

SOCIAL SECURITY - GENERAL.

1998

Financial help on the horizon as non-government organisations battle to keep heads above water

By CATHY POWERS

A financing institution geared to funding non-government and community-based organisations should be up and running by July.

It is set to boost a sector that has seen the closure of hundreds of cash-strapped non-government organisations since 1994.

Star 5/11/98

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The National Development Agency, a statutory body, will be responsible for distributing funds to non-government organisations and community-based organisations, says executive director of the South African NGO Coalition, Kumi Naidoo. It will be allocated a budget by the Government and will also obtain funds from other sources.

The agency, which will absorb the Transitional National Development Trust, would need at least R1,5-billion a year to operate, but speculated amounts put the budget closer to R90-million, Naidoo said. Legislation should be passed early this year.

He said the agency would compensate for the change in funding flows since 1994, when

the Government began receiving development aid and redistributing it to non-government organisations. During the apartheid era funding went directly to non-government organisations because foreign governments were loathe to deal with the government of the day.

Responding to United Democratic Movement criticism

against aid funds being channelled through the Government, Naidoo acknowledged that hitches with distributing the funds contributed to the closure of hundreds of organisations and to the downscaling of thousands of others, but he said several other factors had contributed to the closure of organisations in the past three and a half years.

Homeless people's newspaper to go national

Nomavenda Mathiane

(297)

BD 5/1/98

WHEN Homeless Talk newspaper started in Johannesburg three years ago with 500 copies, there were only seven vendors.

Today 500 men and women can be seen at intersections in and around Johannesburg selling the newspaper, which retails for R2 a copy.

In the past six months it has grown from 19 000 to 30 000 issues a month and there are no returns.

Project co-ordinator Glen Grant says they are about to launch the publication nationally.

"After all, homelessness is not only confined to Johannesburg. It is in all SA major cities," he said.

He said one of the advantages of the publication was that it offered the vendors a means of earning a living. Sellers buy a copy at 80c and sell at R2, and they keep the profit.

Grant said some sellers started off sleeping on the streets and were now able to afford accommodation.

Grant said it should be understood that the people selling this publication were not the usual "junkies" who slept on the city's pavements. He said most people became homeless because of a lack of employment.

He said the idea of the newspaper was copied from Europe and the US,

where some non-governmental organisations working with the homeless produced small-scale publications to highlight the plight of those who were without shelter.

Homeless Talk is produced in Johannesburg and the stories are written by the homeless people themselves.

Five years ago Lazi Mthembu, who sells Homeless Talk at a busy intersection along Corlett Drive, came to Johannesburg from Msinga, KwaZulu-Natal, in search of work. After walking the city's streets and being arrested for various petty crimes, he joined the Homeless Talk team as a seller. He now has no plans to get another job.

"There are some white people who buy a copy at R20. But sometimes I do not make a single sale," he said.

Sellers sign a code of conduct which binds them to conduct sales in a manner fitting the values of the project.

Although Grant would not say what the initial capital outlay for the project was, he said it began with donations and grants and still needed donations to keep going.

The newspaper has a board of trustees and a production and distribution team who work closely with the editorial team drawn from homeless settlements in areas such as Braamfontein, Pageview, Newtown, Hillbrow and Joubert Park.

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BD 7/1/98
**Mpumalanga
to build for
the disabled**

(297)

MPUMALANGA's housing department announced yesterday that a percentage of all low-cost houses built in the province this year would be customised for disabled people.

Department spokesman Arthur Ndlovu said developers seemed to overlook the fact that disabled people needed wider doors and other features to accommodate special equipment such as wheelchairs.

He said the provincial housing board would finalise a policy to address the special needs of disabled and elderly residents later this month.

"Many of these older people also have problems with high steps and fixtures that are difficult to reach," he said.

Fittings to which special attention would be paid in the houses included awkwardly placed door handles, light switches, bathroom fittings, toilet seats and kitchen counters.

Ndlovu said many people in wheelchairs were elated over being granted low-cost houses, but found they could not use them without major alterations or severe discomfort. — Sapa.

an SA-European Union (EU) deal was the first time a US SA-free market agreement was reached. The deal was signed in 1994, which could put US exports at a

Council to subsidise NGO-run inner city housing projects for homeless

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Robyn Chalmers

SUBSIDIES totalling R8,5m have been approved for eight low-cost inner city housing projects to be run under a programme co-ordinated by the City Centre Shelter Forum, Johannesburg metropolitan council urbanisation policy manager Alex Bhiman said if the pilot programme was a success, it was likely to be replicated nationally.

The programme was being co-ordinated by a team of metropolitan council and local council officials. Bhiman said the City Centre Shelter Forum was the primary vehicle driving the development of the "transitional housing strategy" with the co-operation of a number of non-governmental organisations (NGOs) working with the homeless. The strategy aimed to reintegrate the homeless into society

through the provision of housing, employment as well as civic education on various issues, but particularly on responsible citizenship. "Transitional housing is a form of housing existing between current practices of shelter provision and formal housing, requiring critical input of services," said Bhiman in the National Housing Forum Trust's Inform magazine. Bhiman said the strategy had the

potential to contain high levels of urbanisation which were placing economic and social pressures on SA's urban areas. The council has developed an implementation plan dealing with the identification and purchase of buildings, assessment of the cost of refurbishment and the establishment of management structures. The implementation plan also dealt with acquiring additional re-

sources from interested parties including business, government and donors, to ensure the projects future sustainability. The provincial housing board was finalising contracts to release funds for the eight projects in the Johannesburg city centre. The projects would be managed by NGOs. Projects presently run by local councils would be handed over to NGOs in their first year of operation.

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 between SA and the EU result in a preferential arrangement provid-
 ing European manufacturers du-
 ty-free access to the SA market,
 deal with, say, the Southern
 African Development Community
 (SADC), Arnold said almost 80%
 of US trade with Africa was with
 fluid at this stage," he said.
 Comment: Page 5



Education MEC Mary Metcalfe, left, announces details of the province's matric results at a news briefing in Johannesburg. With her are two of Gauteng's top pupils, Amit Galal, right, from Lenasia Secondary School, who got six As, and Florida High's Isabel Pretorius, who notched up nine As and a B. Picture: TYRONE ARTHUR

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city housing projects for homeless

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Government allocates R85-million for alleviation of rural poverty

By HOPENELL RADEBE
Political Staff

The Government has approved R85-million to create 17 000 jobs in rural areas as part of its rural poverty relief programme, Public Works Minister Jeff Radebe said yesterday.

Speaking in Pretoria, Radebe said the projects, which

would start on January 29, would create about 12 800 temporary and 3 840 permanent jobs.

He hoped that women would comprise at least 65% of the labour force in about 100 projects that would concentrate on the development of rural community infrastructure.

The projects involved the

building of roads, livestock-dipping facilities, micro irrigation schemes, dams, shearing sheds, markets, storage facilities and classrooms.

The areas targeted were Empanjeni, Shobashobane and Nongoma in KwaZulu Natal, which are mostly Inkatha Freedom Party strongholds.

Radebe said the develop-

ments would go a long way towards reducing the polarisation of communities.

Qumbu and Tsolo in the Eastern Cape would also be developed. Unemployment in the area was a major contributing factor to the appalling living conditions which often created conflicts over stock theft.

Northern Province villages

targeted by the scheme include Ha-Mulima, Ga-Modjadji, Ga-Ramogale and Ga-Mamabolo in the Pietersburg area.

Radebe said the programme would emphasise vocational training such as building and plumbing skills for those participating in the projects.

The department, which would act as the project man-

ager, would also seek to develop the management skills of local authorities to enable them to take over and successfully run the projects.

A programme management team and an auditing firm had been appointed to support local authorities to adhere to treasury instructions from the office of the exchequer.

R85m rural antipovertry programme is planned

By 9/1/98

Stephané Bothma

PRETORIA — An R85m rural antipovertry programme to be launched by the public works department at the end of the month would create 12 800 temporary and 3 840 sustainable jobs over the next four months in the poorest communities in the Eastern Cape, KwaZulu-Natal and Northern Province, Public Works Minister Jeff Radebe said yesterday.

At a news conference, Radebe

described the "fast-track" programme as a "people-centred and people-driven project".

Local communities would be directly involved in defining, planning and implementing the programme, he said.

It was aimed at the poorest rural communities, and especially at rural women.

"The programme supports improved access to trade opportunities such as roads, bridges and markets and aims to promote the

direct productive process in the community like food production, irrigation, refuse collection, replenishment of building materials and maintenance of community assets," Radebe said.

Other aims included labour-saving mechanisms such as water and fuel supply, social cohesion of the community in the form of multipurpose halls and sport facilities and environmental protection such as erosion protection, bush clearing and sanitation.

Radebe said the priority areas were Gumbu and Tsolo in the Eastern Cape; Empangeni, Shobashobane and Nongoma in KwaZulu-Natal and Ha-Muhma, Ga-Modjadji, Ga-Ranogale and Ga-Mamabolo in the Northern Province.

In addition to creating temporary and sustainable jobs, of which 8 320 would be for women, Radebe said about 100 projects would also facilitate training. He said typical projects includ-

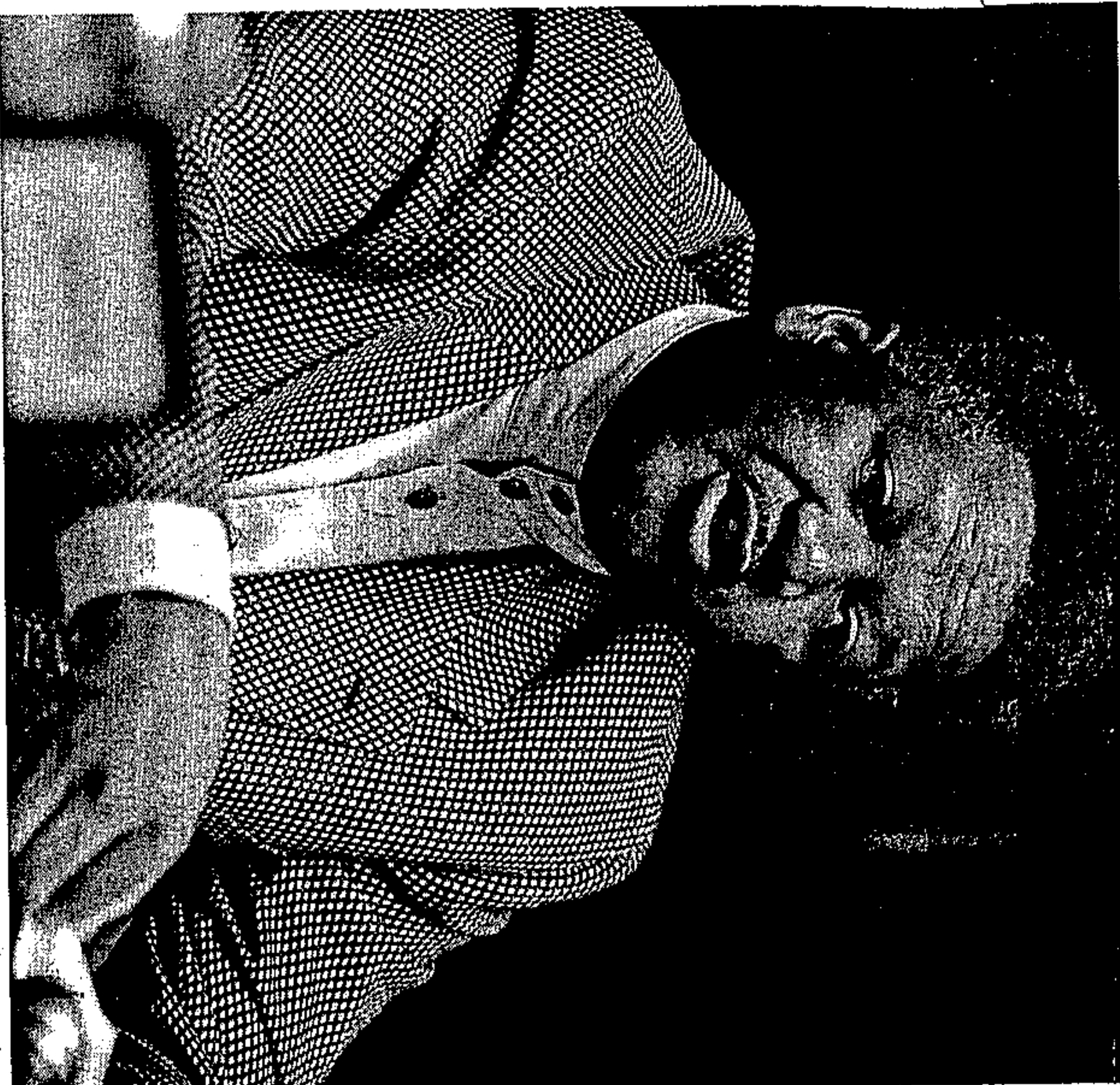
ed building access roads, livestock dipping and handling facilities, micro irrigation schemes, village bridges, wood lots, livestock dams, shearing sheds, markets, storage facilities, fencing of grazing and arable lands, facilities for bus and taxi ranks, multipurpose centres and classrooms.

"The project listing is not exhaustive in terms of the needs of the communities, but is an indication of the type of projects that would bring about significant so-

cioeconomic improvement in the targeted areas," he said.

Radebe said his department had appointed a programme management team and an auditing firm which would provide support to ensure adherence to treasury instructions of the office of the Exchequer.

The project would be implemented from January 29 to June 30 this year through a process of tendering, design, project plans and construction, he said.



Public Works Minister Jeff Radebe at a news briefing in Pretoria yesterday where he announced a community-based public works programme.

Picture: TVRONE/ARTHUR

Black pensioners were given younger ages to reduce payouts,

By CHARLENE SMITH

Social workers under apartheid adopted the guise of spies and fraudsters and removed the children of anti-apartheid opponents from their parents, welfare agencies have submitted in documents to the Truth and Reconciliation Commission.

Apartheid divisions also placed huge financial burdens on the welfare sector from which it has still not recovered.

In the documents, which have not yet been made public, agencies stated:

■ Welfare structures were involved in state-security and "total-onslaught" practices.

■ The Fundraising Act, which allowed search and seizure, encouraged secretiveness among anti-apartheid fundraisers, which led to abuses of the sort in the case of Freddie Steenkamp, who worked with Allan Boesak.

■ A policy document of 1966 that dominated welfare policy for two decades excluded black welfare workers from major structures in order to prevent them from going into white areas.

■ The secret Afrikaner organisation, the Broederbond, took an active role in managing welfare policy (which started in the previous century from Afrikaners' women's organisations and solidified around the "poor white problem" of the 1930s).

■ Abuses in pension payouts included extensive and well-documented fraud, as well as a time in the 1980s when incorrect identity documents were issued to give black pensioners a younger age and so exclude them from payouts.

■ Social workers wrote reports that saw children removed from political activist parents. After the bombing of Khotsiso House, police falsely accused and

detained Shirley Gunn, who was still breastfeeding her son. The child was removed from his mother on the basis of a social worker's report. In fact, it was the police who bombed Khotsiso House, various security policemen have since told the TRC.

■ Differing racial classification norms meant that children from the same family could be classified differently, and in the case of those in need of care, separated and placed in racially different children's homes.

■ Welfare organisations were threatened with the withdrawal of subsidies if they gave help outside of their racial classification. Durban's Phoenix Child and Welfare Society (classification: Indian) was a rare example of a principled organisation, which continued to give aid to mixed-race couples, black abandoned babies and mothers of mixed-race babies, despite threats from

the House of Delegates.

The Greater Johannesburg Welfare, Social Service and Development Forum notes in its submission that "abandoned babies of uncertain race were left in institutions for

lengthy periods, to the serious detriment of their emotional development, until there was some assurance about their eventual (racial) appearance.

"In some parts of the country, the 'wrong' race classification could automatically lead to children being expelled from the area - such as black children in the Western Cape."

Racial separation of SAs welfare services began long before

Police detained Shirley Gunn after the Khotsiso House bombing and her still breastfeeding son was removed on the basis of a social worker's report. Later several policemen admitted they were behind the bombing

to the serious detriment of their emotional development, until there was some assurance about their eventual (racial) appearance.

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be continuously expended by private organisations in linking up with all the relevant state structures, and extreme internal incoherence resulted for those attempting to serve all groups simultaneously".

Salaries were also different - white welfare groups received up to three times more than black groups, and similar patterns applied to pensions. In 1983 a black pensioner received R40 a month, compared to R122 for a white pensioner and R71 for Indians or coloureds.

Child welfare was at the bottom of the pile. No maintenance grants were afforded black single mothers, and foster care grants were paltry at R90 a month for white foster parents per child, R71 for coloured and Indian children and R24 for black children - and black foster parents often had to wait up to two years to be paid.

it adopted a nonracial constitution, and the black and coloured affiliates followed suit. Only in 1982 did the council adopt a non-racial constitution.

The National Coalition for Social Services (Nacoss) says that by the 1980s "it became very convenient to say that the most practical and economical way of dealing with (welfare) was to develop a good model for whites which could later be copied by other racial groups".

Its forerunner, the Welfare Liaison Committee, was heavily influenced by the Broederbond, which in 1983 succeeded "in having a matter removed from the agenda in connection with the building of prison-like institutions for African children, on the grounds that not all national councils were in favour of discussing it".

Although many welfare organisations have developed

nonracial constitutions, management structures still remain top-heavy with white control. One senior official told the *Saturday Star* that the "affirmative action policies in place in business have been totally ignored in welfare structures".

Nacoss notes it often made representations to government, but it "never raised issues such as police brutality or the detention of children together with hardened criminals. It never once lifted a finger in support of a staff member of a welfare organisation detained in terms of the Internal Security Act."

The racial division of welfare services proved costly and time-consuming, and led to a multiplicity of procedures and a breakdown in effective welfare.

The Greater Johannesburg Welfare, Social Service and Development Forum noted that "vast amounts of energy had to

Welfare bodies tell TRC

'Social workers took children away from apartheid opponents'

Welfare makes submissions to TRC

ARG 10/1/98

(254) (297)

CHARLENE SMITH

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The SA National Council for Child and Family Welfare reported in 1974

that its committees "for Indian, coloured and Bantu child welfare work met separately for the first time in February 1967 and since then have met annually under the chairmanship of their own race".

A year after the Soweto students' uprising of 1976, the Indian division of Child and Family Welfare refused to remain under the SANCCFW umbrella unless it adopted a non-racial constitution, and the black and coloured affiliates followed suit. Only in 1982 did the council adopt a non-racial constitution.

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'Affirmative action policies in business have been totally ignored in welfare'

Pay up or you won't get your grant, doctors tell disabled

(297)
PHYLCIA OPPELT

ST 11/1/98

UNSCRUPULOUS doctors in Kwazulu Natal are blackmailing the disabled, forcing them to pay bribes in order to get their welfare grants.

Not only do the doctors demand money from the disabled for the certificates that make them eligible for the grants, they also want them to pay up each time they collect their monthly welfare cheques from the doctors.

If the disabled do not comply, the doctors ensure their grants are not renewed.

The practice is so widespread that the province has set up a special investigative team.

Eric Mhlongo, the deputy director general of Kwazulu Natal's social welfare department, said the team — consisting of officials from his department, the police and the attorney general's office — had already made headway in the scams.

Two district surgeons face charges of bribery and fraud, and four social workers have been arrested for making fictitious reports to claim grants.

"These doctors are paid by the department to review the grants, and the

disabled should not be paying them," he said.

"We've received many reports of unlawful payments, but these people are in a difficult position. "If they don't pay, they don't get assistance."

Louis Nzimande, of the province's Council for the Disabled, said it was easy for doctors in some rural areas to prey on handicapped people as many were illiterate, and did not know their rights.

"In a small town outside Maritzburg, more than 250 disabled people have been forced to bribe the local district surgeon for the past five years.

"The day after they receive their disability grants, the disabled have to visit the doctor's surgery, where they have to hand over R25 of their R470 welfare cheques."

Nzimande said the doctor claimed he prescribed medication worth R25 each month.

"But if these people do not visit the doctor, their grants are not renewed.

"He keeps a record of those who don't pay, and when their grants come up for review, he ensures they are not extended."

Mhlongo said: "Government officials are also creating fictitious children or using their neighbours' children to claim maintenance grants."

Scale of future EU aid package might to be

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John Dladu

ED 12/1/98

THE European Union (EU) should continue giving development assistance to SA after 1999, but the scale of a future aid package could be reduced from the current R600m-a-year quota.

Outgoing EU ambassador to SA Erwan Fouéré said at the weekend it was clear that SA would continue to require financial aid after the current EU aid programme ended in 1999. But the levels of the aid programme might be different

from the current annual R600m.

"The question is whether it (aid) is specific to SA or whether it is part of the Lomé convention," he said. Unlike other African nations, which receive aid from Brussels via the convention, SA gets bilateral development assistance.

Fears have been expressed that the EU's eastward enlargement could put pressure on its budgetary resources, resulting in less funds being made available for former aid partners.

Other donors have already indicated

that although they wished to continue assistance for SA, future aid commitments would be less generous.

Fouéré indicated that although disbursements of the EU aid had improved, the rate was "not perfect".

"That is why we are discussing with the finance department how to speed up disbursements," he said. Last year, it emerged that the rate of disbursements was slow. However, both sides stressed they were addressing the bottlenecks.

The rate of disbursements would form

part of the criteria used by European legislators when assessing post-1999 aid for SA. "That is why we have to make sure that the record of disbursements is good," he said.

Apart from the Sarafina 2 scandal, which saw government returning EU funds after it failed to follow proper procedures, no other irregularities have been reported.

He said that future aid would have to focus on sectors that would help SA stand on its own economically, such as the

promotion of small business.

He also emphasised the role non-governmental organisations (NGOs) could play in development, saying there were areas in which government's delivery capacity was limited.

With training, NGOs, which tended to have better networks, could shore up delivery in such areas as education, health and AIDS.

The water affairs department was one of the first departments to use NGOs in water delivery.

reduced

Welfare organisations face closure as

Jacob Dlamini

EASTERN Cape welfare organisations could be forced to halt their operations and lay off hundreds of skilled personnel as the financial crisis crippling the cash-strapped province deepens.

The Uitenhage Child Welfare society had to close its doors yesterday after staff salary cheques bounced, while the Graaff-Reinet society was believed to have gone in to overdraft by R160 000.

SA National Council for Child and Family Welfare director Andre Kalis said many private welfare organisations were likely to close down as government officials tried frantically to help the Eastern Cape raise money to meet its social security commitments. Last week thousands of pensioners

were turned away from pay points after the province said it had run out of money.

Kalis blamed the crisis facing welfare societies on the lack of government subsidies and said the Eastern Cape government had slashed subsidies for private welfare organisations by 42%.

This would have a devastating effect on about 5 600 destitute children who depended on the 19 private welfare organisations operating in the province for their well-being, Kalis said.

Kalis said 91 social workers and 28 auxiliary workers in Eastern Cape would lose their jobs unless government intervened and restored subsidies to private welfare societies, most of which depended on state subsidies for 60% of their salaries.

Kalis said various meetings had been

held between the council and the welfare ministry in an attempt to avert the financial crisis but that these had failed. Welfare societies would now put pressure on central government to resolve the crisis.

Failure by government to intervene could lead to a collapse of the entire welfare system in SA, Kalis said.

Kalis blamed the Eastern Cape's financial problems on "ineffectual management" and poor budgeting and administration. He could not understand how the Eastern Cape welfare department failed to anticipate a budget deficit.

However, Eastern Cape welfare department spokesman Cinga Nokwe said the provincial government could not have anticipated last week's debacle. Nokwe said: "The problems were mainly technical and

that there had been a misunderstanding and Manuel had not been scheduled to appear at the news conference.

Meanwhile, hungry pensioners, some of whom had not eaten for five days, rushed for food distributed by the Salvation Army in East London yesterday.

Salvation Army Maj Miriam Claydon said there had been "bedlam" at the army's offices yesterday morning as hundreds of people came to collect food parcels that had been assembled over the weekend. Police were eventually called to control the crowd.

Volunteers were checking the credentials of pensioners to prevent people taking more than one parcel each.

One of the driving forces behind the East London food collection, Karen Claydon, said that besides pensioners, hordes of other un-

not related to money.

Welfare Minister Geraldine Fraser-Moleketi said yesterday that progress had been made in her discussions with Finance Minister Trevor Manuel and Eastern Cape premier Makhenkesi Stofile.

Fraser-Moleketi said Eastern Cape pensioners would receive their January pensions soon and that an announcement detailing measures intended to solve the crisis would be made today.

ECN reports that an announcement on how much money central government would be giving the Eastern Cape welfare department was expected on Friday, but this was delayed until today — ostensibly so that Finance Minister Trevor Manuel could attend. However, the spokesman for Manuel, Jennifer Wilson, said yesterday

employed people had tried to get food from the Salvation Army.

Generous donations from bakeries, biscuit manufacturers and the public had enabled the Salvation Army to make food parcels, she said. A R10 000 donation from the Salvation Army headquarters had been a "lifesaver".

In Grahamstown concerned citizens banded together to raise R30 000 to back a voucher system as an emergency system for pensioners.

Social development centre director Thelma Henderson said a committee would set up a system allowing needy pensioners to obtain vouchers to purchase groceries at certain local stores until January 20, by when it was hoped that the pension problems would be sorted out.

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provincial funds dry up

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Govt has committed itself to helping those in

IN THE past few weeks, the weak links in our national social security system have begun to show. The Eastern Cape social security and fiscal crisis is, perhaps, indicative of the weaker points of our system and where urgent overhaul or repair of the legislative, fiscal and administrative components is required.

The criticism levelled at government, and threat of legal action by the Human Rights Commissioners and the Legal Resources Centre are all valid in the sense that social security is provided for in the highest law of the land, the constitution. It is also a moral commitment by government to those in need of assistance.

While indicative of the importance of our commitment as a country to uphold all constitutional rights, especially those of children, the disabled and the aged, such court intervention will provide nothing but a confirmation of

Geraldine Fraser-Moleketi looks at the choices and challenges facing the country's social security system

such commitment. The real problems will remain. These are the alignment of our intergovernmental fiscal transfer, social security policy provisions and related regulations, and associated management and accountability systems.

The problem in the Eastern Cape is not unique to that province and is due to underfunding and inaccurate estimates of beneficiaries, old and new.

Whereas the rights of the beneficiaries are protected under the constitution, the budgetary allocations for the provincial and national governments to meet that obligation are not.

Two models are plausible in this regard: one is presenting the social security budget as a top slice in the budgeting process; the second is "ring-fencing" the social security part of the transfers to the provinces. Of course, such a

process could be challenged by some as a violation of the provinces' constitutional rights.

The primary benefit to "ring-fencing" is obviously that a provincial financial crisis would not imply, at least when social security is not under-budgeted, non payment of social security grants.

Many of the problems that are likely to present themselves will be related to the financial and service delivery management. While the policies governing social security have been transformed to some extent, problems are likely in some areas.

