

EUROPEAN PARLIAMENT

2009



2014

Delegation for relations with South Africa

REPORT

by **Michael Cashman**
Chairman of the
Delegation for relations South Africa



14th European Parliament / South Africa

Inter-parliamentary Meeting

20 October to 21 October 2009

Strasbourg - France

A. Introduction

The 14th IPM was the first opportunity for a meeting between the two parliamentary delegations since elections had been held on both sides. For the EP's Delegation for Relations with South Africa, this was the first IPM of the 7th legislature. For the delegation from South Africa, it was the first IPM since presidential and parliamentary elections were held on 22 April 2009.

In addition to the changing political landscape, the IPM was also held against the backdrop of a changed economic environment, as the effects of the global crisis and recession had been felt in South Africa, where almost 500,000 jobs were lost in the first half of 2009.

The IPM took place in Strasbourg on 20 and 21 October 2009. The South African delegation was led by Ms. Joan FUBBS (ANC), Chair of the Portfolio Committee on Trade and Industry and comprised Mr. Thulas NXESI (SADTU), Chair of the Portfolio Committee on International Relations, Ms. Z. DUBAZANA (ANC), Mr. M. MANANA (ANC), Mr. G. MAGWANISHEE (ANC), Mr. I. DAVIDSON (DA), Chief Whip of the Opposition, and Mr. P. DEXTER (COPE). The IPM was co-chaired by Michael CASHMAN, Chair of the EP Delegation for Relations with South Africa, and Ms. Joan FUBBS.

As well as participating in the IPM, the South African delegation had the opportunity to tour the European Parliament and the Council of Europe, receiving briefings on the functioning of both bodies. They were also able to watch the proceedings of the European Parliament plenary session, where they received an official welcome.

B. The Inter-Parliamentary Meeting: main themes

The business of the IPM was covered in two sessions in the afternoons of 20 and 21 October. A broad range of topics were discussed, from the recent political, economic and social developments in both South Africa and the EU, including the priorities of the new South African administration led by President Jacob Zuma and the EU constitutional reforms following the Irish referendum on the Lisbon Treaty, to climate change, the impact of the financial and economic crisis and trade issues, both multilaterally, in the context of the World Trade Organisation, and region-to-region, covering the negotiations for an Economic Partnership Agreement (EPA) between the EU and the countries of the Southern African Development Community (SADC).

A broad range of topics were discussed: the recent political, economic and social developments in South Africa and the EU, including:

- the priorities of the new South African administration led by President Jacob Zuma
- the EU constitutional reforms following the Irish referendum on the Lisbon Treaty
- climate change
- the impact of the financial and economic crisis
- trade issues.

Political, social and economic developments in South Africa

Mr. Magwanishe gave a general overview of the most recent developments in South Africa. Since the elections, a number of Ministries had been reconfigured, including the provision of Ministries for Rural Development and a split in the Education Ministry to treat basic education separately from higher education and professional training. The frustration felt by some residents over the lack of basic services had led to protests, and allegations of corruption were made, which led the government to institute a strategy called "Clean cities, clean audits" linking service delivery to good public finance management. It was expected that all municipalities would have public accounts committees by 2014 and Parliament intended to use its oversight powers to ensure a good quality of life is available to everybody.

An update on the situation concerning the HIV/AIDS pandemic was provided by Mr. Nxesi, who said South Africa had now moved beyond the stage of a debate over whether HIV causes AIDS. Programmes were showing signs of advancement in the use of anti-retroviral treatments, which now reach half a million people. South Africa now has the world's the second highest domestic spending on AIDS programmes.

Mr. Davidson summarised the priorities of the new administration led by President Jacob Zuma, which are set out in the government's Medium Term Strategic Framework. He said the main priorities in the government's plan are:

- Economic growth, especially job creation. This responds to the high rate of unemployment, officially put at 23% and unofficially understood to be higher. A concentration on small and medium-sized enterprises would be central to this objective;
- Building social and economic infrastructure;
- Rural development. This includes both agrarian reform and food security, since South Africa is now a net importer of food;
- Developing skills and the human resource base;
- Improving the health profile, including plans for a national health insurance scheme;
- Combating crime and corruption;
- Building cohesive and caring cities, which involves combating the massive urban sprawl which has characterised previous urban development and building communities in cities;
- Strengthening relationships with the rest of the world.

A discussion on the importance of entrepreneurship led to an explanation by Ms. Dubazana that the Broader Based Black Empowerment Act (BBBA) is partly intended to work towards this goal. However, commercial banks had been unwilling to assume the risk of lending to small businesses, so the Development Bank of South Africa (DBSA) was created to help fill the funding gap.

