Commission
NPCA	NEPAD Planning and Coordinating Agency
NPO	non-profit organisation
NPT	Non-Proliferation Treaty
NSC	North-South Cooperation
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
PALAMA	Public Administration Leadership and Management Academy
PCRD	post-conflict reconstruction and development
PFMA	Public Financial Management Act
PICI	Presidential Infrastructure Championing Initiative
PIDA	Programme for Infrastructure Development in Africa
RDP	Reconstruction and Development Programme
REC	regional economic community
SACU	Southern African Customs Union
SADC	Southern African Development Community
SADPA	South African Development Partnership Agency
SAIDA	South African International Development Agency
SAIIA	South African Institute of International Affairs
SARS	South African Revenue Service
SME	small and medium-sized enterprise
SOE	state-owned enterprise
SOP	Standard Operating Procedures
SSC	South-South Cooperation
TAU	Technical Assistance Unit (National Treasury)
TNC	transnational corporation
UN	United Nations
UNDP	United Nations Development Programme
UNGA	United Nations General Assembly
UNISA	University of South Africa
UNSC	United Nations Security Council
USAID	United States Agency for International Development
WB	World Bank
WEF	World Economic Forum
WIR	World Investment Report
WTO	World Trade Organization
ZAR	South African rand

1 Introduction

South Africa occupies an interesting position in the international development debate. On the one hand, as Africa's most developed, diversified and, until recently, largest economy representing close to one-third of sub-Saharan Africa's gross domestic product (GDP), it is an active player in numerous global governance and development fora, it maintains an extensive development partnership with the rest of Africa and is a member of the group of emerging countries, the Brazil-Russia-India-China-South Africa (BRICS) Forum. Yet, on the other hand, it positions itself within the developing world, insisting that South Africa is itself a developing state despite its wealth relative to the rest of the continent and other developing countries. Indeed, South Africa's middle-income status, ranking as the twenty-seventh largest economy in the world and with per capita income of US\$7,508, masks ongoing significant inequality and poverty in its society. In part, it is the outcome of the legacy of apartheid despite 20 years of freedom, but also the result of massive and endemic unemployment, extremely weak health indicators (which have only begun improving recently) and persistently poor technical skills and educational results. With reference to the latter, this has been the case despite consistently high levels of expenditure on education over many years. South Africa has spent on average around 5 per cent of its GDP on education over the past 20 and preceding seven years, reaching an all-time high of 6.07 per cent of GDP in 1993 (World Bank 2014). While South Africa has enjoyed the longest continuous economic upswing since 1999 (eNews Channel Africa 2013), with a brief interruption following the 2008 financial crisis, its annual growth rate has been insufficient to create the number of jobs required to seriously address its high unemployment rate of 25 per cent.¹ South Africa's 'job-less'² growth, despite numerous interventions to redress the past, is one of the biggest reasons for the perpetuation of severe societal inequality that mirrors racial divisions. This is evident in its high Gini coefficient of 0.70 in 2008 (Barrientos *et al.* 2013).³

It is against this background that South Africa has been both a recipient and a 'giver' of aid. According to the National Treasury (2012), South Africa receives around ZAR8bn (US\$1bn) a year of mainly European and United States (US) development assistance aimed primarily at the health and education sectors. This places South Africa among the top quintile of recipients of donor aid in Africa. While South Africa could not be described as donor-dependent, given that official development assistance (ODA) represents less than 1 per cent of its annual budget, this aid has been important in helping the South African government to find innovative ways to deal with some of the key socioeconomic challenges that the country faces. Indeed, most government departments use ODA as seed funding to pilot government initiatives, experiment and innovate, but also to leverage domestic resources and improve service delivery. It is also worth recognising that South African civil society organisations (CSOs) are highly dependent on overseas project grants as an important contribution to their operating income.

An important corollary to this narrative is that South Africa has also emerged as a key strategic partner for several Northern, but also Southern, partners. This is largely informed by its mineral wealth, but more importantly by the strategic position and role that it plays in the

¹ This represents the narrow or strict definition of unemployment, which represents only those people who take active steps to find employment but are unable to do so. According to the South African Reserve Bank, the expanded definition of unemployment translates into a 35 per cent unemployment rate and includes everyone who desires employment, irrespective of whether or not they actively try to obtain a position.

² While new jobs have been created in certain sectors of the economy, this has not been sufficient to mop up the vast number of unemployed. It is also important to note that there have been net job losses in the textile and leather industries and other low manufacturing sectors.

³ The Gini coefficient for South Africa varies between 0.6 and 0.7, with the World Bank indicating that the Gini Index for South Africa was 63.4 in 2009 when it was last measured.

rest of Africa.⁴ This is apparent in its various political and economic engagements in the region and the pivotal role that it has historically played since 1994 as an economic hub and a gateway to the rest of Africa. While this position is increasingly being challenged by other emerging gateways to the rest of Africa such as Kenya, Ethiopia, Nigeria and Senegal, South Africa's sophisticated banking system and well-developed and diversified economy and infrastructure provide it with a historic comparative advantage relative to its peers.

A study conducted by the South African Institute of International Affairs (SAIIA) in 2008 found that over half of South African government departments are involved in providing development assistance in one form or another to the region (Braude, Thandrayan and Sidiropoulos 2008). By 2004, it was estimated that a total of US\$1.6bn of South African donor assistance had been provided to the rest of the region since the mid-1990s (Chin and Quadir 2012). But even these figures are under dispute, given that this process has been largely demand-driven and evolved incrementally without a central coordinating mechanism in place; hence, the current discourse and process underway in South Africa to establish a South African Development Partnership Agency (SADPA) to act as a central coordinating body through which South Africa's various aid interventions would be channelled.

During the course of this research, it became very clear that South Africa cannot be regarded as a 'donor country' or a 'provider of development assistance' in the mould of the definition of donors used by the Organisation for Economic Co-operation and Development-Development Assistance Committee (OECD-DAC). The OECD-DAC criteria of development aid sit uneasily with both the actual activities that South Africa undertakes in the region, and conceptually do not square with South Africa's world view. Rather, South Africa's development interventions in the region are framed within the broad interpretation of South-South cooperation as articulated in the United Nations Buenos Aires Plan of Action (BAPA) of 1978 and the High-level UN Conference on South-South Cooperation in Nairobi in 2009. As noted by Simplicio *et al.* (2013: 23) and by Besharati (2013a), South-South cooperation 'operates on the foundational principles of solidarity, non-interference and mutual benefit which comprise the sharing of knowledge and experiences, training, technology transfer, financial and monetary cooperation and in-kind contributions, among the developing nations'. This approach suggests an exchange of resources, technical expertise, peer learning and cooperation based on a common definition of partnership. It is thus no surprise that the South African government is wary of describing itself as a donor country and even the name of its 'donor agency' reflects this unease, having changed from the initially conceptualised South African International Development Agency (SAIDA) to SADPA, which emphasises partnership (Besharati 2013b).

As will be noted below, a great number of South Africa's 'development interventions' in its region fall under the broad rubric of peace-building, conflict mediation, post-conflict reconstruction and stabilisation of the region in partnership with mainly African actors and often under a UN and/or African Union (AU) mandate. These types of interventions are not regarded as aid contributions under the traditional DAC framework. Nonetheless, it is a prominent feature of South Africa's support to the stability and development of Africa.

South Africa is among the biggest African contributors to multilateral peacekeeping operations through the AU and the UN. It has been involved in peacekeeping operations in countries as diverse as Burundi, Central African Republic, Comoros, Côte d'Ivoire, Democratic Republic of Congo (DRC), Liberia and South Sudan. Importantly, apart from providing peacekeepers on the ground, South Africa has invested heavily in regional mediation and institution-building efforts in Africa. Of the former, its engagement in DRC has been the most extensive and ongoing. It has chosen continental initiatives and institutions

⁴ South Africa is the only African country with which the European Union has established a strategic partnership, the EU-South African strategic partnership, while China has also entered into a strategic partnership with South Africa.

focused on the development and stabilisation of Africa as the key vehicles through which it has pursued its 'development partnership agenda' and the re-emergence or 'renaissance' of Africa.

2 South Africa's historical role in international development cooperation

South Africa's regional approach and focus on peace-building, regional stabilisation and the preference for 'African solutions for African problems' (which is better formulated as 'African ownership and partnership') should be understood against the broader backdrop of South Africa's historical destabilisation role in the region pre-1994. In this respect, South Africa views its engagement as servicing a 'debt' towards the region for its support for the liberation struggle in South Africa. It is also informed by a strong sentiment of enlightened self-interest, namely the realisation that South Africa cannot prosper in a region that is immersed in a 'sea of poverty'. Numerous South African government statements also emphasise that peace, security and stability are absolute prerequisites for development. So how has South Africa's approach towards development partnership with the region developed?

Over the past 20 years, South Africa's approach has shifted significantly from the initial position of broad rhetoric, as stated in the pre-1994 African National Congress (ANC) election manifesto. The former emphasised: rejoining the international community and playing a part in a 'worldwide campaign for democracy, human rights, peace and nuclear disarmament'; working for 'just economic and social relations between the developed industrial nations and the developing countries'; recognising that 'our destiny is intertwined with that of Southern Africa'; and lastly, 'build[ing] extensive links with countries of Africa and work[ing] with other states to ensure that the continent is not ignored by the rest of humankind' (African National Congress 1994).

By 2004, under the heading 'Africa and the World', the ANC election manifesto identified the following key objectives for the ANC-led government's engagement globally (African National Congress 2004):

- Work with others, speed up economic integration in Southern Africa and strengthen democracy, peace, stability as well as economic growth and development; and in particular, devote time and resources to assist in social normalisation and economic reconstruction in Zimbabwe, Democratic Republic of the Congo, Angola and Swaziland.
- Ensure realisation of the Constitutive Act of the African Union and implementation of the New Partnership for Africa's Development (NEPAD), including the setting up of the Pan African Parliament and other institutions and systems, as well as co-operation with civil society, to promote development, prevent conflicts and ensure the rapid resolution of such conflicts when they occur.
- Improve co-operation among countries of the South, in terms of economic relations, socio-political programmes and efforts to ensure peace and equitable global relations.
- Strengthen economic and other relations with industrialised countries, including inward investment and tourism, trade and transfer of skills and technology.
- Promote a collective multilateral approach to global challenges, and work for the democratisation of the United Nations, International Monetary Fund (IMF), World Bank and other global institutions, and ensure that development and environmental goals of humanity are pursued and met.

South Africa's relations with the rest of Africa and Africa's engagement with the rest of the world emerged as a central pillar of South Africa's foreign policy. Today, it is framed as South Africa's *African Agenda* in the strategic plan of the South African Department of International Relations and Cooperation (DIRCO). (The name change of the department from the South

African Department of Foreign Affairs followed in 2009⁵ after the ANC Polokwane conference in 2007 recommended the establishment of a dedicated South African agency to coordinate South Africa's donor partnership activities.)

The trajectory of South Africa's development partnership agenda will be explored in further depth below. However, some initial principles guiding this agenda are apparent from the various ANC policy conference resolutions, government policy papers and various initiatives launched by the South African government over the past two decades. They are:

- South Africa prioritises Africa in its development partnership agenda with a few small exceptions – this is a result of both enlightened self-interest (as noted before, a stable and prosperous region ensures a stable and prosperous South Africa) and a historical debt owed to the region for the support extended to the ANC during the apartheid years. In more recent years, a need has been identified by various stakeholders (including Parliament) for a more national interest-driven development partnership agenda, ensuring that South Africa's peace and development interventions in the region also bring home economic and other benefits for South African society and that it responds to the threat of 'rising competition' in its own hinterland – mainly from other major emerging countries, but also regional competitors such as Nigeria, Angola and others.
- Conflict resolution and mediation in the mould of the South African model has emerged as a key tool for South Africa to prepare the foundation for its development initiatives. Combined with the reform of African institutions to be more responsive to the needs of Africa's citizens, South Africa is working hard to place the African continent on a more sustainable development path.
- Regional approaches to development and the strengthening of regional institutions and initiatives (such as the AU, South African Development Community (SADC), NEPAD and the African Peer Review Mechanism (APRM)) to play a constructive developmental and stabilising role have been prioritised and help to ensure African ownership in South Africa's development partnership interventions.
- While North-South collaboration is strongly supported by South Africa, and has proven crucial for the execution of a substantial part of South Africa's development initiatives – mainly through the vehicle of trilateral cooperation – South-South cooperation is the primary feature of South Africa's development cooperation agenda.
- South Africa views the limits imposed by the reform of traditional global development institutions, along with the rise of key economies in the South, as a potential opportunity for the establishment of complementary or alternative institutions, policies and processes that can assist Africa's development cause, also given the size of the 'development investment' that is required in Africa – the discourse around the BRICS (Brazil, Russia, India, China and South Africa) development bank should be understood in this context.
- South Africa's international engagement efforts and 'activism' on behalf of Africa (in bodies such as the Group of Twenty (G20), and the Bretton Woods and UN institutions) are directed at rebalancing the current global framework to allow the creation of a more enabling environment for African development. This is about strengthening Africa's voice in global discourses that are fundamental to Africa's future development trajectory, stability and prosperity.
- South Africa aligns itself with the global South in its world view, self-actualisation and mode of engagement. It is reluctant to describe its development interventions as 'donor aid', or to describe itself as a donor. Instead, a discourse that prefers cooperation above assistance and partnership over a donor-recipient relationship

⁵ This happened after President Jacob Zuma assumed the presidency. The name change was motivated by the need to reflect more closely the dual role that South Africa wanted to incorporate in its foreign affairs department.

features prominently in the South African debate. The term ‘development partner’⁶ is the preferred, but also the more appropriate, term to describe South Africa’s development activities.

- South Africa is hesitant to engage in any endeavour that might constrain both its own and Africa’s policy space for development,⁷ hence the significant emphasis in its external outreach – also in the global development policy discourse – on partnership, ownership and common goals, but, importantly, differential responsibilities. South Africa has followed the aid effectiveness debate closely as an engaged observer, recognising that there are important lessons to be drawn from the experience of Northern donors. However, it is fundamentally interested in development effectiveness, and more importantly that there should be a much stronger emphasis on development partnership in the global context that levels the playing fields regarding opportunities available for trade and investment in developing countries. More trade and investment complemented by more aid should be utilised to enable Africa to participate fully in its own development.
- SADPA provides an opportunity for South Africa to professionalise and systematise its approach. More importantly, SADPA also presents an opportunity to work more closely with civil society and other actors outside government on South Africa’s regional capacity-building and South-South cooperation efforts. South Africa’s epistemic community focusing on South Africa’s foreign relations (and in particular South Africa’s *African Agenda*) could play an important complementary role in supporting its partnership with the region. SADPA therefore offers a unique opportunity to leverage the total South African offering and capacity in this area – including civilian, private sector and state-driven capacities.
- Yet, South Africa still faces deep and systemic internal development and poverty challenges, which both inhibit and determine its ability to act as a development partner towards the region; it also strongly informs the internal public discourse about South Africa’s development partnership agenda. However, it should be noted that South Africans are not completely adverse towards a donor partnership role for South Africa in its region, as borne out by the Ipsos Markinor foreign policy survey that was conducted on behalf of the University of Stellenbosch (Van der Westhuizen and Smith 2013).
- Lastly, there is space for closer collaboration between the South African government and other South African actors, such as business, to improve the impact of South Africa’s various development partnership interventions in the region. The South African private sector is very active in the region, covering among others the retail, telecommunications, manufacturing, banking and mining sectors. For many years it was the most significant foreign investor in the region, but it is facing increasing competition from other market and non-market players. Its ability to play a supportive role in the South African government’s development partnership outreach is under-utilised. Much still needs to be done to foster a closer public–private partnership in South Africa’s development partnership approach towards the region.

The above formulation explores, to a certain extent, the potential and the limitations of South Africa’s current approach. While coherence is intimated in the above extrapolation, the reality on the ground is that the absence of a central coordinating development partnership agency alongside limited coordination, consultation and cooperation among government departments and other key stakeholders, such as the private and non-governmental sector,

⁶ An alternative term to describe emerging ‘donor countries’, Southern Provider, stems from a meeting convened by the Indian Ministry of External Affairs and the UN Department of Economic and Social Affairs (UNDESA) in April 2013.

⁷ This is broader than development of course. It is mainly in the economic policy space, where certain initiatives (for example at World Trade Organization (WTO) level) by Northern countries are perceived as potentially constraining South Africa’s policy space, such as the Singapore issues. The Intellectual Property Rights (IPR) debate is another one, as are the bilateral investment treaties (BITs), which South Africa perceives as protecting foreign companies and reducing the scope for ‘redress’ the government would like to have through Black Economic Empowerment (BEE) and local content procurement.

pose a significant challenge to South Africa's development partnership agenda and the efficacy of its interventions.

2.1 Evolution of the country's development partnership and cooperation agenda

2.1.1 The South African Constitution: justiciable socioeconomic rights

While an analysis of the discourse on development in South Africa and ODA to South Africa generally tends to include a document review of the key ANC policy documents in the form of manifestos, resolutions, government strategy documents and the White Paper on foreign policy, it is useful to start with the South African Constitution, and in particular, the enshrinement of the concept of 'socioeconomic rights' or social justice as a fundamental principle of post-apartheid society.⁸ Indeed, the Constitution embraces the concept that individuals are only fully able to participate in society if they are enabled to exercise their full and complete political, civil and socioeconomic rights (Heyns and Brand 1998: 157):

The Preamble to the Constitution starts by recognising the injustices of the past, and then sets out national objectives, including the goal of establishing 'a society based on democratic values, social justice and fundamental human rights'. Thereafter a wide range of socio-economic rights are recognised alongside civil and political rights as human rights in the Bill of Rights. The very structure of the Bill of Rights is designed to emphasise the fact that socio-economic rights in the South African Bill of Rights are part and parcel of the wider concept of human rights. Socio-economic rights are not listed separately under their own heading or even grouped together – they are interspersed between the other rights, on an equal level, emphasising the interdependence and indivisibility of the different generations of rights.