The first area is the responsibility of provincial welfare departments to manage fully the social security finances in accordance with the Exchequer Act and treasury regulations, and the responsibility of a provincial treasury to manage provincial finance. There

is also the role that the accountant-general and the national department financial management system play in this regard. This tension results largely from overlaps and contradiction in the provisions made by the constitution, the national and provincial exchequer acts and the concurrence of the function.

Secondly, while many provinces have outsourced the payout services to private companies, the Eastern Cape and several other provinces still have government officials doing the job. Either system has merits and demerits, but the general consensus is on outsourcing. This is not a trouble-free option, but is efficient, especially if the companies selected execute their responsibility effectively. A more stringent system of monitoring these companies in the provinces is planned.

This will look at punitive measures against companies that do not provide quality service. It is envisaged that anything from dissatisfaction among beneficiaries, missing pay-days, and financial mismanagement will constitute grounds for terminating a contract.

The third problem area is the social security management information system. This has largely been resolved in that much of the pay-out processing is done nationally. An early warning system that sounds alarms when parts of the social security management system do not work is being developed. This will identify critical success factors such as backlog, budget variance and beneficiary satisfaction to pre-empt management problems.

In addition, an internal audit function is being established

□ Fraser-Moleketi is welfare and population development minister.

will continue. Such as those in the Eastern Cape will become inefficient and crises without such a system, government efforts to combat poverty the creation of a comprehensive national social security system. ANC conference in Matikeng for political resolution taken by the issues at the centre of the 1998 delivery agenda. More critical is the welfare with provincial ministers placed the resolution of these mission. The December meeting of a national social service commission to investigate the establishment including a ministerial committee government in the past few years, investigations commissioned by are contained in reports of various These problems and options der to this effect is out at present.

which will involve also forensic auditing to eliminate vulnerability to fraud and corruption. A ten-

needed

Boesak's lawyers down tools

ARG 15/1/98 (297)
Fees going unpaid

GLYNNIS UNDERHILL
SPECIAL WRITER

Allan Boesak's lawyers are to ask for his fraud trial to be postponed because they are not being paid and have not worked on the case for three months.

The Legal Aid Board suspended financial aid to Dr Boesak when it was discovered he had received R1-million from a mystery donor to help pay for his defence.

Dr Boesak, former Western Cape leader of the African National Congress, is being charged with fraud over the alleged misuse of R1,1-million in foreign donor funds.

Attorney Chris Petty said yesterday he had told the office of the Western Cape attorney-general that he would ask the High Court for a postponement on February 16.

"We are not working on Dr Boesak's case at all. We haven't got any source of funds. We cannot incur that sort of expense," he said.

Mr Petty said the R1-million was sitting in an attorney's trust fund and although

some of it had been used, the rest could not be touched as it was earmarked for Dr Boesak's defence in court. Dr Boesak's legal expenses could run to another R1-million if the trial lasts the anticipated four months.

Deputy Attorney-General J C Gerber said yesterday that witnesses had expected to appear in court in March or April. "A postponement would probably affect my case as some of the witnesses have busy schedules and would have to rearrange their affairs."

Court wrangles over Dr Boesak's legal aid could delay the trial for several months.

The Pretoria High Court has ordered the Legal Aid Board to set aside its decision to stop Dr Boesak's funding and reconsider the matter. The court earlier ordered Dr Boesak to disclose to the board details of the donor who supplied the R1-million, but Mr Petty said the money had been given on condition the donor's name was not disclosed.

He said he probably would apply to have the funding reinstated pending the court outcome.

Face-to-face with vagrancy 'problem'

ALVAN PITMAN

Cape Town southern suburbs councillor Owen Kinahan took two senior municipal officials on a tour of his constituency this week - to see the vagrants.

The homeless people are plaguing his constituents, says the Democratic Party councillor.

Mr Kinahan, who represents Observatory, Mowbray, Rosebank and Rondebosch, wants the council to take action.

Saturday Argus went on the tour with Mr Kinahan and the two council officials - Ahmed Vawda, executive director of Community Development at the Cape Town municipality, and John Reeves, an inspector in environmental health at Rondebosch municipal health depot.

The next day, Mr Vawda said he was taken by surprise at Saturday Argus's presence and had not been able to respond to questions quickly. "There are about six or seven different types of problems, each with their own complexity, that relate to this issue," said Mr Vawda. "There are a number of people who are putting together policy frameworks, which we are supporting. We are working at practical solutions."

Two women vagrants in Pepper Square, Observatory, Cynthia Adams and Patricia Jacobs, told Saturday Argus that night shelters or havens were not acceptable to them.

"We don't like the hours of the shelters," said Mrs Adams, who has lived in Observatory for many years - at times in cemeteries.

Mr Kinahan said the southern suburbs were deteriorating rapidly because of vagrancy, a situation he felt homeowners should not have to tolerate.

Many vagrants refused to move to night shelters or havens.

He said he was concerned about the rights of law-abiding residents.

"They should not have to be compromised by the steady deterioration of neighbourhoods," he said.

Hantie Kotzé of Co-Ordinated Action with Street People (Casp), which helps street people, said vagrancy was increasing, but that talks about how to solve problems must continue.



Solitude: this old man in Grove Road, Mowbray, is one of the many homeless people crowding the area. He has lived in the same place for at least two years

BRENTON GEACH

"Some of the demands made by the homeless are unrealistic, because we have to run shelters in a sustainable way," she said.

"We only guide communities to find solutions."

She added: "We are now talking about drawing up a code of conduct for vagrants to see if we can find a solution."

Mr Kinahan demanded: "Why should a nursing home have to brick up its windows against the torrent of foul language around the clock?"

"Why should a medical doctor working long hours in the service of the community be prevented from getting a few hours sleep?"

"Why should a shopkeeper have to hose the faeces from his steps before opening his business?"

"Why should women and children be afraid to walk in open parkland?"

"Why should property prices be devalued through filth that quickly accumulates around hedges, canals and underpasses occupied by squatters?"

Mr Kinahan said the increasing

pockets of vagrants in a variety of unsightly and unhygienic shelters were not acceptable.

"I share the frustration of those who call on me for help," he said.

He said the municipality did not have a ready solution.

"The buck has to stop somewhere. At present it grazes undisturbed"

Mr Kinahan said there were often up to 20 vagrants in Bollhope Crescent, Mowbray, close to a bottle

store, and they drank cheap wine sold to them in styrofoam cups.

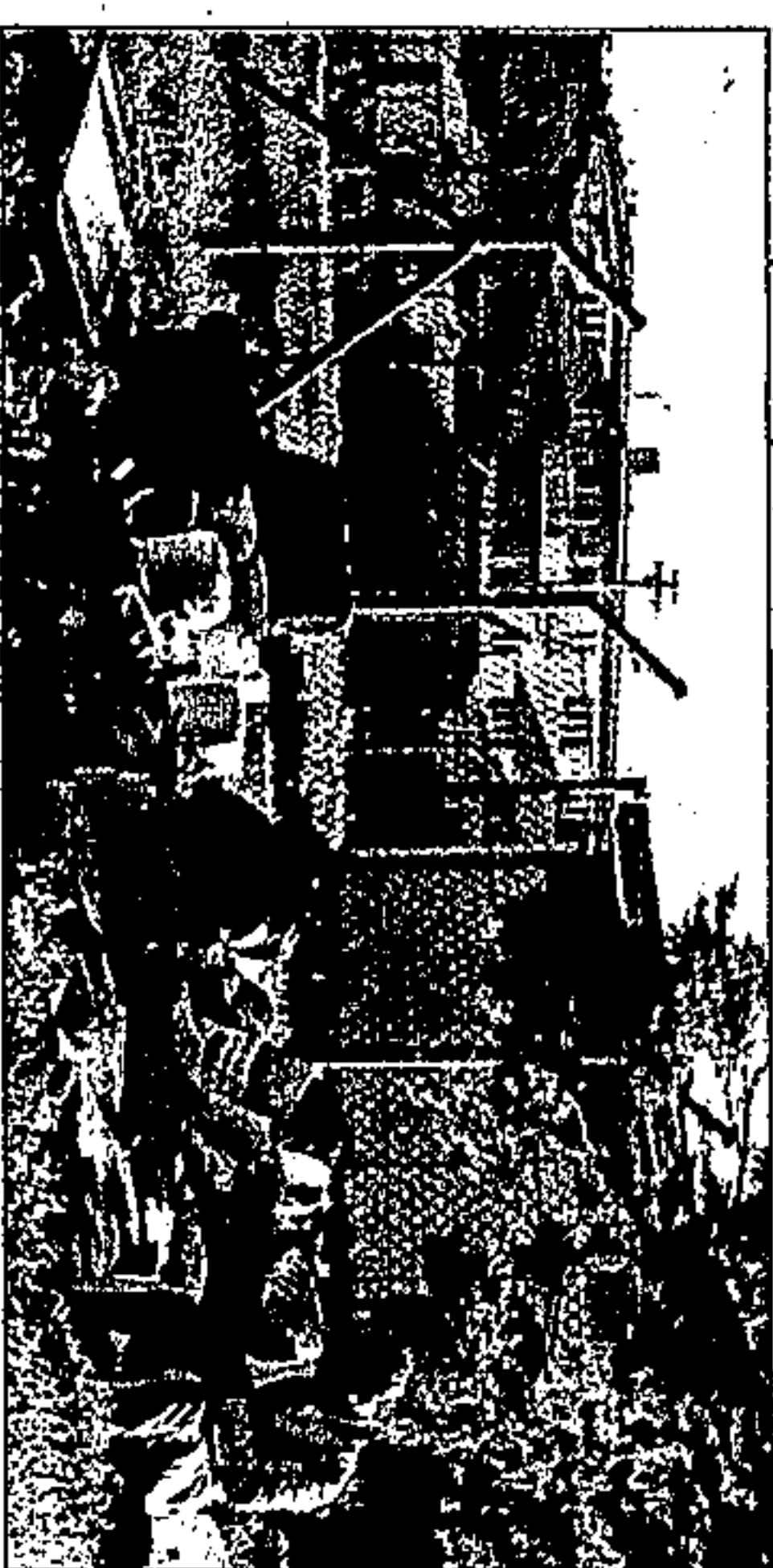
"They don't use the nearby toilet and they fight, shout and argue throughout the night," he said.

There were also vagrants living along the Liesbeek Parkway on the banks of the river, in which they were doing their washing.

They were also breaking down the hedge for firewood.

Mr Kinahan said: "There must be a political and administrative will to recognise and deal with the challenge of the homeless."

He said the new constitution gave little protection and recourse to property owners.



Home: a temporary resident of George Street, Mowbray, surrounded by his possessions



Sleeping it off: a vagrant in Observatory takes a rest in the heat of the day

Omar urges 'fair' aid for Boesak as delays loom

GLYNNIS UNDERHILL

SPECIAL WRITER

ARG 19/1/98
Minister of Justice Dullah Omar has urged the Legal Aid Board to give fair treatment to former African National Congress Western Cape leader Allan Boesak.

"Dr Boesak, like everyone, is entitled to proper representation," Mr Omar said.

"The Legal Aid Board must treat him fairly so as to have a fair trial."

Legal Aid Board funds for Dr Boesak's defence were suspended when it was discovered he had received R1-million towards his court costs from a mystery donor.

Dr Boesak is charged with fraud relating to R1.1-million in foreign donor funds but court wrangles over the halting of his legal aid could delay the trial by several months.

(297)
Dr Boesak's legal team will ask for a postponement of his trial next month, as they say they are not being paid and have not worked on his case for three months.

"Since investigations started, the Office for Serious Economic Offences and the attorney-general's office have had a great deal of staff working on the case for a couple of years," said Mr Omar.

"They have also had forensic experts working on the case at great cost."

Dr Boesak's attorney, Chris Petty, said last week he had informed the office of the Western Cape attorney-general that he would ask the High Court for a postponement on February 16.

"We are not working on Dr Boesak's case at all," he said.

"We haven't got any source of funds. We cannot incur that sort of expense."

Departing envoy put EU on the map in SA

Outgoing European Union ambassador Erwan Fouéré talks to John Dlodlu about his three years in SA.

ED 20/1/98

(297)

WHEN Erwan Fouéré, the outgoing ambassador of the European Union to SA, first arrived in the country in 1994, the EU was a relatively unknown entity. People often mistook him for a United Nations diplomat.

In television news broadcasts, when an EU item was read, a flag from one of the well known EU states — not the EU's blue and gold one — would be shown.

These stories illustrate the scale of the challenge he faced when he arrived in SA to establish the EU mission in Pretoria.

Apart from the logistical difficulties that go with these tasks, Fouéré had to build a profile for the EU as well as build a relationship with the new government. Thanks to the "unity of purpose" among "my in-laws" — the term Fouéré, an Irishman, uses to describe the EU's 15 members — establishing a profile became easier.

As for relations with SA, this was a challenging task. Since the mid-1980s, the EU had been dealing mainly with nongovernmental organisations (NGOs) — churches and labour unions — in assisting apartheid victims.

The EU helped to finance trials of anti-apartheid activists and provided educational assistance via agencies such as the Kagiso Trust.

After 1994, the EU pledged an R600m a year in aid to help SA's transition to democracy. The money was channelled through the new government and NGOs.

Development co-operation was not easy. After two years, Fouéré says disbursements of funds have improved, thanks to frequent discussions with the finance department, but they are "not perfect".

He warns that the rate of disbursement has to be improved as this will form a key part of the decision after next year on whether to continue aid to SA. His personal view, though, is that aid should be continued, but it should focus on areas that would make SA economically independent such as small business promotion.

Part of the current aid programme goes to state-owned, small business promotion agencies. He called on banks to get involved in



Fouéré — putting the European Union firmly onto the SA map

small business finance, an area previously considered high risk.

He also feels NGOs have a greater role to play in development as there are areas where government lacks delivery capacity. He admires Water Affairs Minister Kader Asmal for having had the foresight to involve NGOs in delivery.

When talking of development co-operation, Fouéré marvels at the "modest" contribution the EU has made in bringing various political groups together in the "new struggle" for development in KwaZulu-Natal. "I'm convinced this vehicle will bring new life in urban areas... it's going to serve as an example for integrated development," he says of the Cato Manor project on which the EU is spending R130m.

Of course, the development co-operation dossier would be incomplete without Sarafina 2, the

episode which saw Brussels demanding its funds back after government failed to follow proper procedures in drawing finance for the anti-AIDS play.

This was an example of the difficulties of a new relationship. Fortunately, there have been no repeats of such episodes: a credit to EU and SA bureaucrats.

The SA-EU co-operation negotiations were another major challenge for Fouéré.

He was instrumental in initiating the talks and, as EU ambassador in SA, has had to bear the brunt of the ritual criticisms of a highly protectionist stance taken by member states.

In their opening mandate, EU ministers approved negotiating directives for an ambitious co-operation accord, including a free trade area, which would give SA more

time before opening markets to competition.

Most significantly, though, the EU proposed that 38% of SA's farm exports be excluded from the deal and that the country be allowed limited trade concessions through its partial membership of the Lomé Convention.

Fouéré left the country on Sunday as the talks were moving into high gear, and a deal appears to be finally emerging.

Not only will the agreement provide a stable trading environment for investors from both sides, but it will also provide a forum for dealing with constant "irritants" in EU-SA relations such as Pretoria's complaints about EU beef-dumping and the refusal by the European Investment Bank to approve a loan to Iscor for the Saldanha Bay project.

On the EU's side, "irritants" include Pretoria's recently announced tariff adjustments on imported wines which have already raised concerns among the EU's southern states.

Fouéré urges SA technical negotiations to exploit the positive political mood and avoid "any slippage". "We must avoid any slippage on all fronts," he says of talks on areas such as the wine and fisheries industries.

Negotiators are hoping the talks will be concluded by June.

He leaves the country with an upbeat message, praising the new rulers for sensible macroeconomic policies. Unlike in Latin American nations during times of rule by dictators, the SA government has not thrown money at problems and borrowed itself into more trouble.

"I still believe the basic economic fundamentals of Gear (growth, employment and redistribution plan) are sound as long as they're implemented in a socially equitable manner," Fouéré says, urging that vulnerable sectors of society should be protected.

He warns that it will be tempting for the rulers to "cut corners" in service delivery this year to recruit votes for next year's elections. "It would be a mistake to alter course now," he warns.

The greatest challenge facing the country is job creation, he says.

In recognition of his contribution to EU-SA relations, Deputy Foreign Minister Aziz Pahad recently awarded Fouéré the Order of Good Hope, SA's highest honour for foreign citizens.

Perhaps, the crucial recognition of the EU's role in SA has been from ordinary citizens whose lives have been changed by EU-funded projects. While participating in a long-distance race recently, a man approached Fouéré, an enthusiastic runner, and said: "You are the guy from the EU. I have a project that needs funding..."

As Fouéré leaves to become the head of an EU division dealing with the Organisation for European Security Co-operation, his successor, Michael Laidler, will not have to worry about which flag will be shown when an EU item is telecast.



Dutch know-how could benefit SA

Source: 21/11/98
(297)

By Abdul Milazi

AMSTERDAM Schiphol is part of what has become known as the economic core of Europe. And, at the heart of it, is the world's fourth-largest airport – Amsterdam Airport Schiphol.

The airport has become the engine room of the Dutch economy as the Netherlands' economy is service oriented, depending mainly on the cargo distribution and the export market.

During a visit to Amsterdam last week, I was impressed by the infrastructure around the airport. It comprises a shopping plaza with 514 companies and shops, multistorey car parks and just about everything a holiday or business traveller might need.

Airport Schiphol president Mr Hans Smits said the concept of a "one-terminal airport" is what made the airport what it is today – one of Europe's four main ports, the hub of intercontinental and European traffic flows.

Smits said Airport Schiphol's equivalent in South Africa, Airports Company South Africa (Acsa), had the potential to become the gateway to Africa and the hub of economic activity on the continent.

Acsa and Airport Schiphol have much in common, including being strategically placed geographically for the easy distribution of passengers and cargo to all parts of their respective continents.

The two airport companies are also on the verge of partial privatisation, with the South African Government already having announced its intention to get a Strategic Equity Partner (SEP).

Schiphol's partial privatisation is still the subject of political debate in the Netherlands, with only the ruling People's Party for Freedom and Democracy supporting the move.

The Amsterdam-based Schiphol has been shortlisted for South Africa's SEP bid, together with other giant airport management companies, Britain's BAA, Germany's Flughafen Frankfurt Main AG and Canada's Aeroports de Montreal as possible strategic equity partners for Acsa.

The financial year which ended in April last year saw Schiphol posting a R447,3 million profit, a major portion of which was attributed to an increase in air traffic and transport volume.

In the same year the company

Airport Schiphol presents an excellent example to follow

invested about R596,4 million in new facilities and the upgrading of existing infrastructure as part of its 14-year master plan.

Smits said South Africa could benefit from Schiphol's experience in running one of the world's largest airports, cargo distribution, property development and the overall management of international airports.

He said Schiphol's property section generated R95 million in profits, with a R198 million turnover and total assets valued at R1 422 million.

"We expect continued improvement of our net result and our company's return on investment, partly based on the expected seven percent growth of the passenger and cargo traffic," said Smits.

South African ambassador to Amsterdam Mr Carl Niehaus said this country could benefit from Schiphol's vast expertise and experience.

Creates employment

As South Africa's main concern is currently its high level of unemployment, Smits said the development of property around the airport will go a long way in creating employment, not only by the airport management, but also by the businesses renting office space.

Acsa currently employs staff of about 2 000, while Schiphol has about 43 401 workers, including those employed in ancillary service companies at the airport.

Smits said the number of people employed by Schiphol increased by 6,2 percent in 1996, which was more than three times as fast as the average growth throughout the Netherlands.

"This strong level of growth was largely attributed to KLM Royal Dutch Airlines, which gave work to 1 138 more people than the year before."

He said other companies which recorded growth were the ancillary service firms Seceurop, CSU Total Care, Ogden Aviation Services, the Customs Service and Horeca Exploitation Maatschappij Schiphol.

"The 43 401 workers at Schiphol are employed by 514 different companies. Furthermore, last year these companies had another 1 199 vacancies,"

said Smits.

He said Schiphol believed in less state involvement in the running of airports. "Such a move will supply an important impetus for the airports to keep expenditures competitive".

"Reduction of governmental shares will also give Schiphol more opportunities to export its expertise abroad and will increase the airport's already important role in the Dutch economy."

Currently Schiphol is a structural partnership, with the Netherlands government holding the majority of the shares. The rest are held by the cities of Amsterdam and Rotterdam.

In South Africa the Government will hold 70 percent of the total shareholding of Acsa, while the SEP will own 20 percent with an option to buy a further 10 percent. The remaining 10 percent will be sold to a black consortium and a further nine percent to Acsa employees.

Department of Transport spokesman, Didi Moyle, said in a statement that the SEP would be expected to contribute to the development of Acsa at managerial and board level and also provide consultancy services.

Schiphol is also part of the consortium running Brisbane International Airport in Australia and the International Arrivals Building at JFK International Airport in New Jersey, United States.

In both countries Schiphol is expected to supply the expertise needed to manage business operations and the development of infrastructure at the airports.

Smits said: "This proves that Schiphol's experience and expertise is regarded highly in the aviation world. It's turning out to be an excellent export commodity."

A recent survey by British management consultants Mercer, found that an increased private sector role in the running of airports was inevitable, as governments around the world continued to reduce funding for airport projects due to budgetary constraints.

The survey also predicts that most of the world's airports will be controlled by private companies in the next 10 years.

NGOs struggle to meet funding rules

Josey Ballenger

GOVERNMENT's narrow definition of "nongovernmental organisation" (NGO) meant funding was sometimes allocated to less-than-ideal candidates, a health department source said yesterday.

The issue has been highlighted by the department's rejection last week of a request for funding by the Aids Law Project, in part because the Wits University-linked body does not have a constitution.

Funding regulations also require audited financial statements. This could disqualify certain community-based organisations and other NGOs which may be better equipped than their larger counterparts to address government aims.

"There is concern because some small community organisations don't have audited statements or a constitution," said Rose Smart, head of the department's HIV, AIDS and sexually transmitted disease directorate. "We find we can't always award the organisations best suited for the job. As it stands, there are only some (bigger NGOs) who can comply with the regulations."

The Aids Law Project, which for the past two years has received up to 80% of its funding from the European Union (EU), has said it may have to close in March now that the EU money has dried up. It appealed to the health department for R600 000 and was short-listed with nine others for a R2m kitty, but was ultimately rejected.

"We are not questioning whether they (the project) are an NGO; we see them in the same light. But we are bound by treasury instructions," Smart said. "It is quite likely they would have (won the money) if they had qualified. They are doing good and very relevant work."

Smart warned, however, that allocations for NGOs varied from year to year. The health department's, for example, had been cut in half in the current financial year. "It is terribly difficult, but perhaps this is a message to all NGOs that they are not guaranteed funding."

Finance department spokesman Jennifer Wilson said the director-general of state expenditure had not received proposals for a change in the regulations. "We need to be accountable and transparent (in dealing with public funds). Any organisation therefore would need to comply with the requirements of audited financial statements and a constitution."

Aids Law Project head Mark Heywood said although the project was completely grant-funded, it was governed by the university's rules and constitution, which had been submitted with its funding request. Drafting its own constitution would need the approval of Wits decision makers. The project needed at least R1m to stay open after March, he said.

Boesak lawyers short of cash for legal aid bid

GLYNIS UNDERHILL
SPECIAL WRITER

(297)
ARL 21/1/98
Allan Boesak's legal team doesn't have the cash to seek a court order to re-instate Legal Aid Board funds for his defence.

So Dr Boesak's attorney, Chris Petty, said he would time his request for a court order to coincide with the board's bid for leave to appeal against a Pretoria High Court judgment ordering it to set aside its decision to withdraw the funds.

The board had indicated that it had not changed its position and would apply for leave to appeal against the judgment, Mr Petty said.

But, as no date had been set for the hearing, there was nothing further they could do, he said.

"We have to cut costs. We have no money at all. We are doing everything the cheapest way we possibly can," said Mr Petty.

The Legal Aid Board suspended financial aid for Dr Boesak when it was discovered he had received R1-million from a mystery donor to help pay for his defence.

His legal team has not worked on his case for three months, although the trial is due to begin in the Cape High Court on February 16.

While some of the donor's funds had been used, the remainder was in an attorney's trust fund and was earmarked for Dr Boesak's defence in court, said Mr Petty.

"We are waiting for a date for the application for leave to appeal to be heard. I don't think it will be this month," said Mr Petty, adding that he would ask for the trial to be postponed because of the shortage of cash.

Dr Boesak is being charged with fraud relating to R1,1-million in foreign donor funds. Justice Minister Dullah Omar has urged the board to treat Dr Boesak fairly.

Clouds gather as patients lose place in sun

CT 21/1/98

(297) (297)

JUDITH SOAL AND
PATRICK BURNETT

THE sun shines brightly on the patients at the New Kings complex in Kalk Bay — a tightly knit community who are looked after by dedicated staff. On good days, they can lounge on the lawn, watching the sea.

Severe disability seems manageable in this world.

But now departmental budget cuts have intruded. The complex is to be closed and patients are worried what will happen to them.

Among them is former speech therapist Ms Beverley Greenwood. An undiagnosed virus contracted 10 years ago left her with brain damage and she needs constant care. She is worried about her future as the Department of Social Services prepares to close the frail-care facility that is her home. She says she will miss her most treasured companion — the sea.

Greenwood is one of more than 200 mentally and physically disabled patients at New Kings whose lives are about to be thrown into turmoil by the department's attempts to save money.

"It will be sad. I am upset about the whole thing closing down and worried that I won't go to church and won't be with my friends," Greenwood says.

"Before I became ill I used to surf and windsurf. I used to love being at the sea and will miss it so much when they take me to a different place."

It is not clear where Greenwood and the others will be taken.

The department says they will be transferred to other frail-care centres, but a retired district surgeon who used to work at New Kings doubts if there are other centres equipped to care for them.

"New Kings has been the end of the line for most people," said Dr Rob Hawke.

"They have all been through other facilities and ended up here. They've been through a lot of trauma before they got to New Kings."

"They have found a community here. From the nursing staff to the floor cleaners and the kitchen staff, everyone goes out of their way to make this a home. It truly is a remarkable place and it will be shattering to these people to leave. I know because I know them well."

"New Kings has all types of cases, from burnt-out schizophrenics to people who are severely brain-damaged. Many are wholly disabled and require tube-feeding."

"The department wants to reintegrate these people into the communities, but the communities can't cope."

Most of the patients didn't have families. Those who did could not be cared for by their families.

"Many are from poor areas and even if they have families, there

aren't facilities to look after them," Hawke said.

"Even upper-middle class people would struggle because caring for them is a full-time job. They need to be fed, washed, lifted out of bed, they are probably incontinent and they can easily get infections — it's a lot of work."

Mr John Haycox has a daughter who has muscular dystrophy and is at New Kings. He is worried that he will not be able to care for her.

"I don't know where this leaves us. We are not equipped to look after her as I have to go to work and she needs constant surveillance."

