



All South Africans, black and white, resident at home and abroad, are, like the peoples of the world, driven by hope and confidence in our future as a country. They are determined to see our country progress. As a democratic government, we have an obligation to sustain this hope and confidence in a realistic and practical manner.

Almost every aspect of life has been touched by the changes brought by government and people working together. These things have been achieved because of people lending a hand in the national effort to build a better life for all. Each year, more and more people have gained improved access to clean water, electricity, telephones, houses, health, education, and other services. These things have been achieved because of a commitment to programmes that put people first.

Lend a hand in the partnership against poverty a better life for all!

Pushing back the frontiers of poverty

Progress has been made under democratic government in broadening access to basic services:

- ▲ **Water:** A free basic water policy has been introduced. Since the beginning of 1999, four million more South Africans have access to free basic water, bringing the total since 1994 to over seven million.
- ▲ **Electricity:** In the five calendar years to the end of 1998, 2,3 million electricity grid-connections were made. In the three years since 1999, 1,2 million new connections were made, bringing the total to 3,48 million.

- ▲ **Land:** The pace of land restitution has dramatically increased. Only 48 claims were settled at the end of 1998; but by the end of 2001 the number of claim settlements was 29 000.
- ▲ **Housing:** 500 000 houses were built or under construction at the end of the financial year in 1998 – the number now stands at 1,2 million.
- ▲ **Education:** In 2001, over 20% of the national budget was allocated to education. Combined with improved learning and teaching, one result is that the matric pass

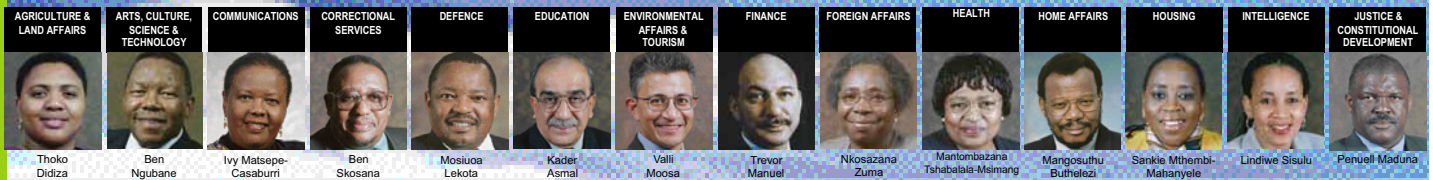
rate increased to 61% last year

- ▲ **Social grants:** The number of people benefiting from the Child Support Grant went up from 28 000 about two years ago to more than 1,1 million in July last year. About 65 000 children gain new access to the grant every month. Government planned to register three million children for the Grant by 2005 – but thanks to more awareness and improved efforts by the Public Service we are on course to meet this target by 2003.



"The plight of the poor is at the top of our agenda."
– President Thabo Mbeki,
State of the Nation Address,
8 Feb' 2002.

"The programme we will pursue this year builds on the foundations that have already been laid. It is informed by the broad objectives our country agreed upon in the context of the goal of reconstruction and development, at the centre of which is the eradication of the legacy of poverty and underdevelopment."
– President Thabo Mbeki,
State of the Nation
Address, 8 Feb' 2002.



These programmes and others to improve the lives of especially the poor will continue.

▲ Government is approaching religious bodies, trade unions, traditional leaders, youth structures, civic associations, women's organisations and others, for all of us to lend a hand so that in the next three years, we register all who are eligible for the Child

Support Grant and other social allowances.

- ▲ Government will this year increase allocations by far more than the rate of inflation to both old age pensions and child grants.
- ▲ Integrated Rural Development and Urban Renewal are being given special importance. The Rural Development Programme was launched in July last year and 156

projects have been started in the 13 rural nodes. The programmes include community production centres, Multi-purpose Community Centres (MPCCs), social infrastructure projects and others. In the urban nodes business plans have been finalised and some projects are under way.

- ▲ Government intends, within the next three years, to

complete the land restitution process.

- ▲ Advancing social equity is part of the fight against poverty. This means accelerating progress in women's emancipation and ensuring that the constitutional rights of disabled people are given concrete implementation.

“The ingredients for faster progress on all fronts of our work are there. The primary one among these is our collective appreciation that no one, and no one, can do for us what we should do for ourselves. What guides our approach is that each one of us should lend a hand in doing the simple things that will make a difference to the lives of especially the poor.”

– President Thabo Mbeki, State of the Nation Address, 8 Feb' 2002.

Faster growth to create jobs and fight poverty

Macro-economic policy

Government's management of the economy has been recognised across the world. Our economy has done well, especially when the global economic slowdown and effects of 11 September 2001 are taken into account. Revenue collection exceeded targets. The Government deficit and interest rates are lower than they have been in years.