South Africa rose to the challenges of the African continent by promoting peace, security, trade and conflict resolution under the country's "African Agenda" which was explained by Mr. Manana. In particular, he stressed that South Africa's role in post conflict resolution and subsequent reconstruction had been pivotal, especially in such countries as Liberia, Sudan, the Democratic Republic of Congo, Comoros and Zimbabwe.

There was also a discussion about preparations for the FIFA World Cup to be held in South Africa in June and July 2010. Ms. Dubazana said preparations were 88% complete and all the stadiums were on track to be constructed by December 2009, except in the Western Cape where the weather was causing delays. She added that FIFA had approved the plans for policing the event.

Political, social and economic developments in the EU

Discussions on recent developments in the EU began with an explanation of the Irish referendum on the Lisbon Treaty by Dublin MEP Gay Mitchell who had been very much involved in the campaign. The South African MPs asked about the prospects for the Treaty to be ratified by the Czech Republic, which was the only country which had not yet ratified. It was stressed that the Czech parliament had already approved the Treaty and it only remained for the Czech President to sign it. A quick resolution was expected for the final last hurdles of a challenge in the Czech constitutional court and the President's request for clarification on the matter of compensation for the post-war expropriation of land owned by German nationals.

A discussion on the measures adopted by the EU in response to the financial crisis was led by Michael Gahler MEP who explained the origins of the crisis in the US housing market, and the mistakes made by ratings agencies which gave the highest ratings to financial companies that later failed. He said that, to prevent a similar crisis occurring again, there was now a need to ensure no financial institution, financial products, or geographical territory was exempt from regulation. On the economic crisis, Michael Cashman stressed that there had been no uniformity in the response by EU Member States, even in the Eurozone. He added that future financial supervision would have to be global if it is to be effective, but that there is resistance to such measures from the financial sector itself.

On the subject of asylum and immigration Mr. Cashman, explained that there is no EU policy that is embraced by all EU member states, although he pointed out that some states feel there is a need for more 'burden sharing'. There are two conventions, the Dublin Convention and the Dublin 2 Convention, the latter stipulating that an asylum claim can be made only at the point of entry, which has sometimes benefited seekers. However, Mr. Cashman emphasised, EU policy should aim at eliminating the causes from countries which make people flee such as lack of freedom, liberty and economic prosperity: the EU must get its foreign policy, aid, trade and development right. Explaining that South Africa shares some of the same concerns as the EU, as it is an important country of destination for migrants from the Southern Africa region, Mrs. Fubbs posed the difficult question of how host countries balance the need to uphold human rights at the same time as recognising other countries' sovereignty. Mr. Dexter proposed that rather than instituting barriers, a more pragmatic approach be adopted towards asylum seekers and immigrants; a 'regulated flexibility'. Even though immigration has placed strains on systems in South Africa, there is recognition of the need for support and protection and practical policies have been developed.

Global issues - multilateral trading arrangements and climate change

As little progress was being made in WTO trade negotiations, the South African delegation drew attention to the fact that the "development" aspect of the "Doha Development Agenda (DDA)" was being lost from view. They said that although the G20 in Pittsburg had set ambitious targets to conclude the round in 2010, there was little movement in the actual talks, and this frustration had led to a proliferation of regional and bilateral trade agreements. Michael Cashman responded that the DDA was needed to achieve the Millennium Development Goals and that African countries should not be asked to agree to measures that would restrict their growth.

In the area of climate change, South Africa has particular challenges since it is a water-stressed, semi-arid to arid country and it has historically based its energy generation on fossil fuels. While recognising that moving to renewable sources of energy would involve major investment and could not be undertaken quickly, the South African delegation agreed that all the aspects of responding to climate change must be pursued in harmony, including mitigation, adaptation, technology transfer, finance and development.

EU-South African Relations

The Interparliamentary Meeting took particular interest in fulfilling its roles in the area of parliamentary oversight, both over the South Africa-EU Strategic Partnership and over the implementation of development cooperation under the EU's Development Cooperation Instrument (DCI). Under the Strategic Partnership the IPM fulfils the commitments of the EU and South Africa to encourage the formalisation of SA-EU Parliamentary bilateral relations and encourage regular exchanges of visits by parliamentary delegations. Michael Cashman advised concentrating on the challenge of analysing where the working groups under the Strategic Partnership Joint Action Plan were making progress, and whether the parliamentary dimension can assist in cases where work is proceeding more slowly.