"These are the things the new government said it would look after."

Greenwood's mother, Mrs Yvonne Greenwood, shares his concern.

"Beverley is in a wheelchair and can do little for herself. From a financial point of view, we can't afford the costs of a private institution or private nurse. Many people in New Kings are worse off. Beverley is not the only one in this predicament. They all are."

There is also concern that potentially violent patients may be released into the community without support.

In November, the Cape Times reported that an 82-year-old woman had been murdered, allegedly by her grandson who had been released from the Stikland Psychiatric Unit. The young man's family had believed him to be

unstable and violent and had pleaded, to no avail, with the hospital to readmit him. When his grandmother was murdered, doctors warned that this sort of killing could happen again because

of the absence of support systems for released psychiatric patients.

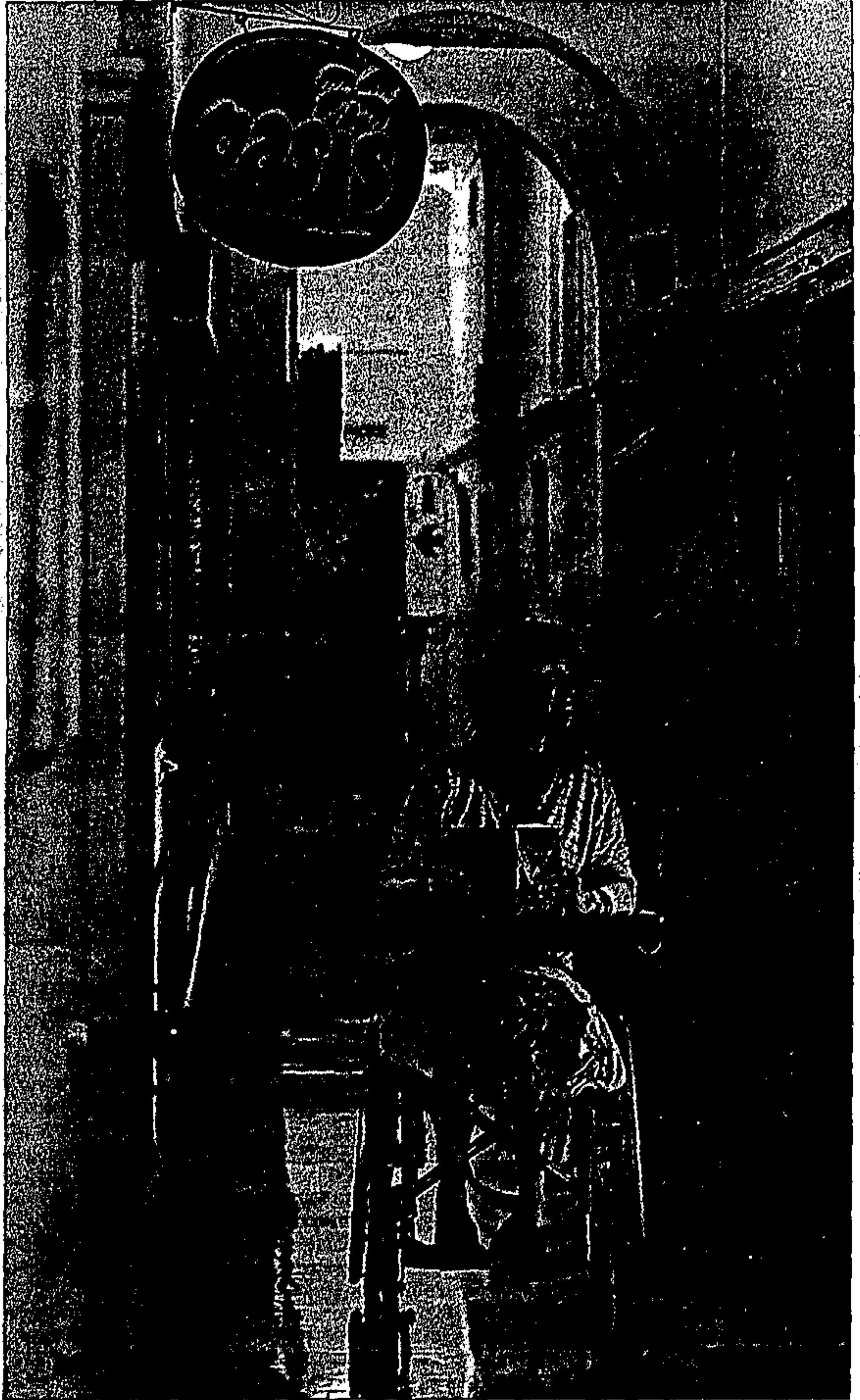
A source close to New Kings, who asked not to be named, said 30 patients would be released into the community — an apparent metaphor for being sent home, even if the patient did not have one to go to — by the end of this month. Another 110 are expected to be released by the end of June. The remaining 60 — who are the most severely disabled or potentially violent patients — are to be transferred to other centres.

The head of the Western Cape Department of Social Services, Mrs Sharon Follentine, denies that New Kings residents will be dumped.

"It is possible to accommodate the residents in existing vacancies in subsidised frail-care facilities," she said. "Adequate vacancies are available."

Residents would be given the option of moving to Beaconvale in Mitchells Plain, Zerilda Steyn in Pinelands or KSE Home in Kraaifontein.

The patients would receive the same care as they had been given at



FRIGHTENED: Beverley Greenwood used to surf before her illness, now she takes comfort from living next to the sea. She is not sure what will happen when the New Kings frail care centre closes. **PICTURE: GARTH STEAD**

New Kings, Follentine said.

About 60 residents could not be cared for at these centres as they had special needs. The department was negotiating a contract with Life Care, the company that ran New Kings, to make provision for these patients, Follentine said.

Provincial budget cuts had made the closure of New Kings necessary. "All departments are obliged to effect savings to address shortfalls in the provincial budget. New Kings has been identified as a situation where the department could effect a saving."

"We had to take a tough decision on the future of the contract (with Life Care) when we determined our 1998/1999 budget."

State contract to be phased out

THE New Kings Complex is managed by Life Care Special Health Services, a private company, under a contract with the Department of Social Services that is to be phased out by the end of June. Most residents are eligible for social security, but do not receive state pensions, as the government pays the full tariff of the contract. About 16% make contributions according to their income.

A frail care facility is defined as a registered home for aged persons

and people with severe disabilities and provides 24-hour care.

There are 144 registered state-subsidised frail care facilities and 38 registered private facilities in the Western Cape that take care of people with conditions similar to those at New Kings.

Life Care managing director Dr Louis Moolman said: "We understand it is a rationalisation process and the department has to scale down and make use of other under-utilised facilities."

— Staff Writer

Suspension of funds 'a blow to education'

(297)

A HIGH-profile international nongovernmental organisation suspended its funding yesterday pending the outcome of a court case against its former financial manager who is charged with embezzling more than R3m of its money.

The World University Service — backed by Swiss and Swedish developmental groups — said it would withhold all further funding until the case against Vuyisile Msweli was resolved. Msweli is facing more than 30 charges relating to more than R3m allegedly misappropriated from the organisation.

"The donors will review their decision after the completion of a forensic audit, a comprehensive re-audit of the organisation's finances and at the conclusion of court proceedings," said Mathokoza Nhlapo, director of the World University Service.

She said the organisation's board and staff viewed the suspension as a damaging blow to adult learners throughout SA. The organisation contributes about R12m a year to various adult education projects throughout SA.

"It is a tragedy that thousands of poor people will be denied access to education because of the alleged wrongdoing of one selfish individual," said Nhlapo. — Sapa.

BD 22/1/98

Welfare gets R1,7-m

(297)
WELFARE and Population Development Minister Ms Geraldine Fraser-Moleketi announced yesterday that R1,7 million in outstanding subsidies had been paid to Eastern Cape welfare organisations.

This follows an outcry by thousands of pensioners and welfare organisations who did not receive their grants in December.

"I am pleased to announce that the payment of subsidies to Eastern Cape private welfare organisations resumed on Wednesday with the Ministry of Welfare having ensured that outstanding subsidies for December have been

paid," Fraser-Moleketi said.

"This provides a limited yet interim relief to welfare service organisations, children's homes, homes for the aged, places of care for children and rehabilitation centres for alcohol abuse. I would therefore like to express appreciation to those organisations and individuals who are rendering such an important service to communities as partners of the Government."

She said she had appointed a task team, which included provincial and private welfare organisations, to help the welfare department in managing cash flow problems. — Sapa

Pearl Sebolao

R1,7m for Eastern Cape welfare bodies

B0 23/11/98 (297)

THE payment of subsidies to private welfare organisations in the Eastern Cape resumed on Wednesday, with R1,7m in outstanding grants for December 1997 having been paid, Welfare Minister Geraldine Fraser-Moleketi announced yesterday.

Fraser-Moleketi said the funds would provide limited interim relief to welfare service organisation, including children's homes, homes for the aged, and rehabilitation centres

which depended on subsidies to provide important services to communities.

The late subsidy payment in November last year due to the cash flow crisis in the Eastern Cape had led to widespread anxiety in the private welfare service sector, with two children's homes in the former Transkei threatened with closure. This has now been averted, she said.

The cash-strapped province earlier in the month received an R801m advance from the finance ministry to meet its obligations to 600 000 pensioners.

Fraser-Moleketi said she had appointed a task team, which included provincial and private welfare service organisations, to assist the provincial welfare department in managing its cash flow problems. Payments

for the rest of the financial year would be handled by the team, and would follow in due course.

An agreement had also been reached between the private welfare sector and the provincial government to reprioritise welfare services on a regional basis to promote maximum impact, cost-effectiveness and the efficient use human resources, Fraser-Moleketi said.

Lifeline for NGOs

Southern 28/11/98 (297)

THE GAP between the funds set aside for the National Development Agency to be launched in July and what it will actually need, could prove a stumbling block to the success of the NDA.

The agency, to be based in the Deputy President's office, is intended to act as a channel for development funding to non-government (NGOs) and community-based organisations (CBOs) working to implement the goals of the Reconstruction and Development Programme.

"If the Government is serious about using NGOs and CBOs to deliver services and to reverse the severe damage of apartheid, the NDA will need nothing less than R1,5 billion," said NGO Coalition executive director Kumi Naidoo.

Naidoo said, for instance, in the run-up to the 1994 elections the apartheid government sank R2 billion – equivalent to R5 billion in 1998 – into the Independent Development Trust (IDT) in a once-off grant in order to ameliorate the living conditions of South Africans.

The IDT is in the process of restructuring into a development parastatal and over R1 million is earmarked for the NDA. This means a huge disparity between the initial R135 million grant to the NDA and the R1,5 billion Naidoo estimates it needs to be effective.

"NGOs should be reaching out (to historically disadvantaged provinces). Instead they are downscaling their work because of lack of funds," said Naidoo.

The director of programmes and projects in the Deputy President's office, Sibongile Mkhabela, said one could not look at the NDA "as a sole source of funds for development".

Mkhabela said it was "an additional window of opportunity" which would boost the contribution line departments are already making to development. For example, the Housing Ministry has set aside a portion of its budget for civil society activities.

But the NDA will be one of the main channels for development funding, with a request to Government of R500 million for the next three years.

"It will be the tap for funds to flow," said Naidoo. He said the organisations were slightly more financially secure than during the post-election crisis: "We are out of the intensive care unit but we are definitely still in the hospital."

NGO Coalition (Sangoco) president Rams Ramashia said it was ironic that "the crisis was occasioned by the dispensation we have been fighting for".

Before the 1994 elections many NGOs were part of the Mass Democratic Movement and focused on undermining the apartheid system

The National Development Agency will be the new conduit for funding. But will there be enough money to go around, **Claire Keeton** asks...



Sangoco president Rams Ramashia says NGOs did not anticipate the sudden loss of funding after the 1994 elections.

PIC: CLAIRE KEETON

in order to build a democratic South Africa.

They were also committed to reducing the impact of apartheid policies and assisting the victims and families of human rights abuses.

Ramashia said the NGOs did not anticipate the loss of key leadership to the Government and the sudden flight of funding after the elections. "Many good NGOs were forced to close down when their funding stopped at short notice.

"We had not reflected carefully on the role of NGOs in a democratic South Africa and how they would related to the state. We had to consider how to collaborate without being co-opted and how to hold the Government accountable."

Arising out of this crisis, the NGO Coalition was launched in August 1995 as an umbrella body to strengthen the sector, enabling it to influence development policy and promote civil society.

Sangoco has around 4 000 NGOs affiliated to it with representation from nine provincial coalitions and 13 national sectors, ranging from health to adult basic education and training. It has made significant progress in becoming a force for development in South Africa.

The establishment of the NDA is formal

recognition that NGOs are important development partners of Government. "The NDA is an expression of our partnership ... and we need a partnership approach to tackle development problems in this country," said Mkhabela.

Sangoco has been instrumental in setting up the NDA, working alongside key funders like the European Union. The NDA will replace the Transitional National Development Trust which helped to rescue several NGOs from closure after the election.

Moreover, the coalition successfully lobbied for new legislation to improve the environment in which NGOs operate, resulting in the Not-for-Profit Bill last year, another expression of partnership between the Government and civil society.

"Under apartheid the government used the old Act to control which NGOs could operate through fundraising numbers and other mechanisms," said Ramashia. "This (Bill) creates a new challenge for us to operate freely with minimum state interference."

However, he warned: "The NDA must not be used as a mechanism for co-option or control of NGOs. It is important that the independence of the NGO sector is guaranteed."

In order to increase accountability, and reduce financial mismanagement, the coalition has established a code of ethics which member organisations must adopt.

Ramashia said Sangoco also supports independent fundraising activities and bilateral funding arrangements between its members and donor organisations.

The Charles Stewart Mott Foundation, for example, allocates R15 million to around 50 individual organisations through a grant-making budget, according to spokeswoman Christa Kuljian. This foundation does not have a wind-up period for funding programmes in South Africa, unlike several major funders.

The United States Agency for International Development plans to pull out of the country by 2004 and the European Union does not have funding plans yet beyond next year. "We have promised 125 million ecus (about R600 million) so far and beyond that, we do not know," said EU project advisor Zink.

But Sangoco is planning ahead to make sure that when funders do withdraw, NGOs will not be facing the same crisis as in 1994, and the establishment of a strong NDA is critical to this process.

Aid projects grind to a halt after theft

RONALD MORRIS
JUSTICE WRITER

SEVERAL community projects funded by the World University Service-South Africa (WUS-SA) — which gets most of its funding from Sweden — have ground to a halt in the wake of the theft of R3,5 million, allegedly by the former finance manager.

Last week the WUS-SA board announced the suspension of donor aid to 70 projects countrywide — aimed at the poor and the marginalised in mostly rural areas — pending the outcome of criminal proceedings against Mr Vuyisile Msweli.

Msweli is facing more than 30 criminal charges related to the alleged theft of about R3,5m in donor funds that was uncovered in mid-December.

He will appear again in the Wynberg Magistrate's Court on February 6.

Shortly after the theft was uncovered, WUS-SA brought an application for the sequestration of Msweli's estate.

The court was told that Msweli had bought two service stations, a house in Durbanville worth almost R500 000, a

1997 BMW cabriolet, a 1997 Honda Ballade and several other vehicles.

He also had several insurance policies and various endowment policies.

Msweli, who allegedly started stealing when he took over as financial director in 1995, diverted the money to his bank account, the court was told.

The court last week made a provisional sequestration order final.

Msweli was originally granted bail of R200 000, but when he could not pay, he successfully applied for a reduction of his bail to R100 000. As far as

could be ascertained, he was still in custody yesterday.

WUS-SA received 95% of its funding in two-yearly grants from the Swedish International Development Agency (Sida), and the 1995-97 grant was more than R23m.

In a statement, WUS-SA director Ms Mathokoza Nhlapo said the suspension of funding followed a recent meeting in

Pretoria with the organisation's principal foreign donors, Sida and the Swiss Agency for Development and Co-operation (SDC).

It was then decided that further funding to WUS-SA and its project partners would be suspended until the

criminal probe into all misappropriated funds had been concluded.

"The donors will review their decision after the completion of a forensic audit, a comprehensive re-audit of WUS-SA finances and at the conclusion of court proceedings against Mr Msweli."

— **Nhlapo**

The donors would, however, continue to provide support only for the audits and other investigations related to the misappropriation, Nhlapo said.

A representative of the Charles Stewart Mott Foundation (MSF), another donor, also attended the meeting. MSF donated money up to July last year and further funding was being renegotiated when the theft was discovered.

Nhlapo said: "WUS-SA board and staff view this situation as a very damaging blow to the thousands of adult learners who benefited from WUS-SA-sponsored programmes. It is a national tragedy that thousands of poor people will be denied access to adult basic education programmes because of the wrongdoing of one selfish individual."

At a meeting earlier this month, the WUS-SA board had committed itself to "prosecuting the case to the fullest extent of the law", to recovering all the misappropriated donor funds and to rebuilding foreign donor support for adult literacy programmes in South Africa, Nhlapo said.

'The board and staff view this situation as a very damaging blow...'

(297) ET 28/1/98

Province to save by stopping bad grants

DD 29/1/98
Pule Molebeledi

THE Northern Province health and welfare department estimated yesterday that it would save R36m a month when it stopped irregular payment to 94 806 people who did not qualify for state grants.

Health and welfare MEC Hunadi Mateme said yesterday at a press conference in Pietersburg that a study done by the province had revealed there were 94 806 people receiving monthly grants totalling R44m who did not meet the criteria.

She said in some instances the payments were made because of incomplete or irregular beneficiary files.

"The only way for the department to reveal the truly irregular grants is to stop paying all 94 806 and wait for those who used to receive them to come forward for reassessment," she said. The department had stopped the payments for this month.

Mateme estimated that a third of the people would qualify and would be paid arrears for months in which the grants were suspended during the "clean-up" exercise.

"This would save up to R36m each month," she said.

The savings would mean there was enough money to pay existing, qualifying beneficiaries and take new, deserving ones into the system.

She said the recent pension payment problems in the Eastern Cape had shown

the need for a quick tidying up of the pension payroll. The cash-strapped Eastern Cape failed to pay 632 000 pensioners on time this month. Welfare Minister Geraldine Fraser-Moleketi had to intervene and granted the province R800m so pensioners could receive their money.

Mateme appealed to communities to cooperate and apologised to genuine beneficiaries affected by the payment suspension due to "incomplete data in the files".

She warned those who did not qualify not to take a chance as "they would be exposed for trying to defraud the system."

"It is the aim of the department to ensure that everyone who truly qualifies for a pension or grant receives their dues," she said.

The department's officials became aware of the fraud while reviewing and comparing computer data of different pension criteria.

Mateme said her department would introduce the child care grant from April and phase out the existing maintenance grants over three years. The new regulations would be published in March.

"Essentially this is a very important development for our province. It will enable us to assist children whose families do not have the means to support them," she said.

Mateme said her department was preparing to assist local crèches and community projects with additional funds made available as part of the R300m poverty relief funds from the finance ministry.

Envoy downplays SA criticism of USAid

Simon Barber

WASHINGTON — President Nelson Mandela's marathon "report" to the African National Congress (ANC) last month, in which the US Agency for International Development (USAid) was criticised sharply for meddling in SA politics, should be taken with a pinch of salt, US ambassador James Joseph has advised the US state department.

In a cable analysing criticism of USAid levelled by government, Joseph said Mandela's speech contained

"throwaway" lines to every element of the party, was "contradictory" and, like party platforms at US political conventions, was "intended to be cast aside" as soon as the congress was over.

Some attacks on USAid were coming from "unreconstructed Marxists" within the ANC who refused to believe that the International Monetary Fund, World Bank and USAid had no political agenda, Joseph said.

Mandela quoted a congressional staff report released in November 1996 which criticised USAid's SA mission

for funding "advocacy groups" at the expense of more direct backing for education, housing and health care.

Joseph said Mandela and Deputy President Thabo Mbeki appeared to be unaware that the authors of the report, house international affairs committee staffers Lester Munson and Philip Christenson, were Republican opponents of the Clinton administration. It was "unfortunate" that Mandela, "the most respected statesman of our time",

Continued on Page 1

USAid

Continued from Page 1

thus let himself become a mouthpiece for "partisan criticism".

Nonetheless, Joseph acknowledged in the cable, which was written last week, that USAid's programme was not universally popular with government. He said Frank Chikane, Mbeki's

director-general, had instructed the foreign affairs department to review USAid's work and make recommendations. He also recognised that government wanted more control over how aid funds were spent.

Despite his dismissal of Mandela's speech, the ambassador concluded the criticism of USAid was a "serious" problem. Part of the solution, he thought, was to "involve" ministers who "like what USAid is doing".

Bullet won't stop Shelley taking her crusade to House

Disabilities win new focus

ARG 30/1/98

(297)

POLITICAL STAFF

A bullet aimed at a taxi during a January 1996 taxi conflict severed the spine of passenger Shelley Barry and punctured her lungs.

She was confined to a hospital for four months and needed a respirator to breathe – which destroyed her respiratory abilities.

She now has a tube stuck in her throat to help her breathe.

But two years later, Ms Barry is driving Parliament's focus on the needs of people with disabilities which will mark this year's opening of Parliament.

"I was convinced that my life was over. Finished, klaar.

"I saw no future for myself. I thought everything I ever wanted to do I could forget about... I just saw a life of nothing," says Ms Barry, a qualified drama and English teacher, her slim frame resting on a wheelchair.

A month after being discharged from hospital she started work as a secretary at the University of Cape Town, before doing policy work for the non-governmental organisation Disabled People South Africa (DPSA) in the same year.

She is national parliamentary policy co-ordinator for the DPSA, an umbrella body of disability organisations. She monitors legislation to ensure its sensitivity to people with disabilities, and also does research.

"So from being shot in January to starting doing national disability policy in November, it was quite a year," she says.

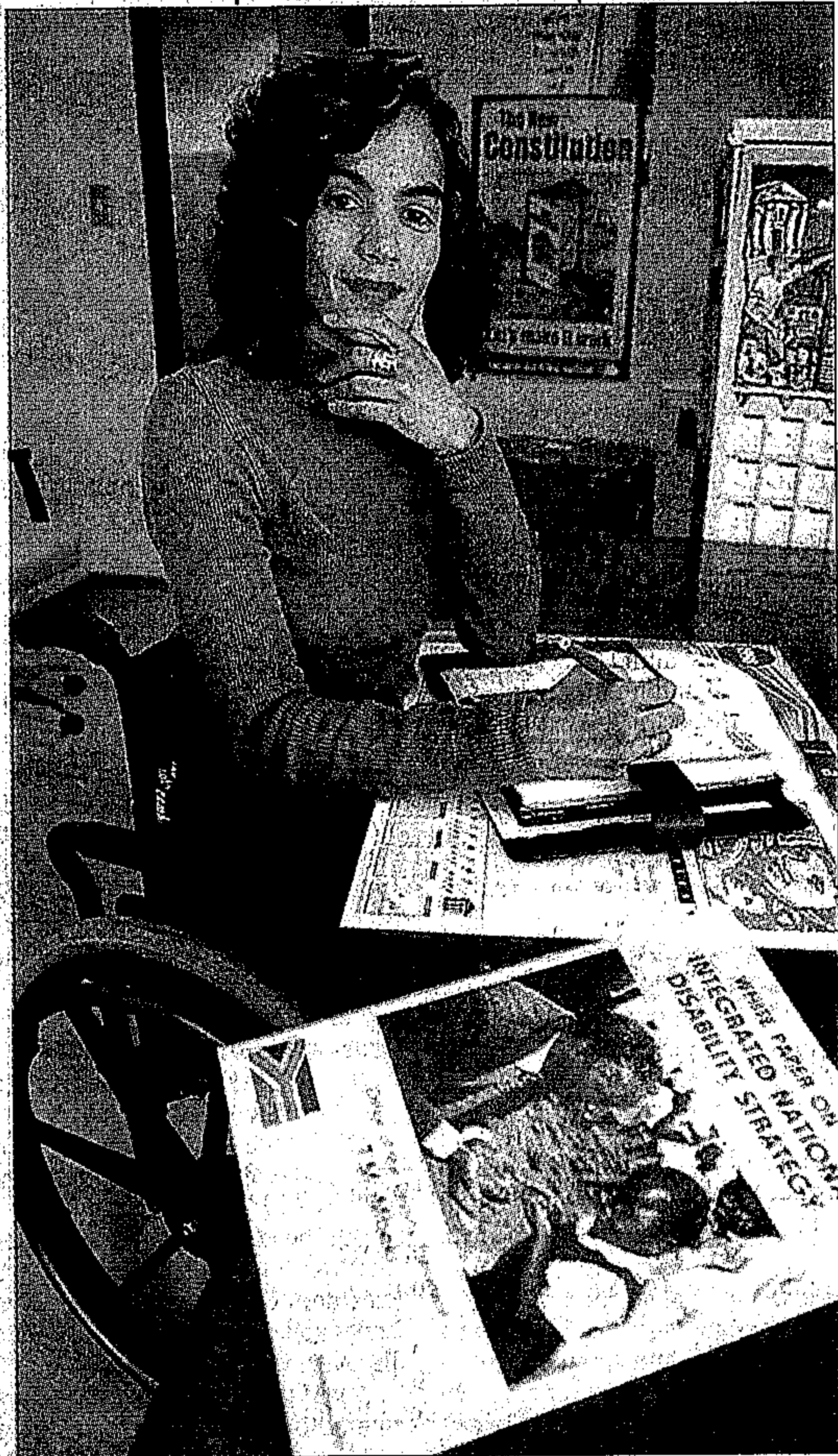
It was only after her life underwent a drastic change that she realised the extent of inequities in society with regard to people with disabilities.

The word she got used to immediately was "shame".

"It is the word you will hear the most as a person with a disability. You hear it all the time and if you do not hear it, you see it people's eyes," she says.

Her left hand rests on her chest with her fingers resting on the base of her neck holding what looks like a silver necklace pendant.

It is her breathing tube, held in place by a decorated, navy blue, silky necklace. Her normal breathing can be restored through an operation, but that will reduce her voice to just above a whisper.



ROY WIGLEY

Shelley Barry: driving Parliament's focus on the needs of people with disabilities

"I still have a lot to say," she explains.

The apartheid government had a welfare approach to people with disabilities and confined them to institutions.

The new government's approach is to make them active participants in society.

People with disabilities will form a 60-strong guard of honour for President Mandela when he delivers his speech marking the start of the new parliamentary session next week.

Ms Barry says this will help to make people with disabilities more visible. They prefer not to be called

"disabled" which characterises everything that one is as "disabled".

"People with disabilities want exactly the same things (as those without them).

They want to go out with friends, they want to fall in love, they want to have children, they want to go to school, they want to see a movie and they want to go out for a drive.

"The problem is there there are so many things that prevent them from having a normal life – and those things can be changed.

"So let's change them," she says.

Scandal cripples literacy training

Mungo Sogot

The organisation that is supposed to steer South Africa's literacy programme has been thrown into turmoil after its main donor, the European Union, froze its funding on uncovering chronic financial mismanagement.