This approach was adopted against the backdrop of the widespread discriminatory political and social policies of pre-1994 South Africa. While Heyns and Brand (1998) note that 'the inclusion of socio-economic rights as justiciable rights in a national constitution is a relatively recent development and the scale on which this was done in the South African Constitution is certainly unique', what is extraordinary is the lengths to which South Africa has gone to export these norms into the broader global setting – with specific reference to Africa's historical place in the global community. This is situated in a sometimes emotive discourse of 'global apartheid' where Africa, like the rest of the developing world, has frequently found itself marginalised and excluded. To borrow from Marco Vieira (2012), these themes have been translated in terms of Southern norms as the notion of 'distributive justice', where 'the reorganisation of international governance structures [occurs] in a way that they would promote a more equitable distribution of wealth and political participation of the developing world'. South Africa has consistently worked towards a levelling of the global playing field to enable Africa to develop and prosper.⁹

As noted by Charlotte McClain-Nhlapo (2005: 71), a Commissioner of the South African Human Rights Commission, during a UN dialogue in 2005 on achieving the internationally agreed development goals:

In conclusion, if we are serious about meeting the first MDG [Millennium Development Goal], we must ensure good governance, the rule of law, solid

⁸ See Bill of Rights, Constitution of the Republic of South Africa, No 108 of 1996, www.gov.za/documents/constitution/1996/a108-96.pdf.

⁹ The importance of socioeconomic rights for South Africa in the global context has also been taken by South Africa to the UN Human Rights Council. Its frustration with Europe and the US is that they place far greater emphasis on the civil and political dimensions of human rights and not enough on the socioeconomic dimension.

democratic institutions... Furthermore, these components need to be complemented by a vibrant civil society... [and] the political will to act and provide sufficient resources. And where states are not able to meet these through their own resources, then they must request international assistance... The impressive commitments made by many African leaders to pursue economic and political reforms are heartening. Through NEPAD, they will continue the agenda for the continent's renewal... Moreover, in order to ensure that Africa advances more towards reaching the MDGs we will have to have fairer access to trade, improved donor harmonization and coordination as well as deeper debt relief, and an increase in aid to sub-Saharan Africa.

However, it is useful to briefly reflect on South Africa's internal development discourse and institutions before considering further how South Africa has engaged internationally on development.

2.1.2 South Africa's internal development discourse and development frameworks

Faced with severe societal poverty and inequality when the new ANC-led government took power, the government developed successive elaborate poverty reduction and development strategies. Each of these was accompanied by an extensive state architecture to support the roll-out of these strategies. The first of these was the adoption of the Reconstruction and Development Programme (RDP), which was underpinned by the establishment of the RDP Ministry under the leadership of Minister Jay Naidoo reporting directly to the president. However, the unwieldiness of the plan, its prohibitive cost against the backdrop of the empty state coffers that the new ANC-led government inherited and its perceived business-unfriendliness led to the replacement of the programme with the Growth, Employment and Redistribution (GEAR) strategy in 1996.

GEAR focused mainly on restoring macroeconomic stability in South Africa while supporting employment creation, growth and poverty reduction through the rapid liberalisation of the South African trade and financial markets. The more leftist elements of the ANC support base (especially the trade unions) vehemently opposed GEAR, considering it a neoliberal, 'Washington Consensus'-type policy. While GEAR achieved some successes, by 2005 it was replaced by the Accelerated and Shared Growth Initiative (ASGISA), which focused on removing the binding constraints that were hampering economic growth and job creation – especially in the 'second economy'.

The latest iteration of South Africa's internal development architecture focused on macroeconomic policy is the establishment of the Department of Economic Development. Furthermore, under President Zuma, the presidency has become even more central to South Africa's national development framework with the establishment of two new bodies: the National Planning Commission, led by Minister Trevor Manuel (the former South African finance minister) and the Department for Performance Monitoring and Evaluation (DPME), led by Minister Collins Chabane. The National Development Plan (NDP), a 2030 strategy with clear targets to eliminate poverty and support job creation, is the outcome of the National Planning Commission (National Planning Commission 2011).

The Department of Economic Development developed the New Growth Path (NGP), a macroeconomic strategy that aims to create five million jobs through a social compact between business, the unions and government. A key pillar of the NGP is significant public investment in infrastructure of around 10 per cent of GDP per year. However, it is important to note that South Africa's development planning processes are not always well coordinated, despite these elaborate overarching development frameworks. This is largely the result of a lack of coordination and a 'silo-based' approach between government departments. The presidency tries to overcome these hurdles through the adoption of an outcomes-based

approach focused on 12 national priorities stemming from the ANC election manifesto — hence the importance of the DPME. But one of the biggest hurdles to the efficacy of the country's ambitious job creation strategies is the lack of partnership between the South African private and government sectors. The significance of this lack of cooperation is also evident in South Africa's development partnership initiatives in the region.

The most significant failures of South Africa's various development initiatives since 1994 are, arguably, its weak educational outcomes and insufficient employment creation. With an unemployment rate of 25 per cent, a critical side-narrative that has accompanied the development of an overarching internal development framework for South Africa has been the expansive roll-out of social grants since 1994 targeting the most poor and vulnerable in society (Patel 2005; Devereux 2011).¹⁰ Under the auspices of the Department of Social Welfare, 3.5 per cent of South Africa's GDP is currently spent on social assistance programmes. This forms an interesting comparison with Brazil, whose social assistance programmes represent 2 per cent of its GDP (Barrientos *et al.* 2013). More worrying though, is the fact that the outcomes in South Africa of the expansion of the social welfare system are far less positive than those in Brazil related to both the level of inequality and the number of people who have escaped the poverty trap.

Additional policy interventions by the South African government to achieve broader redistribution of wealth were the introduction of land restitution policies and Black Economic Empowerment (BEE) through the adoption of the BEE Act of 2003. The latter intends to engineer the transfer of 25 per cent of the country's productive assets to previously disadvantaged communities while also transforming the South African labour market and wealth through the introduction of charters, score cards and quotas, and preferential access to government procurement. Some of the key criticisms of BEE, but also against increasing government intervention in the economy, are efficiency losses, policy uncertainty and, more critically, increasing corruption. While BEE has resulted in the establishment of a new black minority elite with close ties to the government, it still fundamentally excludes the most disadvantaged members of society. The government intends to address this gap through the implementation of the Broad-Based Black Economic Empowerment Act No 46 of 2013.

2.1.3 Moving towards a 'developmental state'

There have been growing incidences of stronger state intervention in the South African economy in an attempt to address the slow rate of growth and employment. This has been articulated as the need to reframe the South African state and society into a 'developmental state'. A 'developmental state' traditionally refers to the Asian development model followed by countries such as Japan, Taiwan, South Korea and China – where a strong and capable state intervenes significantly in the economy through regulation, the protection of infant industries and support of state-owned enterprises (SOEs) to grow local manufacturing and exports – essentially supporting export-led economic development and industrialisation. There is significant concern about whether South Africa is able to replicate this approach, especially as many of the main interventions in the Asian development model took place against a backdrop of authoritarianism and/or limited political rights. The 'developmental state' approach is considered as a way to advocate an even greater role for the state in the economy; however, the structure of the South African economy, the nature of South Africa's political and social culture, the inefficiencies apparent in its various SOEs, as well as

¹⁰ Devereux notes that Patel (2005, cited in Devereux 2011: 415) posits that the 'developmental perspective to social welfare in South Africa is... rooted in a rights-based approach' and that in this sense South Africa's approach to social protection is exceptional in that there is a recognition that 'social protection can be both a policy instrument for development and a vehicle for achieving political objectives – such as social justice for all' (Devereux 2011: 415). Furthermore, the Taylor Committee of Inquiry into a Comprehensive System of Social Security for South Africa noted, in arriving at a definition of comprehensive social protection, '[that] it is broader than the traditional concept of social security' incorporating 'development strategies and programmes designed to ensure, collectively, at least a minimum acceptable living standard for all citizens'.

increasing service delivery failures at municipal and community level, raise questions about such an approach (Besharati 2013b; Ncube, Shimeles and Verdier-Chouchane 2012).

This discourse about a 'developmental state' has been translated by authors such as Landsberg (2005: 723-4) into the foreign policy terrain, suggesting that South Africa's external engagement should be interpreted as a 'developmental foreign policy'. His article on South Africa's 'developmental foreign policy' raises interesting perspectives on how South Africa needs to engage the external community on both its own and Africa's development challenges. He essentially posits that 'the broader African condition depicts much of the same characteristics of poverty and inequality as that of South Africa'. This implies that the South African foreign policy community ought 'to engage the international community – [i.e.]... the industrialized North and the developing South... in a way that deliberately tries to help address [South Africa's] national condition, and the African condition'.

In considering whether this approach to South Africa's foreign policy is relevant, it is useful to look at how South Africa has addressed the African condition more broadly since 1994 – given that this has been a key terrain for its external engagement.

2.1.4 South Africa and Africa's development: the centrality of peace and stability

As noted by Besharati (2013b) and Sidiropoulos (2012), one of the first undertakings by the South African government in 1994 was to forgive the debt owed to it by Namibia, Swaziland and Mozambique of around ZAR3bn. More importantly, the pre-1994 South African government's decision to return the South African territorial enclave, the port of Walvis Bay, to the newly independent Namibia following pressure from the ANC, underwrote the new South African government's intention to set post-1994 South Africa's relationship with Africa on a completely new footing void of its hegemonic and colonialist past.¹¹ This bold initiative has continued to set the tone for the way that South Africa engages with the rest of Africa.

As Africa's most sophisticated economy, South Africa looms politically and economically large in African affairs – both regionally and globally. South Africa has adopted a strategy that demonstrates decisive leadership in African initiatives, while at the same time taking care – unfortunately not always with success – not to be cast as a regional hegemon or bully only interested in advancing its own interests or dominating the rest of the region. South Africa's quiet diplomacy towards its region has been supported by an elaborate regional strategy. This included contributing significantly to the development of a novel architecture that formulated new principles, guided continental processes and reformed existing institutions alongside the establishment of new bodies that set out the rules of engagement, processes and institutions of African transcontinental cooperation. However, South Africa's first and primary priority was, and arguably continues to be, contributing towards peace in its own region.

It was clear very early in the life of South Africa's democratic dispensation and its various forays into the region that the South African government considered peace and stability as an absolute *sine qua non* for development in Africa, but also for its own development. Thus South Africa's expansive efforts in regional peace-building over the past 20 years in Burundi, DRC, Sudan, Somalia and, less successfully in Côte d'Ivoire and Angola, and more controversially in Zimbabwe, are a lasting testament to this belief.

Put simplistically, the South African government's mode of engagement in conflict zones closely mirrors that of its own internal transition. This entails the preference for negotiation

¹¹ The Walvis Bay port facilities, Namibia's only deep-water port, were jointly managed by a Joint Administrative Authority established by South Africa and Namibia after Namibian independence. South Africa transferred control over the port enclave to the Namibian authorities on 1 March 1994, shortly before South Africa's first democratic elections in 1994.

over military intervention as the preferred mode of engagement, an all-inclusive process (engaging all the contesting parties) and, lastly, an inclusive political settlement that essentially delivers a two-step transition: first, a 'government of national unity' arrived at either through political settlement or election, working together on the formulation of a new constitution, followed by a second election under the new constitution where hopefully a decisive, and not necessarily an inclusive, winner emerges. While these types of interventions do not fit the accepted definition of ODA precisely, it is the area where most South African government resources have been channelled over the past 20 years and it is the most prominent area where South Africa has established its credentials both regionally and globally as a country that invests in the stability and development of its region.

In the early years post-1994, under the presidency of Nelson Mandela, a great deal of emphasis was placed on the reintegration of South Africa into the global community following over 30 years of increased isolation. South Africa became a key advocate of nuclear and weapon disarmament, resulting in the indefinite extension of the Non-Proliferation Treaty (NPT) and the signing and adoption of the Ottawa Treaty on de-mining. In many respects, South Africa established itself during this period as an important bridge-builder, acting as a responsible middle power and utilising the moral authority of its peaceful transition to garner significant support for its foreign initiatives in the interest of global peace and development.

2.1.5 Contributing towards African institutions and frameworks to stabilise the region: reaching out to the developed North

However, it was under the presidency of Thabo Mbeki from 1999 onwards that the South African government's engagements globally and in the rest of Africa elaborated far more explicitly its vision to play a constructive role in the development and stability of the continent. Its approach was comprehensive — straddling both bilateral and regional initiatives. The efforts of putting the entire continent on a more sustainable growth path were most clearly manifested in the role that South Africa played in engineering the reform of the Organisation of African Unity (OAU), which led to the establishment of the African Union (AU) in Durban in 2002. This was preceded by the adoption of the New Partnership for Africa's Development (NEPAD) in July 2001 by the African heads of state and government as 'the AU's socio-economic development programme... designed to operationalise the vision and the principles of the [AU] Constitutive Act' (Malcomson 2004: 11).

The adoption of NEPAD signified a clear example of enlightened and decisive leadership and effective African coalition-building focused on placing Africa's engagement with the North on a new footing. It was the outcome of close cooperation and trade-offs under the guidance of South Africa's Thabo Mbeki, Nigeria's Olusegun Obasanjo, Senegal's Abdoulaye Wade and Algeria's Abdelaziz Bouteflika. But even more noteworthy within the context of this paper, NEPAD also signalled a redefinition of Africa's historical donor-recipient engagement with its traditional donors to one that is much more strongly founded on the principle of joint partnership. This became very apparent in the North-South outreach initiatives that manifested themselves following the Kananaskis G8 Summit hosted by the Canadian government in 2002, which included for the first time a G8 outreach to Africa through the adoption of the African Action Plan. As noted in the G8 Africa Plan (2002: 1), the G8 leaders responded directly to the key points put forward by NEPAD:

We, the Heads of State and Government of eight major industrialised democracies and the Representatives of the European Union, meeting with African Leaders at Kananaskis, welcome the initiative taken by African States in adopting the *New Partnership for Africa's Development* (NEPAD), a bold and clear-sighted vision of Africa's development. We accept the invitation from African Leaders, extended first at Genoa last July and reaffirmed in the NEPAD, to build a new partnership between the countries of Africa and our own, based on mutual responsibility and respect. The NEPAD provides an historic opportunity to overcome obstacles to development in

Africa. Our Africa Action Plan is the G8's initial response, designed to encourage the imaginative effort that underlies the NEPAD and to lay a solid foundation for future cooperation.

This outreach to Africa was formalised at the G8 Evian Summit in June 2003 in France with the establishment of the Africa Partnership Forum (APF), which consists of the personal representatives of the heads of state or government of the members of NEPAD, other African institutions and Africa's major multilateral and bilateral development partners.¹² The Forum is an extension of the consultative process between the G8 and the NEPAD-initiating African heads of state. It initially met twice a year, but a decision was taken at the 21st meeting of APF in Senegal on 27 November 2013 to reduce the meetings to an annual meeting. South Africa, as a key African country representative and supporter of NEPAD, has been an active participant in all subsequent G8 outreach initiatives to Africa, at first purely 'representing African interests'.

This role subsequently expanded with an outreach invitation extended by Prime Minister Tony Blair to South Africa as part of the emerging group of countries, Brazil, China, India and Mexico – known as the Outreach 5 – to the Gleneagles Summit in 2005. Following the 2008 financial crisis, the G20 (in which South Africa is the only African country represented) became the premier international forum for engagement on key global economic governance challenges. The first G20 Summit was hosted by President Bush on 14-15 November 2008 in Washington.

2.1.6 South Africa's contributions to African instruments and regional development institutions

In setting new precedents on how African countries could become more stable, South Africa was also instrumental in setting up the voluntarily based African Peer Review Mechanism (APRM) under the auspices of NEPAD. The APRM enables ongoing review of the performance of member countries by peers through significant civil society participation in four core sectoral areas, namely: political; economic; socioeconomic; and corporate governance. The APRM is also partly the result of a tempering of South Africa's human rights agenda in the rest of the region following the strident criticism that South Africa endured when President Mandela publicly called for sanctions against the Sani Abacha regime in Nigeria following the execution of the writer Ken Saro-Wiwa and the Ongoni activists.¹³

A key outcome that was posited in the founding document of the APRM is an Africa that is on a more sustainable, peaceful development and shared-growth path. More importantly, it emphasises the value of peer learning from appropriate and African best-practice examples (rather than the importing of ideas that are not appropriate to African conditions), thereby underwriting a key principle in South Africa's foreign policy – namely of South-South cooperation, learning and partnership. Importantly, the launch of the AU and the introduction of the APRM signified for the first time a substantial move away from the hallowed and absolute principle in Africa of sovereignty as one of non-interference in the affairs of other nation states towards a more nuanced interpretation of non-indifference.

It is worth noting that South Africa is the biggest contributor to NEPAD. It provides ZAR35m a year to this initiative. Two-thirds of its contribution is to the NEPAD Planning and Coordinating Agency (NPCA), while one-third goes towards supporting the APRM initiative. It also hosts the NPCA, providing premises, equipment and tax exemptions to the agency and its staff. South Africa has also in the past provided high-level secondments to the NEPAD agency, including the first chief executive officer (CEO), Professor Wiseman Nkhulu, a

¹² See www.africapartnershipforum.org/50086000.pdf.

¹³ The writer and environmental activist Ken Saro-Wiwa and the Ongoni activists were executed for treason despite efforts by President Mandela to negotiate an amnesty for them during and following their military trial.

former economic adviser to President Thabo Mbeki. South Africa also provides active support to another body of the AU, the Pan-African Parliament, in a similar manner.

Other regional commitments by South Africa towards African institution-building include its engagement within the Southern African Customs Union (SACU) framework. SACU is the oldest customs union in the world. Established in 1910 to compensate for South Africa's economic dominance in the region, its members include (apart from South Africa) Botswana, Namibia, Lesotho and Swaziland, the so-called BNLS states. South Africa contributes yearly around 98 per cent of SACU's common revenue pool. Three of the members (Botswana is the exception) also share a currency union with South Africa. SACU is based on a revenue-sharing agreement that disproportionately favours the four smaller members, with South Africa transferring the bulk of its customs duties to its neighbours. In the 2009/10 budget this represented more than 1 per cent of its GDP or US\$3bn. While South Africa's transfers are not recognised as development assistance, it is worth noting that the SACU transfers constitute 50–70 per cent of the revenue of countries like Swaziland and Lesotho and 15–30 per cent of revenue in Namibia and Botswana. As noted by Vickers (2012), South Africa has recently requested a renegotiation of the SACU revenue-sharing formula to enable a more equitable distribution of revenues. Moreover, it proposed a shift from general revenue transfers to a regional development fund in support of regional infrastructure and industrial capacity.