For DCI, Michael Cashman explained that the European Parliament Development Committee had recently placed emphasis on scrutiny of Country Strategy Papers, including South Africa, for which a sum of EUR 980 mln was foreseen to cover the period 2007-2013. Following this work, the representatives of national parliaments in the ACP-EU Joint Parliamentary Assembly had taken increasing interest in holding their own governments to account for their agreements with the European Commission on DCI-funded cooperation. Mr. Nxesi expressed his interest in the South African Parliament also being close to this process and said that they would follow-up on the discussion.

On the issue of the negotiations for an Economic Partnership Agreement (EPA) between the EU and the countries of the SADC Region, the IPM had a detailed and animated discussion. The Commission observed that the existing Trade and Development Cooperation Agreement (TDCA) between the EU and South Africa prevents the SADC external tariff operating in an integral fashion, and that an EPA would solve this problem. However, if an EPA were not signed it would mean the end of the WTO waiver for Cotonou preferences leaving Botswana, Namibia and Swaziland with the problem of competing on an equal basis with the rest of the world for access to the EU market. For South Africa, the Commission said the EPA would make little difference, since the provisions of the TDCA were replicated in the proposed EPA text. The South Africa delegation disputed that there was any difficulty in the operation of the SADC

external tariff and pointed out that revenues from this tariff were pooled and used for the benefit of other countries in the region, amounting to a sum greater than the total ODA they receive from the EU. They also pointed out that the Cotonou waiver only related to trade in goods, and this was also true of the TDCA trade provisions. However the Commission insisted that the EPA should also extend to such areas as investment and procurement, which in the WTO context fall under the heading "Singapore issues". Despite a response by the Commission pointing out that all parties had agreed in the Cotonou Agreement that EPAs should extend beyond pure trade in goods, the controversy remained so Judith Sargentini MEP, 1st Vice-chair of the EP South Africa Delegation, was appointed as the contact person for the EP delegation on this issue.

A debate on the impact of the financial and economic crises was opened by Mr. Dexter who observed that the crises had led to a significant fall in government revenue and had exacerbated structural problems in certain industries, including the textiles industry. While other countries of the world were beginning to come out of recession, South Africa remained behind the curve, and the additional problems caused by the crisis made it much harder for the country to address all its challenges. On the financial side, Mr. Davidson added that banks were building their balance-sheets and were therefore reluctant to lend, which made economic recovery even more difficult. Mr Cashman observed that the crises could provide an opportunity to examine the operation of the economies of both the EU and South Africa with a view to making reforms. Both sides hoped that the recession would be V-shaped rather than the double-impact of a W-shaped recession.

The IPM moved on to discuss the Millennium Development Goals, starting with a summary from the Commission on how well South Africa is progressing towards achieving the MDGs. The goal on gender equality (Goal 3) had been largely achieved, and there had been significant inroads in reducing poverty and hunger (Goal 1). While statistics showed the goal on primary education (Goal 2) had been achieved, there remained questions about the quality of the education provided. The greatest challenges remained in the areas of child mortality and maternal health (Goals 4 and 5), and particularly on HIV/AIDS and tuberculosis (Goal 6). Mr. Dexter and Mr. Nxesi agreed that there remained much work to do to address the problem of HIV/AIDS and Mr. Nxesi asked about the commitments made by donors (Goal 8), especially the promise to dedicate 0.7% of their GDP to development. Michael Cashman agreed it was important to highlight the commitment of 0.7%, especially among EU Member States, pointing out that the economic crisis does not provide a reason for missing the target as the figure associated with the 0.7 will fall in line with any fall in GDP.

The discussion on areas of cooperation between the EU and South Africa centred mainly around the issue of science and technology, with the Commission pointing out that South Africa was the most successful third country participant in competitive calls for proposals under the EU's 7th Framework Programme for Research. In response to a question by Giles Chichester, Mr Dexter summarised the state of play in development of the Pebble Bed Nuclear Reactor, on which he said the "jury was still out". He mentioned, however, that there had been expressions of interest from the Chinese, and it was possible this could allow the technology to be used on a big enough scale to make it viable.

Future Interparliamentary Relations

With the forum for discussion now established between the newly-elected European Parliament and the newly-elected Parliament of South Africa, the IPM discussed the practical details for further exchanges between them.

Michael Cashman also raised the question of possible institutional arrangements for parliamentary oversight of any Economic Partnership Agreement that may be concluded between the EU and SADC, since the only full EPA yet signed, concerning the countries of Cariforum, contained provisions for an "EPA oversight committee". Mr. Cashman observed that this would appear to duplicate existing arrangements for parliamentary cooperation between the EP and the ACP regions under the auspices of the ACP-EU Joint Parliamentary Assembly. The South African delegation reported that exactly the same concern had been expressed by the SADC Group, and that they had taken the view that any EPA parliamentary oversight should be kept within the ambit of the structures of the Joint Parliamentary Assembly.