The director of the National Literacy Co-operation (NLC), Enrico Fourie, resigned this week as the EU prepared to send in a team of auditors to probe the organisation's books. The NLC — which is supposed to reach South Africa's 15-million illiterate adults — could face closure if the EU decides to sever its financial lifeline. Fourie said he would now move into government, but declined to provide details.

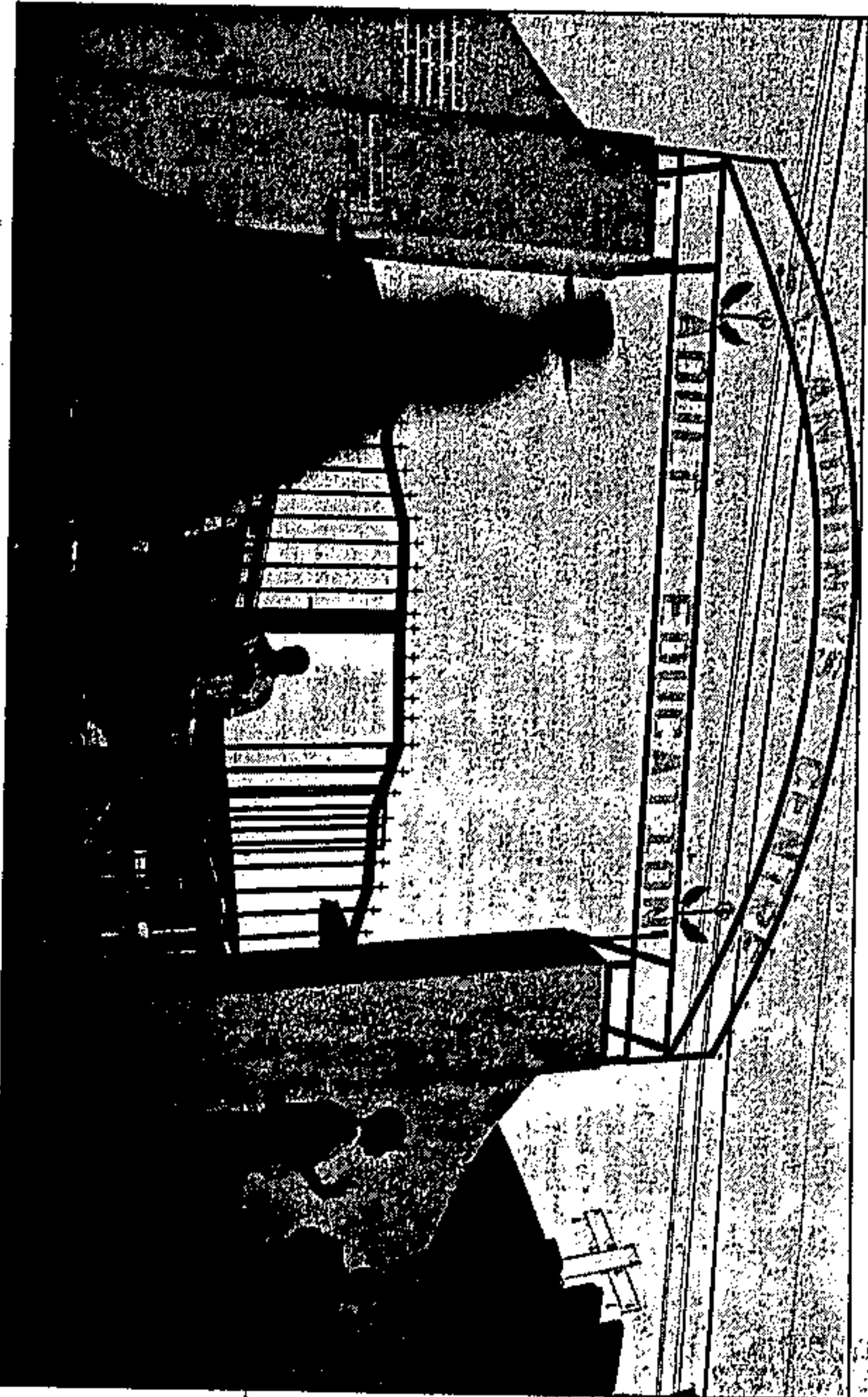
Some sources close to the NLC said it appeared about R7-million had not been properly accounted for, but the board of trustees of the NLC said in a statement its major donor had been "dissatisfied with poor reporting and accountability procedures on the part of management. Preliminary inquiries by the board and the donors give no reason to believe there has been any misappropriation or misuse of funds."

The board said they faced a "cash crisis" and that staff would either stop working or work on a voluntary basis until the crisis was resolved. The board said it was "reasonably confident the financial health of the organisation will be restored" and had appointed a caretaker management to mount the rescue plan.

According to sources close to the NLC, the EU raised the alarm last September when the NLC presented it with a report on its operations as the EU was preparing to give the organisation its latest portion of funding. The EU, which pledged the NLC a phased R20-million grant in 1995, dispatched one of its officials to the NLC's Johannesburg headquarters and informed the NLC it would not receive its funding until the EU's auditors had checked the books. It is understood Fourie was attending a conference abroad at the time, and was hit with a vote of no confidence when he returned, a symptom of widespread discontent in the organisation which had been brewing for some time.

The board's statement said the EU remained happy with the NLC's work, but was critical of its bookkeeping procedures and had therefore frozen further funding until its auditors, Ernst & Young, had reported back.

The NLC employs about 45 people in Johannesburg and in its provincial offices. It was set up as an umbrella organisation for all South Africa's literacy organisations — and was



No money, no school: Prospective learners have to wait until April for adult literacy classes to resume. PHOTOGRAPH: SIDDIQUE DAVIDS

charged with administering funds to several of these organisations and to its provincial offices. The NLC is affiliated to about 200 literacy non-government organisations, about 60 of which have folded in the past 18 months. Several of these other NGOs have questioned the NLC's existence from the start, arguing that the umbrella organisation merely adds an unnecessary layer of bureaucracy to the sector which suffers from an acute lack of funds.

The NLC's previous director was Kumi Naidoo, who is reputed to be a very effective fund raiser. Naidoo was largely responsible for securing the EU funding which enabled the NLC to expand from being a shoestring operation. He handed over control of the NLC to Fourie in 1996 when he moved to head up the NGO Coalition. But Naidoo, who has been selected by Deputy President Thabo Mbeki to head up a commission on poverty, has also been criticised for his stewardship of the NLC. He insisted this week that he helped establish the best financial controls possible under the circumstances — with the help of several outside consultants.

The NLC board said its regular auditors, Douglas & Velich, doubted there were any irregularities.

MTG 30/1-95/2/98

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It said it wanted the NLC to start raising its own money from a membership drive, through sales of publications and commissions.

The EU representative in charge of the NLC, Janet Davies, could not be reached for comment at the time of going to press. It is unclear when the EU will finish its audit of the NLC's books.

Lynda Giedull reports that the desire to learn doesn't dry up just because the money dries. Organisers of adult education classes are searching for ways to keep studies going after the Gauteng Department of Education suspended classes until April. They learned the very day registration started for the new year that there is no funding for the first quarter.

"There are people who depend on this," said Ren Smith of the Optimus Foundation, which runs four adult education centres. "Once you turn learners away, they might not come back."

The determination to provide some kind of learning is seeped with fury at the way the department handled the cuts. With the late notice, most centres are still scrambling to come up with solutions that will allow some of the 100 000 people affected a measure of hope. A delegation of representatives of adult centres met with Gauteng education officials last Friday to propose various ways to alleviate the crisis. The department is expected to respond at another meeting next week.

"We hope there will be some kind of breakthrough so that centres can open before the end of the semester. A lot of ideas have been put into the pool," said Audrey Marshiqi, representative for the Gauteng Department of Education, adding that the department did not have time to give the centres more notification of the closings. In the meantime, some centres are also seeking outside funding. Smith's group is able to look for corporate donors. But she emphasised that this is not a solution. "Many centres... have had to just shut their doors," she said.

Several co-ordinators expressed frustration that the adult programs seem to be the lowest priority. There is also a widespread feeling that the same people continue to be neglected.

"The new government said it was committed to helping the over 50% of the population who are illiterate or semi-illiterate," said Eileen Murray of the City Deep Adult Education Centre. "But at the first sign of crisis, the first people cut are the disadvantaged."

NGOs engage in war on poverty

By Claire Keeton
Feature Writer

THE ANTI-POVERTY campaign launched by non-governmental organisations (NGOs) for 1998 is both a real and a symbolic step forward for civil society in South Africa.

The "War on Poverty and Inequality" campaign, which will move into top gear this year and run until 2000, is a clear sign of NGOs' shift towards proactive programmes.

The campaign also consolidates cooperation between NGOs and key players such as trade unions and the Government.

Supporters include the Congress of South African Trade Unions, Department of Welfare, South African Council of Churches and United Nations Development Programme.

"It is a major departure for us to take the initiative," said South African NGO Coalition (Sangoco) executive director Mr Kumi Naidoo. "In the past we were always in responsive mode."

Before 1994 NGOs were focused on combating the damage of the apartheid system and reacting to crises arising from it.

"We have a new agenda now," said Naidoo. "You can't eat your vote. We must have a democratisation of the economy for political democracy to work."

The anti-poverty campaign, launched last September, provides a broad framework for NGOs to fight poverty.

While Sangoco will spearhead sector-specific projects – for example in health – the campaign has already become a focus for integrating the development work of different sectors.

The first phase of the campaign is to re-establish poverty as a central focus for NGOs.

Sangoco president Mr Rams Ramashia said they would hold three-day "Poverty and Inequality" hearings from March to May with the Human Rights and Gender Commissions.

The hearings, to be held in different provinces, will each concentrate on specific issues like rural development.

In South Africa 75 percent of people live in rural areas and nearly two thirds are located in the Eastern Cape, KwaZulu-Natal and Northern Province.

Ramashia said: "People from villages and informal settlements will tell their stories and highlight the legacy of apartheid. We call upon politicians to keep quiet for once and to listen to the poor people's experiences and suggestions."

In South Africa 53 percent of the population live below the R301-a-month poverty line.

"Development is not about the Government delivering services to passive citizens. It must be people-centred and participatory."

The hearings will culminate in a report to be released symbolically on June 26, the eve of a national Poverty Summit of key decision-makers called by Anglican Archbishop Njongonkulu Ndungane.

Underpinning this campaign, Sangoco will organise its own "economics commission" starting in April to look at macro-economic alternatives

New proactive approach adopted to restore dignity of the poor



Kumi Naidoo
... people must be given better access to opportunities, training and jobs.

to the Government's Gear programme, which has cut social spending in an attempt to manage the fiscal deficit.

"The Government may not be impressed but even in the (ANC-SACP-Cosatu) alliance there are elements opposed to Gear," Ramashia said.

child, if resources were to be distributed to all children living in poverty.

At the moment only two out of every 1 000 African children receive this grant, compared to 48 out of every 1 000 "coloured" children.

Western Cape has the largest number of recipients at 68 076, compared to only 2 980 in North West.

The Welfare Department proposed a child support grant of R75 instead of the R135 but the coalition objected that this was an unrealistic figure.

Supported by other pressure groups, Sangoco succeeded in persuading the department to rethink its position, increasing the proposed grant to R100. At the same time Sangoco works well with the Welfare Ministry, which has been invited to the launch of the poverty hearings.

"It's the first time we've directly fought the Government. We had a strong stand-off and it showed results. It's a significant victory for NGOs and the coalition," Naidoo said.

He said the process involved consultation with member organisations in all provinces.

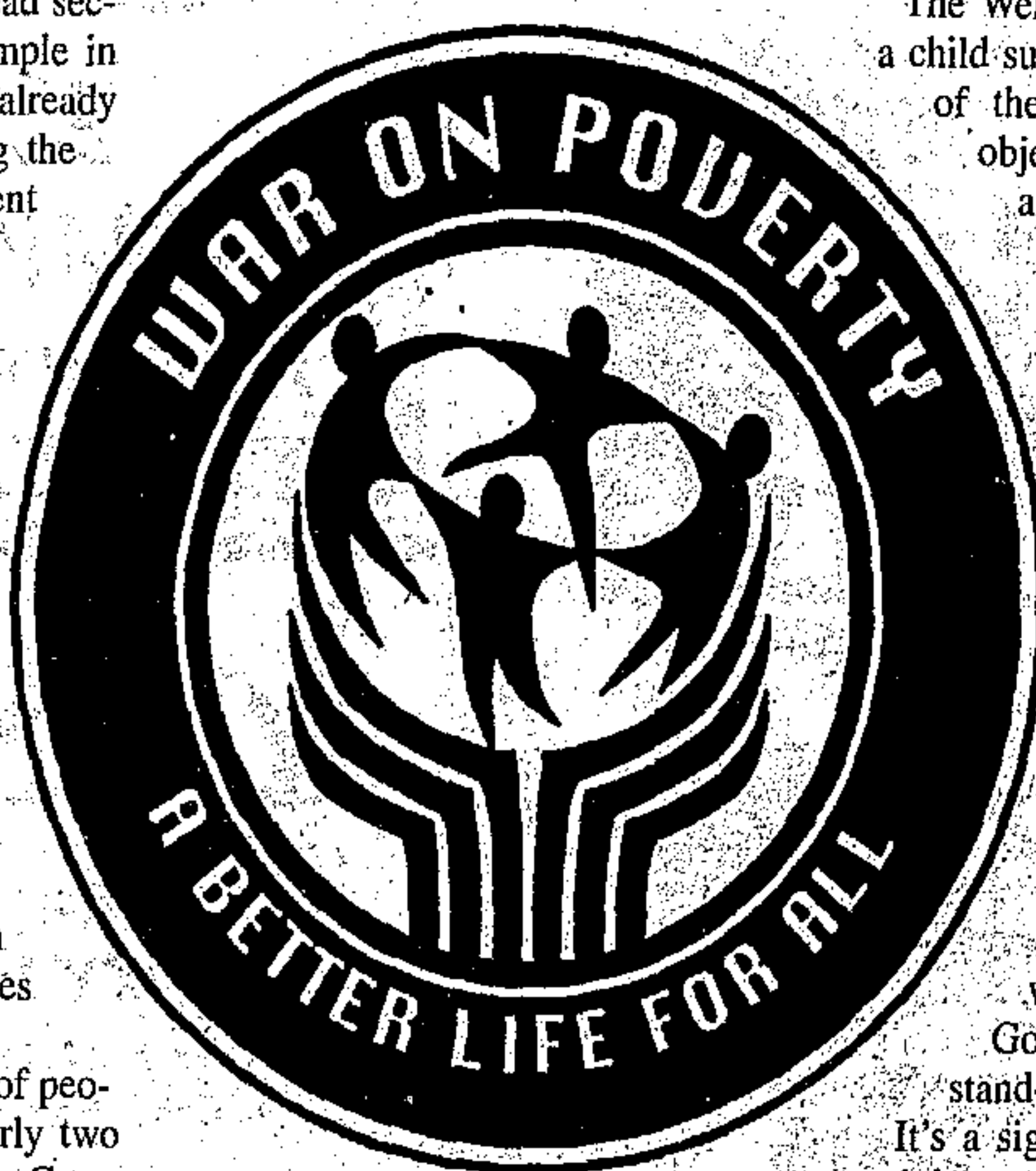
However, on the whole Sangoco members do not focus on high-profile activities but rather offer essential grassroots services.

The Ntataise Trust, which trains pre-school teachers, is an outstanding example of the contribution a single organisation can make. A winner of the Presidential Award in 1995, the trust trains about 2 000 teachers a year and has branches across the country.

The trust started in the Free State training farmworkers' wives but has done such good work that small rural towns and informal settlements have asked for training too.

It is organisations such as this that motivate Sangoco to create an environment for NGOs to be effective.

Naidoo said: "We have to find a way to give people better access to opportunities, training and jobs and to more meaningful lives."



Scheme explored to boost welfare groups

(297) Star 3/2/98

STAFF REPORTER

Gauteng's Department of Health and Welfare is exploring fast-food, textile and other franchises to help fund welfare groups which are facing a financial squeeze and burgeoning commitments.

The scheme, which is in its early stages, could also create jobs and empower marginalised communities, thus lessening their dependence on the welfare system.

Thandi Phaleng, the development director for the department, said last week while the

purchase of franchises needed an initial capital outlay, the support of the franchisor, prior to purchase and during operations, would help ensure the success of the businesses.

The department was looking at franchises in food production and clothing, in particular, because these could be adapted to the needs of the community.

Welfare director Vernon van Wyk said the concept had been successful in welfare organisations overseas.

In the United Kingdom the Salvation Army had developed

Saltex which successfully sold "good quality second-hand clothing".

An icecream franchise had also shown interest in extending a successful juice-making co-operative in the Katlehong region and setting up a franchise in the area, Phaleng said.

Van Wyk said legislative changes would be needed to enable the department to provide finance to welfare organisations or entrepreneurs, or to lend money to welfare organisations or entrepreneurs to start up commercial ventures.

Disabled do duty in opening of House

CT 4/2/98

(297)

FOR THIS YEAR'S opening of Parliament, the president's guard of honour will be comprised of disabled people.

PRISCILLA SINGH and **ANDRE KOOPMAN** report.

TEN years ago *Die Stem* and discreet applause greeted State President Mr P W Botha's cavalcade as it weaved through the streets of Cape Town on the opening day of Parliament, while the heads of the armed services and police marched past in full parade dress.

A volley of commands, boots striking the cobbles and the slap of rifles against palms and shoulders gathered the guards to attention as Botha's open black limousine approached the red carpet.

A decade later, not only is there a different head of state, but the sombre, militaristic opening day of Parliament has taken on a more festive, colourful and musical beat — although it will still include a full military band, a flypast by the air force and a 21-gun salute from Signal Hill.

And adding to all the changes, the theme for this year's opening is "people with disabilities playing an active role in public life", a parliamentary first, both nationally and internationally.

A choir of 17 blind people from the Western Cape Blind Association will sing a special song, *Hamba Madiba*, and 60 people with various disabilities, representing organisations throughout the country, will form a guard of honour flanking President Nelson Mandela as he walks to Parliament to deliver his state of the nation address to a joint sitting of the National Assembly and the National Council of Provinces.

Women members of the SA National Defence Force will make up the military guard of honour under the command of Colonel Carol Zietsman, the first woman to lead the military on the opening day.

"We are trying to establish at Parliament that ceremonials and respect for the head of state are not



NOT MILITARY: Frene Ginwala

male or military operations," Speaker of the National Assembly Dr Frene Ginwala explained yesterday at a news conference.

Co-ordinating the day's events, with the Public Education Department, is Ms Shelley Barry, Disabled People of South Africa's parliamentary policy co-ordinator, who said she was sure South Africa was going to lead the world by example thanks to progress on behalf of the disabled.

Organisations taking part on Friday include Disabled People of South Africa, DEAFSA, the National Epilepsy League, the Council for the Blind, the Mental Health Federation, the Cancer Association of SA, and Autism SA.

In addition to the unique guard of honour, Mandela's speech will be interpreted into sign language for broadcast on national television, and in the parliamentary chamber by Ms Ronel Davids from DEAFSA.

Head of Parliament's public relations department Mr Tariq de Goede said the opening should reflect the different faces of society.

He said the disabled had traditionally been relegated to the background at such events.

Inspired by the launch of the

white paper on an integrated national disability strategy at the end of last year, Parliament has worked closely with the directorate for disability in Deputy President Thabo Mbeki's office and decided that this year's guard of honour will be made up of disabled people.

This move was also in keeping with bringing a greater civil character to ceremonial events at Parliament, De Goede said.

Barry agreed, saying there was an urgent need for people with disabilities to become more visible and integrated into society, but prevalent attitudes and the lack of an enabling environment often prevented the disabled from living ordinary lives.

Barry is acutely aware of the public ignorance about disability because she is wheelchair-bound after being shot two years ago while travelling in a taxi.

She said government departments and state bodies had a responsibility to ensure that people with disabilities had access to the same fundamental rights and responsibilities as any other South African.

There are also many other "firsts" for Friday's ceremony. For starters, Mandela's speech will be open to all and not restricted to the elite, as in the past.

"We have broken the mould and, yes, upset many people who used to receive invitations in the past. But now we have a database of civil society organisations and members of the public chosen in a random ballot on computer, who we have invited for Friday's speech," De Goede said.

He also said the public was often critical of the amount spent on the opening day, so this year his department was on a "shoestring budget" of R20 000.

"Instead of the usual banquet after the speeches, Mandela will be meeting the disabled in the lounge of Tuynhuys and a finger lunch will follow. Nothing fancy, really; we are just trying to do things as fairly as possible," De Goede said.

Mandela to point out challenges govt faces

DONWALD PRESSLY
PARLIAMENTARY BUREAU

PRESIDENT Nelson Mandela

would use his opening speech to Parliament on Friday to point out the challenges facing the government in the coming year, "but would also face up to the shortcomings it faced in achieving its goals", government officials said.

Presidential spokesman Mr Parks Mankahlana said last night Mandela "will be reviewing the progress made in carrying out the transformation (programme) which the government was elected to bring about".

Government sources said Mandela would consider the impact that crime was having on the economy, but was expected to contex-

tualise this within the government's need to bring about racial equality in the public service and in the private sector.

Mandela is also expected to tackle the issue of unemployment as a fuel for crime.

Mankahlana said Mandela would "draw new inspiration from those tasks which have already been outlined and the successes (in achieving them)", but would also be taking lessons in how to overcome weaknesses. "This will be done frankly and honestly," said Mankahlana.

NP executive director Mr Renier Schoeman said the country would be looking to the president to provide "hardnosed" leadership. "I would expect at least some action to show that he wants to get the

onslaught of criminality checked".

He hoped, but did not expect, that the president would crack down on incompetence and would fire some of his ministers, such as those holding the health, public enterprise and safety and security portfolios.

The lack of confidence in the international investor community was a reflection on SA's political management, said Schoeman.

DP leader Mr Tony Leon said although his expectations were not that great, he hoped that Mandela would not take "the Mafikeng road", referring to the speech made by the president to the ANC conference there last year in which he accused opposition parties of abetting counter-revolutionary forces.

"I hope there will be substan-

tive steps, rather than rhetoric ... and he will address the issues such as the crime wave and the jittery investor community." Radical surgery was needed on government delivery, downscaling the machine of the state. "I hope it will be a stand and deliver speech."

The PAC's Mr Michael Muedane said he hoped Mandela "talks more about the poor", the ranks of whom were increasing.

Reflecting the NP's concern about crime, Muedane said Mandela had to take responsibility for ANC members' involvement in criminal heists.

He hoped too that the president would use the speech as an opportunity to release about 600 members of the Azanian People's Liberation Army who were still in jail for

the fight against apartheid. Muedane said Mandela also needed to address the education crisis.

The IFP's Mr Velaphi Ndlovu said crime in general should be a theme, including the killing of farmers.

"The phenomenon of hijacking and robbery should also be on the speech agenda," he said.

The incompetence with which some provinces had squandered money should also be dealt with, including the non-payment of pensions, said Ndlovu.

The IFP, which shares national government with the ruling ANC, hoped that Mandela would encourage investment "with a good formula" for investor-friendliness and greater incentives.



ALL FOR ONE: Bulelani Ngcuka (left), Nonnyameko Pendu, 6, Mzoliseli Toni, Vincent Daniel, Frene Ginwala, Shelley Barry, Mike Meyer, Baleka Mbete-Kgositsile, Maria Rantso and Patrick Lekota are excited about the disability theme for Friday's opening of Parliament.

PICTURE: BENNY GOOL

Widespread welfare fraud, says minister

(297) ARG 9/2/98
Since March last year, 20% of the three million recipients of social security benefits have been associated with "irregularities of one sort or another", Welfare Minister Geraldine Fraser-Moleketi said today.

Speaking in Cape Town, she said payments to 149 000 people, with a monthly value of R61-million, had been suspended. In December and January alone, about 12 000 "deceased beneficiaries" had been removed from the system, resulting in a saving of R5,5-million a month.

This was part of a process begun when South Africa's 14 different social security systems were consolidated onto a national database in April last year.

Ms Fraser-Moleketi anticipated further progress as the re-registration of all social security beneficiaries was accelerated. "We are busy cleaning the cattle kraal and the

stench is bound to be there," she said.

Her department would introduce measures this year to finalise the transformation of social security.

The department was introducing a system to monitor private-sector companies contracted to deliver services on behalf of the Government. The departments would take action where services were unacceptable.

Ms Fraser-Moleketi also said Finance Minister Trevor Manuel and his department had acknowledged there was a need to revisit the social security budget.

■ Reports today said 12 people had been held in a Port Elizabeth house for eight months while a couple claimed their state grants.

Radio Algoa reported that police had searched the so-called "shelter" this morning and found the group, mostly pensioners but also including two disabled brothers, were being kept in a toilet. - Sapa-ECN

Massive social-service irregularities

Cape Town - Since March last year, 20% of the 3 million recipients of social security benefits had been associated with "irregularities of one sort or another", Welfare Minister Geraldine Fraser-Moleketi said yesterday.

Speaking at a briefing in Cape Town, she said that with the co-operation of the provinces, payments to 149 000 people, with a monthly value of R61-million, had been suspended.

In December and January alone, about 12 000 "deceased beneficiaries" had been removed from the system, resulting in a saving of R5,5-million a month.

This was part of a process begun when South Africa's 14 different social security systems were consolidated into a national database in April

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Her department would introduce measures this year to finalise the transformation of social security.

The department was introducing a system to monitor private sector companies contracted to deliver services on behalf of the Government.

As from next Monday, inspection teams made up of national and provincial officials would visit various paypoints and social service agencies. The departments would take action where services were unacceptable. - Sapa

12 000 DECEASED BENEFECIARIES TAKEN OFF ROLL

Moleketi rings up R70m saving

(297) CT 10/2/98

THE RE-REGISTRATION of all social benefits and the consolidation of 14 different systems into one database had resulted in savings of millions of rands. **JOVIAL RANTAO** reports.

WIDE-RANGING measures introduced by the Government to curb fraud and corruption in the social security system have already saved the State close to R70-million, Welfare and Population Development Minister Geraldine Fraser-Moleketi said in Parliament yesterday.

Addressing a media briefing, Fraser-Moleketi said her department has, after consolidating 14 different systems into one database, begun ensuring the accuracy of the data. This has entailed checking for duplicates, deceased beneficiaries, and suspending those who no longer qualified for social security. "In December 1997 and January 1998 alone, about 12 000 deceased beneficiaries have been removed from the system, which led to a saving of R5,5 million per month. We anticipate that further progress will be made this year as we accelerate the re-registration of all social benefits," Fraser-Moleketi said.

She said at least 109 000 welfare beneficiaries had been suspended, saving the Government R61 million per month. And 20% of the country's three million welfare beneficiaries have been linked to irregularities.

The Star has established that at least 89 officials and 530 members of the public were either under investigation or have been convicted for irregular welfare payments.

Following the crisis in the Eastern Cape, where the provincial government could not meet its official obligations to pensioners, the Minister announced that an early warning system has been introduced to signal about the status of provincial budgets, management systems and client service.