South Africa is also the biggest contributor to the Southern African Development Community (SADC), providing 20 per cent of the 15-member regional institution's operational budget. It is an active participant in SADC peace-building and regional integration efforts. A South African secondment currently occupies one of the Deputy Executive Secretary posts in Gaborone, the seat of the SADC secretariat.

South Africa is also the biggest contributor to the AU budget, transferring ZAR150–200m a year to the AU, representing 15 per cent of the organisation's budget. South Africa more recently, but also controversially, successfully fielded a candidate for the Chair of the AU Commission (AUC). Minister Nkosazana Zuma, the former minister of Home Affairs and Foreign Affairs and the first female representative in this role in the 50-year history of the OAU/AU, assumed this post in 2013.

All of the above initiatives demonstrate the primacy of Africa in South Africa's external engagement, but also the South African government's strong belief in the principle of subsidiarity. This underpins its efforts to strengthen regional institutions and initiatives to deal with regional concerns. It has also informed its efforts to improve cooperation between the UN Security Council (UNSC) and the AU Peace and Security Council (AUPSC) as noted further below.

2.1.7 South Africa and the MDGs: common commitments, differential responsibilities and the need for reform of traditional development institutions

Over the past 20 years, South Africa has worked with other like-minded countries on the adoption of the Millennium Development Goals (MDGs) as a key global priority to alleviate poverty, especially in the Least Developed Countries (LDCs). It is actively engaging in the development of the post-2015 development agenda, having co-chaired the special event on achieving the MDGs at the 68th UN General Assembly (UNGA) meeting on 24 September 2013. However, here it is important to note that South Africa positions its engagement in the post-2015 development agenda in the context of its own development aspirations, as well as those of the developing South, particularly Africa (Department of International Relations and Cooperation 2013b):

We also wish to emphasise that any development agenda beyond 2015 must be based on the principle of Common but Differential Responsibilities in order to equalise the international playing field. We raise this point out of concern because it appears that the global economic meltdown has brought about new developments that are detrimental to the developing world, especially Africa. Some of the new developments include the tendency to renegotiate the rules of the game... We wish to emphasise as well our expectations that the developed North and the developing South should continue to engage in a genuine partnership.

President Zuma continued by observing that it is important that developed countries meet their commitment to the developing world to contribute 0.7 per cent of their gross national income (GNI) towards ODA. He furthermore noted that to delegate 'some of these new historical responsibilities to new emerging economies in the South is unacceptable and unworkable as such emerging nations have their own historical challenges and backlogs to deal with'.

It is against this background that South Africa's active role in global aid effectiveness meetings in Paris, Accra and Busan, and serving on the Working Party on Aid Effectiveness hosted by the OECD, should be assessed. While not a member of the OECD, South Africa enjoys 'observer' status and has diplomats at its Paris mission assigned to monitor OECD-DAC meetings of relevance and interest to the country (Besharati 2013b). From an OECD standpoint, South Africa is a key partner for 'enhanced engagement' as part of the K5 countries – namely Brazil, China, India, Indonesia and South Africa.

South Africa has also played an active role in calls for the reform of key global development institutions such as the World Bank (WB) and the International Monetary Fund (IMF). While the WTO cannot be described as a development institution in the traditional sense, the Doha Development Round and its ultimate failure in many respects illustrated how difficult it is to square the development and economic growth aspirations of the developing world within the strictures of the current global rules of the game. In this context, South Africa also began to recognise some of the limitations of working within traditional global development finance institutions. Reform of the IMF and the WB has not necessarily strengthened the voice of the developing world in those institutions. In fact, in the case of the IMF, South Africa's influence and voice was weakened as its voting share was reduced. This brought to the fore the need to consider alternative ways to engage on global development concerns where South Africa has a particular interest, such as in the case of Africa.

2.1.8 South Africa and South-South cooperation

Parallel to the emergence of greater North-South engagement around key African priorities, the South African government also responded to the emergence of key economies from the South. Its approach was sparked primarily by the increasing engagement by China since the mid-1990s in South Africa's own region. China's influence in Africa manifested itself not only in the building of sport stadiums, houses of parliament and presidential palaces following several high-profile and regular visits by the Chinese leadership, but more significantly in the expansion of trade and investment, particularly in Africa's mineral and energy complex.

The global rise of China and associated realignment of relative power and influence did not go unnoticed in South Africa. However, it is also the rise of two other major economies in the South, India and Brazil, that was seized upon particularly during the Mbeki presidency to align South Africa with a group of emerging democracies that are willing to accept a global role and responsibility with respect to their regions. This culminated in the establishment of the India-Brazil-South Africa (IBSA) Forum. However, the establishment of BRIC (Brazil, Russia, India and China) under the impetus of Russian President Medvedev in 2009 led to intensive lobbying by the South African government for South Africa to be part of this group of emerging economies. South Africa was admitted to the grouping in 2011, thereby ensuring

that a representative from every developing region is now part of the group and also, as some would argue, enhancing the group's credibility to speak on behalf of the developing world.

In tracing the trajectory of the international development discourse of South Africa over the past 20 years, it is interesting to note that there are at least three key themes that emerge.

First, South Africa positions itself squarely in the South (or in the developing world). In positioning itself in this region, it identifies both with its plight and global marginalisation.

Second, by positioning itself in this geographic sphere it also assumes a particular role, namely that of actively addressing the marginalisation of the developing world, in particular Africa. In the same way that the ANC fought against apartheid, South Africa has taken up the cudgels against what it regards as 'global apartheid' – the unequal global playing field that faces Africa and prevents it from fully participating as an equal in the global community. Thus it acts as an advocate for and on behalf of Africa.

Third, South Africa's actions and its engagement with global development frameworks also position it as a bridge-builder between North and South through various global engagement initiatives. However, this role might change as South Africa assesses the value of aligning itself with the rising South.

3 Institutional framework

3.1 Rationale for the establishment of a dedicated agency

Like many other rising development partners, South Africa is hardly a new provider of development assistance. Dreher, Fuchs and Nunnenkamp (2013: 403) suggest that what is 'new' is 'rather the attention that these donors receive in the public debate'. Indeed, South Africa has a long-standing track record of providing development assistance to the rest of Africa which predates its democratic transition of 1994. As noted by Barber and Barratt (1990), Braude *et al.* (2008) and Vickers (2012), the South African white minority government utilised both multilateral and bilateral assistance in the hope of countering its growing economic and political isolation following its exit from the Commonwealth in 1961. In the following three decades South Africa provided mainly bilateral assistance to African countries such as Swaziland, Malawi, Lesotho, Côte d'Ivoire, Equatorial Guinea, Comoros and Zaire (present-day DRC), but also Paraguay, in an effort to secure if not outright political and economic support – particularly for its anti-communist campaign against the backdrop of Cold War rivalry on the continent – at least tolerance and non-interference in its affairs. The main vehicle for the channelling of this support was the Economic Cooperation Promotion Loan Fund (ECPLF), which was located in the Department of Foreign Affairs, the precursor of the Department of International Relations and Cooperation (DIRCO) (Besharati 2013b). Internally, South Africa also provided 'external assistance' to the 'homelands', so-called quasi-independent but internationally unrecognised 'black states' located within South Africa's borders, in which black South Africans were expected to express their political aspirations.

The Development Bank of Southern Africa (DBSA), a key South African development finance institution through which present-day South Africa engages in regional and bilateral development projects, had its origin here.¹⁴ Established in 1983, it was mainly responsible for providing technical assistance to the homelands, to support the expansion of their hard and soft infrastructure as well as small business and medium-sized enterprise development.

However, South Africa's rejoining of the international community post-1994, and the formation of its ambitious *African Agenda* under the Mandela but more specifically the Mbeki presidencies, prompted a hasty rethink of the instruments available to South Africa to see this agenda through. By 2000, the African Renaissance and International Cooperation Fund (ARICF) – also known as ARF – had been set up by an Act of Parliament to replace the ECPLF. Located in the Department of Foreign Affairs, the fund had initial capital of US\$30m, a residual of the remaining funds of the ECPLF (Vickers 2012). The Act also made provision for the annual replenishment of the fund through parliamentary allocations and the provision of a rolling budget to enable the building up of capital and reserves through funds that were not spent in a particular budget year.

Both Vickers (2012) and Besharati (2013b) suggest that the ARF was explicitly a **foreign policy tool**. This is an important observation with respect to the future role of the much-mooted SADPA. The elaboration of the objectives of the ARF, as set out in its 2011 annual report, bears this out, namely: supporting cooperation between South Africa and other countries; promoting democracy and good governance; preventing conflict and assisting with conflict resolution; supporting socioeconomic development and integration; providing humanitarian assistance and disaster relief in Africa; and lastly, providing technical assistance and capacity building, specifically in terms of human resource development,

¹⁴ As noted by Besharati (2013b), the DBSA Act was reviewed in 1997 to expand its mandate to development projects in Southern Africa.

management training and scholarships (Department of International Relations and Cooperation 2011a).

Besharati (2013b: 19) goes further and remarks that the 'fund was envisioned **not** [our emphasis] as an instrument to provide aid but rather to establish partnerships, demonstrate solidarity and support the economic empowerment of Africa'. This approach positions South Africa's development approach squarely within the South-South cooperation discourse. Indeed, an overview of the types of activities that received support from the ARF seems to bear this out, namely support to South Africa's participation in the AU observer mission to the Sudan general elections, election support to Zimbabwe, implementation of bilateral agreements with African partner countries, support of peace processes in Burundi and DRC, post-conflict reconstruction activities in DRC and Comoros, humanitarian assistance to various African countries, and a range of public administration capacity building activities in fragile states in Africa. Notably, it also included support to small business development initiatives through the Southern African Development Community (SADC) Chamber of Commerce and Industry.

The management structure of the ARF consisted of an Advisory Committee made up of seven members who were all from government departments, namely five representatives from DIRCO, one representative from the National Treasury and one representative from the Department of Trade and Industry. The Advisory Committee was chaired by the Director General of DIRCO who recommended projects for approval to the Minister of Finance and the Minister of International Relations and Cooperation (Vickers 2012).

While some argue that the disbursements of the ARF constituted only 3–4 per cent of South Africa's entire development cooperation, it is worth noting that the annual disbursements rose to around ZAR200–300m a year (Braude *et al.* 2008; Besharati 2013b). In addition, cooperation with trilateral (mainly Northern) partners had boosted the capacity and the reach of the ARF significantly. To ensure alignment with South Africa's *African Agenda*, the ARF was located in the same section where the NEPAD division was in DIRCO to ensure close cooperation and synergy with South Africa's NEPAD objectives.

Despite the 'success' of the ARF to enable the mobilisation of funds for priorities in the region and as a foreign policy tool, some observers note that its operational framework had a significant impact on its operational efficiency and capacity, as well as on its transparency and strategic focus.

Vickers (2012) suggests that *first*, the absence of a project management office and clear methodology aligned with South Africa's foreign policy objectives had a significant impact on the identification and selection of projects and South Africa's strategic positioning – resulting in a process and approach that tended to be both *ad hoc* and reactive. *Second*, there seemed to be significant delays in the disbursement of ARF grants because of poor coordination between the two lead ministries. This was exacerbated by the lack of effective monitoring and impact assessment of the projects in recipient countries. The lack of effective oversight was aggravated by the lack of capacity and appropriate skill-sets in South African embassies that are tasked with this mandate in recipient countries. This has resulted in a lack of consultation with affected stakeholders and the strategic location of these engagements in a developmental framework. *Third*, there is significant criticism that the peace dividend that was the outcome of South Africa's elaborate, comprehensive and costly peace-building efforts in the region had not translated into a financial dividend to South Africa through more trade, access to markets and resources or opportunities to participate in large infrastructure projects. Qobo (2010) noted that *South Africa Inc* in particular remained and continues to remain excluded from major capital projects in the region that are financed by international finance institutions (IFIs) such as the World Bank. As discussed later in this report, this is partly the result of the absence of a strategic partnership between the government and the private sector that could both harness and bolster the full competencies

of South Africa as an effective development partner in the region, and partly also the nature of South Africa's development finance. *Lastly*, Besharati offers additional shortcomings, namely a focus on disbursements rather than on carefully tracking expenditure, and more importantly, a lack of transparency that has led to serious accusations by opposition parties in Parliament that the fund is '[propping] up rogue states and countries with a history of human rights abuses' (PMG 2011, cited in Besharati 2013b: 33). These shortcomings and criticisms offer useful lessons for the future conceptualisation and operationalisation of SADPA.

However, with this latter criticism in mind it is also worth reflecting whether the South African government employs the principles of solidarity and 'non-interference' in all its engagements in the region. The request for a ZAR2.5bn loan by the government of Swaziland in 2011 to South Africa is instructive. South Africa granted the request but attached a range of conditions to the loan. These included compliance with fiscal and technical reforms required by the IMF; confidence-building measures by the Swazi government; capacity building support from South Africa; and lastly, cooperation on multilateral issues. As noted by Vickers (2012), the most political of these conditionalities was a request by the South African government for the initiation of a domestic dialogue in Swaziland towards political reform with clear milestones and timeframes. The Swaziland government eventually opted not to take up the loan. South Africa has taken a much more lenient approach towards Zimbabwe, although a public outcry followed in 2013 when Tendai Biti, the Finance Minister (from the Movement for Democratic Change (MDC)) under the Global Political Agreement, announced that South Africa had approved a US\$100m loan to support the Zimbabwe elections. South African government officials responded by saying that the terms were still under discussion. It is unclear whether the loan was extended to the Zimbabwe government in the end.

3.1.1 Diverse actors in South Africa's development partnerships and assistance

Before discussing the structure, modalities and mandate of SADPA it is useful to reflect why the ARF – arguably historically South Africa's premier official development assistance tool – is regarded as having contributed so little to South Africa's overall offering.

The reason for this is that there are a diverse group of public institutions, but also private institutions, that have been involved in South African development activities in the rest of Africa. As noted earlier, the South African Institute of International Affairs study found that almost half of South Africa's government departments were engaged in one or other form of international cooperation (Braude *et al.* 2008). These included the obvious candidates, such as the departments of Public Service and Administration (through exchanges and capacity building); Education (mainly through the provision of bursaries and scholarships); Defence (through support to regional peacekeeping operations); and Trade and Industry. However, other less obvious departments are also included, such as Mineral Resources, Science and Technology; Justice and Constitutional Development (although this seems obvious given the significant need to provide assistance in post-conflict state-building and restorative justice in the region); the Police Service; Agriculture; Energy; Public Works; and lastly, Public Enterprises. Apart from direct bilateral line department cooperation, there are numerous South African public institutions and bodies, including parastatals, that provide developmental support to countries in the region. These include the Public Administration Leadership and Management Academy (PALAMA), the Council for Scientific and Industrial Research (CSIR), Statistics South Africa, the South African Revenue Service (SARS) and the Reserve Bank – mainly providing technical support and capacity building – the National Research Foundation, as well as SOEs including DBSA (already mentioned), the Industrial Development Corporation (IDC), Eskom, Telkom, Portnet and Transnet (Besharati 2013b).

The accumulation of these individual interventions alongside the totality of South Africa's peacekeeping, electoral and regional support have led the authors of an internal Treasury

review conducted among all line departments in 2006 to conclude that South Africa's 'ODA' is comparable with countries such as Sweden and Norway. Alden and Le Pere (2010) calculated that in 2004 South Africa's public and private outflows to Africa amounted to ZAR1.6bn, while another study suggested that by 2006, South Africa's total development assistance was closer to US\$363–475m or 0.18 per cent of the country's GDP, and 0.36 per cent if SACU transfers were included (Braude *et al.* 2008). More recent assessments have revised the estimates significantly upwards to respectively 0.7 per cent (Vickers 2012) and 1 per cent (Grimm 2011) of the country's GNI, suggesting that South Africa is surpassing even the ODA target set for traditional donors.

However, these figures have to be dealt with circumspectly given the underlying data gaps, as well as some disputes about whether some of the data included here (such as South Africa's transfers to the SACU member states) constitute a real contribution to development assistance, even though South African government officials might view it in this way (Maphalala 2007).¹⁵ More importantly, in terms of the OECD-DAC definition of aid, there clearly are different definitions of what constitutes South African development assistance. These differences become less important when considering South Africa's development cooperation offering from a South-South cooperation definitional standpoint. Nevertheless, there is no disputing the fact that South Africa is Africa's leading African development assistance partner.

3.2 The South African Development Partnership Agency

The establishment of a South African Development Partnership Agency (SADPA) was first mooted at the ANC's July 2007 preparatory policy conference and then subsequently formally adopted during the 52nd National Conference in Polokwane the same year. As noted in resolution 21 and 22 (ANC 2007):

(21) The idea of a Developmental Partnership is one of the key strategies that could assist the ANC and government in pursuit of our vision for a better Africa. The Development Partnership will enhance our agenda on international relations which rests on three pillars namely; (i) consolidation of the African agenda, (ii) South-South and (iii) North-South cooperation.

(22) The national budgetary processes should commit the necessary resources to such a developmental partnership. The fund should be located in the Department of Foreign Affairs [later renamed Department of International Relations and Cooperation] as is the current situation, functioning as the African Renaissance Fund.

The adoption of the resolutions was informed by recognition of the need to rationalise and coordinate South Africa's various development interventions more effectively (Department of International Relations and Cooperation 2012). A wide-ranging consultation process followed over the next five years, which included several peer learning visits to development agencies in the North and in the South, the commissioning of a variety of studies and papers, as well as external and internal consultations within the interdepartmental cluster on international relations and cooperation, trade and security, and with the South African Parliament to develop a business case for the establishment of SADPA. Besharati (2013b: 34) notes that in South Africa's peer learning approach, 'special attention was given to models of development assistance in post-conflict environments, as this... [was] particularly relevant to the African context'. While the South African Parliament approved the initial concept note and framework in December 2009 a great deal of work followed, led by DIRCO and the Technical Assistance

¹⁵ Trevor Manuel, the South African Minister of Finance, urged the revisiting of the SACU revenue-sharing agreement following the surge in South African imports resulting in the transfer of R14.1bn to the Botswana, Lesotho, Namibia and Swaziland (BLNS) economies in the financial year to March 2007. One SARS senior official commented that, 'This is development aid disguised as revenue sharing.'