Priorities for the coming period include further reduction in the tax burden for low and middle-income earners, broadening the tax base, improving revenue collection and containing the growth of prices. Above all government is acting to help put our economy on a faster job-creating

growth path. This will include a Growth and Development Summit this year to address the urgent challenges facing the economy and to build a solid partnership for growth and development. In that process a Social Accord or Compact Part will be forged among all role-players.

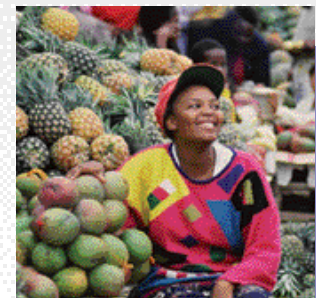
After the rapid changes in the Rand's exchange rate at the end of last year, the President appointed a commission of inquiry to get to the root of the problem, especially because what happened was clearly not a reflection of weaknesses in our economy as a whole. Government will work with international financial institutions to find ways of cushioning so-called "emerging economies" from such developments.

Trade and industrial policy developments

Trade has been strengthened by new export councils, by an agreement with the European Union (EU), by the USA's Africa Growth and Opportunity Act and by agreements with developing countries. The success of the Motor Industry Development Programme is testimony to gains being made in restructuring the economy.

Government is intensifying work to build economic infrastructure and lower the cost of inputs into the economy and costs to consumers.

There has been progress in restructuring the telecommunications sector, transport, energy and other areas of economic and



Advancing equity in the economy

- ▲ The main recommendations of last year's Black Economic Empowerment Commission report will be implemented:
 - All sectoral legislation will be reviewed to make sure it promotes Black Economic Empowerment
 - A Black Economic Empowerment Council will be established
 - Government will make sure that its own procurement of goods and services fully promotes Black Economic Empowerment.
- ▲ There will be a comprehensive review of all institutions set up to assist Small, Medium and Micro-Enterprises (SMME's)
- ▲ Government will continue with intense consultations on micro-lending for the poor.



social infrastructure, with the primary aim of ensuring efficient and cost-effective service.

Job-creation

Job-creation remains the greatest challenge. As programmes for growth reach critical mass, the impact will begin to be felt including in the area of sustained job-creation. Many short-term jobs have been created by government programmes.

- ▲ The Land Care Project of the Agriculture

Department created 10 000 jobs between 1999 and 2001

- ▲ Department of Public Works' programmes resulted in 65 826 jobs during 2001
- ▲ The Department of Water Affairs and Forestry reported a total of 428 146 jobs created from water services projects (the average duration of a job is taken as three months) and 24 000 temporary jobs from the Working for Water Project

- ▲ Tourism Poverty Relief Projects of the Department of Environmental Affairs and Tourism resulted in 980 permanent jobs and 82 000 temporary jobs between 1999 and 2001.

Steps to promote job-creation include a policy for an employment subsidy to act as an incentive targeting new entrants into the labour market. The National Skills Fund and the Umsobomvu Fund will be used to develop the

skills our economy needs and thereby open up employment opportunities.

Restructuring of State enterprises

- Transforming Postbank into a corporate entity that provides banking to rural and peri-urban communities
- Transforming freight business and the listing of Telkom
- A detailed restructuring plan for electricity generation, transmission and distribution
- Establishing a ports regulator separate from a ports authority outside Transnet.

“ Last year government announced a series of interventions to help speed up the rate of investment and job-creation. This we did having come to the conclusion that the country had achieved macro-economic stability. ”

– President Thabo Mbeki, State of the Nation Address, 8 Feb' 2002.

Batho Pele – Putting our people first. Strengthening democracy

Batho Pele – "People first!" – captures the South African Government's relationship to its people.

- ▲ Steps are being taken to improve management skills in the public sector, promote efficiency, coordinate and integrate planning and implementation and bring government closer to the people.
- ▲ Development of a performance management system
- ▲ Building on agreement with unions reached at the Public Service Job Summit, to improve efficiency and service delivery
- ▲ Integrated Sustainable Rural Strategy and Urban Renewal
- ▲ MPCCs
- ▲ Prevention of Corruption Bill.

This year we celebrate the fifth anniversary of the adoption of our democratic constitution – it will be a time to pay tribute to those who led the negotiations process and to the mass of our people who are the true midwives of our democracy.

- ▲ Legislation to set up a Commission on Cultural,

"The interactions that we have had with various communities especially during *Imbizo* activities demonstrate that the people's wisdom in both policy development and implementation can only serve to enrich the quality of the services we render and make people-centred and people-driven development a living reality." – President Thabo Mbeki, State of the Nation Address, 8 Feb' 2002.

Religious and Linguistic Rights, as our Constitution requires, has been introduced in parliament.