The Government is also introducing a system of monitoring the quality of private companies contracted to deliver services. As from next week, service quality inspection teams comprised of both national and provincial officials would visit pay points and social service agencies to evaluate levels of service.

"We will take action in cases where unacceptable services are being rendered by either or staff or contractors."

Fraser-Moleketi said her department has introduced a medium-term expenditure framework for realistic figures on which budgets would be calculated over a three-year period and would dispatch technical teams to the provinces to ensure that new and clean financial systems were introduced.

She said the new child support grant, which would cut the monthly benefit to R100 from R135 to current beneficiaries, would enable the Government to extend benefits to 300 000 poor children. It would be implemented from April 1.

To qualify for the grant, a person over 18 years who cared for children under seven years would have to pass a means test.



SPELLING IT OUT: Welfare Minister Geraldine Fraser-Moleketi elaborates on the savings made by her department.

PICTURE: MARLAN PADAYACHEE

The Minister said she would present to Cabinet and Parliament three pieces of legislation — the Child Care Amendment Bill, a Relief Fund Bill and the Social Work Amendment Bill — which would form the foundation of an effective social service system.

● The Government would not consider raising taxes as a way of making up the R1-billion required to finance its programmes to house millions of homeless South Africans, Housing Minister Sankie Mthembi-Mahanyele said. She told a Parliamentary briefing that a lack of resources was the prime reason the Government's housing programme had taken off slowly, meaning it would be unable to meet its target of one million new houses by the next elections, a key promise of its 1994 election campaign.

"The Government won't raise taxes to make up for the shortfall in resources to fund the housing process. We're considering other options but it won't be through taxes," Mthembi-Mahanyele said, in a reply to a question.

She said while the Government might not be able to build a million houses by April next year, current indica-

tions were that it would come very close to the target. At the moment over 400 000 houses have been built and 700 000 subsidies approved.

Government estimates were that the target of a million new houses could be met by March 2000.

To reach its target on time, the Government should have spent R2,9 billion over the last five years. This did not happen, resulting in a funding short fall. "Expenditure in the five year period has increased dramatically. The amount spent on subsidies is as follows: 1994/95 it was around R12 million, in 1995/96 it was R471 million, in 1996/97 R1,151-billion and R1,186-billion up to December 31 1997.

"It is expected that a further R1-billion will be spent towards the end of this financial year, given the expenditure has increased around R300-million per month. This clearly demonstrates that capacity to deliver is there, but that there are limited resources," Mthembi-Mahanyele said. Mthembi-Mahanyele said a national capacity-building programme specifically aimed at provinces has been established to remove obstacles and speed up delivery.

Welfare department cleans up benefit payment system

Business Day Reporter

CAPE TOWN — Irregularities had been uncovered in about 600 000 state welfare grants, and payments to about 149 000 beneficiaries had been suspended, Welfare Minister Geraldine Fraser-Moleketi said yesterday.

The minister said a year-long "clean-up" of the social-security payments system had shown that about 20% of SA's 3-million welfare beneficiaries "were associated with irregularities" which resulted from a combination of weak management and of fraud and corruption.

The suspension of payments was saving the state R61m a month, Fraser-Moleketi said.

By comparing the personal details of beneficiaries with the home affairs department's population register, it had been possible to remove 60 000 deceased beneficiaries from the system since July last year. A total of 12 000 were removed between December last year and January this year, leading to a monthly saving of R5,5m.

Fraser-Moleketi said duplication of names and names with multiple identity numbers were being eradicated.

About 12 000 records were being checked, half of which might be duplicates. The potential savings to the taxpayer were R3m a month.

The welfare department was reregistering beneficiaries in the Free State and Eastern Cape. More than 20 000 people older than 18 had been removed from the children's register, resulting in monthly savings of R3,7m.

The department was also removing beneficiaries of temporary disability grants as their qualifying period — three months to a year — expired. About 45 000 beneficiaries were affected, involving payments worth about R20m a month.

Fraser-Moleketi said her department was comparing information with the civil pension records, the government salary system, the unemployment insurance fund and the revenue service to remove from the benefits system those who had other means of subsistence.

Teacher forums too 'disruptive', says department

Kevin O'Grady

THE Northern Province education department yesterday threatened action against SA Democratic Teachers' Union (Sadtu) members who attended Sadtu-organised "teacher forums" during school hours.

Department spokesman Bernard Matsane accused Sadtu of "deliberately" undermining all efforts "to prevent further deterioration of educational standards in the province" which achieved a 31,8% pass rate in last year's matric examinations.

Matsane said the forums, which will run from today until February 27 in the province's six regions, would disrupt the normal functioning of schools. The forums were intended to give teachers the opportunity to discuss ways of improving the services which they deliver.

The department regretted that Sadtu's actions "totally disregarded the constitutional rights of children" and that the union did "not have the decency to adhere to mutually agreed procedures for requesting time off", Matsane said.

The forums begin just five days after a provincial education summit, which was convened specifically to address the issues which negatively affected education, producing poor matric results.

Kriel vows to resist central govt initiatives that lower standards

Linda Ensor

CAPE TOWN — Western Cape premier Hennis Kriel yesterday said he would resist central government initiatives where these threatened to undermine existing "standards and good governance".

In his opening address to the provincial legislature, Kriel said his multiparty government was willing to work co-operatively with central government, but this did not mean jumping when commanded to do so.

One central government plan that would be firmly resisted by the province was the proposal to have a megacity in Cape Town. "I am not in favour of a huge monster. Administration and international experience suggests that this is not the way to go."

He also appealed for the Finance and Fiscal Commission to look urgently at a new funding formula for

the province.

"A head count is just not good enough.... Other factors which must be taken into account include the so-called human resources index, the maintenance of an established infrastructure, services we provide for other provinces without getting any money for it, influx from neighbouring provinces, distances within the province etcetera.... We don't want to be punished for sound economic management or for good administration, we want to be rewarded."

In an apparent appeal to the African National Congress, which declined a truncated offer to participate in his cabinet, Kriel appealed for all to "join hands in the interests of the province. We cannot afford to let political street protests, boycotts, stayaways and the likes hinder effective management. Let us differ ideologically, but never at the expense of true democracy."

Nkabinde counsel tells of 'interference'

MARTZBURG — The defence team in the murder trial of Sifiso Nkabinde suggested in the Maitzburg High Court yesterday that military intelligence and officials aligned to the African National Congress interfered in investigations of their client.

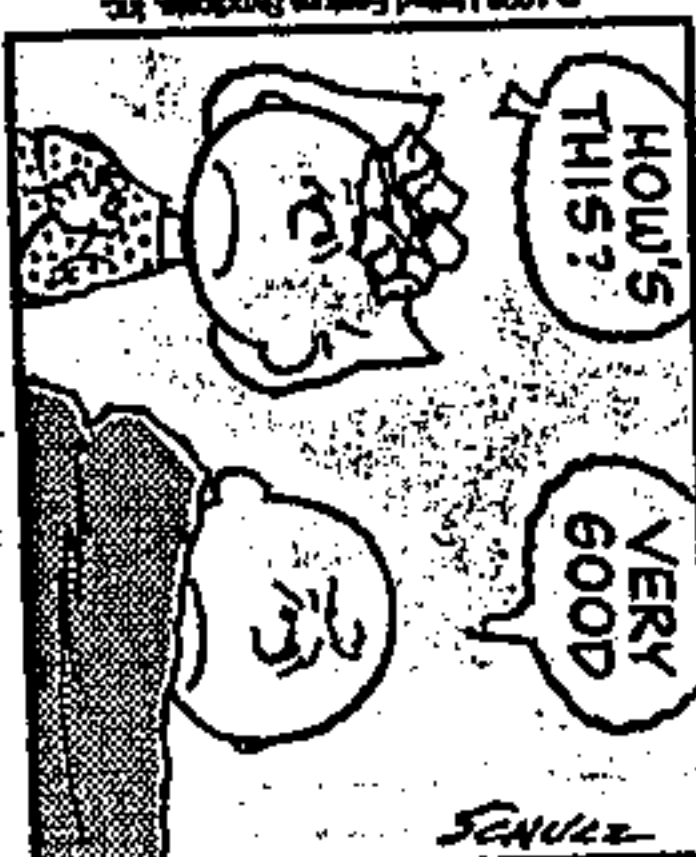
This emerged on the first day of the expelled ANC midlands leader's trial in which he faced 16 charges of murder and two of incitement to murder related to incidents in the Richmond area since 1993.

The claim was made by defence counsel Shane Matthews during testimony by a former national investigation task unit member in the midlands, Insp Deon Wilson. The evidence was related to an incident in which five ANC members were shot dead in Isimozemini last July.

Wilson said the army took away two suspects held by the unit. Matthews said the incident was an example of military intelligence and ANC officials' interference in investigations of Nkabinde. — Sapa.

PEANUTS

By Charles Schulz



US aid body meddled in SA's affairs

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(297)

By ESTELLE RANDALL, ERIC MEIJER AND ZUBEIDA JAFFER
OF PARLIAMENTARY BUREAU

FROM PAGE 1

The *Saturday Star* has obtained a damning US Congress report on the US Agency for International Development (USAid) and its aid to South Africa. It accuses its officials of extreme and unqualified meddling in South African policy-making - and squandering resources needed to fund basic development.

Lester Munster, a professional staff member of the US Congress's International Relations Committee majority group, said USAid interfered in South African domestic policy to the point of making the Mandela Government's job more difficult.

He said the present USAid programme concentrated on sponsoring of conferences and other policy-formulating activities and not hard-core delivery urgently needed by the poor.

Covert action

Munster said USAid's officials had run a "free-wheeling covert action programme" against the apartheid government, a role they had not fully abandoned. "USAid has maintained its policy of treating its programme as a covert-action activity and refuses to provide information about its grants to advocacy groups or the political agenda it is pursuing," he wrote in the report.

The report says USAid uses its funding of activist non-governmental organisations (NGOs) to play a major role in key South African political issues, including: race and affirmative action policies; unresolved border disputes between the nine provinces; land restitution; violence in KwaZulu Natal; overhaul of national education policies and school curricula;

civil service reform; labour policy; and national healthcare policies.

Munster said USAid had decided it should continue its political role because it believed that black "parties lacked leadership, management and technical skills, and analytical skills were not well developed".

Meddling in SA's affairs

Munster also wrote that many of the USAid officials setting policy requirements were not qualified to do so. "The staff do not appear to have the genuine expertise to make judgments on the broad range of national policy issues they have taken on to themselves."

President Nelson Mandela, referring to the report at the ANC national conference in Mafikeng in December, warned there was a possibility that some NGOs were acting as "instruments of foreign governments and institutions".

Independent Newspapers' parliamentary bureau obtained the full report days before US Vice-President Al Gore was due to arrive in South Africa for the Binational Commission talks held every six months.

Munster noted the USAid education programme had begun to phase out its acclaimed programme of scholarships and bursaries for black students, and eliminated its assistance to black teachers who needed money to improve their academic credentials, to free funds for its 10-year, R650-million education programme.

But the donor agency also spent R10-million on grants to a single research institute that studies black teachers' lack of qualifications.

Munster said USAid's R250-million, seven-year healthcare project had a similar emphasis on conferences and seminars. About R120-million was earmarked for policy-oriented technical assistance, R45-million for conferences and meetings, another R45-million for unspecified other projects, but less than R15-million for commodities such as drugs and medical equipment.

Munster said USAid also made direct demands on the new Government for policy changes. An agreement signed with the Ministry of Justice and USAid included USAid stipulations for appointing judicial officers.

The report was handed to the US House of Representatives' international relations committee in November 1996, after an inspection of USAid operations during April 1996.

TO PAGE 2

Denmark to extend its aid to SA

CT (MR) 11/2/98 (297)

CHRISTO VOLSCHENK

CAPE EDITOR

Cape Town — Denmark would extend its transitional aid programme for another three years to help South Africa through its "very difficult transitional phase", Poul Rasmussen, the prime minister of Denmark, said here yesterday.

After a meeting with Thabo Mbeki, the deputy president, Rasmussen also pledged Denmark's support in speeding up negotiations with the European Union for a free trade area.

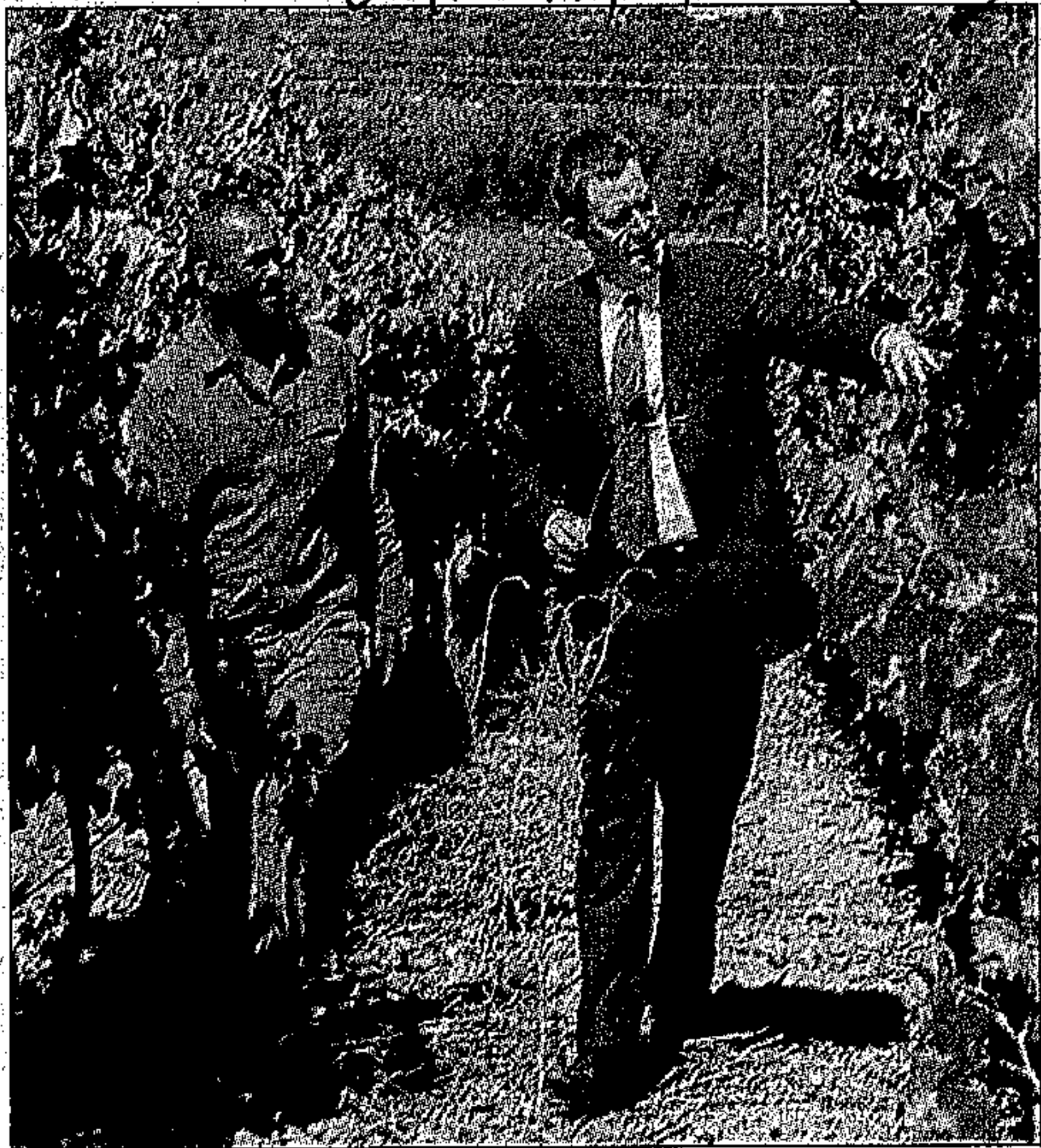
"We would like to see an agreement that was beneficial to South Africa come in place before the end of this year," Rasmussen said.

He said the trade agreement should be beneficial to South Africa because the country was going through a developmental phase.

Mbeki said South Africa needed every cent it could get in development aid but the country also realised it would have to stand on its own feet in the future.

He said the Danish business community could be more active in South Africa.

"To encourage Danish investment, we will send a ministerial delegation to Denmark later this year," Mbeki said.



ADAM'S WINE Poul Rasmussen, the prime minister of Denmark, discusses wine growing with Attie Adams, a worker at the Fairview wine estate, near Cape Town, who is benefiting from Danish aid

PHOTO: AFP

He said political stability was no longer an issue for foreign businessmen.

"On my recent visit to Davos in Switzerland, no one asked about the possibility of political instability. It was not an issue any

longer, and I am sure the Danish business community would not have questions regarding political stability and the safety of their money when the South African delegation visits Denmark," Mbeki said.

Denmark pledges R255m in development aid to SA

BS 11/2/98 (297)

CAPE TOWN — Danish Prime Minister Poul Nyrup Rasmussen pledged R255m in new aid to SA yesterday, saying charges that Allan Boesak had stolen Danish aid money had not soured relations.

Boesak will appear in court on Monday, but the trial is not expected to get fully under way until March.

A Danish aid agency, Danchurch, has accused Boesak, a leading anti-apartheid campaigner during the 1980s, of embezzling funds. He has pleaded not guilty to all the charges.

Last year an accountant who had worked for Boesak at his Foundation for Peace and Justice was jailed for six years after being found guilty of fraud and theft.

"It is not our intention to interfere in that process. I think that is a sovereign decision of the SA government and community," Rasmussen said after a meeting with Archbishop Desmond Tutu.

Denmark has provided about R515m to SA in development assistance since the election in 1994. Rasmussen is due to visit some of the Danish-funded projects.

The aid announced by Rasmussen is aimed at environmental issues and promoting stronger business contacts between the two countries. Rasmussen said a development aid programme would be extended for three years and provide a further R100m. Denmark will also extend R160m in environmental aid until 2002.

The Danish leader also pledged to

support SA's bid for a trade agreement with the European Union.

"We will do all we can to assist and support SA's interest in having an agreement this year with the European Union," Rasmussen told reporters after an hour-long meeting with Deputy President Thabo Mbeki.

Rasmussen, who began a week-long tour of SA on Monday, said he hoped a deal could be reached by the middle of this year.

"This new co-operation and trade agreement should be based on recognising that there should be a net advantage for the development of SA," he said.

Mbeki said access to development aid had been critical during SA's difficult transition period, but he said SA could not rely forever on foreign aid.

Mbeki said the focus would have to be placed on developing international trade relationships.

Trade between SA and Denmark has increased significantly since 1994, but Mbeki said he would like to see more Danish companies doing business in SA.

"We clearly want to see bigger, stronger interests by Danish business people in the SA economy."

"I'm sure later this year we will be taking some initiatives with regard to this issue," Mbeki said.

Two-way trade totalled R1,02bn in 1996, up from R636m in 1994 and R172m in 1992.

Rasmussen is to address Parliament today. — Reuter.

Human Rights Commission to probe clashes at RAU

Jonathan Davis

THE Human Rights Commission confirmed yesterday that it would investigate allegations of racial clashes at Rand Afrikaans University (RAU).

Spokesman John Mojapelo said the probe would be independent of any investigation by the university.

Mojapelo said: "We are able to instigate investigations on our own initiative. We want to come in and see what happened."

The commission said it was concerned that security guards had used dogs and electric cattle prods to quell a student protest.

The commission was to meet student leaders and the university's management tomorrow, Mojapelo said.

This follows a confrontation between black students and security guards on the campus on Monday. Guards are alleged to have used dogs to close a party attended by black students on Saturday.

Yesterday black students threatened to boycott talks with senior management, scheduled for today, after failing to win concessions in talks yesterday.

Members of the SA Students' Congress (Sasco), the Pan Africanist

Students' Movement of Azania (Pasma), and the university's student representative council had met university management to discuss how an inquiry into the incidents should proceed.

Council president Brand Pretorius said management had agreed to prevent security guards from using dogs or electric cattle prods to quell student protests in future.

Sasco member Frans Machaba said Sasco and Pasma were considering boycotting today's talks as they felt management would continue to turn down their demands for an independent inquiry.

Machaba said management had refused to suspend two security guards until an investigation had been completed.

Black students have alleged that they were assaulted by the guards.

Machaba said the students also doubted assurances that the guards would not use dogs or electric batons.

Machaba said Sasco was concerned about the university's intentions as an internal investigation last year had been used to cover up a racist incident.

However, Pretorius denied that the incident last year, when a black student was injured while trying to enter the campus, had been covered up.

**Danish generosity gives R1-bn
to South Africa over 8 years**
AKU 11/2/98
(297)

Denmark is to continue its generous aid to South Africa for three years, bringing its total help to the country to more than R1-billion, the Danish Prime Minister Poul Nyrup Rasmussen announced in Cape Town.

On his first state visit to the country – he was here briefly for President Mandela's inauguration – Mr Nyrup Rasmussen said that there was another rationale: "Developments in South Africa have a direct impact on regional developments since the poorest (neighbouring states) are our long term development partners."

The tiny Scandinavian country – long a friend of South Africa during the apartheid years – has been committed to helping this country get back on track and has already contributed over R500-million from 1994 to 1998 with an extra R200-million for environmental assistance.

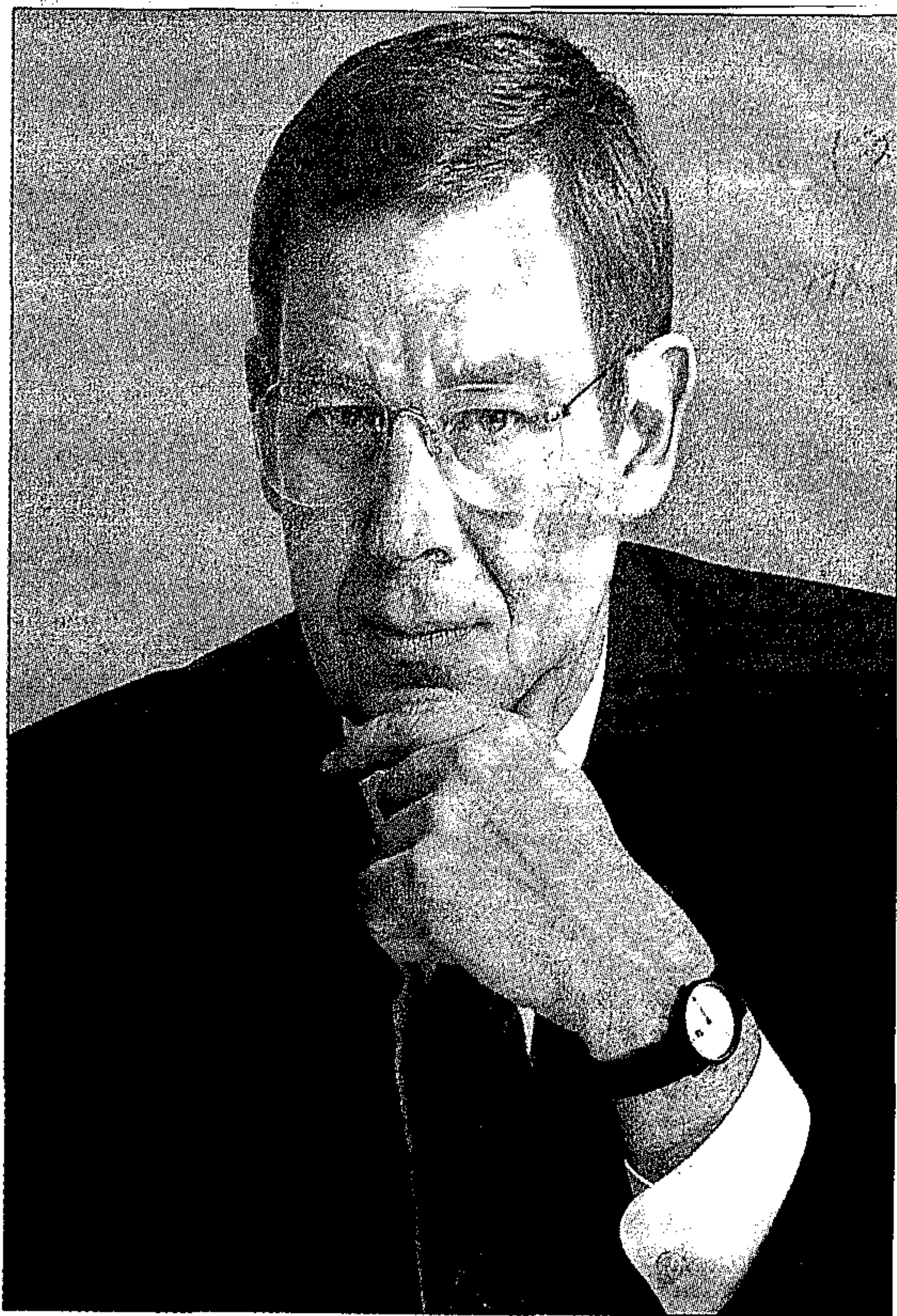
Announcing this latest aid programme yesterday after discussions with Deputy President Thabo Mbeki, Mr Nyrup Rasmussen said he believed that Denmark could continue to help South Africa even further in its remarkable reform process.

Denmark would also continue with its successful Business-to-Business (BtB) programme and additional funding would go to government-to-government co-operation mainly for education, training and democratisation initiatives.

This Nordic country will also continue to give its support for a European Union (EU)-South African Trade and Development co-operation agreement, Mr Nyrup Rasmussen said.

Denmark has been a generous donor of funds over the past five years, committing itself to more than R520-million in aid in its Transitional Assistance programme over that period.

The aim of this programme (the first phase of which would have expired at year-end) is to support the consolidation of democracy as well as social and economic reconstruction, according to the Danish embassy Minister-counsellor Lars Faaborg Andersen. The programme concentrates on four main areas –



Leader: Danish Prime Minister Poul Nyrup Rasmussen

democratisation, land reforms, education and the support of black private sector development and employment creation through its Business-to-Business programme.

About half of the funds have been channelled through non-government organisations (NGOs) such as Idasa, Justice in Transition, and the Centre for Conflict Resolution.

Another beneficiary is Cowley House, a trauma centre established in Cape Town to assist the victims of torture.

A sizeable chunk has been channelled into government departments such as the Departments of Justice,

Land Affairs and Water Affairs.

South Africa is truly an exception in terms of getting Danish aid, since the country traditionally only gives assistance to poor countries where the average earnings of its citizens are at least three times less than that of South Africans.

The objective is to assist South Africa in getting the right policies in place which can ensure that the country's own substantial resources can be used to alleviate the widespread poverty and inequality. Danish support is provided for the national land

Denmark has played leading role in work of the TRC

Denmark has played a leading role in the formation of the Truth and Reconciliation Commission (TRC) – in particular through one of its foremost citizens, Carl Aage Noergaard.