Unit (TAU) of the National Treasury, to identify the best model for the establishment of SADPA as a public entity.

Informed by the aforementioned wide-ranging consultation process, a business case for SADPA was presented to an interdepartmental evaluation committee consisting of the departments of International Relations and Cooperation, Finance, and Public Service and Administration recommending the establishment of the agency as a 'Section 3a public entity'. The proposal was adopted by the ministers of the relevant departments in April 2012. While the proposal called for the establishment of a separate agency under the Public Service Amendment Act, 2007 (Act 30 of 2007), it also proposed the creation of a new Partnership Fund for Development, which would repeal the ARF and transfer its assets and funds to the newly established fund (Besharati 2013b; Vickers 2012; Department of International Relations and Cooperation 2013a).

According to Besharati (2013b), an initial draft bill to Parliament to effect the proposed recommendations was first rejected by Parliament, but then re-tabled and approved in December 2012. Nonetheless, while the Department of Public Service and Administration (DPSA) has apparently prepared a proclamation for the establishment of the agency to be signed by the president and for publication in the Government Gazette during the course of 2013, this has not yet happened.¹⁶ According to the annual departmental report (Department of International Relations and Cooperation 2013a), the reason for the delay is largely because of the required approval processes to establish such an entity. However, it seems the technical work has continued to prepare an Institutional, Strategic and Operations framework for SADPA, which would include 'a human-resource plan and competency framework, medium-term budget, programming portfolios, strategic framework, operational systems, policy guidelines, legal procedures, tools and instruments for project design, monitoring and evaluation (M&E), and a financial accountability of SADPA' (Besharati 2013b: 35; Vickers 2012; Department of International Relations and Cooperation 2013a).

3.3 Structure, decision-making processes, financing and accountability mechanisms

While SADPA will be established as a separate agency of government, it will operate under the executive authority of the Minister of International Relations and Cooperation and thus will receive its policy direction from DIRCO.¹⁷ As noted in the DIRCO (2012, Part 3: 16) *Annual Report 2011 – 2012*, the main objectives and functions of SADPA will be as follows:

- The agency will be responsible for all South Africa's outgoing international development cooperation and assistance, including bilateral, trilateral and multilateral partnerships with countries, development institutions, civil society and the private sector.
- The agency will coordinate operational policy formulation on South African development cooperation and ensure coherence through government departments.
- The agency will utilise the Partnership Fund for Development to support the financial commitments of development cooperation initiatives, programmes and projects.

In addition to the above objectives and functions, SADPA's role was further elaborated through the addition of three more objectives in a formal DIRCO (2013c) response to Parliament, namely:

¹⁶ Neither the Bill nor the Act has been gazetted at the time of writing of this report.

¹⁷ As noted in the *Annual Report 2012–2013* (DIRCO 2013a, Part E: 2), 'DIRCO will continue to assume its responsibilities for South Africa's foreign relations and for policy matters, while the agency's role will focus on the development, delivery and management of all South Africa's outgoing development cooperation.'

- Conduct an annual accountability audit and M&E for all South Africa's outgoing development co-operation.
- Ensure effective management and administration of the Partnership Fund for Development.
- Promote and market SADPA and its projects.

While the formal structures and decision-making processes will remain unclear until the promulgation of the SADPA Bill and the Partnership Fund for Development Bill, the contours of the lines of authority and decision-making seem to be largely informed by some of the accountability gaps that characterised the operationalisation of the ARF, as well as the adoption of best practice prevalent in the Standard Operating Procedures (SOPs) of several development cooperation agencies – both in the North and in the South. As noted in a Parliamentary Monitoring Group report (2011), it is expected that SADPA would operate under the direct political oversight of one of DIRCO's two deputy ministers, but nonetheless operate as a semi-autonomous government agency whose executive head, at the level of deputy director general, would report directly to the DIRCO director general. The body is expected to be governed by an advisory board of 11 members who would include representatives from the Treasury, the Department of Trade and Industry (DTI), the Department of Science and Technology, the presidency and DIRCO. It is also suggested that provision would be made for representation by academia, labour and business, alongside other technical experts on the board. The advisory board would meet on a quarterly basis to review proposals and progress of projects, as well as to approve budgets and plans. Moreover, the agency itself would be staffed initially by around 20 staff members, including development specialists, legal and financial management experts and diplomats, increasing to 50 staff members in the longer term.

As noted earlier, SADPA is expected to inherit the existing funding of the ARF, which is assessed to be around ZAR1bn. In addition, it will receive a yearly allocation of ZAR500m through parliamentary appropriation in line with the current ARF arrangement, with the understanding that unused funds may be rolled over into the next funding period, thus allowing the Agency to build its funding base over time (Besharati 2013b). Vickers (2012) notes that the income of the Partnership Fund for Development would also be supported by loan repayments, accumulated interest, investments, revenue from projects, and public and private donations and contributions (through the private sector, philanthropic and charitable organisations and investors).

More importantly, contributions from foreign donors are expected to make up the bulk of the funding at the disposal of SADPA. Besharati (2013b) suggests that the ratio of domestic funds managed by SADPA may be greatly eclipsed by foreign funding coming into the fund under a trilateral cooperation framework. While many of South Africa's previous flagship South-South cooperation projects would not have been possible without the support of foreign funders, this does raise a question about the level of donor influence in the engagement of South Africa.¹⁸ It is unclear whether SADPA will become the main agency through which all of South Africa's contributions towards South-South cooperation and development initiatives would be channelled, such as South Africa's annual contribution to the IBSA Fund trilateral cooperation fund or South Africa's numerous contributions to multilateral institutions or humanitarian organisations. What is clear though is that very few of South Africa's government departments are expected to willingly give up their wide-ranging international engagement in regional capacity building initiatives, having developed substantial international cooperation departments within their bureaucracies.

¹⁸ Many of South Africa's flagship South-South cooperation initiatives, such as the South African police training throughout Africa or the engagement of PALAMA in regional capacity building, would not have happened without significant foreign donor support. The South African Police capacity building project in Sudan was, for example, made possible by Norwegian support. Also note Besharati (2013b).

Will the establishment of SADPA make a substantial difference to the way that South Africa has traditionally engaged in South-South cooperation initiatives? While Besharati (2013b) argues that SADPA, in essence, corresponds very closely to the ARF both in substance and form, Vickers (2012) suggests that it will introduce significant improvements in its approach and management of South Africa's South-South cooperation. Specifically, the inclusion of a clearly defined assessment methodology, which would include a more rigorous assessment of impact through closer monitoring and evaluation of cooperation activities,¹⁹ accompanied by the framing of all development cooperation projects in bilateral agreements between South Africa and its partners, would contribute substantially towards countering the *ad hoc* approach that characterised the ARF contributions, while also encouraging local ownership among partners. Perhaps more interestingly, Vickers (2012) argues that the broader funding base of SADPA, with much more significant participation by external funders, would encourage South Africa to prioritise projects that would support its good governance agenda in the region alongside its focus on institutional capacity building in Africa. SADPA would thus emerge as a vehicle to enhance South Africa's normative and soft-power role in the region.²⁰ Lastly, he posits that SADPA's approach and activities would be guided by the African Platform for Development Effectiveness adopted in the run-up to Busan 2011.

While broadly speaking this assessment is valid, given that South Africa's key focus is on the continent and it would surely be guided by the demands of its African partners, it should be noted that South Africa, alongside other Southern providers, is hesitant to be locked into a development cooperation framework that transfers responsibilities to it on a par with traditional donors; therefore, the insertion into the Busan declaration of voluntary participation by Southern providers alongside the proviso that while they would be working towards common goals they would have differential responsibilities. Hence, any attempt to allocate the same type of responsibilities or aid effectiveness methodologies to South Africa as those allocated to Northern providers would be approached with caution. However, Besharati (2013b: 51) suggests that the most important factor which should not be overlooked in placing SADPA on a very different path than that of its predecessor, is the quality of its staff and whether the recruitment process 'will be done in a competitive, thorough and fair manner, without political interference'. SADPA provides an opportunity for South Africa to professionalise and systematise its approach. More importantly, given that SADPA has also identified the need to work closely with civil society and other actors outside government on South Africa's regional capacity building and South-South cooperation efforts, SADPA offers a unique opportunity to leverage the total South African offering and capacity in this area – including civilian, private sector and state-driven capacities.

3.4 Implementation mechanisms (e.g. bilateral, trilateral, multilateral)

South Africa's development and South-South cooperation has traditionally been exercised through a variety of actors and modes of engagement. South Africa is a regular contributor to concessional lending institutions with a focus on Africa, such as the World Bank (WB) and the African Development Bank (AfDB). It is a permanent member and third largest shareholder (after the United States and Japan) in the AfDB and the only African contributor to the AfDB's African Development Fund.²¹ South Africa is also the only African country that contributes to the funding base of the International Development Association (IDA), a WB development facility for low-income countries. In addition, South Africa contributes to a range

¹⁹ Here it is important to note that the indicators need to be developed against which to measure impact. Emerging development partners do not wish to be evaluated against externally created indicators.

²⁰ His point is that because SADPA would not be acting as a grant-maker and dispenser of funds in the primary instance, given the diverse origin of its funding base, but rather acting in a facilitating role to channel funds through financial institutions, it would encourage South Africa to support projects with this objective in mind.

²¹ The AfDB Fund is 99 per cent funded by Northern donors.

of multilateral funds and facilities – such as the Commonwealth Fund for Technical Cooperation, the Vaccination Fund and the Global Environmental Trust Fund (Vickers 2012).

The 2011 South African White Paper (Department of International Relations and Cooperation 2011b) on foreign policy notes:

The South African Development Partnership Agency (SADPA) will be an important instrument to promote more effective development cooperation. It will therefore pursue bilateral cooperation with African countries as well as trilateral cooperation with international partners in support of African development.

As noted earlier, many of South Africa's South-South capacity building initiatives would not have been possible without trilateral cooperation support from other partners, mainly Northern donors. It is noteworthy in this respect that the DIRCO *Annual Report 2011–2012* indicates under its outcome area for Technical and Development Cooperation that trilateral cooperation arrangements have been explored with 15 [foreign] development agencies, and in-principle agreements have been reached for trilateral cooperation. Indeed, a cursory review of the country assistance programmes of some of the key donor agencies involved in South Africa, such as the United States Agency for International Development (USAID) and the Japan International Cooperation Agency (JICA), in addition to comments from donor representatives during the course of this research, indicate substantial interest and commitment to support South Africa's cooperation activities in the region.²²

Key institutions and mechanisms employed include the ARF, which has already been discussed, a range of government departments as noted earlier, including a dedicated Peacekeeping Fund of the Department of Defence, and also statutory bodies such as the Independent Electoral Commission, the Human Sciences Research Council (HSRC), the National Research Foundation, the PALAMA, SARS, the Reserve Bank, and Statistics South Africa. SARS in particular is regarded as a world leader in the way that it manages revenue collection, customs management and domestic resource mobilisation. It is thus no surprise that South Africa is an engaged partner in the Collaborative Africa Budget Reform Initiative (CABRI) and in the African Tax Administration Forum. The Reserve Bank likewise plays a key role in the C-10 (representing the Committee of Ten African Ministers of Finance and Central Bank Governors) while Statistics South Africa has been instrumental, with the help of the AfDB, in strengthening data collection and statistical analysis. South Africa's strengths in public financial management are also evident in its development finance institutions, which are at the forefront of South Africa's development cooperation efforts. The most important among these are the Development Bank of Southern Africa (DBSA) and the Industrial Development Corporation (IDC). While South Africa has pursued South-South trilateral cooperation initiatives with countries like Cuba and Vietnam in the rest of Africa (Besharati 2013b), the most prominent example of South African participation in trilateral South-South cooperation is its participation in the IBSA Fund for Poverty and Hunger Alleviation. However, more recently, South Africa is also part of a discussion on the establishment of a BRICS Development Bank. The establishment of such a bank could potentially have far-reaching consequences for Africa (should its mandate include projects outside of the BRICS members), given the huge infrastructure needs on the continent.

3.4.1 DBSA and the IDC

Both the DBSA and the IDC have a broader remit than South Africa, having been established initially to support development initiatives in South Africa. Their regional assistance has been mainly through infrastructure development and loans. Both have units dedicated to providing assistance to NEPAD and the *African Agenda*.

²² See JICA *Country Assistance Policy for the Republic of South Africa*, December, 2012 and USAID, *Country Development Cooperation Strategy, Public Version, Fiscal Year 2013-2017*, South Africa, April 2013.

The IDC, established in 1940 to foster industrial development in South Africa, has a private sector focus with an interest in mining and beneficiation, agro-processing, tourism, public–private partnerships, health care, infrastructure and manufacturing. It began its operations outside South Africa in 1998. According to its 2012 annual report, the IDC approved an estimated ZAR20.1bn in funding projects in the rest of the continent from 2001 to 2010. By March 2013, the IDC’s exposure towards the rest of Africa stood at ZAR6.8bn in more than 20 countries. A breakdown of key projects in 2012 provides a broad overview of the spread of activities involving the IDC across the continent (Industrial Development Corporation 2012).²³

Table 3.1 Overview of range of IDC projects in the rest of Africa, 2012

Country	Sector
Angola	Energy
Botswana	Tourism
DRC	Franchising
Ethiopia	Agriculture and agro-processing
Ghana	ICT, tourism
Kenya	Energy, agriculture and agro-processing
Malawi	Franchising, agriculture and agro-processing
Mauritius	ICT
Mozambique	Agriculture and agro-processing, mining, energy, franchising
Namibia	Manufacturing, agriculture and agro-processing, mining
Senegal	Infrastructure
Sudan	Infrastructure
Swaziland	Financial services, agriculture and agro-processing, manufacturing
Tanzania	Agriculture and agro-processing
Uganda	Tourism
Zambia	Health care, transport and logistics
Zimbabwe	Financial services, mining

Source: Adapted from Industrial Development Corporation (2012).

Some of the key projects include the building of its flagship project Mozal in Mozambique (1998–2000 for phase 1 and 2001–2003 for phase 2), the construction of a hydroelectric plant in Cahora Bassa in Mozambique (2008), a hospital in Zambia (2009) and a cement factory in Namibia (2010) (Besharati 2013b). The IDC also provides training through its Operational Training Unit to development finance institutions from the rest of the continent, having trained staff from 17 institutions from the rest of Africa in 2013 (Industrial Development Corporation 2013). It has a cooperation agreement with the Brazilian Development Bank, Banco Nacional de Desenvolvimento Econômico Social (BNDES), with the view to support joint financing of projects in Africa.

The DBSA has a stronger public sector focus and has financed infrastructure projects elsewhere in the region between 2006 and 2009 to the tune of ZAR60bn — mainly in energy, telecommunications, mining, transport, water, manufacturing and health (Sidiropoulos 2012). A media release by the DBSA (2011) predicted that its annual Africa investment approvals would exceed US\$1bn by 2011 – mainly focusing on the transport sector. This was confirmed by its 2012 annual report, which reflected a loan book of ZAR10bn a year to Africa (Development Bank of Southern Africa 2012). The DBSA, alongside the Treasury, structures development loans and sovereign lending to countries in the region. It is able to leverage its

²³ At this time the IDC was involved in 41 projects in 17 countries mainly related to mining, industrial infrastructure, agro-processing and tourism (mainly hotels).

own funds with credit lines from other development finance institutions including from Germany, France and Japan. Besharati (2013b: 44) notes that while its funding is neither concessional nor as competitive as commercial loans, the DBSA 'offers a project preparation facility and a package of technical assistance, research and scoping grants, which make it an attractive local loan provider'. More importantly, it works closely with the well-integrated South African banking system. Discussions are currently underway to establish a Development Bank International, which will extend the bank's remit to the entire continent. It is expected that the DBSA will be a key partner of SADPA in South Africa's development cooperation, with the possibility of working closely together in the same way that the German Kreditanstalt fuer Wiederaufbau and GIZ work together. Besharati (*ibid.*: 44) suggests that the DBSA 'could potentially be one of the external financiers of SADPA as well as an implementer of its activities, and SADPA could cushion the DBSA's loans through the provision of concessional grants and technical assistance'. This makes the case for strong technical and financial capacities within SADPA.

3.4.2 The IBSA Fund

Established in June 2003 under the leadership of the Singh, Lula and Mbeki administrations, the India-Brazil-South Africa (IBSA) Dialogue Forum represents an important platform to strengthen political and economic cooperation between these Southern democracies. Regarded as a novel form of South-South cooperation, the three countries share a broad interest in the reform of the global governance agenda, with a particular focus on trade, finance, climate change and security. All three countries also aspire to permanent seats on an expanded UN Security Council. IBSA, which is underpinned by an informal dialogue approach, has established a strongly embedded functional cooperation over the past ten years with 16 technical working groups operating cross-sectorally on a number of objectives. The functional cooperation is underpinned by 20 agreements to support these objectives. Heads of government meet every two years, with the last summit supposed to have taken place in the latter half of 2013 in India, although it was postponed.

IBSA launched the IBSA Fund for Poverty and Hunger Alleviation in 2004 (which became operational in 2006) with the view to sharing and supporting innovative approaches towards combating poverty and hunger in developing countries. The substantive South-South principles that underpin the IBSA Fund include: national ownership, mutual benefit, horizontality and equality, non-conditionality, and complementarity to North-South Cooperation (NSC) (Simplicio *et al.* 2013). The IBSA Fund also utilises ten substantive criteria through which proposed projects are assessed. These include:

- reduction of poverty and hunger
- national ownership and leadership
- South-South cooperation
- use of IBSA country capacities
- strengthening of local capacity
- ownership
- sustainability
- identifiable impact
- replicability
- innovation.

South Africa, like the other IBSA members, contributes US\$1m per year to the Fund, which is managed by the United Nations Development Programme (UNDP) Special Unit for South-South Cooperation and overseen by officials from the three countries in New York. The IBSA Fund has raised US\$25.2m since its establishment in 2004 and has allocated US\$17.6m to 16 different projects. The contributions to projects have covered the following sectors: agriculture (29.6 per cent), livelihoods/waste management (22.5 per cent), health care (20 per cent), water (9.8 per cent), youth and sport (6.5 per cent), governance and security (6.1

per cent) and renewable energy (5.3 per cent). In addition, projects in Africa received 45.4 per cent of the funds, while 19.2 per cent was spent in Asia, 12.8 per cent in the Arab world and 22.3 per cent in Latin America. Around 73.7 per cent of the recipients were classified as LDCs, while the remaining 26.3 per cent were other developing countries (Simplicio *et al.* 2013).