The Chair of the EP Delegation for Relations with the Pan-African Parliament (PAP), Michael Gahler, led an exchange of views on the work of that regional body, explaining that their task was to accompany the implementation of the EU-Africa Strategy and its eight partnerships in different policy areas. He expressed gratitude to South Africa for hosting the PAP in Midrand, to which Ms. Fubbs replied that South Africa also benefits from this arrangement as it encourages cooperation and cohesion on the African continent.

EUROPEAN PARLIAMENT

DELEGATION FOR RELATIONS WITH SOUTH AFRICA

14th EP/South Africa Interparliamentary meeting

Tuesday 20 October 2009, 16.00-19.00
Wednesday 21 October 2009, 15.45-18.30

Louise Weiss building (LOW) Room S4.1

STRASBOURG

CLOSING STATEMENT

The 14th Interparliamentary Meeting between the European Parliament and the Parliament of South Africa took place in Strasbourg (France) on 20-21 October 2009. The discussion took place in an open and cordial atmosphere and further enhanced the existing bond of friendship between the two parliamentary delegations, as well as a shared vision on many of the subjects discussed.

The discussions covered a wide variety of themes including the priorities of the recently-elected administration under the leadership of President Zuma in South Africa, the constitutional changes expected under the Lisbon treaty in the EU, the repercussions of the global financial and economic crisis, the Doha Development Round of the WTO and the worldwide challenge of climate change. Both sides also exchanged views on the ongoing negotiations on an Economic Partnership Agreement between the European Union and the countries of the Southern African Development Community.

The Interparliamentary Meeting also undertook the role of parliamentary oversight of the South Africa-EU Strategic Partnership and the implementation of development cooperation funding under the EU's Development Cooperation Instrument. The parliamentarians also shared their views on how they foresee future relations between their two Parliaments.

The Members of Parliament who took part in the Interparliamentary Meeting were pleased with the outcome of their discussions and were particularly pleased to have established such a good working relationship which would further strengthen the ties between their respective Parliaments.

EUROPEAN PARLIAMENT

DELEGATION FOR RELATIONS WITH SOUTH AFRICA

14th Interparliamentary meeting EP/South Africa

20 - 2 October 2009 - STRASBOURG

SOUTH AFRICA DELEGATION

Members of Parliament

Ms J FUBBS	Leader of the Delegation Chair of the Portfolio Committee on Trade and Industry	ANC
Mr T NXESI	Chair of the Portfolio Committee on International Relations & Cooperation	SADTU
Ms Z DUBAZANA	Member of the Finance Committee	ANC
Mr M MANANA	Member of the International Relations & Cooperation Committee	ANC
Mr G MAGWANISHE	Deputy Chief Whip of the Majority Party	ANC
Mr I DAVIDSON	Chief Whip of the Opposition	DA
Mr P DEXTER	Member of the Mining Committee Member of the Energy Committee	COPE

Staff accompanying the visiting delegation

Mr Kayum AHMED	Team Leader: Multilateral
Ms Cheryl-Anne PAULSE	International Relations officer
Mr Deon SEALS	Department of International Relations & Cooperation
Ms S MANGCU	Parliamentary European Union Legislative Programme Manager

South African Embassy to the EU

Mr Anil SOOKLAL	Ambassador
Ms Dr Nelistra SINGH-SOOKLAL	Accompanying the Ambassador
Mr P. MFENYANA	1st Secretary

EUROPEAN PARLIAMENT

DELEGATION FOR RELATIONS WITH SOUTH AFRICA

14th Interparliamentary meeting EP/South Africa

20 - 21 October 2009 - STRASBOURG

EP-DELEGATION

Mr Michael Cashman	Chair	S&D
Ms Judith SARGENTINI	Vice-chair	Verts/ALE
Ms Marie-Thérèse SANCHEZ-SCHMID	Full member D-ZA	PPE
Mr Sabine VERHEYEN	Full member D-ZA	PPE
Mr Nuno TEIXEIRA	Sub.member D-ZA	PPE
Mr Michael GAHLER		PPE
Mr Gay MITCHELL		PPE
Mr Bernd LANGE	Full member D-ZA	S&D
Ms Liisa JAAKONSAARI	Sub.member D-ZA	S&D
Mr Boris ZALA	Sub.member D-ZA	S&D
Mr Morten LØKKEGAARD	Full member D-ZA	ALDE
Mr Giles CHICHESTER	Full member D-ZA	ECR