Mr Noergaard, a one-time judge in the European Human Rights

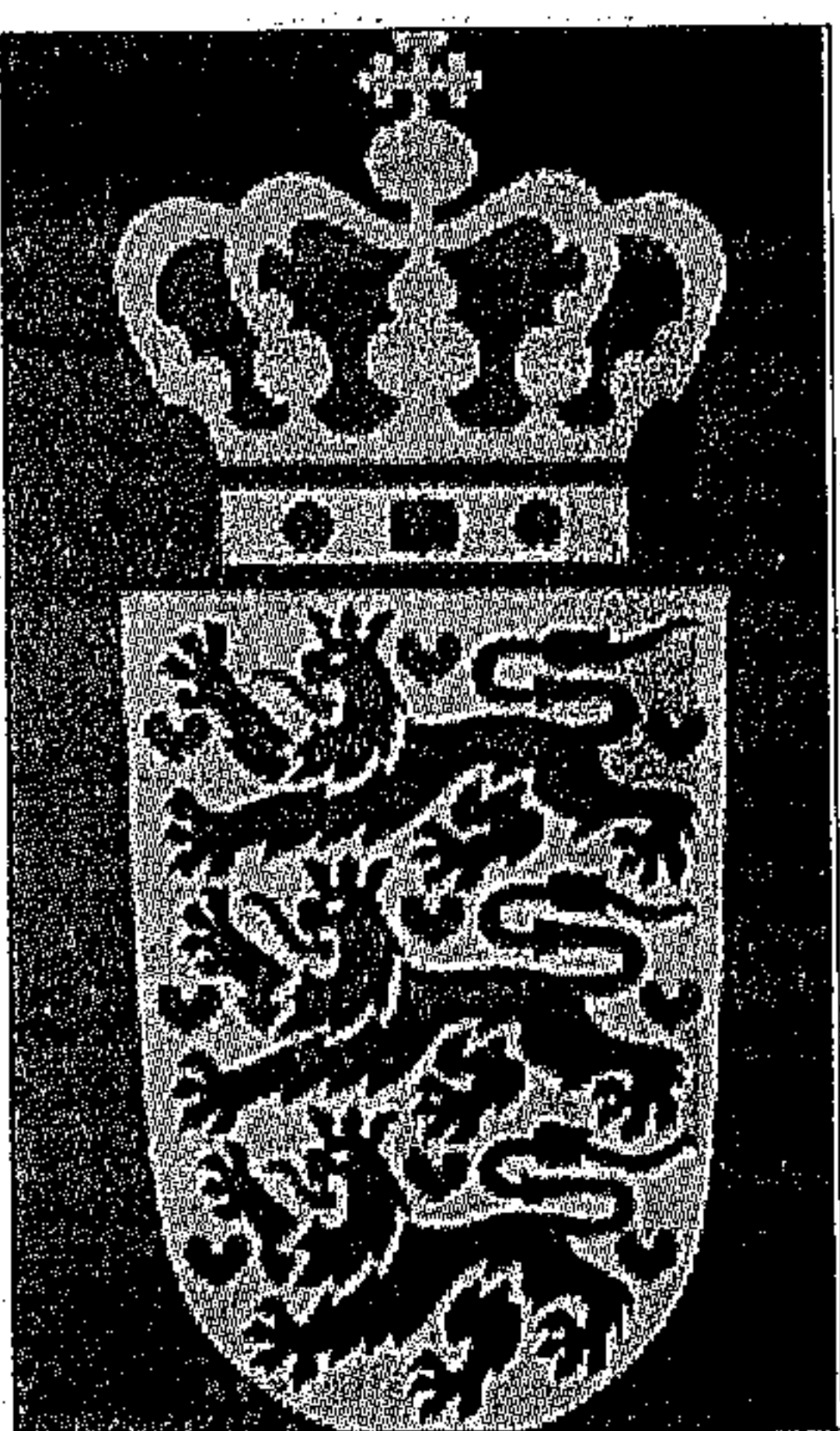
Court, and subsequently in a United Nations capacity involved in Namibia's transference to democracy, founded what have become known as the Noergaard principles.

These principles have been used as a basis in the approach used by the TRC in its current

proceedings.

These principles define how to judge whether a crime is political or not.

Denmark is also contributing to the reparations programme and has seconded two police investigators and provided a research grant to assist the TRC.



reform programme which helps previously disadvantaged communities to buy farm land. Grants to individuals of R1 500 are allowing many peasant farmers to pool this money and buy land for commercial farming.

Already thousands of less privileged South Africans have taken advantage of this in the pilot schemes on offer.

Denmark has also helped significantly in the democratisation process where it has provided funds to support violence prevention in areas such as KwaZulu Natal and the ITU, the investigative task unit through the provision of items such as computers.

Help has also been given to the Independent Complaints Directorate and in assisting the SA police services with management training.

Support has also been given to parliament through management training and study visits by parliamentarians as well as to the Department of Justice in its Vision 2000 programme and in teacher training.

Some R150-million has already been allocated to the BtB programme which aims to establish viable businesses in South Africa owned and controlled by members of the historically disadvantaged communities. The programme relies on the assistance of Danish private sector enterprises, willing and able to form business linkages with South African entrepreneurs and establish viable businesses in South Africa.

The BtB programme will support such ventures through the provision of grants for technology transfer and training and through loan guarantees. Almost 200 relevant Danish companies have expressed interest for the programme and are listed as potential linkage partners in the BtB database.

More than 300 South African businesses have been accepted as potential linkage partners.

Some 115 matches between Danish and South African business partners have been made. The active project pipeline now consists of 67 projects in or past the feasibility study phase.

Furthermore, 26 projects have been found viable and a business co-operation has been established. Another 10 are up for approval before the end of January 1998 and the remainder 31 projects are expected to be ready for an appraisal before April 1998.

The current pipeline will lead to the establishment of 50 to 60 projects before the end of 1998 and as a result the total programme allocation has been committed.

Through its R100-million Danced programme (Danish Co-operation for Environment and Development), Denmark is helping South Africa environmentally in combating urban pollution and water quality problems, sustaining biodiversity as well as supporting efficiency in energy supply and consumption.

Church backs Boesak on eve of trial

ARG 12/2/98

(297)

GLYNNIS UNDERHILL

SPECIAL WRITER

Allan Boesak may have had his legal aid funding withdrawn but he has not been deserted by the church in his time of need.

The Pastoral Support Group is behind the church service being arranged for Dr Boesak in Valhalla Park on the eve of his high-profile fraud trial in the Cape High Court.

The former high-flying politician is being charged with the theft of more than a R1-million in foreign donor aid meant for the victims of apartheid.

Spokesman Leolyn Jackson said the Pastoral Support Group offered support to ministers of religion.

"Dr Boesak is in need at present and we are responding to this. If he needs it, we will offer special pastoral guidance and support him in prayer," he said.

Dr Boesak and his wife Elna have said they will attend the service on Sunday, the

day before Dr Boesak's trial starts. It will be held at a Uniting Reformed Church, an amalgamation of the former Dutch Reformed Mission Church and the Dutch Reformed Church in Africa.

Mr Jackson said the group had met Dr Boesak earlier in the year. "We haven't yet had a chance to do pastoral counselling. But if he feels he needs it when the trial starts, we will offer it," he said.

Dr Boesak, former Western Cape leader of the African National Congress, is being charged with 32 counts of theft and fraud involving money donated to his funding agency Foundation for Peace and Justice.

Before his fall from grace, Dr Boesak was a moderator of the Dutch Reformed Mission Church of South Africa and at 36 was elected president of the World Alliance of Reformed Churches.

He lost these positions after his widely publicised affair with television producer Elna Botha, which also ended his 21-year marriage to his first wife Dorothy. After he

was publicly accused by Nordic donors of misappropriating funds, Dr Boesak gave up his post as ambassador-designate to the United Nations in Geneva.

In a surprise move, he returned to religion as a professor of theology in California, which he made his home.

Today Dr Boesak has no resources of his own, according to his attorney, Chris Petty.

Mr Petty said fund-raising efforts by members of Dr Boesak's family had been fruitless, which was why he had applied for legal aid. Legal Aid Board funds for his defence were suspended when it emerged he had received R1-million from a mystery donor.

Yesterday Franklin Sonn, South African ambassador to the United States, denied reports that he had taken part in fundraising activities for Dr Boesak. "Neither do I have any knowledge of who the possible donor could be, if there is such a person at all," he said in a telephone interview from Washington.

New row over Boesak aid

ARG 12/2/98

(297)

GLYNNIS UNDERHILL

SPECIAL WRITER

Minister of Justice Dullah Omar has accused the Legal Aid Board of wasting money on court action to uphold its decision to suspend legal aid to Allan Boesak.

Mr Omar says he is deeply concerned about the financial predicament of Dr Boesak's legal team on the eve of his fraud trial in the Cape High Court.

In the latest development, the Legal Aid Board has turned down a request to cover costs for Dr Boesak's Pretoria-based attorney to fly to Cape Town to represent him in court on Monday.

Mr Omar told the Cape Argus yesterday the decision by the board sounded "quite vindictive". But the board was an



Boesak: no aid

autonomous body and he could not overrule it.

"I can only hope that wise counsel will prevail and that Dr Boesak is provided with assistance.

"The situation is very puzzling, and it looks like a lot of money is being wasted on all kinds of side issues," he said.

Dr Boesak is being charged with fraud involving the alleged misuse of R1,1-million of foreign donor funds intended for the victims of apartheid.

The Legal Aid Board suspended its funding for Dr Boesak's defence when it discovered that he had received R1-million from an anonymous donor to cover the costs of senior counsel for his trial, which the board had refused to provide for.

Church backs Boesak on eve of trial, page 10

Social services must get bigger slice'

297
Sowetan 13/2/98

By Isaac Moledi

AN AVERAGE of 20 percent of budgetary expenditure and 20 percent of donor aid should be allocated to Basic Social Services (BSS).

This is a proposal contained in the Financial and Fiscal Commission's extensive report into Public Expenditure on Basic Social Services.

The report was commissioned by the United Nations Development Programme and the United Nations Children's Fund as part of an international comparison of public expenditure on BSS.

The report defines BSS as primary and pre-primary school education, primary and preventative health care, nutrition, water and sanitation.

The report, known as the 20-20 initiative, is based on the premise that the delivery of BSS is one of the most effective and cost-effective ways of combating poverty.

Using the expanded BSS definition, the report proposes that South Africa, due to its extensive non-contributory pension system and a district hospital system that delivers primary health care, should increase its total budget spending on BSS to 22,5 percent.

Presently South Africa spends 12,5 percent on BSS unlike other developing countries, the report adds.

The report also raises some disturbing concerns about South Africa's economic and social trends. Its gross national product (GNP) per capita which is relatively high, puts the country on par with other upper middle income countries like Malaysia and Croatia.

On the other hand, the South African Human Development Index is very low and compares with countries like Sri Lanka with a GNP per capita less than a third of ours.

"This illustrates that despite the relative wealth in South Africa, we still lag far behind in the basic human development indicators such as literacy, life expectancy and poverty rates," the report says.

The four main findings of the report highlight the following:

- That there is relatively little scope for shifting resources from the economic and security sectors towards social services;

- That additional resources may be generated within the social services but will be limited by the quality of the services being delivered. There is greater potential within health for revenue generation (if the incentives for revenue collection are improved) than in education, where there is likely to be greater use of user fees;

- That Government can provide better basic social services through greater efficiency in the provision of these services. A key recommendation is the need to develop management, financial and information systems to improve the quality and efficiency of services delivered by various ministries; and

- That there must be a concerted effort to direct expenditure towards the poorest 40 percent of the population. Expenditure in South Africa is still not adequate in that the poor do not receive the same level of services that the middle and upper classes receive. Through careful targeting, poverty can be combated by improving both the access to and the quality of basic social services to the poor.

"The greatest scope for improved outcomes from BSS spending is not through increased spending but rather through efficiency improvements in all aspects of BSS expenditure.

"The incidence and cost effectiveness of spending should be improved through spatial reorganisation, the use of targeting and giving greater emphasis to preventative and integrated programmes," the report says.

The purpose of this report is to assist Government at all levels as well as the donor community to focus both their expenditure and efforts to improve the quality of basic social services.

As far as Government is concerned, additional spending is needed in the short to medium term, aimed at training, additional posts and systems for developing greater financial and management capacity.

"There is a need to refine the link between the macro-programme and planning through the Medium Term Expenditure Framework.

"Costs cutting through retrenchments of personnel and through the use of targeting is not a panacea – without proper management and the ability to ensure efficiency gains, retrenchment will merely result in lower levels of service delivery," the report says.

Boesak trial delay expected

Star 13/2/98 (297)

Prosecutor unhappy with way witnesses are 'pushed around'

By ROBERT BRAND

Allan Boesak's trial for theft and fraud is almost certain to be postponed when the former high-riding activist and churchman appears in the Cape High Court on Monday.

Boesak's attorney, Chris Petty, said he would ask for a postponement pending the outcome of a dispute between Boesak and the Legal Aid Board over the funding of Boesak's defence.

Deputy Western Cape attorney-general JC Gerber, the prosecutor in the case, said he would not oppose the application for postponement although the state is ready to proceed with the trial.

"There will definitely be a postponement because of the uncertainty about legal aid.

"I am not going to oppose (the application for a postponement), although I am not happy with the way my witnesses are being pushed around."

The trial is expected to take months, with more than 160 state witnesses lined up, including Truth and Reconciliation Commission chairman Archbishop Desmond Tutu.

Boesak faces 20 charges of theft and 12 of fraud totalling R9-million. The charges relate to the alleged misappropriation of funds given to the now-defunct Foundation for Peace and Justice, (FPJ), a non-governmental organisation headed by Boesak.

There have already been several postponements since Boesak's first appearance in court early last year and the separation of his trial from that of co-accused, former FPJ bookkeeper Freddie Steenkamp.

Steenkamp was convicted late last year on



Boesak ... dispute over legal aid costs.

charges of fraud and theft and sentenced to six years' imprisonment.

The state alleges that R5,7-million given to the FPJ by Danish charity DanchurchAid, the Swedish International Development Agency (Sida) and the Church of Norway was spent fraudulently for purposes other than those specified. Another R3,3-million was allegedly stolen.

Boesak, who took up a lecturing position at an American university after relinquishing an ambassadorial appointment in the wake of the allegations of fraud and theft, allegedly benefited per-

sonally by R1,12-million.

The Legal Aid Board initially agreed to pay for the services of a junior advocate, an attorney and a forensic auditor in Boesak's defence team. The board refused a request for additional funds for a senior advocate.

After receiving a donation of R1-million from an anonymous donor in the United States, Boesak appointed senior advocate Mike Maritz to his legal team.

As a result, the Legal Aid Board, which had already spent more than R300 000 on Boesak's defence, stopped further aid.

Boesak turned to the Pretoria High Court, which ordered the board to reconsider its decision. The board has appealed against that ruling.

Boesak's new trial date will depend on the outcome of the Legal Aid Board's appeal. Petty said no date had yet been set for the appeal, which will be heard in the Pretoria High Court.

"I have no idea when it will be heard."

IRWA HUNT LASCARIS 710369

W Cape ANC rallies behind broke Allan Boesak

GLYNNIS UNDERHILL

Special Writer

The Western Cape African National Congress is providing impoverished Allan Boesak with accommodation and transport.

Ibrahim Rasool, treasurer of the ANC in the province, told the Cape Argus the organisation had not turned its back on Dr Boesak.

"The ANC in the Western Cape has in no way distanced itself from Dr

Boesak, who has done more than many others to assist the formation of our new South African democracy. These efforts can never be forgotten by the millions of South Africans who today enjoy freedom," he said.

Dr Boesak, former leader of the ANC in the Western Cape, lost his diplomatic appointment to the United Nations, his Constantia home and his luxury car after he was accused by Nordic donors of misappropriating welfare funds.

Dr Boesak goes on trial in the Cape High Court on Monday on fraud and theft charges relating to the alleged misuse of R1,1 million.

ANC members and supporters had rallied to ensure Dr Boesak and his family were treated in the manner they deserved, said Mr Rasool.

Dr Boesak's daughter Belén, referring to her father's financial plight at a church service in Elsies River last year, said he was "virtually destitute" and had been deserted by some

of his friends. But a large ANC delegation, including Justice Minister Dulah Omar, met Dr Boesak at the airport when he arrived from the United States to prepare for his trial last year.

Mr Omar was widely criticised for his open support for Dr Boesak at the time and this week accused the Legal Aid Board of wasting money on a court action to deny Dr Boesak legal aid.

Mr Omar said the money for Dr

Boesak's defence should not have to come out of the pockets of his many supporters.

The Legal Aid Board suspended its funding of Dr Boesak's defence when it discovered he had received R1-million from an anonymous donor to cover the costs of his senior counsel.

Dr Boesak's attorney, Chris Petty, will ask that the trial be postponed on Monday as the legal team has not worked on the case for three months since the funding was stopped.

New turn in Boesak case

Threat to go to Constitutional Court

ARLT 14/2/98(297)

GLYNNIS UNDERHILL

The row over the withdrawal of legal aid to Allan Boesak could land up in the Constitutional Court, according to his attorney, Chris Petty.

A decision on whether to refer the matter to the Constitutional Court would be made once legal action had been exhausted, he said yesterday.

Justice Minister Dullah Omar's entry into the row in support of Dr Boesak has not thrown the Legal Aid Board off its determined course of action.

Nick Pretorius, director of the board, said litigation was still pending and the matter was sub judice.

"I do not think that it would,

at this stage, be proper for me to comment on the statements (made by Mr Omar)," he said.

Mr Omar said this week he was deeply concerned about the financial predicament of Dr Boesak's legal team on the eve of his high-profile trial, as he faced "very serious charges".

Dr Boesak is being charged with fraud and theft relating to the alleged misuse of R1,1-million of foreign donor funds intended for victims of apartheid.

The board's refusal to pay for Dr Boesak's Pretoria-based attorney's flight to Cape Town to represent him in the Cape High Court on Monday was condemned by Mr Omar.

"That sounds quite vindic-

tive. I can only hope that wise counsel will prevail and Dr Boesak is provided with assistance.

"The situation is very puzzling and it looks like a lot of money is being wasted on all kinds of side issues," Mr Omar said, adding, however, that the Legal Aid Board operated as an autonomous body and he could not overrule its decisions.

The board was ordered by the Pretoria High Court to set aside its decision to suspend funds for Dr Boesak, but it is planning to appeal against the judgment.

Mr Pretorius said the board's attorneys had not been advised by the registrar of the High Court of a date for the appeal hearing.

The legal aid granted to Dr

Boesak was withdrawn because his legal representatives informed the board they possessed R1-million made available by an anonymous donor for the employment of a senior counsel, said Mr Pretorius.

Mr Petty intends asking the Cape High Court for a postponement of the case on Monday as his legal team had not worked on the case for three months.

Defending his position that Mr Boesak should receive assistance from the Legal Aid Board, Mr Omar said the State had already spent hundreds of thousands of rands preparing for the prosecution of the former United Democratic Front leader.

Steenkamp's lonely wife: see page 21

USAid 'meddling in SA'

ESTELLE RANDALL, ERIC MEIJER AND ZUBEIDA JAFFER

The United States government has accused the country's international development body of extreme and unqualified meddling in South African policy-making and squandering resources needed to fund basic development here.

Saturday Argus has obtained a congressional report on the US Agency for International Development (USAid) that said the agency had interfered in South African domestic policy to the point of making the Government's job more difficult.

USAid declined to comment.

Lester Munster, a member of the US Congress international relations committee majority group, said USAid had concentrated on sponsoring conferences instead of hardcore delivery urgently needed by the poor.

He said officials had run a "free-wheeling

covert action programme" against the apartheid government, a role they had not fully abandoned. "USAid has maintained its policy of treating its programme as a covert action activity and refuses to provide information about its grants to advocacy groups or the political agenda it is pursuing," he wrote in the report.

The report says USAid uses its funding of activist non-government organisations (NGOs) to play a major role in key areas, including:

- Affirmative-action policies;
- Unresolved provincial border disputes;
- Land restitution;
- Violence in KwaZulu Natal;
- Overhaul of national education policies;
- Labour policy; and
- National healthcare policies.

Mr Munster said USAid had decided it should continue its political role because it believed

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To page 3

Aid officials unqualified to meddle in SA policy'

From page 1

black "parties lacked leadership, management and technical skills, and analytical skills were not well-developed".

Mr Munster also wrote that many officials setting policy requirements were not qualified to do so. "The staff does not appear to have the genuine expertise to make judgements on the broad range of national policy issues they have taken onto themselves."

Referring to the report, President Mandela warned the 50th national conference of the ANC that it was possible some NGOs were acting as "instruments of foreign governments and institutions".

Independent Newspapers' parliamentary bureau obtained the full report yesterday, the day US vice-president Al Gore was due to arrive in South Africa for the binational commission talks held every six months.

Mr Munster also noted that the USAid education programme had begun to phase out its acclaimed programme of scholarships and bursaries for black students and had eliminated its assistance to black teachers who needed money to improve their academic credentials to free funds for its 10-year R650-million education programme.

But the donor agency also spent R10-million on grants to a single research institute that studies black teachers' lack of qualifications.

Mr Munster said USAid's R250-million seven-year health care project had placed a similar emphasis on conferences and seminars. About R120-million was earmarked for policy-oriented technical assistance, R45-million for conferences and meetings, and another R45-million for unspecified projects, but less than R15-million for commodities such as drugs and medical equipment.

Mr Munster said USAid had also made direct demands on the Government for policy changes. An agreement signed with the Justice Ministry and USAid included stipulations on making new rules for appointing judicial officers and differentiated rules for entry into the legal profession.

(297)

ARG 14/2/98

Disabled lived life of horror in PE house

ART 14/2/98

(297)

Two forced to sleep in toilet

OWN CORRESPONDENT

Port Elizabeth - He looked like a Nazi concentration camp survivor, but Niklaas van As, 19, was a "boarder" at a house of horrors uncovered by Port Elizabeth police this week.

The emaciated young man was photographed by police standing in front of a cramped toilet with a tatty green blanket in the background - his living quarters for eight months.

This he shared with his step-brother, Wayne Thorn, 23.

In a shocking tale of neglect and abuse, police discovered that up to 12 pensioners and disabled people had allegedly been locked up in the neat home by a couple who allegedly creamed off their state grants.

The dark and dirty secrets of the North End boarding house were exposed to the public recently when one of the residents "escaped" from the double-storey building on the corner of Rhodes Street and Prince Alfred Road and went for help at the Algoa Park police station.

When police went to investigate, they were first refused entrance to the house, but later returned under the supervision of a legal adviser.

During the search, police broke down a toilet door and found Mr Thorn and Mr van As huddled inside, lying on filthy cushions.

The stench inside the tiny room was reportedly so horrific that one of the police officers who helped kick the door open was overcome with nausea.

Police were told the step-brothers had been locked in the toilet from 5am to 11pm daily for the past eight months.

Niklaas, who suffers from a speech impediment, was emaciated and severely malnourished.

Both brothers had to undergo physiotherapy because their legs had been affected by the cramped conditions in the toilet. They also had back problems.

The two men said they spent the days reading from the Bible and praying that they would be freed.

According to other residents, the brothers banged on the door when they were hungry and were forced to eat their food in the toilet.

The residents said they often received only one meal a day and were assaulted.

It was also alleged the brothers' disability grants were collected on their behalf, but never handed over to them.

Mr Thorn said he ended up in the boarding house because his mother was an alcoholic. He approached a social worker and they arranged for the brothers to stay at the boarding house.

The brothers' mother, who "lives somewhere in Port Elizabeth", apparently paid the owner of the boarding house monthly for board and lodging, but never visited her children.

When police asked 44-year-old boarding house owner Gerda du Preez why she had locked the brothers in the toilet, she claimed they had tried to steal from her and were "naughty and difficult to handle".

At the Algoa Frail Care Centre, where the police took the brothers, Mr Thorn said: "We were not being given food, but we would see bowls full of bread. That is when we started taking bread."

Apart from the brothers, elderly residents living at the house also claimed they had been assaulted and ill-treated.

The pensioners, aged between 56 and 78, said their pension money - up to R700 a month - had been taken from them.

According to police legal adviser Marlene Mostert, one woman in her 70s had a broken ankle and gangrene had set in.

The woman apparently also had an eye infection and severe sunburn. She was allegedly forced to rake the backyard every morning before she was allowed breakfast.

She also was forced to spend days in the backyard and was not allowed back inside the house before 5pm.

A former resident, Anna Claassen, 56, said inhabitants were never allowed to leave the building unless Mrs Du Preez was with them.

"The only shop we could go to was her shop on the premises. There is a gate that is always locked to make sure we do not go out."

The police took several of the residents to the Algoa Frail Care Centre.

Ms Mostert said police were investigating charges of assault, fraud and theft. - ECN Weekend Service

Steenkamp yet to go to jail

ST (CM) 15/2/98 (297)
AYESHA ISMAIL

CONVICTED fraud and former Foundation for Peace and Justice bookkeeper Freddie Steenkamp has not spent a single night in Pollsmoor Prison.

He has been in police custody since being sentenced on November 4 to six years for fraud and theft involving R3-million. The High Court ordered that he be imprisoned at Pollsmoor.

Kris Classen, of the Department of Correctional Services, said this week

Steenkamp had been taken to Pollsmoor only to complete paperwork. The prosecutor at his trial, J C Gerber, said Steenkamp was "serving his sentence in custody".

Last year, justice officials said they feared for the safety of Steenkamp, one of the main state witnesses in the trial of Dr Allan Boesak. A Correctional Services official said he would be held in police cells so he could be "accessible to assist with the Boesak case".

Boesak is to appear in the Cape High Court tomorrow on charges of fraud and theft involving donor funds.

State to take action on 'meddling' US aid agency

(297)
ESTELLE RANDALL

PARLIAMENTARY BUREAU

CT/6/2/98

THE South African government will announce next week what it intends to do about donor agency USAid's controversial operations in South Africa.

The Rev Frank Chikane, director-general in the office of Deputy President Thabo Mbeki, said key South African government ministers would meet next week to adopt a position, ahead of the next US/SA bi-national commission meeting on Wednesday next week.

He was responding to a damning Congressional report on the US Agency for International Development's aid to South Africa, which accuses USAid's officials of extreme and unqualified meddling in South African policy-making, and squandering resources needed to fund basic development.

The report, in possession of the Independent Newspapers parliamentary bureau, has become public days before US Vice-President Al Gore arrives in South Africa for regular talks with Mbeki.

Mr Lester Munster, a profession-

al staff member of the US Congress' International Relations Committee majority group, said USAid interfered in South African domestic policy to the point of making the Mandela government's job more difficult.

He said the present USAid programme concentrated on sponsoring conferences and other policy-formulating activities and not the hard-core delivery urgently needed by the poor.

Chikane said he had commissioned the Department of Foreign Affairs to make recommendations on redefining the relationship with USAid.

This had been completed and would be handed to Deputy President Thabo Mbeki next week.

Mr Ricky Naidoo, spokesperson for Mbeki, said the issue of USAid had not been dealt with in previous bi-national commission meetings and he was unsure whether this would occur in the coming meeting.