Projects are not executed by IBSA members only, rather various UN agencies and other partners are involved, with a strong emphasis on local ownership. Projects in Guinea-Bissau, Cape Verde, Cambodia, Occupied Palestinian Territory, Sierra Leone, Laos and Burundi that have received support have been diverse, covering activities such as reducing violence in urban slums and delivering safe drinking water (Vickers 2012). The IBSA Fund has received several awards. However, there are some concerns that the channelling of funds through the UNDP increases the administration costs of the projects significantly (Besharati 2013a). More importantly, with the establishment of BRICS, which is much closer to the ideal of a G8 of the South, there are increasing questions, despite remonstrations to the contrary, about the continued relevance of IBSA (Al Doyaili, Freytag and Draper 2013; Mokoena 2007; Shubin 2013). However, Sidiropoulos suggests that there might be room for these 'three large pluralistic, multi-cultural and multi-racial societies from three continents' that are committed to 'inclusive sustainable development, in pursuit of the well-being for their peoples' to focus on developing a stronger caucus within the BRICS on priorities identified within the BRICS' (IBSA 2011, cited in Sidiropoulos 2013: 285–6).²⁴ It is still too early to tell whether the IBSA countries are coalescing around common positions in the BRICS.

3.4.3 The BRICS Bank

South Africa is a latecomer to the BRICS Forum established in 2009, having only joined the grouping in 2011. The outcome of an extensive lobbying process by South Africa, President Zuma was invited by President Hu Jintao to attend the 3rd BRIC summit in China in April 2011 (Shubin 2013). There have been reservations about South Africa's membership of the club given the relative size of its economy, its population size and relative political and economic clout, and questions about whether it could really be considered a 'rising emerging economy'. South Africa was certainly not part of the BRIC construct coined by the Goldman Sachs economist Jim O'Neill in 2001 in terms of identifying the next frontiers of economic growth and investment possibilities. Yet, as noted by Kornegay (2009), 'from an African perspective, South Africa's exclusion from BRIC could complicate the nature and dynamics of the whole notion of South-South cooperation to such an extent as to conceptually call it into question as an expression of global South cohesiveness'. Indeed, South Africa's subsequent engagement in the BRICS group has prioritised African issues as a core theme. This was most strongly evident in the Durban Summit hosted by South Africa from 26–27 March 2013, under the theme 'BRICS and Africa: Partnership for Development, Integration and Industrialisation'.

The BRIC countries are significant investors and partners of Africa in their own right, and with South Africa, they represent an important source of new investment capital in the region. Article 5 of the eThekweni Declaration (2013) specifically underscores the importance of framing the BRICS engagement within the context of the New Partnership for Africa's Development (NEPAD), with specific regard for the range of African AU-led plans and programmes focused on infrastructure development and industrialisation, including the Programme for Infrastructure Development in Africa (PIDA), the AU NEPAD Africa Action Plan (2010-2015), the NEPAD Presidential Infrastructure Championing Initiative (PICl), and lastly, the Regional Infrastructure Development Master Plans that identify priority infrastructure development projects that are critical to promoting regional integration and

²⁴ IBSA Summit communiqué, 18 October 2011, Pretoria, South Africa. IBSA: India-Brazil-South Africa, at www.ibsa-trilateral.org/index.php?option=com_content&view=article&id=164&Itemid=92.

industrialisation. More importantly, under the leadership of the South African host, the BRICS pledged their 'support for sustainable infrastructure development in Africa'. President Zuma is one of eight heads of state that coordinate the PICI, which champions the completion of nine priority infrastructure projects throughout Africa covering road and rail infrastructure, fibre-optic networks, gas pipelines and water management systems.

In an innovation introduced by the South African host, several African representatives and leaders were invited to a BRICS Leaders-Africa Dialogue Forum as part of a BRICS-Africa outreach initiative on the sidelines of the BRICS Summit in Durban with the theme, 'Unlocking Africa's potential: BRICS and Africa Cooperation on Infrastructure'.²⁵ The outreach initiative was posited as 'an opportunity for BRICS and African leaders to discuss how to strengthen cooperation between the BRICS countries and the African Continent'. This is in line with South Africa's intent to articulate and champion the continent's interests *vis-à-vis* the other BRIC members and, more specifically, to engage them in the regional integration, infrastructure and industrial development plans and aspirations of the continent. At the meeting, South Africa undertook to inform the African side on an ongoing basis about developments and proposals regarding BRICS and Africa cooperation through the AU Assembly (BRICS 2013).

South Africa's special outreach approach to the African representatives was not entirely without controversy, with a senior Indian representative noting rather peevishly after the Summit that South Africa 'had jumped the gun', given that the BRICS Forum 'has not yet developed an official outreach strategy' – despite several countries clamouring to join the club or to have observer status.²⁶ Also in Africa, questions have been raised in some quarters as to whether South Africa is able to represent African interests in the grouping. Nonetheless, on the whole, South Africa's efforts to ensure that the BRICS takes African interests seriously are recognised both in the region and further afield.²⁷

Importantly, inter-BRICS cooperation is gathering pace, with a range of secondary meetings proposed in the run-up to the sixth BRICS Summit, including meetings of the BRICS ministers of foreign affairs on the margins of UNGA; meetings of the finance ministers and Central Bank governors on the margins of G20 meetings, WB/IMF meetings, as well as other stand-alone meetings; meetings of the BRICS trade ministers on the margins of multilateral events, or stand-alone meetings; consultations among BRICS permanent missions and/or embassies, as appropriate, in New York, Vienna, Rome, Paris, Washington, Nairobi and Geneva; and lastly, consultative meetings of BRICS senior officials on the margins of relevant sustainable development, environment and climate-related international fora, where appropriate.

A development that has elicited a great deal of interest is the creation of a BRICS Development Bank. As an outcome of the Delhi Declaration at the end of the fourth BRICS Summit in 2012, and the second Summit that South Africa officially participated in, the BRICS announced that they would set up a 'BRICS-led South-South development bank'. As noted in the eThekweni Declaration (2013) on 27 March 2013 in Durban:

Developing countries face challenges of infrastructure development due to insufficient long-term financing and foreign direct investment, especially investment in capital stock. This constrains global aggregate demand. BRICS cooperation towards more productive use of global financial resources can make a positive contribution to

²⁵ Africa was represented by the Chairperson of the African Union (AU), the Chairperson of the AU Commission, African Leaders representing the eight regional economic communities (RECs), as well as the New Partnership for Africa's Development (NEPAD) Presidential Infrastructure Championing Initiative (PICI).

²⁶ Confidential interview, South Africa, 2013.

²⁷ SAIIA with the survey company Ipsos conducted a perceptions survey among foreign policy practitioners in the region during 2013, where both these perspectives were equally represented –among regional and foreign representatives.

addressing this problem. In March 2012 we directed our Finance Ministers to examine the feasibility and viability of setting up a New Development Bank for mobilising resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries, to supplement the existing efforts of multilateral and regional financial institutions for global growth and development. Following the report from our Finance Ministers, we are satisfied that the establishment of a New Development Bank is feasible and viable. We have agreed to establish the New Development Bank. The initial contribution to the Bank should be substantial and sufficient for the Bank to be effective in financing infrastructure.

The DBSA is the principal South African reference bank for the other development banks of Brazil, Russia, India and China who are jointly exploring the possibility of establishing a BRICS Bank.

While the South African Minister of International Relations and Cooperation announced in April 2012 that the BRICS Bank would be officially launched at the 2013 Durban Summit in March 2013, this did not happen. Instead, it seems that the technical preparations for the bank are continuing. Indeed, as Wood (2014) points out, there remains a great deal to be discussed before the bank is established. These include the funding and decision-making methodologies; the scope and content of the bank's activities; and lastly, the preferred currency of the bank.

While discussions are still underway about the nature of the above, Wood suggests that South Africa, given its relative size, would support an arrangement whereby each BRICS member would contribute US\$10bn seed funding. While this would translate in a smaller fund, it would enable equal participation and influence of each member. The joining of other members (such as Turkey and Indonesia) would presumably mean that they need to match the initial contribution to the seed capital, which would equate to equal voting rights for them. Infrastructure seems to be a key funding priority for all the BRICS members, but there is some discussion around a broadening of this mandate to include sustainable development.²⁸ However, it is still unclear what the scope of the bank's activities would be, i.e. would it be primarily focused on intra-BRICS activities? Wood (2014) points out that there is a good case to be made for investment in developing countries in the regions represented by the BRICS, given the potential for higher returns than in the BRICS. In this range of options, South Africa clearly favours infrastructure investment in Africa, as illustrated by its BRICS outreach initiative in Durban. Lastly, there seems to be some discussion about the possibility that the Chinese *renminbi* might be adopted as the reserve currency of the Bank. While South Africa has begun to denominate some of its foreign currency reserves in the *yuan*, this approach is a risk mitigation strategy that is pragmatic rather than signalling a significant shift.

Indeed, the remarks by Dr Siphamandla Zondi at the BRICS Academic Forum on 18 March 2014 in Brazil suggest that South Africa views the BRICS Bank as introducing a 'soft change' from traditional development finance institutions that is pragmatically informed and largely focused on meeting an unmatched need. He also argued for close cooperation between the BRICS and the regional development banks and the need for the BRICS bank to be an enabler and innovator.²⁹ Until all these matters are settled, it is unclear how the BRICS Bank would fit into South Africa's development partnership with its region, although the broad outline of South Africa's priorities is becoming clearer.

²⁸ Wood (2014) suggests that the reference in the eThekweni Action Plan to sustainable development might include green energy issues, while there is also a need for small business development.

²⁹ Remarks by Dr Siphamandla Zondi, at the BRICS Academic Forum 2014 in Rio, Brazil, at the session 'BRICS International Development Cooperation' on 18 March 2014.

Civil society and the BRICS

In exploring the role of civil society in South Africa's participation in the BRICS, it is important to note, as identified by Poskitt (2014, forthcoming), that:

During 2010 and 2011, debates about whether South Africa should join the BRIC group and what membership would look like were being largely had within academic circles and think tanks. There was no wide-spread debate within civil society that included grassroots organisations, movements and labour groups. The decision to join the BRIC group by South Africa came from within the government, with almost no consultation with civil society.

The limited public awareness and engagement with the BRICS process by most South African civil society organisations (CSOs) and activists reflects a preoccupation with domestic concerns. A disjuncture is noted between global policy processes and South Africa's foreign policy more generally. Poskitt (2014) also remarks that while provision is made for an official BRICS Academic Forum and a BRICS Business Forum, there was 'no formal mechanism' for the involvement or participation of CSOs in the BRICS Summit hosted by South Africa. Given the current construct of BRICS–civil society engagement, there are only a small number of voices that are steering civil society's engagement with the BRICS, notably residing within South African thinktanks, international non-governmental organisations (NGOs) and certain individuals.³⁰ In addition, a common approach is lacking within civil society, with each organisation concentrating on its own priorities ahead of collaboration. According to Poskitt (2014), this lack of coordination and collaboration creates an accountability gap between South African government decision-making regarding policy choices and implications for South African civil society and society more broadly.

Poskitt proposes that the government should explore the possibility of formalising a multi-stakeholder partnership that would include government, business, labour and civil society on BRICS engagement, as this would result 'in a more strategic and sustainable outcome for South Africa as a whole'. DIRCO has actively sought out opportunities to explain the value of the BRICS to South African society through the hosting of several *imbizos* or public lectures at universities and civil society organisations in the run-up to the BRICS Summit. DIRCO is also willing to engage thinktanks on their work with regard to the BRICS and South Africa's foreign policy. But Poskitt (2014) emphasised that the delegation of the BRICS Academic Forum to Higher Education South Africa (HESA) and the Human Sciences Research Council (HSRC) has been problematic, given that neither organisation has extensive research depth on the BRICS as a political construct or on its individual members apart from South Africa.

As an aside, it is noteworthy that South African thinktanks have explored numerous partnering and exchange opportunities with their BRICS counterparts, which have been facilitated through various bilateral continental policy outreach initiatives by individual BRIC members. The most prominent among these has been the establishment of the Forum on China-Africa Cooperation (FOCAC) in 2006 that led fairly rapidly to Africa-China academic exchanges supported by the FOCAC fund. The India-Africa Forum established in 2008 has likewise spurred academic exchanges, while Brazil-South Africa thinktank cooperation has also grown.³¹ These initiatives underscore not only the symbolism of Southern engagement, but also the value in supporting South-South research cooperation and could contribute towards greater BRICS cohesion on policy matters. This is especially laudable given the weak and underdeveloped research depth on African issues in all the BRIC countries. On the other hand, Poskitt (2014) also mentions efforts in grassroots CSOs to build people-to-

³⁰ Poskitt mentions Patrick Bond specifically, who was instrumental in organising the civil society counter-summit, 'BRICS from below'.

³¹ Russian-South African academic exchanges and thinktank collaborations are rare despite the historic closeness to Africa during the Soviet era.

people solidarity through the establishment of BRICS networks. However, most of this engagement is on a sectoral or regional basis.

Poskitt concludes by considering the sustainability of current funding for in-depth research on South-South cooperation and the BRICS but also the need more broadly to support policy and advocacy initiatives in this area. The prevailing dominance of foreign government support for these efforts raises important questions for the way forward.

4 Policy debates and non-state actors

A range of actors outside the purview of government are involved in South Africa's South-South capacity building initiatives. They are both active practitioners in providing training and technical support, and also important players in the discourse that informs South Africa's approach towards South-South cooperation. However, it is extremely difficult to find information about the range of civil society 'development interventions' in the region as they are not centrally coordinated and are largely *ad hoc*.

As noted earlier, South Africa's relationship and historical responsibility towards the region is central in this discourse, in particular the need for a peaceful, secure and stable Africa as a prerequisite for its development and prosperity. Most of South African civil society's engagements have been in this area rather than in the more traditional socioeconomic development fields of international NGOs such as Oxfam, Save the Children, etc., or in the health and educational fields such as the philanthropy of the Bill & Melinda Gates Foundation. This next section will focus on the role of civil society in South Africa's peace-building efforts – as an important part of its South-South cooperation.

4.1 Civilian capacity and engagement in South-South peace-building

Kevin Philips Clements (2009, cited in Shillinger 2009) notes that the work of civil society organisations (CSOs) in conflict zones can be categorised as follows:

- supplying emergency relief and humanitarian assistance
- working on medium- to long-term economic and social development issues
- focusing on social justice, human rights advocacy and monitoring
- focusing on non-violent resolution of conflict and long-term peace-building.

South African CSOs (such as Gift of the Givers),³² thinktanks and academia have been involved in all four areas across the continent, given the prominence of conflict in Africa over the past 20 years – despite significant positive steps towards greater stability and peace in the region. Because of the centrality of this theme in the South African government's regional engagement, it is not surprising that CSOs, and particularly organisations in this group that have a peace and security, peace-building and post-conflict reconstruction focus (such as the Institute for Justice and Reconciliation (IJR), the African Centre for the Constructive Resolution of Disputes (ACCORD), and the Electoral Institute for Sustainable Democracy in Africa (EISA)), have been at the forefront of South Africa's development cooperation engagement. In 2010, the United Nations Secretary General appointed a senior advisory group to conduct an independent review of how civilian capacity (CIVCAP)³³ is provided in conflict settings – focusing specifically on the role of Southern providers (Keating and Wiharta 2013). The rationale for this approach was the realisation that harnessing civilian expertise has an important role that is complementary to government efforts. The UN has undertaken extensive outreach initiatives to raise awareness about the CIVCAP agenda, including holding regional meetings in Indonesia (March 2012), South Africa (July 2012)³⁴ and Morocco (September 2012). The review covered the activities of Brazil, China, India,

³² Kindly note Poskitt (2014) for an overview of the organisation.

³³ According to the CIVCAP research network, civilian capacity refers to non-uniformed individuals or groups deployed overseas to crisis or post-conflict settings by (or coordinated through) their respective governments. The term includes personnel deployed through bilateral cooperation programmes as well as those deployed through the UN, regional organisations or other intergovernmental organisations. It also includes civilian capacity deployed from the public or private sectors, including academia and CSOs, which is in some way 'coordinated' under government auspices.

³⁴ South Africa hosted the African regional conference in Pretoria on 19-20 July 2012 and has positioned itself as an advocate in the region for CIVCAP.

Indonesia, Russia, South Africa and Turkey – noting that more than 80 per cent of CIVCAP positions requested by governments were filled by representatives from the global South.

A CIVCAP research network was established in 2012 to look more closely at the civilian capacity of rising powers to participate in their peace-building and post-conflict reconstruction activities. The South African civil society representative on the network was ACCORD, a CSO specialising in conflict management, conflict analysis and conflict prevention.³⁵ From a comparative perspective across the countries that were part of the CIVCAP study, it is important to note that overall, civilian deployments have occurred mostly under bilateral technical assistance agreements and on the whole have been small, short term and *ad hoc*. Despite South Africa’s extensive peace-building role in the region, it was no exception to this finding.

South Africa, like most of the other countries that were part of this CIVCAP network review, has not required or developed a centralised coordinating structure to respond to demands for civilian capacity in its peace-building efforts. This made it very difficult to track the actual number of South African deployments, maintain a comprehensive database of civilian participants or learn from their technical assistance experiences. An analysis of the personnel deployed in UN field missions in August 2012 is a useful proxy indicator, showing that 63 South African civilians were deployed as opposed to 71 police members and 2,041 military personnel. A comparison with the other BRICS members shows that only India and Russia deployed more civilian personnel, despite the small population size of South Africa compared to the other states.

Table 4.1 Personnel deployed in UN field missions, by category, as of 31 August 2012

Country	Military	Police	Civilians	Population
Brazil	2,191	24	34	199m
Russia	72	21	94	144m
India	7,066	1,038	232	1.24bn
China	1,834	83	20	1.35bn
South Africa	2,041	71	63	51m

Source: Adapted from Keating and Wiharta (2013) and World Bank Indicators.