- ▲ This year the definition of the role of traditional leaders in our system of government will be completed, following consultations that laid the basis for framework legislation.
- ▲ Our National Orders will be restructured this year to reflect the art and symbolism of South Africa as a whole.
- ▲ Work to build the Freedom Park Monument begins this year so that South Africans and the rest of humanity can celebrate the rich heritage of our country.



Developing our people, our greatest resource

- ▲ Tens of thousands of trainees have benefited from government's Human Resource Development Programme: science and mathematics teachers, agricultural inspectors, information and communications technology learnerships to retrenched mine-workers and so on. The work will intensify this year.
- ▲ The best use of Information and Communication Technology (ICT) is a critical element to the development of our economy and our people. Amongst other things, work to establish an ICT University is

being done as a matter of urgency.

- ▲ Health: Government, working in partnership with all sectors, particularly the SA National AIDS Council (SANAC), will intensify its comprehensive programme against AIDS, sexually-transmitted diseases, tuberculosis and other communicable diseases.

The head of UNAIDS has described our programme as the largest and most comprehensive in Africa and

one of the largest in the world; as a programme which is starting to show results.

Our focus remains: a massive prevention campaign directed at ensuring that the high rates of awareness translate into a change in lifestyles; care for the affected and infected; treatment of all diseases including those associated with AIDS; and research into a vaccine. In implementing the agreement we reached with the pharmaceutical companies, we are discussing with some of them ways of making drugs more affordable and to strengthen our health infrastructure.

Since there is no cure for AIDS, it is important that besides our individual and collective responsibility to take care of our own lives,

we must protect and enhance the immune system and so poverty reduction and nutrition are an important front in this campaign.

Work will continue to monitor the efficacy of anti-retroviral interventions against mother-to-child transmission at the sites already operational and any new ones that may be decided upon.

"Government has implemented the Human Resource Development Programme conscious of the fact that it is the surest guarantee to sustainable employment and economic growth."—President Thabo Mbeki, State of the Nation Address, 8 Feb' 2002.

“Today millions of our people ask themselves the question – how can I lend a hand in the national effort to build a better life for all. ”

– President Thabo Mbeki, State of the Nation Address, 8 Feb' 2002.

Towards a crime-free society – Improving the quality of life

Crime statistics published at the end of last year brought important information in the fight against crime.

- ▲ Our security agencies aimed to stabilise 145 police station areas where over 50% of crimes are committed within three years – but they managed to attain this in one year. The number of areas being targeted will now increase from 145 to 340.
- ▲ Most crimes of assault and murder happen at weekends, among people who know one another, and with many of them under the influence of alcohol or drugs. This means that community organisation and co-operation with the police are essential. Many of these crimes, and many related to rape, domestic violence and child abuse, cannot be effectively dealt with by the security agencies acting alone.
- ▲ This makes all the more important the actions of thousands of citizens who have joined Community Police Forums and the Police Service as reservists.

Steps to strengthen the capacity and effectiveness of the security agencies:

- ▲ The size of the police force will increase from 117 000 to 127 000 by March this year and to 140 000 members over the next three years.
- ▲ New human resource programmes are improving the professional competence of the South African Police Service (SAPS): All police stations have implemented the SAPS Delivery Improvement Programme.

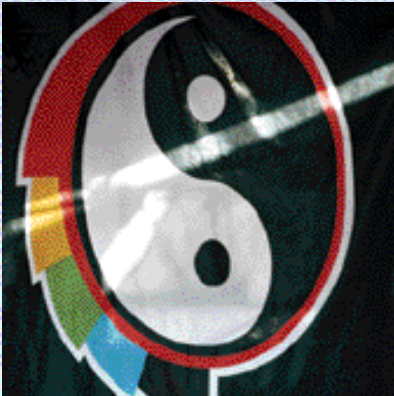


- ▲ An integrated case management system and a business intelligence system have been implemented. The statistics system has been improved.
- ▲ Assistance to metropolitan councils: The SAPS assisted the Durban, Johannesburg, Tshwane and Cape Town councils to establish their police services. The Midrand and Nelson Mandela councils will also be assisted.
- ▲ Establishing a special investigative unit for high-priority crimes: The National Prosecuting Act, 2000 provided for the establishment of the Directorate: Special Operations (DSCO).
- ▲ Two new Special Commercial Crime Courts in Pretoria have a conviction rate of 89,4%. The establishment of a third court in Johannesburg is being investigated.
- ▲ Focus on organised crime: The Protected Disclosures Act, 2000 will help uncover criminal irregularities. The Interception and Monitoring Bill will strengthen efforts to investigate crime syndicates by including cellular service-providers. Out of 316 syndicates identified, 206 have been neutralised.
- ▲ Focus on crime against women, children and the disabled: More than 20 000 officials have been trained on the Domestic Violence Act. The police units concerned with Family Violence, Sexual Offences and Child Protection have finalised 1 021 cases in the last six months, leading to over 7 000 years of imprisonment. Legislation to combat rape and other sexual offences will be submitted to Cabinet.