In his report, Congressional investigator Munster recommended that Gore ask the South Africans what they wanted.

"Simple and appropriate projects, such as funding construction of some of the 50 000 classrooms that are needed, or providing improved library collection ... would appear to be more appropriate than USAid's current political and public policy agenda," he said.

Spokesperson for the National NGO Coalition, Ms Jaqui Boule, said the organisation, which has 4 000 members, could not "quibble with the fact that certain foreign funds are used to pursue the agendas of foreign interests".

But it would be incorrect to say that this was the case for all groups who received foreign donor funds.

There were cases where NGOs received USAid funding to continue programmes already initiated.

"Some groups who we know get funding from USAID are definitely not working according to a US agenda."

Boule was unable to say how many of the coalition's members received USAid funding. This was because the NGO coalition did not fund raise or disburse funds to its members.



HANNES THIART

In unison: Allan and Elna Boesak at a Valhalla Park church service. About 90 ministers attended in support of the former ANC leader

Boesak short of money - fraud trial postponed

Delay 'not his fault'

LENORE OLIVER AND GLYNNIS UNDERHILL
STAFF REPORTER

The Cape High Court trial of anti-apartheid leader Allan Boesak was today postponed until May 18 - because there are no funds to pay for his defence.

Dr Boesak is being charged with fraud and theft relating to the alleged misuse of R1,1-million in foreign donor funds given to his Foundation for Peace and Justice and intended for victims of apartheid.

He was accompanied in court today by his wife, Elna, and his daughter Pulane.

The public gallery was filled with supporters and members of his church, but Dr Boesak's welcome at court was generally low-key.

His attorney, Chris Petty, told Mr Justice John Foxcroft that Dr Boesak was "fundless" because he could not get money from the Legal Aid Board, and the R1-million given to him by a mystery donor was specifically to pay for senior counsel, not for the services of an attorney.

Whether Dr Boesak will receive financial assistance from the Legal Aid Board is still pending.

"The fact of the matter is that my client is fundless," said Mr Petty.

"The donated funds can't be used because the donor has not made the money available for an attorney.

"There are also no funds for forensic counsel and the defence team foresees that a great deal of work will have to be done with a forensic team."

He did not know how long it would take for the matter to be resolved.

"It is impossible to give an accurate estimate of when the financial problems will be solved.

The matters that have to be attended to to solve the issue are out of our hands," Mr Petty told the court.

"The accused is as much prejudiced as the State."

Prosecutor J C Gerber said although he had no objection to the postponement, it should be noted that all postponements of the case so far had been requested by the defence.

"This puts the State's case at a disadvantage, because many of the witnesses are overseas and can't be forced to testify," Mr Gerber said.

"I have to rely on their good nature," he added.

Mr Gerber told the court that Dr Boesak's co-accused, Freddie Steenkamp, had already been tried and sentenced.

Judge Foxcroft said it was in the public interest that the matter be dealt with speedily.

"These kinds of delays cannot be allowed, although it is obvious that it is not the accused's fault.

"It is not in the interests of justice, and I would impress on all people in authority to see that the matter be dealt with as soon as possible."

No charges were put to Dr Boesak at the hearing.

He held an impromptu press conference on the steps outside the court building. He asked for a speedy trial - to allow him to "get on with my life".

(297)

ARG 16/2/98

Plan to alleviate poverty (297)

By Shadrack Mashalaba
and Abdul Milazi

SOUTH Africa has to promote the small and medium business sector to alleviate poverty and unemployment, Trade and Industry Minister Alec Erwin said at the weekend.

Erwin was speaking at the official opening of the Mogwase Entrepreneurial Support Centre which will be the hub of business activity in North West.

He said local governments had a major role to play in addressing the needs of the community because the national Government could not attend to all the problems of the country.

Business loans

Erwin said South Africa did not fare well when it came to small and medium businesses.

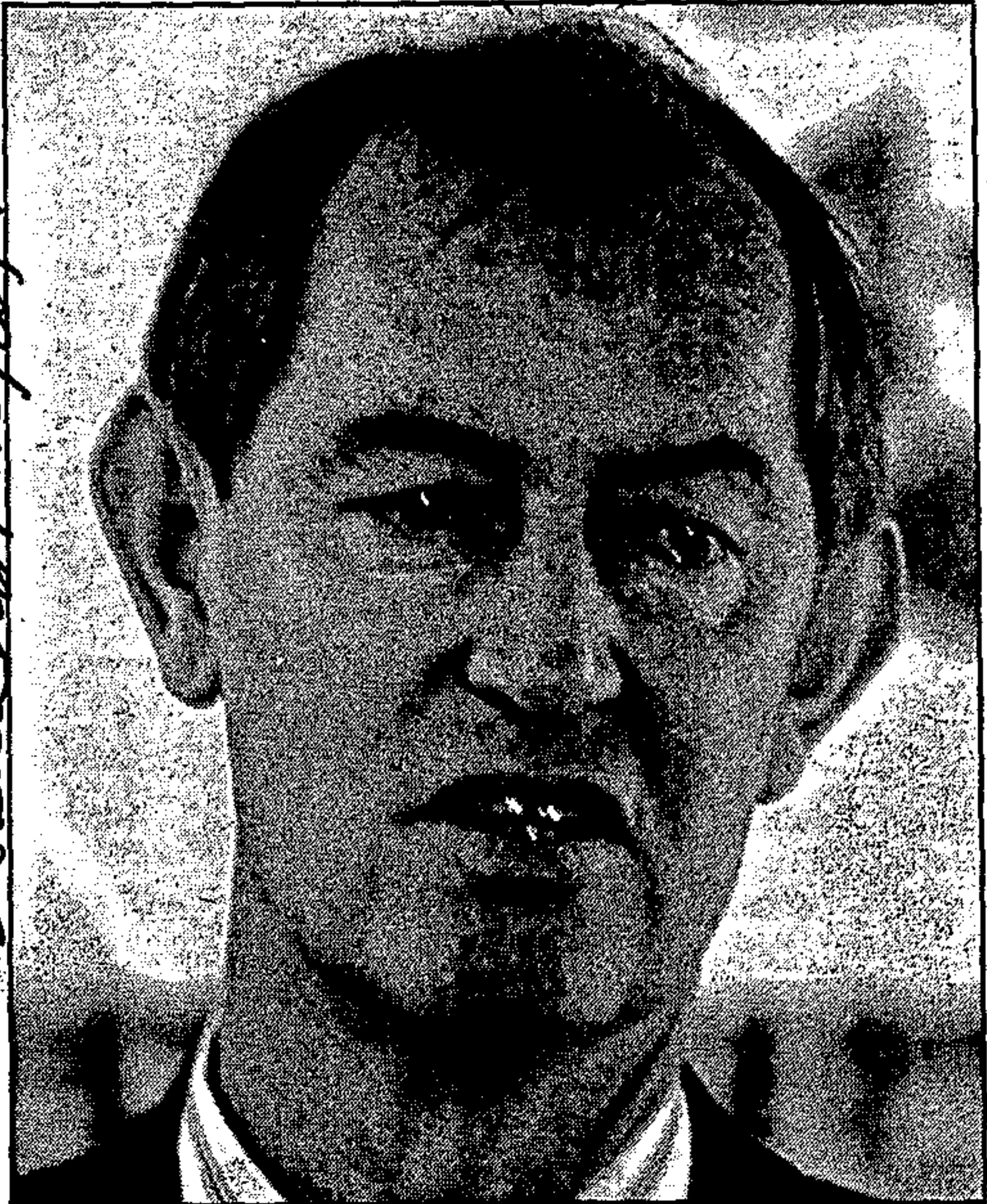
"We are worse off than most countries when it comes to the small and medium business sector," he said.

He attributed this to the apartheid system in which blacks were systematically prevented from owning their own businesses, and the fact that banks were still reluctant to give business loans to blacks.

Interest rates

Erwin said the Government could not subsidise business as that would cripple those businesses and also push up interest rates.

"If you subsidise business, as the previous government did here (in the former Bophuthatswana), the business dies when you withdraw the subsidy," he said.



Trade and Industry Minister Alec Erwin.

He said the development of the small and medium business sector could boost the economy and help the Government deal with some of the country's problems.

"In the Maputo Corridor, which is the biggest business development so far, we are looking at R34 billion," said Erwin.

He said the Mogwase Centre was the first phase of what would be known as the Platinum Corridor, a project that will connect North

West business with the Maputo Corridor and ultimately form a business highway aligning Mozambique and the rest of South Africa.

North West MEC for finance and economic affairs Martin Kuscus said the small and medium business sector generally was a complex sector to deal with. It was therefore important to devise a comprehensive plan to address problems faced by the sector.

Boesak fury over ordeal

Cleric hits out as fraud trial put off again

ARG 16/2/98

(297)

GLYNIS UNDERHILL AND LENORE OLIVER
Staff Reporters

Leaving court on the arm of his wife Elna, a visibly distressed Allan Boesak talked frankly to the Cape Argus today of his protracted ordeal after his fraud trial was adjourned to May 18.

"Four years is an extraordinarily long time for any human being to live under the stress and circumstances that my family has been living under.

"My hope is that we can get this thing over as soon as possible so that I can get my life together," he said before leaving the Cape High Court.

The wrangle over legal aid had put the trial on hold as there were no funds for his defence. This had placed his own life in suspense, said the former Western Cape leader of the African National Congress.

"I am deeply distressed that this trial has been postponed once again. It makes my life extraordinarily difficult, as it does the lives of my family. I don't know where my life is going," he said.

Dr Boesak is charged with fraud and theft relating to the alleged misuse of R1.1-million of foreign donor funds intended for the victims of apartheid.

The Legal Aid Board withdrew his defence funding when it learnt he had received R1-million from an anonymous donor to pay for senior counsel.

Dr Boesak said he still had a contribution to make to South Africa and would like to help build the nation, whether he returned to the ministry or chose another path.

"I would like to get back to make this contribution as soon as possible. A delay is of no benefit to me or to anyone else," he said.

Mrs Boesak, dressed in a lilac suit, left her husband's side only when he sat in the dock. Outside court, she faced the barrage of cameras and stroked Dr Boesak's arm in support.

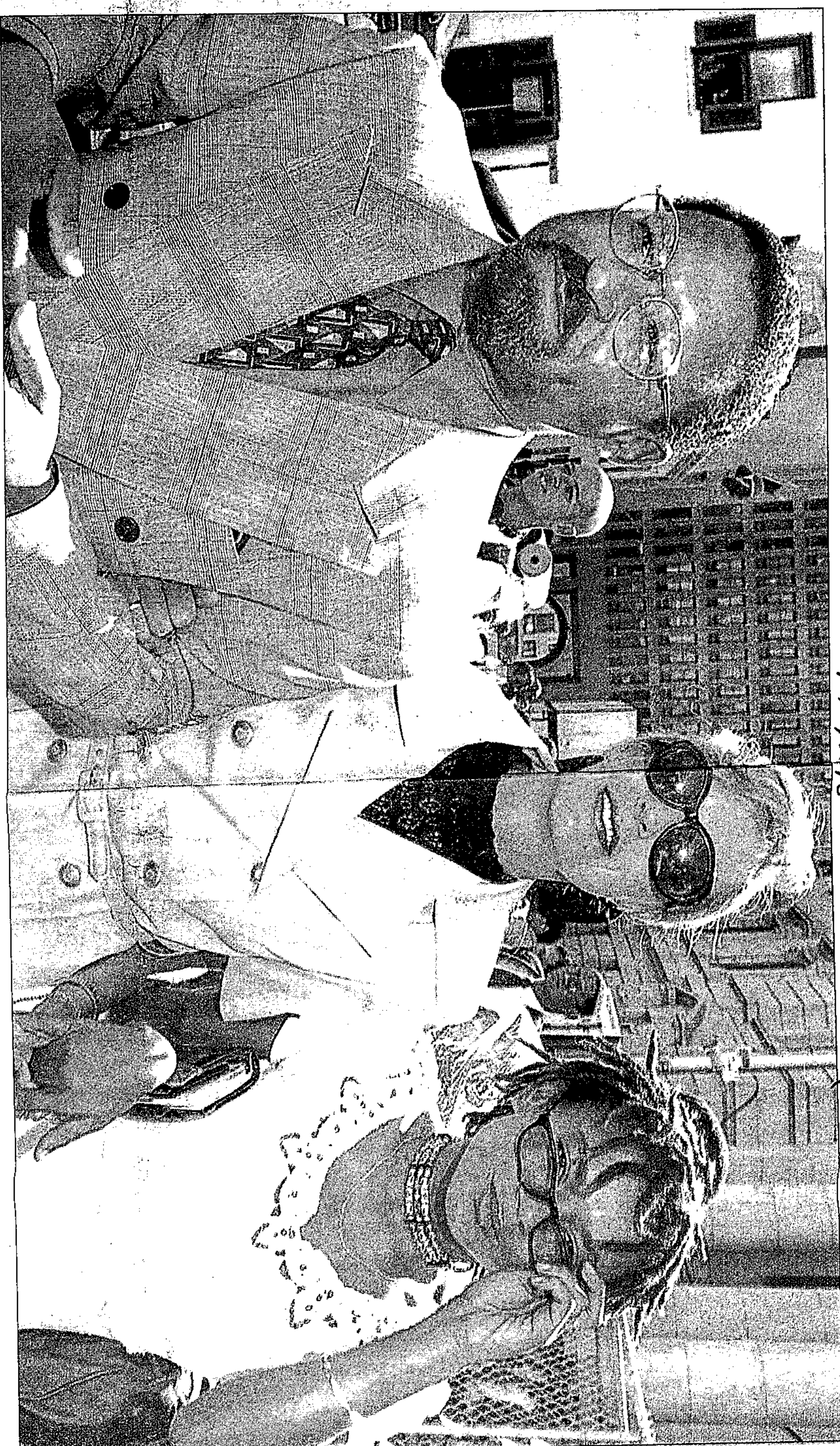
"We're going through a traumatic period. Sarah-Len (their daughter) has been in eight schools over the past few years.

"But, over and above that, we are a happy family, a united family, and we love one another," she said.

Dr Boesak said everything the family had at present - their flat, the car, the food they had on the table - had been given to them.

"All this has been given to us by people who are concerned about the welfare of our family.

"Although they give to us happily, it is not nice to live like that, begging as it were,



Family front: Allan Boesak, his wife Elna and daughter Pulane leave the Cape High Court today after his appearance on fraud and theft charges. The case was adjourned to May 18

for the livelihood of my family. It does something to the dignity of our family," he said.

Dr Boesak said he was looking forward to the day Freddie Steenkamp, his former bookkeeper at the now-defunct Foundation for Peace and Justice, stood up in the witness box to testify against him.

"The ANC has come out publicly in support through Ebrahim Rasool and Dullah Omar.

"And I think that is very important

because that is the movement to which I have given most of my life," said Dr Boesak.

He also had received support from church ministers who held a special service for him in Valhalla Park yesterday, he said.

More than 90 United Reformed Church ministers had attended the service, which had been "tremendous" for Dr Boesak and his whole family.

"The support was very needed at this time. At the service they handed over a letter

of support which, of course, is a tremendous thing for me and my whole family, and very needed at this particular time.

"I now remain very distressed that this issue cannot come to a conclusion," said Dr Boesak.

His daughter, Pulane, and niece, Liesl Fransman, were among relatives in court to offer support.

See page 5

Church ministers object to delay in Boesak trial

Linda Ensor

CAPE TOWN — Eighty ministers of the United Reformed Church of SA expressed concern yesterday about the postponement of Allan Boesak's fraud trial to May 18, saying it was "morally untenable" for the Legal Aid Board to withhold financial assistance from him when Eugene de Kok, PW Botha and FW de Klerk were afforded legal aid.

Boesak said he was greatly encouraged by this support as well as support from the African National Congress (ANC) and Justice Minister Dullah Omar. But he was deeply disappointed by the postponement, as four years was a long time for any person to live in the face of such allegations.

Proclaiming his innocence, Boesak said he looked forward to the day when his convicted former colleague Freddie Steenkamp could repeat his allegations in the witness box so that he could be cross-examined.

Boesak's trial on charges of fraud and theft, allegedly involving personal enrichment of about R1m in donor

money while he was director of the Foundation for Peace and Justice, was postponed by a Cape High Court judge, pending the outcome of the Legal Aid Board's appeal against a Pretoria High Court decision revoking its refusal to grant Boesak legal aid.

The appeal was expected to be heard next month, Boesak's attorney Chris Petty told the court. Until the matter was resolved, no preparation could be made for the trial as there were no funds to pay for it.

The Legal Aid Board justified its refusal of funds on the grounds that Boesak had secured donor money to pay for senior counsel. However, this money was given on the strict condition that it not be used to cover attorneys' fees.

Petty said Boesak had been prejudiced by the long delay. He was unable to work and could not get on with his life. State prosecutor JC Gerber said the delays were prejudicing the state's case as arrangements had to be made to secure the attendance of witnesses from abroad. Judge John Foxcroft agreed the delays could not continue.

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Fraud and theft accused seeks
reinstatement of withheld legal aid

had been given R1 million by an anonymous donor to cover the costs of his senior counsel. The matter has been taken to court.

Prosecutor "JC" Gerber did not oppose the application for a postponement, but said it should be noted that all the postponements so far had been at the request of the defence.

Everything possible had to be done to bring the trial to a conclusion, Gerber said.

G Foxcroft said it was unlikely that the case would actually proceed on May 18.

Speaking on the court steps after yesterday's postponement, Boesak expressed his disappointment at the Legal Aid Board's stance and said he hoped the board would make it possible for the case to run its course.

He said living with such uncertainty affected one's dignity. He said he still believed he had a contribution to make to South Africa. — *Sapa*.

Trial delay distresses Boesak

Lack of defence funds lengthens former anti-apartheid leader's four-year ordeal

OWN CORRESPONDENT
Cape Town

The Cape High Court case against anti-apartheid leader Dr Allan Boesak has been postponed to May 18 because there are no funds to pay for his defence.

A visibly distressed Boesak left the Cape High Court yesterday on the arm of his wife Elna.

"Four years is an extraordinarily long time for any human being to live under the stress and circumstances that my family has been living under.

"My hope is that we could get this thing over as soon as possible so that I can get my life together," he told reporters before leaving the courtroom.

The former Western Cape leader of the ANC said the wrangle over legal aid had put the trial on hold because there were no funds for his defence. This had placed his life in suspense.

"I am deeply distressed that this trial has been postponed once again. It makes my life extraordinarily difficult, as it does the life of my family. I don't know where my life is going," he said.

Boesak is being charged with fraud and theft relating to the alleged misuse of R1,1-million of foreign donor funds intended for the victims of apartheid.

However, the Legal Aid Board withdrew his defence funding after it learnt he had received R1-million from an anonymous donor to provide him with a senior counsel.

Boesak said he still had a contribution to make to South Africa and would like to help in the building of the nation, whether he returned to the ministry or chose another path.

"I would like to get back to make this contribution as soon as possible. A delay is of no benefit to me or to anyone else," he said.

Mrs Boesak, dressed in a lilac suit, left her husband's side only when he sat in the



Troubled ... Allan Boesak, his wife Elna and daughter Pulane leave the Cape High Court yesterday.

dock. Outside court she faced the barrage of cameras and stroked Boesak's arm in support.

"We are going through a traumatic period. Sarah-Len has been in eight schools over the past few years. But over and above that we are a happy

family, a united family, and we love each other," she said.

Boesak said he was looking forward to the day when Freddie Steenkamp, former bookkeeper at the now defunct Foundation for Peace and Justice, would stand up in the witness box to testify against him.

Boesak's daughter Pulane and niece Liesl Fransman were some of the family members in court to offer their support.

"The ANC has come out publicly in support through Ibrahim Rassool and Dullah Omar.

"And I think that is very important because that is the movement to which I have given most of my life," he said.

The other support he had received was from church

ministers who held a special service for him in Valhalla Park yesterday.

More than 90 United Reformed Church ministers had attended the service, which had been "tremendous" for Boesak and his family.

"The support was very

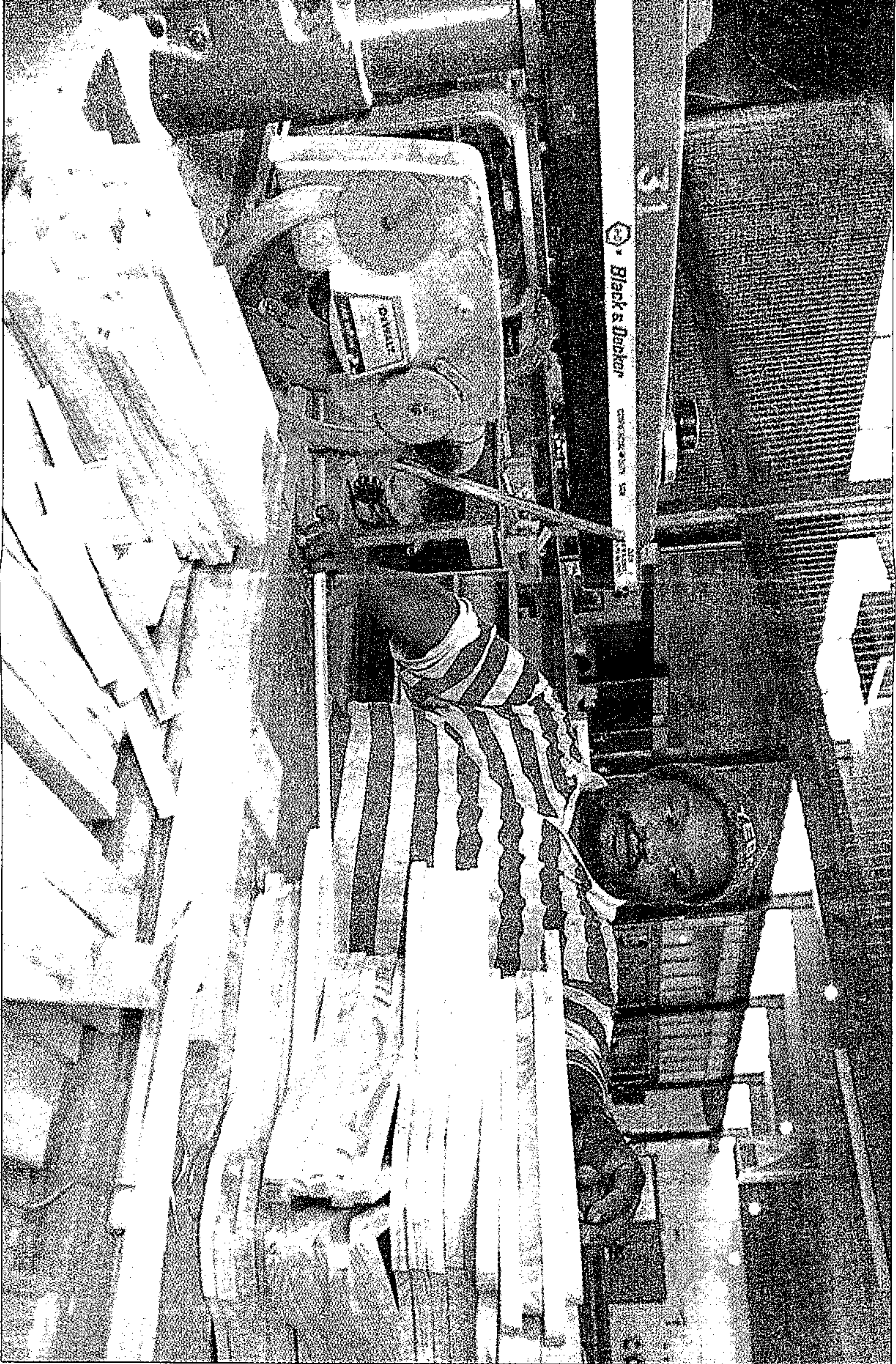
He has received support from ANC and clerics

needed at this time. At the service they handed over a letter of support, which is a tremendous thing for me and my whole family, and very needed at this particular time.

"I now remain very distressed that this issue cannot come to a conclusion," he said.

Wrangle over legal aid has put the trial on hold

Lively expo is triumph of the human spirit



BRENTON GEACH

Success vital for the disabled

JENNY WALL
HEALTH REPORTER

The pageant is in full swing, the bistro is serving bobotte and the business hall is busy with people at work and shops stocked with wonderful fabrics, ceramics and wooden goods for sale.

All that's needed now at the expo to make it a roaring success are visitors.

The Triumph of the Human Spirit expo – open for barely a week – has created much-needed employment for disabled people.

Its success will be essential to the continued existence of the Reable Vocational Centre in Athlone.

James van Rooyen, who lives in Bonteheuwel, runs a business making wooden clothes hangers, pencil boxes and other products. He was severely disabled as a teenager 26 years ago when one of his leg collapsed under him. A subsequent hip operation went wrong, leaving him with one leg much shorter than the other.

That didn't stop him from living life to the full and his first step was becoming a trainee at the Reable centre 22 years ago. Since then, he has trained as an adult educator and today he runs his business and has five men working for him.

"Many clients have come through this centre," he says. "Many saw a bleak future for themselves. I've seen people find themselves and make a success of their lives."

For many disabled people, the Reable Centre is a vital step in rehabilitation, a place where they can learn ways to work independently. The centre's trainees are from disadvantaged communities and the money earned in the parallel employment scheme enables them to support themselves and their families and establish work records.

The future of the centre hinges on the success of the expo as a tourist destination, says director David Loubser. The idea is to recreate the spirit and culture of the Cape for visitors and, at the same time, provide employment for the disabled.

"The expo fits in with our mission to integrate disabled people into mainstream life and to raise awareness of disability among people," says Mr Loubser.

A small but fascinating museum is part of the expo.

Famous disabled people like Beethoven, Caesar, physicist Stephen Hawking and RAF pilot Douglas Bader are featured, showing the dynamic role the disabled can play.

Interactive games illustrate the great disableders, foremost among them war, and show how to avoid some of the causes of disability.

The Reable centre is unique in Africa for the way it combines reha-

bilitation and work experience "empowerment as you earn" concept. It has been successful in getting programme participants employed, says Mr Loubser, with post-graduate employment figures above those in other countries.

In the past, the Reable factor employed those who cannot work elsewhere. But the factor not been able to sustain itself.

"We are inefficient because people work part-time. Also designs have been copied by commercial concerns," says Mr Loubser.

'The expo fits in with our mission to integrate disabled people into mainstream life'

The expo, called on a sir project Bangkok, bring custom the centre to rience a different part of Cape Town. The Taret Bistro, with speciality of Kaap bobotte

seat 80 to 100 people. The color pageant presented by the Boan G is a musical which traces the influence of foreign culture into the Cape.

The business hall includes workshops as well as craft outlets. "Our rule is that every fourth son employed must be disabled," Mr Loubser.

The expo fits in well with the of reintegrating disabled people society. All that's needed now is the tour buses to roll in. Contact the centre at 637 1204.

Roll up to the Reable Expo: Isaac Jacobs cuts wood, to be transformed into coat hangers and pencil boxes in the Athlone business hall

Government reviewing its links with foreign donors

POLITICAL STAFF

The Government is in the process of reviewing its relationships with donors – particularly with the US Agency for International Development (USAid), in the light of a damning report which claims the agency interfered with South African policy.