However, it is clear that South Africa prioritises the need to tap into civilian capacity to enhance the efficacy of its regional interventions. It is the only partner country in the focus group of emerging countries that is developing a policy on civilian participation in peace operations. The policy development process is being led by the National Office for the Coordination of Peace Missions (NOCPM) located within DIRCO. The policy aims to define the deployment modalities of civilians in South Africa’s bilateral, trilateral and multilateral arrangements. Nevertheless, none of the countries that were part of the study has yet developed specific policies focused on working in crisis settings *per se*; rather the focus (also for South Africa) seems to be on using their national experience to support partners in the later stages of post-conflict reconstruction. In the main, their activities are focused on supporting the long-term development transition of these countries.

The CIVCAP report notes that for South Africa, CIVCAP is part and parcel of a bilateral technical assistance approach couched in South-South cooperation (but contextualised in a broader UN peace-building paradigm). However, it is also an important soft-power tool that helps to enhance the country’s reputation as a major regional actor responding to regional needs – and that enables it to leverage this profile and engagement on a global policy level

³⁵ It mainly intervenes through mediation, negotiation, training, research and conflict analysis.

in an increasingly multipolar world. Importantly, the report noted that there is no 'single' global South position on the CIVCAP agenda, which concurs with the various interpretations within the global South of South-South cooperation. Rather, for South Africa, regional considerations weigh in as significantly as global ones.

In South Africa, like other countries that are part of the CIVCAP study, the researchers noted an increase in demand for these types of services, particularly in the priority areas of basic safety and security, justice, inclusive political processes, core government functionality and economic revitalisation. Importantly, the report noted that capacities which civilians can offer are increasingly valuable on the global stage and are drawn from successful domestic experiences, policies and procedures. The types of CIVCAP activities are wider than deploying technical experts abroad. They also include short-term missions, observer missions, training, scholarships and study tours.

The South African section of the report noted that South Africa has been actively engaged in at least two areas in developing the civilian component of regional peacekeeping forces, namely for the Southern African Development Community's (SADC) Standby Arrangement and the African Standby Force (ASF). However, this has mainly focused on policy development, participation in training, and contributing civilian personnel to peacekeeping exercises; it has not included actual deployment. In addition, South Africa has provided civilian capacities for observer and electoral support missions, mediation and policing support, democracy promotion, and anti-corruption and truth and reconciliation processes. These draw from South Africa's own rich experiences in this regard. While South Africa has considerable capacity both within and outside government on human rights, rule of law, transitional justice, and advocacy and legal expertise, there was a clear note of caution that South Africa's CIVCAP reserves are limited and the skills are in high demand domestically as well. More specifically, the authors of the CIVCAP report note that it would be a key challenge for the newly established SADPA to reach out to this wealth of expertise in government, civil society and the private sector without a significant coordination effort.

Nonetheless, CIVCAP is seen as playing an important supportive role in complementing South Africa's bilateral assistance programme under the ARF and – in the future – potentially under the auspices of SADPA. The authors also noted the important role that the epistemic community is playing in advancing these concepts into domestic policy agendas. This is also reflected in the strength and number of security-focused CSOs in South Africa.³⁶

4.2 The media and the development debate in South Africa³⁷

A useful reference point for an analysis of how the South African media has covered the international development debate is a print and online media content analysis study conducted by Yanacopulos (2013) between 2009 and 2011, complemented by interviews with a range of policy stakeholders, civil society representatives and journalists under the broader rubric of a project titled 'Public Perceptions of Development Cooperation of non-DAC donors'. She was responsible for the South African case study.

Yanacopulos (2013: 205), like Czaplínska (2007), argues that there is value to understanding the 'public support' for international development initiatives as reflected in the public discourse about them, given that 'conventional wisdom suggests that successful and sustainable development cooperation policies and expenditure require a constituency for aid

³⁶ Apart from ACCORD, there are others such as the Institute for Security Studies (ISS) with a continent-wide reach, the Institute for Justice and Reconciliation (IJR), SAIIA, the Institute for Global Dialogue, the Centre for the Study of Violence and Reconciliation (CSVr), EISA, and the Centre for Conflict Resolution (CCR) in addition to the range of university-based and government thinktanks and academics.

³⁷ This section draws heavily on an analysis conducted by Rebecca Ramsamy, a visiting SAIIA-KAS Masters scholar during 2013.

in donor countries' (Czaplińska 2007, cited in Yanacopulos 2013: 205).³⁸ She also notes that South Africa, as a 'new' or emerging middle power, is, in the first instance, a regional power. This suggests a particular relationship with its region, implying: the provision of normative leadership related to regional values, principles, processes and institution-building; the delivery of regional public goods; and lastly, political and economic dominance in its engagement with the region. Schoeman (2000) and others (Van der Westhuizen 1998; Flandes and Habib 2009) suggest further that because of the moral standing of emerging middle powers in their regions, they also strive for a more active role in international affairs. But significantly, Yanacopulos (2013: 206) notes that 'emerging middle powers are frequently developing countries themselves, and have internal demands that differ from established middle power countries'. This creates a particular tension between their domestic and international policies.

Yanacopulos (2013) found that the domestic public discourse about international development cooperation was nearly non-existent in her media analysis. This was clearly at odds with the domestic focus in South Africa on development captured within the South African discourse of a 'developmental state' and South Africa's obvious and increasing involvement in the region in 'development activities', as well as its rising prominence as part of the BRICS grouping. Indeed, compared to the other four countries that formed part of the project – China, Russia, Poland and India – international development was least discussed domestically in the South African case. This absence of a domestic discourse about South Africa's development cooperation activities is explained in the words of Noel and Thérien (2002: 632) as follows:

... the association between public support for redistribution at home and abroad is strong and significant, but negative. In countries where domestic income redistribution is seen as an important priority, foreign aid is less popular; where this is less so, there is more concern for the fate of the poor in the South.

The findings of SAIIA's review of the South African media over the period 1996 to 2013 mostly correspond with this assessment.³⁹ The terms 'global development policy' and 'international development cooperation' were largely absent in the South African media analysis. By linking the search terms 'donor aid' and South Africa, a variety of articles appeared that discussed international donor assistance to Africa and South Africa, mainly from the European Union (EU), US, Germany, Japan, France and the Scandinavian countries (Fraser 1997). The initial coverage praised the commitment of the North to poverty alleviation in South Africa, while many of the articles also recognised the important contribution of donors to combating the HIV/AIDS pandemic in South Africa (Inggs 2000; *The Star* 1995).

However, increasingly, commentary focused in the pre-millennium period (1998 and 1999) on the failure of aid and the renegeing by Northern donors of their aid commitments to the developing world (Bowley 1997; *Cape Argus* 1997). This commentary both preceded and informed the adoption of the UN Declaration on the Millennium Development Goals (MDGs), as well as the establishment of the New Partnership for Africa's Development. It is worth noting both pre- and in the post-9/11 period that a great deal of anxiety followed in the South African NGO sector as donors started redirecting funds towards other priorities (Baker 1998; Hooper-Box 2001). An important side-narrative started around 1999 with a review by the South African government of its relationship with particular donors, especially its relationship

³⁸ She cites various studies that explore attitudes to development such as DFID's annual surveys of attitudes towards development, Voluntary Service Overseas Study 'The Live Aid Legacy' and the 'Make Poverty History Campaign', including the EU Commission's 'The MDGs and Perceptions of Development Aid' study of European perceptions.

³⁹ A total of 350 articles from 2003 to 2013 were used to develop this analysis, drawn largely from the SA Media/Sabinet search engine accessed through the Wits electronic research database. Special emphasis was given to *The Star* newspaper, which has a dedicated reporter, Peter Fabricius, who covers South African and African foreign policy matters on a regular basis.

with the United States Agency for International Development (USAID) following a US Congress report that accused 'USAID officials of extreme and unqualified meddling in South Africa's policymaking' (*The Star* 1998). This view began to be articulated as donor interference in the South African policy space (Hooper-Box 2001; Maleka 2003; Fabricius 2003, 2007). This was most strongly evident in criticism expressed by President Mbeki in 2005 towards the South African NGO sector, accusing them of carrying out foreign donor agendas (Hughes 2005; Fabricius 2005). This view is still prevalent in some government circles, as noted earlier in this report, that donors have undue influence in the affairs of Africa, encumbering Africa's policy space for independent decision-making and action.

However, as aid continued to be diverted away from key African priorities and countries in 2001, despite the outcomes of the Monterrey consensus (Stoddard 2004; Stremlau 2005; *SAPA-AP* 2006), voices also emerged suggesting that unlimited aid is not necessarily beneficial to either party (Fabricius 2001; Mbeki 2005). More specifically, with reference to continued donor support to South Africa, an interesting shift is noted from 2004 onwards, ten years after the democratic transition in South Africa, that South Africa's exit from donor support would be apt (Fabricius 2003, 2004). This sentiment is echoed in South African media reports following the UK International Development Minister Justine Greening's announcement in May 2013 that the UK would be phasing out its assistance to South Africa, as 'South Africa is now in a position to fund its own development' (Fabricius 2013). This statement led to a sharp rebuff from the South African government. It is, in this context, interesting that some analysts viewed the announcement of a South African Development Partnership Agency in 2011 as a potential threat to continued donor assistance to South Africa (Langeni 2011a, 2011b).

As Yanacopulos (2013) notes, coverage of South African 'donor activities' in the region is almost entirely absent in the South African media.⁴⁰ However, as noted above, the discourse around 'development' and foreign aid in South Africa's newspapers has been vibrant and covered several themes and perspectives. In order to arrive at a more useful approach to assessing the media discourse on South Africa's partnership with the region, alternative search terms were employed in the analysis. Terms that are more appropriate to the South African context reflecting instruments through which South Africa channels its assistance to the region, as well as the key theatres through which South Africa articulates its vision for Africa's development and prosperity, included words such as the 'African Development Bank', 'Development Bank of Southern Africa', 'BRICS', the 'G8 and G20 Summits', 'MDGs', 'African Renaissance Fund' and 'NEPAD'. On the whole these terms provided a richer and not uncritical tapestry of the variety of South Africa's 'development activities' in the region. 'NEPAD' featured especially prominently.

However, more significantly, the use of terms such as 'peacekeeping and South Africa', 'conflict resolution and South Africa', 'conflict mediation and South Africa' and interestingly 'development partnership' most fully represented South Africa's various engagements with the region. This analysis of South Africa's 'development' contribution towards the region sits awkwardly with that of the traditional definitions of official development assistance (ODA) and underscores again the difficulty of framing South Africa's development interventions in a Northern-donor framework.

⁴⁰ The big exception is South Africa's complicated relationship with Zimbabwe, which resonated significantly domestically. In this case, media coverage closely followed the various calls for support from the Mugabe government to the South African government and the corresponding insistence by the South African government on good governance and financial accountability. Note: 'Zim recovery depends on free and fair election', *The Sunday Independent*, 25 November 2001; Hills C, 'SA has responsibility to Zimbabwe', *The Star*, 29 July 2005; Wales M, 'South Africa must put its foot down if it foots the bill', *The Sunday Independent*, 8 March 2009; Peta B, 'No automatic bailout for Zimbabwe', *The Sunday Independent*, 22 March 2009, and Banya N, 'Zimbabwe seeks R3.25bn in SA loans', *The Star*, 9 September 2010.

In conclusion, Yanacopulos (2013) notes that the first official announcement by President Zuma in his 2009 State of the Nation address of the creation of SADPA elicited a perfunctory mention in a News24 article with no additional media coverage. Some additional local coverage followed in 2011 after the announcement by DIRCO that the agency would be established. However, as noted above, the local media coverage that it elicited suggested that the establishment of SADPA might lead to a loss of donor support to South Africa. In contrast, her analysis of the international press coverage of SADPA from mid-2010 to mid-2011 noted extensive treatment of the topic. SADPA was described in these articles as an effort to coordinate and integrate South Africa's various international development activities, while the view was also expressed that South Africa is a significant international development player. Her perspective is that the government's public diplomacy efforts on SADPA specifically targeted international audiences, 'arguably making SADPA's existence more relevant to South Africa's international audiences rather than its domestic one' (*ibid.*: 212).

Yanacopulos believes that this is typical of an emerging middle power. The South African government is representing and utilising SADPA as a vehicle through which development assistance ought to be channelled to enhance South Africa's international status and national interest, while carefully balancing internal concerns about the need to tackle poverty and development within South Africa. Couched thus mainly as a foreign policy instrument, it is not surprising that public discourse has been fairly limited. More importantly, until SADPA has been operationalised, public discourse will remain limited.

But it is worth asking whether a more nuanced perspective would have resulted in the South African case if the researcher had adopted an approach that was more sensitive to South Africa's positioning as a proponent of South-South cooperation in its engagement in Africa, and more focused on its peace-building role? In addition, the timeframe of the study by Yanacopulos (ending in 2011 excluded the hosting of the BRICS Summit in South Africa) is also important for the final outcome of the findings.⁴¹

4.2.1 Public opinion and South Africa's status as a development partner

A broad-based public opinion survey conducted by the University of Stellenbosch with the assistance of the independent survey company Ipsos Markinor provides useful insights into the views of ordinary South Africans on a range of foreign policy issues (Van der Westhuizen and Smith 2013). One of the findings indicated that while South African society is not uncritical of South Africa's peace-building efforts in the region, South Africans generally support the South African government's efforts to stabilise the region.

Of a representative sample of 3,500 South Africans surveyed during October and November 2012,⁴² 66 per cent wanted 'South Africa to be known as a country that helps to resolve conflicts in Africa' (with 22 per cent strongly agreeing and 44 per cent agreeing). The researchers noted that support for this view was regardless of age, race, religion, income, geography or level of education. However, when probed about how important these issues were to them directly, only 5 per cent of the sample group indicated that 'conflict in Africa' and a further 4 per cent indicated that 'global inequality' is of most concern to them. Another 4 per cent of the sample group indicated that climate change is an important issue to them. In contrast, unemployment (34 per cent), housing (16 per cent), crime (16 per cent),

⁴¹ The timeframe of the Yanacopulos (2013) analysis might also have affected the findings. SADPA has recently (especially in the latter half of 2013) attracted a great deal more public interest. This has mainly been the result of the increase in public policy research on the topic by thinktanks and academic institutions such as SAILA, the Institute for Global Dialogue (IGD) and the ISS.

⁴² The survey was funded by the Open Society Foundation of South Africa and jointly conducted by the University of Stellenbosch and the survey company Ipsos Markinor in October and November 2012. A representative sample of 3,500 South Africans aged 15 years and older participated in the survey – with each interview lasting around 57 minutes. The sample was stratified for race, geography, community size, age, religion, language, education, employment status and living standard measurement. Two thousand of the sample group came from urban areas, while 1,500 came from rural areas.

education (14 per cent) and illegal immigrants (7 per cent) topped the list of key concerns to South Africans.

Therefore, the survey also found, not surprisingly, that all the respondents were in agreement that the promotion of economic growth should be the top priority (at 44 per cent) of South Africa's foreign policy. This should be understood against the backdrop of the level of unemployment, poverty and slow economic growth in South Africa. However, when given a choice of specific foreign policy options, South Africans also supported the government's role in promoting a world with a more equal distribution of wealth and power (24 per cent of the sample group). Sixteen per cent of the sample group believed that the promotion of human rights should be the key driver of South Africa's foreign policy, while a further 16 per cent believed that attracting foreign investment should be its key purpose.

Table 4.2 University of Stellenbosch/Ipsos foreign policy survey, 2012

Question: In its relations with other countries, South Africa's main goal should be to?	
Goal	Result (%)
Promote economic growth in South Africa	44
Promote a more equal distribution of power and wealth in the world	24
Promote human rights	16
Attract foreign investment	16

Source: Adapted from Van der Westhuizen and Smith (2013).

The researchers also probed the willingness of South African society to provide donor support – particularly to Africa. The researchers noted that:

Interestingly, despite the public's overwhelming concern with unemployment and poverty, 63 per cent of respondents contend that South Africa should give aid to other African countries (with 21 per cent strongly agreeing and 42 per cent agreeing). Support for South Africa's role as a donor country shows no significant difference across income levels, but there were some racial divergences (with black, coloured, Indian and white South Africans agreeing or strongly agreeing at 66, 60, 65 and 50 per cent respectively). In addition, those with full-time employment are slightly less inclined to give aid to Africa (at 54 per cent), while the unemployed show stronger support (at 63 per cent).

(Van der Westhuizen and Smith 2013: 7)

This last finding is particularly interesting as there is a strong assumption in the literature, as noted earlier in this section, that South Africans are not supportive of South Africa's development assistance, given the huge developmental needs domestically.

Of key interest is whose developmental model South Africa should follow. It is clear that China's remarkable economic progress has not gone unnoticed by South Africans. The results shown in Table 4.3 are illuminating:

Table 4.3 University of Stellenbosch/Ipsos foreign policy survey, 2012

Question: From which of the following countries could we learn most about alleviating poverty and unemployment?	
Country	Result (%)
China	26
Brazil	20
Botswana	20
Cuba	11

Sweden	9
India	8
South Korea	6

Source: Adapted from Van der Westhuizen and Smith (2013).

These findings represent a fascinating spectrum of views. On the one hand, the choice of China and South Korea as representing both the most and least attractive models of development raises interesting implications for South Africa's 'developmental state' model, with South Korea (at least politically) much closer to the South African case. The researchers noted that at the next level of choice between Brazil and Botswana, younger South Africans supported the Brazilian model, while those over 45 opted for the Botswana model. Cuba (state-run) and Sweden (social democratic) – both of which provided a great deal of support during the anti-apartheid struggle – received much less support, although the somewhat higher support for Cuba could be a result of the prominent role that Cuban medical doctors are playing – especially in South African rural areas.

These results are also useful to consider against the backdrop of whom South Africa should be aligning itself with geopolitically. While China emerged across the sample group as a key ally, it is interesting to note that Xhosa speakers were more pro-China (41 per cent) than Zulu speakers (19 per cent), compared to white South Africans (27 per cent). The research also found that the poorest and least educated group in the sample identified the United States as South Africa's most important ally. The results also point to the fact that there is a growing awareness or possible constituency for emerging powers in South Africa. However, this does not necessarily translate into support for the BRICS as an entity, as Russia seems to be absent from the analysis.⁴³

Table 4.4 University of Stellenbosch/Ipsos foreign policy survey, 2012

Question: With which countries or groups of countries in the following list should South Africa be seen to be an ally or close friend?			
Ranked first	Result (%)	Ranked second	Result (%)
China	26	Europe	19
US	19	Brazil and India	19
Europe	15	US	15
Our neighbours in Southern Africa	13	Our neighbours in Southern Africa	13
Brazil and India	11	China	13
Nigeria	9	The rest of Africa excluding Nigeria	12
The rest of Africa excluding Nigeria	7	Nigeria	9

Source: Adapted from Van der Westhuizen and Smith (2013).