“ Consultations have started with organised formations to convene a MORAL REGENERATION SUMMIT as a matter of urgency, to address the issue of the responsibility that each and all of us should take for our lives, moving from the understanding that, as we were our own liberators in resistance against apartheid, so too should we today act as our own liberators in dealing with its legacy.”

– President Thabo Mbeki, State of the Nation Address, 8 Feb' 2002.

Building a better world



"What inspires us as we work with other leaders and peoples across the continent and further afield is to shape a new world, defined by the needs of all humanity."

– President Thabo Mbeki, State of the Nation Address, 8 Feb' 2002.

South Africa will host two summit meetings of great significance to Africa and the world:

- ▲ The founding Summit Meeting of the African Union (AU) in July will:
 - ▼ launch the AU
 - ▼ take decisions about peace and stability, and about good political and economic governance
 - ▼ consider implementable development programmes as part of the

New Partnership for Africa's Development (NEPAD), aimed at eliminating poverty and underdevelopment on our continent.

- ▲ The Johannesburg World Summit for Sustainable Development will:
 - ▼ focus on development and the eradication of poverty,
 - ▼ build on the UN Millennium Summit of 2000 and the Monterey, Mexico conference on Financing for Development.
- ▲ Various projects envisaged in NEPAD will start to unfold in parts of the continent, as we turn the ideals of African renewal into practical action and give force to Africa's commitment to making this the African Century.

Contributing to peace, stability and democracy is central to the role we seek to play in the international community.

- ▲ Last year we deployed South African National Defence Force (SANDF) members in Ethiopia, Democratic Republic of the Congo (DRC) and Burundi, to help create conditions that allow the people of those countries to find solutions to their problems.
- ▲ We will continue with efforts towards peace and development in the DRC, Angola and the Comoros.
- ▲ In pursuit of stability in our region,

we have been working tirelessly to support the people of Zimbabwe in their quest to hold free and fair elections in their country.

- ▲ We will do whatever we can to help bring peace and security to the people of Palestine and Israel.

Co-operation with other countries is vital to our own growth and development

- ▲ Government will continue to strengthen economic and other co-operation with countries of the EU, Japan and the rest of Asia, the USA and the Americas, in pursuit of Africa's development, our own national interests and the interests of humanity as a whole.

"We shall continue to challenge a pessimism that expects Africa to fail in any of its endeavours, and the undeclared doctrine of collective punishment against all Africans that seems to come into effect when one or some among our leaders stumble."

– President Thabo Mbeki, State of the Nation Address, 8 Feb' 2002.

“ Together as a people, we have made great strides. The successes we have achieved make the clear statement that acting together, we can and shall continue to push back the frontiers of poverty and expand access to a better life. ”

– President Thabo Mbeki, State of the Nation Address, 8 Feb' 2002.

SPEEDING UP PROVISION OF SERVICES

These figures come from Statistics South Africa and from reports by departments.

One kind shows how the proportion or percentage of households having access to services increased from October 1995 to October 1999. These figures, which indicate the impact of government programmes, are from the October Household Surveys as reported in the Statistics South Africa publication "South Africa in Transition".

The other figures are from reports by government departments on their implementation of programmes of service delivery. They show the pace at which these programmes to improve people's lives are continuing.

Water

	Oct-95	Oct-99	
Proportion of households having access to clean water	78.5	83.4	
People gaining access through the community programme	1994-98 3.0m	1999-2001 4.2m	Total since '94 7.2m

Electricity

	Oct-95	Oct-99	
Proportion of households using electricity for lighting	63.5	69.8	
Electricity grid connections	1994-98 2.3m	1999-2001 1.2m	Total since '94 3.5m

Health Care

	Oct-95	Oct-98
Proportion of households using public health sector	67.8	69.4
Proportion of households using private health sector	32.2	30.6

Housing

	Oct-95	Oct-99	
Proportion of households in formal housing	65.8	69.9	
Subsidised houses built or under construction	1994-March 98 5m	1999-2001 7m	Total since '94 1.2m

Land reform

	1994-98	1999-2001	Total since '94
Redistribution			
Hectares distributed	444,021	587,115	1,031,136
Land transfers	330	509	839
Households in transfers	30,061	72,187	102,248
Restitution			
Claims lodged	68,878	-	68,878
Claims settled	48	29,327	29,375
Total compensation	R 71,245,799.00	R 1,280,620,294.00	R 1,351,866,093.00

The launch of the International Marketing Council was a highlight in 2001. The South African International Marketing Campaign was launched in six major markets. The 'Proudly South Africa' campaign was launched in our own country and will be relayed to South African missions abroad. Foreign arrivals to South Africa have increased by 37% since 1994.

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