EUROPEAN PARLIAMENT

DELEGATION FOR RELATIONS WITH SOUTH AFRICA

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STRASBOURG

DRAFT AGENDA

I. Political, social and economic developments in South Africa

- Recent political, social and economic developments in South Africa
- Priorities of the new administration
- South Africa's African Agenda
- Update on the Fifa World Cup

II. Political, social and economic developments in the EU

- Constitutional reforms after the Irish referendum
- Economic developments: EU legislative measures to combat the economic crisis
- EU Asylum and Immigration Policy

III. Global Issues

- WTO/Doha Development Round
- Environment/ climate change

IV. EU-South Africa Relations

- Oversight of the South Africa-EU Strategic Partnership
- Economic Partnership Agreements:
 - Consequences for regional integration
 - Impact on the ACP future
- Oversight and scrutiny of DCI funding (Country Strategy Paper)
- Impact of the financial and economic crises
- Millennium Development Goals
- Areas of co-operation
 - o Environment
 - o Peace and security in Africa
 - o Science and technology for development
 - o Energy

V. Future Interparliamentary Relations

- Future relations between the EP and the Parliament of South Africa
- Institutional arrangements for parliamentary oversight of the EPA
- Interparliamentary relations between regional and national parliaments
 - o Report on the recent activities of the Pan-African Parliament - Michael Gahler

EUROPEAN PARLIAMENT

DELEGATION FOR RELATIONS WITH SOUTH AFRICA

14th South Africa/EP meeting

DRAFT PROGRAMME

Monday 19 October 2009

13.25 Arrival of the Delegation from Johannesburg/South Africa
at Enzheim Airport/ Strasbourg

Free afternoon and evening

Tuesday 20 October 2009

09.30 Departure from Hotel Hilton for the European Parliament

09.45 Arrival at LOW entrance

10.00-10.30 Introductory tour of the European Parliament
By *Protocol Service*

10.45-12.30 Visit to the Council of Europe

10.45 Arrival at the main entrance of the Palais de l'Europe
Visit of the Debating Chamber of the Parliamentary Assembly.

11.15 Conference on the role of the Council of Europe in the European political
landscape, given by an Administrator of the General Secretariat

13.00-15.00 Lunch at the Council of Europe
Hosted by:

Michael Cashman

Chairman of the Delegation for relations with South Africa

16.00-19.00 14th Interparliamentary meeting - LOW S4.1
Please see Draft Agenda

19.15 Departure to hotel

Free evening

14th Inter-parliamentary Meeting EP-South Africa

Wednesday, 21 October 2009

- 9.00 Departure from Hotel Hilton
- 9.30-11.00 Bilateral meetings with Political Groups - LOW S4.1
No interpretation provided
- 9.30-10.00: Group of the Progressive Alliance of Socialists and
Democrats in the European Parliament
Members: Cashman, Lange
- 10.00-10.30: Group of the Alliance of Liberals and
Democrats for Europe
- 10.30-11.00: Group of the European People's Party
(Christian Democrats)
Members: Cadec, Gahler, Sanchez-Schmid, Verheyen
- 11.30-12.30 EMAS in European Parliament - LOW S4.2
The Community eco-management and audit scheme (EMAS)
is an environmental standard established by the European Union
Presentation by *Mr Lambert Kraewinkels*
- 13.00 Lunch:
Hosted by:
- Miguel Angel Martínez Martínez**
Vice-President of the European Parliament
in honour of the South African parliamentarians
- Venue: Private room in Members Restaurant*
- 15.00-15.30 South African delegation to attend Council and Commissions statements:
Climate Change and developing countries (diplomatic gallery)
- 15.45 -18.30 14th Interparliamentary Meeting - LOW S4.1
Please see Draft Agenda
- 18.45 Departure to Hotel Hilton
- 19.45 Departure from the Hotel Hilton
- 20.00 Dinner hosted by:
- Mr Michael Cashman**
chairman of the Delegation for relations with South Africa
- Venue: Hôtel Régent Petite France*
5, rue des Moulins - 67000 Strasbourg

14th Inter-parliamentary Meeting EP-South Africa

Thursday, 22 October 2009

- 08.20 Departure from Hotel Hilton to the European Parliament
- 08.35 Arrival at LOW entrance
- 8.45-10.45 Bilateral meetings with Political Groups - LOW S4.1
No interpretation provided
- 8.45-9.15 :
9.15-9.45 :
9.45-10.15 :
10.15-10.45 :
- 11.00 Departure of the Delegation from South Africa
- Free afternoon
- 17.00 Departure from Strasbourg to Frankfurt Airport
- 22.35 Departure from Frankfurt Airport to Johannesburg/South Africa