There is an interesting dichotomy to be noted here in terms of the ranking of Africa in the overall perceptions of South Africans. The researchers pointed out that while South Africans believed that they have a leadership role to play in Africa, the rest of the region does not feature highly in their estimation as allies of the country. This perception requires further probing and analysis, given the findings that South Africa's leadership role in Africa, South Africa's *African Agenda* (the primacy of the AU over the UN institutions), and recognition that South Africa's growth and development is closely tied to that of its neighbouring countries met with 65 per cent, 58 per cent and 59 per cent support respectively.

Given the notion that foreign policy is an elite and intellectual preserve, it is also useful to ask whether South Africans believe they should have a voice in the direction of the country's

⁴³ This could, of course, also be a function of the choices that the respondents were confronted with.

foreign affairs and who else the government should listen to when making foreign policy choices.

The findings once again underline the fact that South Africans believe there are multiple roles to be played in South Africa’s foreign policy formation. The prominence of Parliament as a platform for public debate is important, but so is the prominence attributed to business over the role of trade unions. The researchers interpreted this as an indication of the desperate need in South Africa for economic growth and job creation. There is a strong correlation here with an expert survey that SAIIA (2014) conducted among foreign policy practitioners in South Africa and in the region on the importance of South Africa’s business community in its regional engagement. Several African respondents noted that South Africa’s profile and credibility to speak with authority on Africa’s developmental concerns and initiatives are derived directly from the strength of its economy, but also the prominent economic role that South African businesses are playing in the region.

Table 4.5 University of Stellenbosch/Ipsos foreign policy survey, 2012

Question: In the formulation of our foreign policy, who should the government listen to?			
First mention	Result (%)	Second mention	Result (%)
Ordinary citizens	34	Business	27
Academics and researchers	26	Ordinary citizens	25
Parliament	15	Parliament	21
Business	15	Academics and researchers	13
The South African media	7	The South African media	9
Trade unions	3	Trade unions	5

Source: Adapted from Van der Westhuizen and Smith (2013).

Finally, as a proxy for South Africa’s positioning as a Southern power and support for the South-South principle of non-interference, 53 per cent of the respondents agreed (with 32 per cent agreeing and 21 per cent strongly agreeing) with the statement ‘If an African government violates the human rights of its citizens, other African governments should not openly criticise that government’. The researchers interpreted this statement as ‘suggestive that the South African government’s quiet diplomacy response to human rights violations in Zimbabwe, for example, was perhaps not entirely unsupported by ordinary South Africans’.⁴⁴

Van der Westhuizen and Smith (2013: 12–13) suggest from the findings that South Africans are *pragmatic internationalists* who are committed to improving the world as long as it also means that this will spill over into improving the quality of life for all at home. In this light, South Africans seem generally supportive of South Africa’s ‘diplomatic activism’ in the mode of a typical middle power with its focus on conflict resolution in its immediate region and further afield, the strengthening of the multilateral system, and international law to further its interests. Lastly, the survey also found an ‘ambiguous orientation towards both China and “the West” [which] may also be symptomatic of a middle power orientation that appreciates the strategic value of not being explicitly aligned with any specific power bloc in international politics’.

⁴⁴ The findings did not reflect a significant difference between those with no schooling and those with a university degree, between the unemployed and full-time employed, or across income levels. However, a generational gap was identified, with those in the 65+ group disagreeing most strongly. Some racial divergence was also evident, with black South Africans agreeing or strongly agreeing most (at 56 per cent), followed by Indian (at 50 per cent), coloured (at 41 per cent) and white (at 38 per cent) South Africans.

4.3 The South African private sector and development

4.3.1 South-South cooperation and the private sector

South-South investment is regarded as an area of enhanced collaboration among developing countries and is considered an important driver of economic growth and development in developing countries.⁴⁵ As noted by the *World Investment Report (WIR)* (United Nations 2006: 120):

The relative importance of South-South FDI [foreign direct investment] in developing host countries is confirmed by micro-level data. While TNCs [transnational corporations] from developing or transition economies were responsible for 15% of all greenfield expansion FDI projects in the world during the period 2002-2005, their share was considerably higher in developing and transition economies, and especially high in West Asia (33%) and Africa (29%).

In South Africa, as noted below, the government has granted special treatment to South African FDI going into the southern Africa region and has encouraged South Africa's state-owned enterprises (SOEs) to invest in regional infrastructure development.⁴⁶ Until limits on outward FDI were eventually abolished in October 2004, the South African government adopted a preferential approach towards FDI into the region. This approach has supported South Africa's investment into the region. Table 4.6 gives a breakdown of South Africa's approach towards the liberalisation of outward FDI.

Table 4.6 South Africa's liberalisation of its outward FDI regime

Year	Change in policy
Pre-1996	Firms were permitted to invest only in Lesotho, Namibia and Swaziland
1997	Investments of up to ZAR50m were allowed in SADC countries and up to ZAR30m elsewhere
1998	Limits increased to ZAR250m in SADC and ZAR50m elsewhere, although for approved projects ZAR55m could be invested
1999	Limits increased to ZAR750m in SADC and ZAR500m in other African countries
2002	Limits increased to ZAR2bn in Africa and ZAR1bn elsewhere
Early 2004	Limits increased to ZAR2bn for each new and approved investment into Africa and ZAR500m for investments outside Africa. Consideration was to be given to requests by firms to utilise their local cash holdings to finance up to 20% of the excess costs of the new investment if the overall cost of the investment exceeded the respective limits. The remainder was to be financed through foreign borrowing, the terms of which had to be disclosed to the South African Reserve Bank.
October 2004	Limits on outward FDI were abolished.

Note: After October 2004 firms are required to obtain Reserve Bank approval for outward FDI. The Bank reserves the right to intervene in capital outflows for very large investments in order to manage the potential adverse effects on the foreign exchange market or the impact on the country's balance of payments.

Source: Adapted from United Nations (2006).

Given South Africa's status as Africa's biggest economy, it is no surprise that the South African private sector is actively engaged in the rest of Africa. In fact, South Africa was a leading provider of FDI from developing countries as early as 1970. The country has emerged as the biggest African investor in Africa, and for a while occupied the status as the

⁴⁵ This call was made at the Second Summit of the Group of 77 held in Doha, Qatar, in June 2005 (United Nations 2006: 217).

⁴⁶ In the case of the latter, this has occurred mainly with support from the DBSA and the IDC, which has provided the equity, export and infrastructure finance support. Much of the SOE engagement in the region has been in support of the NEPAD process with some of the investments including Eskom's (energy parastatal) investments in projects in Angola, Botswana, DRC, Lesotho, Namibia and Tanzania. PetroSA (South Africa's national oil company) has interests in Algeria, Gabon and Nigeria. Transnet (transport parastatal) has invested in Madagascar, Tanzania, Zambia and Mozambique. United Nations (2006:207) and SAILA's own research.

biggest overall investor in the continent outside its gas, oil and mining complex. As noted by the WIR (United Nations 2006: 239):

The scope for 'South-South' FDI has led many developing host countries to adopt specific strategies to attract such investment. In a 2006 UNCTAD survey of IPAs [Investment Promotion Agencies], more than 90% of all African respondents stated that they currently targeted FDI from other developing countries, notably from within their own region. Indeed, for African IPAs, South Africa tops the list of developing home countries targeted...

The same report noted that South Africa accounted for more than 50 per cent of all FDI inflows into Botswana, DRC, Lesotho, Malawi and Swaziland. SAIIA's research found that South Africa was also the top investor in countries such as Mozambique and Tanzania. It is important to note that South African investment in the region is primarily led by the private sector (despite the significant engagement of South African SOEs in infrastructure development). In fact, today South African companies are key players in the financial, insurance, health, legal, property, agriculture, mining, manufacturing, telecommunications, construction, retail, tourism, entertainment and advertising sectors in economies across Africa. South Africa's economic weight and interconnectedness with the region is illustrated by a 2004 study which found that a one-percentage point slowdown in the South African growth rate leads to a half to three-quarter percentage point slowdown in the rest of sub-Saharan Africa (Arora and Vamvadikis 2004). Nonetheless, this status has recently begun to change with the emergence of China, India and Brazil and other rising economies as significant investors in the rest of the region.

4.3.2 South African FDI and the region

The South African Reserve Bank estimates that South African investment in the rest of the region grew from about US\$1.2bn in 1996 to just over US\$4bn by 2001 in real terms. Although this represented average annual growth of at least 32 per cent in the period 1996–2001, it still represented only 3 per cent of total South African FDI at the time. By 2002, the 2004 *World Investment Report* estimated that South Africa's FDI stock in the rest of Africa accounted for 7 per cent of its total outward FDI. By 2011, South Africa's FDI stock in Africa had increased to US\$18bn, representing 22 per cent of its outward FDI stock and exceeding China's FDI stock in Africa of US\$16bn (United Nations 2011). It made South Africa the fifth largest holder of FDI stock in Africa in 2011 and the second largest developing country investor in Africa after Malaysia.⁴⁷ The majority of South Africa's outward stock can be attributed to reinvested earnings in the private non-banking sector and its largest share is in Mauritius, which has positioned itself as a regional financial centre. A quarter of South Africa's stock is concentrated in Nigeria, Mozambique and Zimbabwe.

Not surprisingly, the rapid growth of South African investment into the rest of the region, combined with the dominance of South African companies and products in many of Africa's small markets, has also raised questions about the development impact of South African investment there. South African investors, like other foreign investors, have found that doing business in African countries cannot be divorced from their often contested and sensitive political and social environment. However, because of their economic clout in Africa's small markets, South African firms, like other foreign firms, can become important catalysts for positive change in the societies where they operate.

⁴⁷ Malaysia (US\$19bn), South Africa (US\$18bn), China (US\$16bn) and India (US\$14bn) are the largest developing-country sources of FDI in Africa.

As noted by Richard Duffy (2012), Vice President of Continental Africa, AngloGold Ashanti:

Technology is changing the way business is being done in Africa... There is no longer anywhere where communities are cut off from the rest of the world and this raises expectations and puts pressure on government and on companies to respond to this changing dynamic. So a new model is very important. We see ourselves **as a catalyst for development, rather than the sole source of opportunity** [our emphasis]. We want to sit across the table from community leaders and discuss relevant issues.

4.3.3 The role of the private sector in development

In considering whether South African companies do act as catalysts for development in the region, it is useful to explore whether South African companies are acting as responsible investors. The UNDP and the International Business Leader Forum report (Davies 2011) suggest that there are three ways in which companies can contribute towards the achievement of the MDGs, namely through their:

- social investment and philanthropy
- public advocacy, policy dialogue and institution-strengthening
- core business operations and value chains.

There are numerous examples that illustrate the use by South African companies of all three models in their engagement strategies in the rest of the region. For the purpose of this study it is useful to look at South African corporate social investment (CSI) spending in the rest of the region.⁴⁸ Unfortunately, it is extremely difficult to find reliable figures of South African CSI expenditure in the rest of Africa. Nonetheless, it is useful to consider CSI by South African corporates in their home market as a potential proxy indicator. Some conclusions can be drawn from their behaviour in their own market.

South African CSI

The *CSI Handbook* (Trialogue 2013) found that total corporate social investment expenditure in South Africa had grown to ZAR7.8bn in 2013 – translating as growth in real terms of 8 per cent over the previous year. This amount is almost equivalent to the total ODA that the South African government receives each year.⁴⁹ Of this total figure, the top 100 companies on the Johannesburg Stock Exchange accounted for 70 per cent of social investment expenditure of around ZAR5.4bn. But importantly, around half of total CSI expenditure came from just 31 companies, mainly in the mining, financial services and retail sectors.

One of the interesting findings of the research conducted by Trialogue for the 2013 *CSI Handbook* was an exploration of the factors that drove the business rationale for social investment. Corporates were asked to identify and rank three drivers out of a total of seven. For 84 per cent, the moral imperative to ‘do the right thing’ was one of the top three considerations, followed by reputational benefits (60 per cent) and then the Department of Trade and Industry’s Broad-Based Black Economic Empowerment (B-BBEE) codes of good practice (44 per cent). Strategic reasons came in at 37 per cent, followed by industry sector obligations at 28 per cent, licence-to-operate at 20 per cent, and in last place, ‘as a result of stakeholder pressures’ at 18 per cent. However, it is notable that those businesses which indicated that ‘licence-to-operate’ was the most important reason for their CSI expenditure (6 per cent of the sample group) also spent the most on social investment – at least three times as much as motivated by any other driver. Moral imperative still ranked in second place,

⁴⁸ Note the paper *Business from the BRICS: South Africa*, N Grobbelaar, SAIIA/IDS (2014, forthcoming) for a further exploration of how South African companies contribute towards development through their core business operations, value chains, public advocacy, policy dialogue and institution-strengthening.

⁴⁹ A further ZAR8bn is provided by ‘high-net-worth-individuals’ (HNWI). Thus domestic CSI is almost double the amount of annual ODA to South Africa.

followed by B-BBEE codes, stakeholder pressures, strategic reasons, industry sector charters, and reputational reasons in last place. This indicates that regulation does matter in the corporate social behaviour of companies.

While 82 per cent of corporate respondents had operations in other countries, only one-third (34 per cent) of these companies had CSI programmes outside South Africa. But among these were the top CSI performers in South Africa, namely Anglo American, Nedbank, SABMiller, Old Mutual, MTN and Vodacom. It is also noteworthy that both the budget and the strategy were determined by the local country office for a small group of companies with foreign CSI programmes. However, for the large majority (over 40 per cent), the CSI strategy was determined at the head office of the company in South Africa. On the whole, their foreign CSI expenditure represented around 10 per cent of their total CSI budget. It is important to note as well that the researchers found that accountability for CSI sits at executive or board level. This ensures that CSI receives prominent attention throughout the organisation.

Table 4.7 Companies perceived to be achieving the most developmental impact, corporate perceptions, 2013

Rank	Company
1	Anglo American, Nedbank
2	SABMiller
3	MTN
4	SASOL
5	Vodacom
6	Barclays Africa, Woolworths
7	First Rand Group, FNB
8	Transnet
9	Discovery, Investec, Old Mutual
10	Pick 'n Pay, Standard Bank
Other mentions (4)	Outsurance, BHP Billiton, Shanduka
Other mentions (3)	Eskom, Clover, Tiger Brands, Anglo American Chairman's Fund, AngloGold Ashanti
Total	N=91 (up to 3 responses)

Source: Adapted from Trialogue (2013): 58

Table 4.8 Companies perceived to be achieving the most developmental impact, non-profit organisation perceptions, 2013

Rank	Company
1	Anglo American
2	Nedbank
3	Old Mutual, Vodacom
4	Barclays Africa, Pick 'n Pay
5	Discovery, FNB
6	Woolworths
7	Standard Bank
8	Investec, SABMiller
9	FirstRand Group
10	Telkom
Other mentions (4)	AfriSam, Coca-Cola, MMI, Mutual & Federal, RMB, Sasol, Transnet
Other mentions (3)	Bidvest, BP, Engen, Eskom, HCI, Lewis Group, Liberty, Sanlam, Spar, Toyota SA
Total	N=132 (up to 3 responses)

Source: Adapted from Trialogue (2013): 58

There are a number of reasons to believe that South African companies are exporting the good corporate behaviour required in their home market into the rest of the region.

A study conducted by the OECD (Baskin 2005) found that of 127 listed companies from emerging markets, South African multinationals were identified as leaders in corporate social responsibility. Indeed, the results of the study found that South African companies showed a higher awareness and implementation of corporate responsibility activities than those of many OECD countries. The study also concluded that one of the key drivers of corporate responsibility in the South African case was the 'home-grown phenomenon', namely that South Africa's own corporate governance code, as exemplified by King III (2009) and other domestic legislation, is providing the framework for engagement by listed South African companies abroad.

This is borne out by a case study which found that the industrial relations of transnational corporation (TNC) affiliates are in part shaped by their home country (United Nations 2006). So, for example, if unions and collective action are accepted labour practices in a parent company's home territory, then it is likely that such action would also be accepted in their affiliates. South Africa has very advanced labour legislation, which includes the Labour Relations Act (1995) and its various amendments, the Basic Conditions of Employment Act (1997) and its amendments, the Employment Equity Act (1998) and the Skills Development Act (1999). Enforcement of this legislation has shaped both the behaviour and the practices of South African TNCs in Africa.

South Africa's listed companies, and specifically its blue chip companies, are regarded as playing a particularly positive corporate investment role. This is also because of regulation introduced by the Johannesburg Stock Exchange (JSE). The JSE was a first mover on the continent in introducing a socially responsible investment index in July 2004.⁵⁰ Companies that apply to be listed on the index are expected to meet 94 criteria related to economic, environmental and social sustainability. They are also regularly reviewed to assess their commitment to the criteria. The review also covers their external activities, although the criteria are slightly less stringent (United Nations 2006).

The South African private sector: public advocacy, policy dialogues and institution-strengthening

South African companies are active participants in a variety of public-private dialogue fora, including the annual World Economic Forum (WEF) in Davos (which is also attended by the South African government), the annual Africa WEF and industry events such as the Annual African Mining Indaba, which is held in Cape Town every year. These fora serve to bring various stakeholders together from government, academia and business to discuss policy-related issues.

As noted by the WEF, it 'engages political, business, academic and other leaders of society in collaborative efforts to shape global, regional and industry agendas'.⁵¹ South African companies are represented in the WEF structures as Strategic Partners (Eskom, Old Mutual and SABMiller), Industry Partners (African Rainbow Minerals, Eskom, Naspers, Old Mutual, Royal Bafokeng Nation, SABMiller, Sasol and Telkom SA) and Global Growth partners (Business Connexion, Harith General Partners, J&J Group, Sekunjalo Investments and Trans Caledon Tunnel Authority (TCTA)). At the national level, South African companies are active participants in the business chambers of the countries where they have invested, while some of the major South African investors are also represented on high-level advisory business councils at a national level.

⁵⁰ See www.jse.co.za/Products/SRI.aspx.

⁵¹ See www.weforum.org/world-economic-forum.

In terms of global policy frameworks and initiatives, the Global Compact,⁵² launched in 2000 by the UN Secretary-General, receives significant support and engagement from South African corporates with some of its CEOs having served and serving on its board. As the world's largest voluntary corporate citizenship initiative and derived from universally agreed conventions and declarations, its ten principles cover human rights, labour standards, the environment and anti-corruption. Many of the more than 12,000 participants and stakeholders are in the developing world. Participants are expected to both undertake projects in a way that advances the broader development goals of the UN and to internalise the principles in their operations. The Global Compact works closely with multiple stakeholders interested in the activities of corporates, namely governments, business, civil society organisations, labour, and UN agencies. South Africa also has a local chapter of the Global Compact. The National Business Initiative (NBI) has acted as the Focal Point of the Global Compact Local Network South Africa since 2007 and currently has 84 signatories.⁵³ The NBI is a voluntary coalition of around 100 companies in South Africa which have committed themselves towards shared and sustainable development. Prominent South African corporates such as Sasol, Eskom, Barloworld and Deloitte participate actively in the activities of the Global Compact as does the University of South Africa (UNISA) Centre for Corporate Citizenship.

One example where the South African government and the corporate sector have worked strongly in concert has been in the development of standards of good practice relating to the Kimberley Certification Process (KP). The initiative emerged in the 1990s as a result of the use of illicit diamond sales to fund the activities of rebel groups in Sierra Leone and Angola. Global Witness launched a global advocacy campaign against 'conflict diamonds' in the wake of a range of atrocities committed against the civilian population by the Revolutionary United Front forces in Sierra Leone. This resulted in a ban by the UN Security Council of all diamond sales from Sierra Leone in May 2000 until the government had established a certification system for the legal export of its diamonds. The diamond industry was also encouraged to establish certification measures to ensure that conflict diamonds did not enter the market. De Beers and the World Diamond Council in particular were key actors in developing a certification process for diamond sales and received significant political support from the South African government to see the process through. The KP was adopted on 31 July 2003 with South Africa as a key signatory. Around 70 other countries now underwrite the process.

At the time, the KP represented a significant public–private initiative that brought together government, industry and civil society to halt the sales of conflict diamonds. However, it has encountered some difficulties in recent years around the controversial position of Zimbabwe's Marange diamonds. Successive KP plenaries in Jerusalem (June 2010), St Petersburg (July 2010), Brussels (January 2011) and Kinshasa (June 2011) have all failed to reach a consensus on a modification of the KP definition of conflict diamonds that broadens its remit. UN Resolution 55/56 adopted by the UN General Assembly in December 2000 defined conflict diamonds to be 'rough diamonds which are used by rebel movements to finance their military activities, including attempts to undermine or overthrow legitimate Governments' (Kimberley Process 2003). This is the text that found its way into the KP definition. However, NGOs like Global Witness argue that the sale of the Marange diamonds should be regarded as conflict diamonds given the controversial role played by the Zimbabwe military against its own population. Global Witness withdrew its support from the KP in 2011. Unfortunately, very little progress has been made since to strengthen the process, also under South Africa's chairmanship in 2013, leading many to question the efficacy and credibility of the KP (Masiya and Benkenstein 2012).

⁵² See www.unglobalcompact.org.

⁵³ www.nbi.org.za.

The willingness of the South African government to engage proactively in the development of the KP presents an interesting contrast with its non-engagement with the Extractive Industries Transparency Initiative (EITI). There have been several calls on the South African government to join the EITI by both civil society but also countries such as Norway, one of the key proponents of the initiative. The government has resisted these calls by pointing out that South Africa is recognised as having one of the most transparent budgeting processes available worldwide through its medium term budgeting framework. This obviates the need for additional reporting given the visibility with which South African revenue is distributed. But underlying the South African government's reluctance to join the mechanism is that it is largely the result of a Northern initiative that until recently was only targeting developing countries to become signatories. This has changed more recently with some signs that both the UK and Australia are considering joining the EITI, which might sway the South African government to reconsider its position. The second factor that could possibly change the government's position is the argument that South African corporates, through their investments and presence in the rest of the region, are significant shapers of the norms and values that frame investment in Africa's extractive sector. South Africa's joining of the EITI would send a powerful signal to the rest of the region about how it would like to see the extractive sector develop.

However, the EITI also shows very clearly the political sensitivities that the South African government takes into consideration when it signs up to internationally agreed principles and initiatives that might be utilised in a punitive manner against the South. South Africa is extremely hesitant to support any initiative that might have an effect on its own or its region's policy space to pursue a locally-led development path. This is especially the case if this could be used against it to prevent access to markets for its goods or, in this case, primary products from the extractive sector.

South African private sector: core business operations and value chains

On the whole, when considering the private sector's contribution to the South African government's development partnership with the region, it is important to note that they are actors mainly driven by a profit incentive. Nonetheless, they have far surpassed the rather pessimistic assessments of some analysts about the willingness of corporate South Africa to support the renaissance of Africa. Despite the fact that they do not view themselves as development actors, they have a clear vision of the importance of partnership in unlocking Africa's potential. The success and contribution of the South African private sector to Africa's development are also indicative of the value of approaching the same challenge from different perspectives and with different tools and modes of engagement – for it is clear that South Africa's corporate sector has played a significant role in changing the prevailing discourse of the late 1990s and early 2000s from the 'hopeless continent' to one of 'Africa rising'.⁵⁴

There is also no doubt that South African corporates have had a significant developmental impact in the region, although these are often described as economic rather than developmental effects. The most discernible effect is on the nature of Africa's evolving private sector, particularly of its smaller economies. These impacts can be broadly described as: formalisation of the job market; increasing efficiencies and productivity; driving down costs to consumers through increasing competition; innovation and transfer of technology; increasing fiscal stability and sustainability through increasing revenue collection; local economic development through upstream and downstream linkages; growing global integration and the softer, less tangible effects on the business climate; and local and international business confidence (Grobbelaar and Besada 2008).

⁵⁴ Both terms were used on the front page of *The Economist* magazine in 2000 and 2011 respectively.

Lastly, it is important to note, as pointed out by James Ahiakpor (1990: xi):

The main conclusion that I reach from my attempts to integrate both theoretical and empirical research is that foreign firms, including multinationals, are better regarded as neutral agents in the process of economic growth and development. Whether they contribute positively or negatively to the development process depends very much on the economic policy climate within which they operate.

This remark points to the importance of good governance. South African corporates recognise the value of good governance linked with stability and peace for the sustainability of their operations in the region. In this area they are *ad idem* with the South African government's perspective that these factors are critically important to the development and prosperity of the continent.

5 The impact and efficacy of South Africa's peace-building development partnerships – a mixed bag and some unresolved issues

As noted above, South Africa has played a key role in supporting peace-building and post-conflict development in the rest of Africa over the past 20 years as part of its South-South cooperation. A study called 'Enhancing South Africa's post-conflict development and peace-building activity in Africa' conducted by Hendricks and Lucey (Lucey and O'Riordan 2014) on behalf of the Institute for Security Studies (ISS) reviewed the impact of South Africa's activities in three of the key theatres where South Africa has been active, namely DRC (the biggest recipient of South African support – up to ZAR2bn),⁵⁵ Burundi and South Sudan. The types of government-to-government engagements included:

... the drafting of frameworks and laws; capacity-building, such as the training of diplomats and civil servants; information-sharing exchanges and workshops; implementation support, for example assistance with electoral materials; infrastructure development and economic trade and development activities. (Lucey and O'Riordan 2014: 5)

The research identified several lessons, but also raised several unanswered questions that are fundamental to the future approach of South Africa as a development partner in the region. On the whole, South Africa's engagements were regarded positively. South Africa was viewed as having comparable experiences to share, given that its development trajectory is more similar and appropriate to African experiences than that of Western countries. South Africa also enjoyed the trust and confidence of its partners, giving it high-level buy-in and access where other partners might struggle. South Africa also seems to be able to provide these types of services in a much more cost-effective manner than traditional donors. The training of diplomats from the region by the South African Diplomatic Academy located in DIRCO was regarded as especially useful as it contributed meaningfully to equipping African diplomats with technical capacity and knowledge to negotiate and engage internationally. Against this background, South Africa has the potential to play a catalytic role in the region, becoming 'the service provider of choice' to develop 'capacities in partner countries to negotiate and defend Africa-wide interests'. South Africa also enjoyed particular strengths in security sector reform and gender mainstreaming, which the researchers believed the country should use more effectively.

On the negative side, a number of issues were raised. These included that South Africa's impact was limited given the *ad hoc* and short-term nature of its engagements. While numerous Memoranda of Understanding were signed, they were not always implemented and followed up. Some information exchanges and capacity building and training were one-off initiatives, lacking context and having a geographic bias towards urban centres. This meant that some of the training offered followed a 'one size fits all model' that was not appropriate for different country settings. On the whole, while South Africa's engagements were demand-driven, they lacked proper integration into national planning frameworks. South Africa also seldom engaged civil society, other non-state actors or other donors.

Lucey and O'Riordan (2014) make a number of suggestions that South Africa should take on board in ensuring that its engagement is more effective. These include the adoption of a proper knowledge management system that is more strategic, focused on a long-term vision

⁵⁵ DIRCO official, March 2014.

and supported by properly structured M&E, learning, project management and financial transparency. This finding is also strongly endorsed by others such as Besharati (2013a, 2013b). The Lucey and O’Riordan study also recommends that South Africa needs to build more expertise on post-conflict reconstruction and development (PCRD), making use of experts with experience in this field and with deep knowledge of Africa. A model that mimics the DFID network of UK-based research institutions, thinktanks and universities was regarded as one way to strengthen internal analytic capability, but also to provide the context and analysis that often accompany difficult and intractable politically sensitive governance and development challenges. The study also recommends expanding this relationship to NGOs and the private sector to strengthen the institutional capacity of SADPA to engage in a range of contexts and through diverse methodologies. Lastly, all three authors recommend that more attention should focus on understanding the national planning frameworks of partnership countries and situating South Africa’s activities within these frameworks.

Moving into more sensitive terrain, Lucey and O’Riordan (2014) suggest that the establishment of SADPA assumes that South Africa will be expanding a diplomatic relationship to include a developmental partnership. However, care should be taken about how this framing of relations plays out at a practical level. While South Africa might view the framing of its engagement as inherently technical or benevolent, there is no doubt that for the recipient, the engagement is deeply political. Moreover, while the notion of a ‘development partner’ as opposed to a ‘donor’ seems to signal an ‘emphasis on implementation rather than on financial clout’, South Africa should choose carefully how it engages. An unequal power relationship is implicit even under a watered-down guise of a ‘development partnership’. Importantly, the recommendation that South Africa should engage alongside other donors in the national aid architectures of countries should be approached with caution. This is a serious issue and consideration for South Africa, given the emphasis on trilateral cooperation in the SADPA model as a key instrument to enhance its financial clout and leverage. Besharati (2013b: 40) rightly asks the question: whose agenda will prevail if other donors contribute more than two-thirds of SADPA’s funds? As a way to address this concern, he proposes that South Africa’s ‘programming should first be developed, in consultation with other African partners, and subsequently donors should be approached to fund programmes’. Others note that donor interference in South African programming would be less of a problem where South Africa clearly has the competency to lead, such as in the area of public financial management (as it is already doing in the case of the Collaborative Africa Budget Reform Initiative).⁵⁶ These competencies are especially important in fragile state settings and fundamental in building capable and efficient modern state institutions.

Following from the above, one of the ways that South Africa could strengthen its programming aligned with its competencies is to look very carefully at the principles that will guide its development interventions. More importantly, while it is useful to learn from both established Northern donors and new Southern providers, South Africa would do well in working closely with its partners in the region to strengthen their national planning and development frameworks. This could be a powerful instrument to guide South Africa’s programming based on the principle of partnership. Ensuring that national planning frameworks also complement regional frameworks and that South Africa supports engagements at this level as well could be very effective in helping to put the region on a far more sustainable footing.

Lastly, there remains a great deal of uncertainty about the exact mandate of SADPA. The proposed size of the organisation, with an initial staff complement of 20 increasing to 50, suggests a very modestly sized operation considering that Africa consists of more than 50 states. This also raises the question of where else SADPA will draw its expertise from and the relationship between itself, the DBSA, IDC and other DFIs. Unless it has significant

⁵⁶ The author wishes to thank Richard Carey for the useful inputs related to this particular topic.

technical expertise and depth, SADPA can mainly aspire to become a coordinating mechanism that tries to bring greater focus and coherence to the range of development partnership activities that several of South Africa's government departments are already involved in.

While South Africa prioritises engagement in conflict theatres on the continent, it is unclear whether SAPDA will focus only on these fragile settings. Its current track record suggests that this is a priority for South Africa, but it is increasingly moving into other countries as well.

6 Conclusion

6.1 Assessment of the country's positioning, capacity and comparative advantages

Besharati (2013b) suggests that South Africa enjoys particular comparative advantages. These include:

- **Proximity and 'insider' status:** South Africa's own unique experiences of development and a shared identity and geography with the region enhance its capacity to engage with countries in the region.
- **Specialised expertise:** While South Africa is not an experienced 'donor', it has significant strengths and capacities to share with the region. These include a strong track record in peace-building, reconciliation and democracy, mainly drawing from its own experiences. South Africa also has significant experience in 'state and institution' building that is complemented by its human resource development and capacity building in Africa, mainly through the training of African civil servants.
- **Public financial management:** This is a key competency of the South African state, with SARS in particular winning international plaudits for the way it manages revenue collection, customs management and domestic resource mobilisation. South Africa plays a leading role in the Collaborative Africa Budget Reform Initiative (CABRI) and in the African Tax Administration Forum. It is also a leading member of the C-10 (representing the Committee of Ten African Ministers of Finance and Central Bank Governors) and in regional capacity building in statistical analyses and information-gathering.
- **Infrastructure:** South Africa is a significant player in the development of the region's infrastructure – both in framing and politically driving key African infrastructure projects such as PIDA and through regional initiatives (such as NEPAD and the SADC). In addition, the country is providing extensive project financing and financial support through the IDC and the DBSA for water, transport, energy and telecommunications infrastructure.

The following additional comparative advantages could be added:

- **Civilian capacity building and a strong epistemic community:** South Africa has a robust and regionally engaged civil society that is involved in a range of capacity building activities across the continent. Drawing on its significant experience in constitutional justice, mediation, peace-building, early warning, but also deep research expertise on regional integration, trade and investment, and Africa's engagement with the rest of the world, provides a significant platform on which to build a fuller South African development partnership offering to the region.
- **Regionally engaged private sector:** South Africa's relative economic strength with regard to the region combined with its robust and regionally engaged private sector is contributing significantly towards the development of the region. There is much potential for the exploration of innovative public–private partnerships in the region.
- **Bridge-builder:** This comparative advantage is slightly more amorphous than the advantages previously identified. South Africa is an active member, participant and engaged observer in a range of global initiatives and fora (such as the WTO, the World Bank, the Africa Partnership Forum, the G20, the IMF, the OECD, the UN and its various agencies, IBSA and the BRICS). Combined with its active participation and leadership in a range of African fora and initiatives (such as the AU, SADC, the AfDB, NEPAD, the Pan-African Parliament (PAP), and SACU), this unique positioning enables South Africa to both seek to represent African perspectives in these fora, and

also attempt to develop a consensus around African interests and concerns. This is a difficult role as South Africa has not been nominated or elected to fulfil this role, nor do African interests converge in every instance with South African interests. Nevertheless, South Africa's active role in global affairs and in its region provides an opportunity to leverage and elevate Africa's development concerns through multiple fora and initiatives.

6.2 Key priorities

South Africa has in the past prioritised, and will in the future continue to prioritise, the region in its development partnership activities. As noted by Besharati (2013b), its projects have consistently focused on:

- regional integration
- peace, security and stability
- post-conflict reconstruction
- strengthening relations with Africa and the global South
- promoting good governance
- humanitarian assistance.

However, other priorities are also to be discerned:

- building North-South partnerships through various international fora, including the UN and others
- focus on trilateral cooperation (driven both by necessity and by a need for learning from best practice)
- global governance and the creation of supportive frameworks for Africa's development aspirations, which also translate into equitable sharing of the global public goods burden.

6.3 Final remarks

South Africa is an engaged development partner in its region and recognised globally for its advocacy on behalf of Africa. Nonetheless, a great deal of uncertainty still remains about the future contours and the ambitions of SADPA and South Africa's South-South cooperation. Important actors (such as civil society and the private sector) that could enhance South Africa's offering seem to be largely excluded from the framing of South Africa's aspirations as a development or South-South cooperation partner. There is a clear need for more consultation with these actors. However, stronger engagement with the eventual beneficiaries of South Africa's development cooperation is also needed as South Africa begins to frame both its vision and the technicalities of its 'programming'. This also implies a better understanding of the political and socioeconomic context of South Africa's activities. South Africa's epistemic community can play an important role in bolstering and complementing the South African government's understanding in this area. Lastly, with increasing resources channelled by South Africa towards its partners (with support from other trilateral partners), there is a need for greater transparency as well as better M&E systems to ensure that funds are spent in an accountable manner and South Africa's contribution is having a real impact. Some lessons could be drawn from the aid effectiveness practices of traditional donors, while the IBSA Fund managed by the UNDP's Special Unit for South-South Cooperation also offers a useful departure point for the framing of South Africa's indicators and criteria for support. It is clear that SADPA will require extremely strong technical and financial capacities that currently do not reside within DIRCO but are more prevalent in the National Treasury. At least in the initial stages of the formation of SADPA there is a strong case to be made for close cooperation between these two departments, with the option of ongoing secondment of staff from the Treasury and other development finance institutions to SADPA.

South Africa has an opportunity to professionalise and better coordinate its diverse engagements in South-South cooperation and regional partnership, thereby enhancing its impact and contributing meaningfully to the elimination of poverty and conflict in its region. After all, South Africans recognise that their destiny is closely tied to that of their region. Ensuring that the rest of the continent is able to pursue its development aspirations is not only a positive outcome for the creation of regional public goods, especially if there is strong integration between national development plans and regional initiatives, but ultimately also good for South Africa.

Lastly, South Africa is uniquely positioned as a key representative from the global South that has a proven track record in building effective North-South and South-South cooperation.

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