Speaking ahead of next week's SA-US Bi-national Commission (BNC) to be held in Pretoria, the director-general in Deputy President Thabo Mbeki's office, the Rev Frank Chikane, said the issue was not on the agenda but was nonetheless of concern.

"Foreign Affairs was asked to do a review of our relationship with USAid ... We received the report and have applied our minds on that. We've had discussions with officials and representatives from the US and

USAid, and there are certain proposals which will trigger a process to deal with our relationship with USAid," he said.

The issue of foreign-donor clout in the country's policy came to the fore in a recent US Congress report which accused USAid officials of extreme and unqualified meddling in South Africa's policy-making.

Chikane said a consultative process was necessary to review the relationship with USAid in terms of reprioritisation of what needed to be done.

Part of this review included a proposal that foreign nationals involved in aid projects did not necessarily have to come from the donor country.

"The South African Government's position – for all foreign donor organisations – is that consultants and foreign nationals should be engaged only if such a skill does not exist in the

country, and that the use of foreign nationals should not be restricted to the particular country (donating the funds)," he said.

"What we are really saying is that a country which wants to assist us must then do it according to the way in which we believe is the best to meet our needs, and that even the engagement of personnel should be our prerogative.

"This is what we have decided, to avoid some of the problems which may have been experienced in the past.

The BNC will be hosted by Mbeki and US Vice-President Al Gore at the Presidential Guest House. It meets twice a year, alternating between the US and South Africa, to discuss co-operation between the countries in a variety of fields. Launched in 1995, the BNC has swelled to eight committees in which officials from agricul-

ture, defence, water affairs, education, housing, science and technology, health, energy, and trade and investment meet.

Gore will also travel to Cape Town to visit President Nelson Mandela, and will have two one-on-one meetings with Mbeki at which much of the important work will be done, Chikane said.

Among the issues on the agenda for the BNC are the implementation of an armaments compliance agreement and the final lifting of barriers to South Africa's arms industry, the use of US satellites to monitor the impact of invading plants on South Africa's water resources, and the deregulation of the fuel price.

The resolution of a standoff between US and South African steel companies following anti-dumping action taken by some US firms against local steel producers is also on the agenda.

ETW 19/12/98 (297)



The Rev Frank Chikane addresses a news briefing in Pretoria yesterday. With him are foreign affairs' Dumisani Khumalo and Bongiwe Njobe-Mbuli of the agriculture department.

Picture: ANDY KATZ

Govt announces plan to review SA aid policies

John Diudlu

GOVERNMENT is calling on donors to loosen aid strings as it moves to reshape its relationship with donors.

A key proposal will be the use of foreigners' skills as a last resort in development projects. If the necessary expertise is not available in SA, it will be sourced from anywhere, not necessarily from the donor nation as is now the practice.

These reforms were announced yesterday by the Rev Frank Chikane, the director-general in the deputy president's office. They follow a review by the foreign affairs

department on SA's relationship with the US Agency for International Development (USAid). Another review was on the cards, Chikane told a briefing on next week's US-SA Binational Commission meeting.

Chikane said: "We think it is time for another review as we have walked through transformation which could have changed the priorities in terms of where we think resources should be put." The review had Washington's backing.

Chikane's remarks follow a report on USAid accusing the agency's officials of "extreme and unqualified meddling" in SA's policy making. The report said officials

squandered development resources.

Justifying the proposals which signal government's intention to set the development agenda, Chikane said: "Aid must assist us to achieve the national objectives of transforming this society. And the strategies of handling that aid ... should be directed at achieving that particular objective". Donors wishing to assist SA should do so in "the best way to meet our needs". Personnel selection should be SA's prerogative.

Chikane said the aid review would not be discussed at the binational commission.

Continued on Page 2

Aid

Continued from Page 1

The commission would discuss trade, housing finance, agricultural trade and a range of other issues.

Mojanku Gumbi, the legal adviser to Deputy President Thabo Mbeki, said the agreement on the Armscor case was being implemented and compliance manuals had been drawn in consultation with the US. It was now up to the US administration to issue a notice lifting the ban on the sale of US weapons or arms parts to SA.

Bahle Sibisi, the foreign trade relations chief director at the trade department, said the steel antidumping dispute, involving SA firms, would be dis-

cussed by the commission's trade and investment committee. Pretoria has not ruled out the possibility of lodging a complaint with the World Trade Organisation (WTO), the Geneva-based trade watchdog, to seek relief over the steel bugbear.

Potential US-SA co-operation in the forthcoming ministerial meeting of the WTO would also be discussed.

Housing department officials would discuss housing finance, including the creation of a secondary loans market, said housing director-general Mpumi Nxumalo-Nhlapo.

Agriculture department director-general Bongiwe Njobe-Mbuli said bottlenecks in promoting bilateral farm trade would be discussed.

Comment: Page 11

IDT defrauded of R2-million by staff

Andy Duffy

The Independent Development Trust (IDT) has uncovered an alleged R2-million fraud involving two staffers and an employee of the agency's auditing firm, Deloitte & Touche.

The staffers, who helped administer funds for development projects across the country, allegedly signed cheques for themselves. The Deloitte & Touche official, seconded to the agency as a watchdog, instead allegedly collaborated in the scam.

Fowziya Navelling and Bongi Dlamini, who worked in the IDT's Johannesburg office, are due to appear in the Johannesburg Regional Court later this month on fraud and theft charges. The Deloitte & Touche official, Zambian citizen Richard Kangwa, has fled to London.

The IDT has also brought a civil action to freeze the two employees' assets, including fixed deposit accounts, where some of the loot is thought to be sitting.

The alleged scam is believed to have run for nearly a year before it was uncovered last July, when the IDT's bank raised the alarm. The bank queried a R45 000 cheque, drawn on the IDT's funds, which had gone into Kangwa's account. Another cheque for R50 000 had been deposited into his account the previous day.

IDT acting chief executive Michael Ridley says the full extent of the alleged fraud was only determined at the end of last year, after an investigation by forensic auditors Gobodo and the South African Police Service's commercial crime unit.

"The fraud was on quite a big scale by fairly senior administrators," Ridley says. "They should have been looking after the funds, not allegedly looting them."

He adds that the IDT had struggled to track expenditure on the community employment programme because it con-

The government is also to appoint eight additional IDT trustees in the next few weeks. Such changes have prompted the departure of chief executive Merlyn Mehl, who quit last month after nearly three years at the helm. His deputies, Ben van der Ross and Naledi Tsiki, are also leaving.

Its chair, Dr Mamphela Ramphele, will resign at the end of next month, to devote more time to her responsibilities as vice-chancellor of the University of Cape Town.

The IDT, which collapsed under a burden of bad debt from low-cost housing, and poor management. Other investments were more successful. The IDT had raised close to R4-billion by the end of 1997, and had spent nearly R2,7-billion, with more than R600-million committed. The agency has redefined its role to implement rather than fund development projects, in line with the government's drive to restructure development initiatives.

The IDT can recover its losses from its insurance. It nevertheless represents a blow to the agency, on the eve of a long-planned reshaping that will bring it firmly under government control. The IDT was set up in 1990 with R2-billion capital to fund development projects in areas such as education, housing, primary health care and job creation. It has also invested in businesses such as the ill-fated Commu-

sists of thousands of rural projects across the country. The agency's latest status report shows the IDT set aside R10-million for community employment programme projects last year. Ridley says it would be natural for Deloitte & Touche to be "highly embarrassed", but the IDT will retain the auditor's services. Deloitte & Touche refused to comment. Ridley says the alleged scam is the first such incident to hit the IDT,

MTG 20-26/2/98 (297)



JUSTICE DELAYED: Allan Boesak and his wife Elna on the steps of the Cape High Court after his trial on charges of theft and fraud was again postponed because the Legal Aid Board has cut off funds to pay his legal team. **PICTURE: ALAN TAYLOR**

Boesak upset as trial is postponed again (297)

JUSTICE WRITER

A WEEK before his 52nd birthday, Dr Allan Boesak stood on the steps of the Cape High Court and again protested his innocence on charges of theft and fraud.

The man who once sat in high places is now broke and accused to sitting in a court of law. The flat in which he and his family lives, the furniture, the food they eat, are all donated by friends.

"It does something to the dignity of a person to live like that," Boesak said.

With the media hanging on every word and with cameras

whirling away, he was his eloquent self. However, the despair was audible in his voice.

Minutes before, Boesak — who has been charged with 32 counts of fraud and theft involving about R1,1 million in donor funds — was told his trial would be postponed provisionally to May 18, as the court wrangle with the Legal Aid Board, which cut off Boesak's funding, had not been finalised.

The board refused to continue paying for Boesak's legal team when a mystery donor pledged R1m for the services of a senior counsel and a forensic accountant.

Mr Chris Petty, Boesak's attor-

ney, told the court that Boesak, who is without work, was being prejudiced by the delays and unable to get on with his life.

Mr J C Gerber, a deputy attorney-general, told the court that all the postponements so far had been at the request of the defence. This was prejudicial to the state because most of the witnesses lived overseas.

Mr Justice J G Foxcroft said that in a case like the present, a senior counsel was needed and had to be assisted by a junior advocate.

Referring to the dispute with the Legal Aid Board, Judge Foxcroft said he did not have the power to tell "any judge in the Transvaal" to

reach a decision.

"It is not in the interests of justice that the matter continue in this way and I would impress on all people in authority to see that the matter be dealt with as soon as possible," Judge Foxcroft said.

In an impromptu press conference on the steps of the High Court, Boesak said he was distressed that the trial could not come to conclusion.

"Four years is a long time for any human being to live under such stress," he said.

In response to a question, Boesak said: "I still have a contribution to make to our country and to the

building of our nation."

The Rev L Jackson of the Pastoral Support Group, United Reformed Church of SA, said it was disturbing that Boesak's trial had been postponed again because of difficulties with the Legal Aid Board.

"It is morally untenable that Eugene de Kock, Mr P W Botha and Mr F W de Klerk of the apartheid government were afforded legal aid.

"It is the same body that denies Dr Boesak, who was at the forefront of the liberation struggle and the establishment of democratic rule in South Africa, access to the necessary funds," Jackson said.

End welfare vouchers and cheques system (297)

ET 20/2/98

JOVIAL RANTAO

THE Public Service Commission (PSC) has proposed that the voucher and cheque system to make welfare payments be stopped.

The PSC, which has completed a probe into how South Africa's ailing social security system can be improved, told the parliamentary Welfare Committee yesterday that a drastic upgrading of the government computer system was needed.

Advocate Mr Fanie Visser, from the PSC, told the committee there were major backlogs in the system as a result of the number of applications received and the piling up of unprocessed applications, particularly in KwaZulu-Natal and the Eastern Cape.

Visser said some of the problems uncovered by the PSC investigation included:

- Not enough control over the funds.

- Untrained personnel and lack of personnel knowledgeable in financial administration and management.

- Different methods of payments — debit order, cash, cheque and vouchers.

- Provinces unable to monitor contracts, undertake internal audits of financial books and transactions.

- Most provinces did not reconcile payments monthly, leading to backlogs.

- Provinces unable to determine the needs in the absence of and composition of beneficiaries at pay points, growth patterns, demographic situa-

tions and potential beneficiaries.

- Most pay points were situated to the inconvenience of clients and there were inadequate toilets, security, facilities at pay points as clients stand in long queues in the rain and the sun.

- Vehicles transporting cash were prone to hijackings.

In addition to recommending how the problems could be overcome, Visser suggested that the social security system should be fully computerised, a central information

...provincial administrations should be restructured to eliminate corruption. — **PSC official Fanie Visser**

technology database should be maintained and that a standardised management information system should be implemented.

"We recommend that the organi-

sational structure of the national Department of Welfare should be restructured to provide for the coordination and allocation of total budgets for social grants, the co-ordination and rendering of support in respect of the system of payments of grants, human resources, providing administration and information technology.

"The organisation and staffing of provincial administrations should be restructured with the view to separating functions to eliminate the possibility of fraud and corruption, provide an appropriate post establishment, empower persons to enhance efficiency and effectiveness, vest accountability and responsibility in key administrative role players and establish internal auditing units," Visser said.

To stamp out fraud and corruption, the PSC suggested that finger-

print forms from the Department of Home Affairs should be used, system and procedure amendments should be implemented and civil servants be instilled with a code of conduct.

The measures should be accompanied by an education process of beneficiaries and a strict disciplinary code.

The PSC also recommended that the functions relating to the consideration and payment of grants be upgraded and amended.

It also suggested that uniform computerised application forms be implemented, procedure manuals be issued to civil servants, the pay-out methods be improved with the voucher and cheque payments being phased out.

The PSC also called for a national policy on how backlogs should be handled, how proper verification should be handled and how reviews should be done.

Social security 'racked with problems'

David Greyb

(297)

20 20/2/98

CAPE TOWN — SA's social security system was racked with problems, from provinces that failed to reconcile their books to officials who demanded payment to complete forms, the Public Service Commission told Parliament yesterday.

The commission presented the welfare portfolio committee with a detailed report on its findings and recommendations following a year-long, cabinet-mandated investigation of the social security services.

Commission member Fanie Visser said the department, the cabinet and the committee had to decide whether to accept the report and, if they did, they had to make a detailed implementation plan, with time frames, which Parliament could monitor.

Visser said a number of provinces had implemented some of the recommendations, but without a national decision on the way forward "we will get nowhere".

The report comes in the light of the recent welfare failure in the Eastern Cape when 632 000 pensioners were paid late. Welfare MEC Mandisa Marasha was subsequently fired.

African National Congress MP Mary Turok said the report contained "quite a number of solid proposals".

"Clearly a lot more cleaning up needs to be done," Turok said, referring to Welfare Minister Geraldine Fraser-Moleketi's recent announcement that a year-long clean-up exercise had resulted in the suspension of payments to about 149 000 beneficiaries worth R61m a month.

Some of the commission's findings and proposals were:

- ☐ No verification of information provided by applicants was possible at this stage. This was a major problem. The commission proposed "all possible role players should be identified and political sanction obtained in respect of the disclosure of information".
- ☐ Invalid applications as a result of district surgeons being threatened or intimidated. The commission proposed application forms containing medical information should not be handled by applicants;
- ☐ Backlogs of up to five months in processing applications in some provinces. The problem had to be tackled at various operational levels and would not be rectified overnight;
- ☐ Personnel were not always fully trained.
- ☐ Training programmes were needed. The commission also proposed a client charter;
- ☐ Failure to adhere to, or insufficient access control procedures, which led to fraud and corruption. The commission proposed the development of standardised procedures for access control, "implemented and monitored within the different provinces";
- ☐ The same staff did registration and pay out, which led to fraud. The two jobs had to be separated;
- ☐ The Socpen 5 computer system was not fully operational. "Additional functionality should be built into Socpen 5," and;
- ☐ Insufficient staff, particularly in IT divisions at national and provincial levels. Visser said at one stage the national IT department had only one staff member. Vacancies needed to be filled.

In the wake of a damning report on aid, US and SA government officials plan to meet to thrash out a policy to deal with the carrot and the stick

By ESTELLE RANDALL

The SA Government, USAid and the US government are due to begin discussions over how American aid is dispensed in South Africa.

Crucial to these talks are the issues of political meddling versus neutral funding of development.

The US will wish to continue funding organisations it believes promotes good governance in South Africa. While the SA Government may disagree over what this means, it cannot dictate which organisations USAid funds.

Last weekend the *Saturday Star* detailed a damning report on USAid, compiled by a staff member of the international relations committee of the US Congress.

The investigator reported that USAid concentrated on funding conferences and other policy-making activities instead of giving to the poor.

The report said USAid used its funding to play a major role in South African political issues such as: race and affirmative-action policies, land restitution, civil-service reform, labour policy, and

unresolved border disputes between the nine new provinces.

The donor agency also made direct policy demands on the new government.

An agreement signed with SA's Department of Justice had stipulated how lay people should work in the justice system, and laid down rules for entry into the profession and new rules for appointing judicial officers.

A meeting between USAid and the SA Government was agreed to this week when Dumsani Khumalo, head of the US desk in the SA Department of Foreign Affairs, and the Rev Frank Chikane, director-general in Deputy President Thabo Mbeki's office, met USAid's South African head Aaron Williams and deputy chief of the US mission in South Africa, Bob Pringle, to discuss the issue. No date has been set.

SA Government and non-governmental-organisation sources have made it clear that there is no intention to curtail funding for South African NGOs.

"We aren't saying USAid must not fund NGOs here. We are only saying that they must choose programmes which are meeting the Government's

priorities," said Khumalo.

He said the SA Government had "significant" business with USAid - between nine to 12 government departments were involved in USAid funding - and wanted funding to be directed at projects which were "in line with" what the Government was doing to develop the country.

The SA Government's concerns, contained in a report prepared by South Africa's Foreign Affairs Department, centre on three areas:

■ Reprioritising USAid funding objectives.

■ Tightening up the selection of students, courses and institutions involved with USAid bursaries.

■ The involvement of foreign nationals in projects which USAid funds.

Programmes which required technical skill should draw first on South Africans who had such skills. If there were no South Africans, then all other foreign consultants should be considered, not exclusively US citizens.

Khumalo said the Government saw the solution to these concerns lying in greater consultation between USAid

and government departments.

Kumi Naidoo, director of the South African NGO Coalition, said the organisation hoped to meet ANC leaders within the next three weeks to discuss public misconceptions about President Nelson Mandela's statements at the ANC's 50th national conference in Mafikeng in December last year.

Mandela had acknowledged the role that NGOs continued to play in South Africa's transformation, but had also warned that some were being "used".

"We've had contact with the deputy president's office and ANC office-bearers about having a meeting with the ANC leadership to discuss the president's December statement. There was a commitment to meet in January but this meeting had to be postponed," said Naidoo.

He said there was general concern about foreign funding, despite the fact that Mandela had referred specifically to USAid. The South African NGO Coalition had developed a draft code to address the need for transparency, Naidoo said.

SA to meet Americans after storm over foreign aid report

(297) 21/2/98

ESTELLE RANDALL

The Government, USAid and the Clinton administration are due to begin discussions on how American aid is dispensed in South Africa. Crucial to these talks is the issue of political meddling through the funding of development.

The United States will want to continue funding organisations it believes promote good governance in South Africa, and while the Government may disagree over what this means, it cannot dictate which organisations USAid funds.

The SA NGO Coalition, which represents 4 000 NGOs, is attempting to avoid being crushed between these two forces by instituting a new donors' code on foreign benefactors that binds them to avoid undue interference in local politics.

Last weekend, Saturday Argus detailed a damning report on USAid, compiled in November 1996 by a professional staff member of the US Congress' International Relations Committee.

The investigator reported that USAid concentrated on funding conferences and other policy-making activities instead of on delivery needed by the poor.

The report said USAid used its funding to play a major role in South African political issues, such as:

■ Race and affirmative action policies.

■ Land restitution.

■ Civil service reform.

■ Labour policy.

■ Unresolved border disputes between the nine new provinces.

The donor agency also made direct policy demands on the new Government, according to the report. An agreement signed with the Department of Justice had stipulated how lay people should work in the justice system, differentiated rules for entry into the profession and new rules for appointing judicial officers.

A meeting between USAid and the Government was agreed on this week when Dumisani Khumalo, head of the US desk in the SA Department of Foreign Affairs and Frank Chikane, director-general in Deputy-President Thabo Mbeki's office, met USAid South African head Aaron Williams and deputy chief of the US Mission in South Africa Bob Pringle to discuss the Government's concerns about USAid operations here.

The Government and NGO sources have made it clear that there is no intention to curtail funding for South African NGOs.

"We aren't saying USAid must not fund NGOs here. We are only saying they must choose programmes which are meeting the Government's priorities," said Mr Khumalo.

He said the Government had "sig-

nificant" business with USAid - between nine and 12 government departments were involved in USAid funding.

The Government's concerns, contained in a report prepared by the Foreign Affairs Department, centre on three areas:

■ Re-prioritising USAid funding objectives.

■ Tightening up the selection of students, courses and institutions involved with USAid bursaries.

■ The involvement of foreign nationals in projects which USAid funds.

Programmes which required technical skills should draw first on South Africans who had such skills.

If there were no local candidates, then all other foreign consultants should be considered, not exclusively US citizens.

Mr Khumalo said the Government saw the solution to these concerns lying in greater consultation between USAid and South African Government departments.

Echoing concerns raised by the Government to USAid, the draft code of the South African NGO Coalition says that northern NGOs should base their relationships with local NGOs on respect for and recognition of local skills, knowledge and capacity. They should be committed to using local skills, and should use foreign staff only if local capacity was unavailable.

Centre for disabled reels after expo flop

BOBBY JORDAN

THE country's largest rehabilitation centre for disabled people is faced with closure following a bureaucratic bungle involving senior government officials and cash-strapped tourism organisations.

Angry staff at the Reable Centre in Cape Town, who this month launched a fund-raising expo aimed at the tourist market, said the project collapsed because the government failed to provide promised financial assistance.

"It looks like we're going to have to pull the plug on this whole expo — which probably means pulling the plug on the whole centre as well," said director David Loubser.

"The irony is it would have saved the government money because they wouldn't have had to pay out as much in disability grants. The people here would have been making money."

He said the centre had pumped about R400 000 into the project after securing a verbal agreement from Captour (now called Cape Tourism) that the govern-

ment would provide additional funds for the expo.

"Months later we find out that Captour is not in a position to help and we then get passed around from one organisation to another. To date we haven't received anything from them or from the Western Cape Tourism Board — or from any other structure for that matter," Loubser said.

Written appeals to Western Cape premier Hernus Kriel and the President's Office had brought no response.

Despite the marketing flop, organisers had decided to go ahead with the expo, comprising a crafts market run by disabled people, museum displays, restaurants and a musical pageant.

Due to the lack of support, however, most of the shows had to be cancelled, Loubser said.

Cape Tourism head Gordon Oliver blamed the crisis on a misunderstanding with a former employee, who had promised help with funding when in fact Cape Tourism did not have the money.

Western Cape Tourism Board marketing director Pieter Rossouw said they were still exploring ways to assist the expo.

(297) ST(CM) 22/2/98

IN BRIEF

85 jobs lost when NGO fails to pay for feeding scheme

EIGHTY-five jobs were lost when an East London-based nongovernmental organisation, the Independent Business Enrichment Centre, failed to pay R1,5m it owed to six suppliers of a reconstruction and development programme (RDP) feeding scheme.

This was revealed today at an RDP standing committee meeting in the provincial legislature.

A representative for the suppliers, Leon Du Piesanie said: "No business can exist without money five months down the line." He said he had lost R18 000 in court interdicts and called for a mechanism to protect suppliers.

Committee chairman Mike Xego called for a special meeting with the nongovernmental organisation to discuss the allegations. He said he would inform Eastern Cape premier Makhenkesi Stofile and provincial speaker Gugile Nkwinti about "frustrations" with the organisation.

Multifaceted US aid to better the lives of all South Africans

BD 24/2/98

The US is in for the long haul in its commitment to SA, writes its ambassador, James Joseph

~~24/2/98~~ (297)

US SECRETARY of State Madeleine Albright said in Washington last month the most useful help the US could provide African countries was "the kind that will enable economies to stand on their own feet through open markets, greater investment, increased trade and the development ... of 21st-century skills".

That is precisely the kind of help the US is providing in SA through the Binational Commission, the Agency for International Development (USAid) and the operation of the US Mission in SA. Yet, far too few South Africans are familiar with what we do, how we do it and why.

Trade and investment are the cornerstones of US support for reconstruction and development. Only a decade ago, US firms were leaving SA in large numbers, especially from 1985 to 1987, when 149 US companies sold or closed their operations rather than co-operate with the apartheid government. By 1991 when most of the economic sanctions were lifted, 256 US companies had closed or sold their operations in SA.

The remarkable reversal starting with the advent of SA's new democracy has seen US companies invest in extraordinary numbers. There are now more than 700 US firms with some form of involvement in the SA economy. They have more than \$9.5bn of assets with sales in excess of \$10bn and provide almost 10 000 jobs.

This is the kind of good news that rarely makes headlines, but over the past three years, US companies have been expanding their operations or making new investments in SA at the rate of about one per week.

Since 1994, US companies have been investing in SA at a rate double that of all other countries combined. Much attention has focused on SA's largest privatisation effort, the deal which saw the US company SBC Communications pay \$75m to share a stake in Telkom, but US investors also include small- and medium-scale enterprises.

While we continue to emphasise trade as the ultimate pillar of democracy and development, we also recognise that it is necessary to provide aid as well.

When congress passed the Comprehensive Anti-Apartheid Act of 1986 imposing economic sanctions, it also mandated USAid to expend funds in SA with the twin aims of hastening the end of

apartheid and preparing the disadvantaged majority for leadership roles.

The US partnership in SA involves substantial aid.

When President Nelson Mandela appealed to President Bill Clinton for support for teacher training and retraining, USAid responded with a contribution of more than R80m. When the justice ministry asked for assistance in improving access to justice by training officials and expanding facilities, USAid committee responded with more than R60m.

Without much fanfare, American assistance is helping government at all levels to expand and improve basic education, provide support for housing construction and the development of black businesses, improve health care, develop local community leadership, and contribute to other efforts to consolidate nonracial democracy.

What is equally important is that the more than R3bn of US government aid provided for SA since 1994 has been provided as grant funds — none of it needs to be repaid and every cent is designed to support transformation. The US is the largest donor nation in SA by a large margin, but its development assistance goes to a wide array of projects, both large and small.

Many are far from the large urban areas and out of the public eye.

I have met women in the Northern Province in areas where few South Africans travel who,

through US assistance, have developed some form of employment for more than 11 000 people. I have walked through squatter areas in the Eastern Cape with local citizens who take pride in the houses they now occupy because of US assistance. I have had similar experiences in classrooms in Gauteng, with small cane growers in KwaZulu-Natal and self-help projects in the Western Cape.

Everywhere I have gone, I have wished that more Americans and South Africans could see what I have seen and feel what I have felt as I have experienced the many expressions of goodwill between our people.

The engagement of our two countries with each other has always taken place on two tracks: government-to-government and people-to-people.

The overall magnitude of the multifaceted contributions of the US public and private sectors is matched by an extraordinary range of contributions by private individuals and civil society institutions. US foundations now contribute more than R200m in social investment funds.

Americans believe the African countries that most deserve our help are those doing the most to help themselves. That is why US support for transformation also involves the civil society sectors of our respective democracies. It has been our experience that the involvement of people in the affairs of their community forms a kind of social capital that adds greatly to the foundation on which democra-

cy is built.

The target of US support in all three sectors is reconstruction and development. Do we make mistakes? I am sure we do, but we are engaged in constant communication and consultation with a wide variety of South Africans to ensure that our aid programmes are guided by SA's own development priorities. Wherever any mistakes occur, we are committed to fixing them as soon as they are identified. Our only agenda is to support transformation priorities as defined by SA's people.

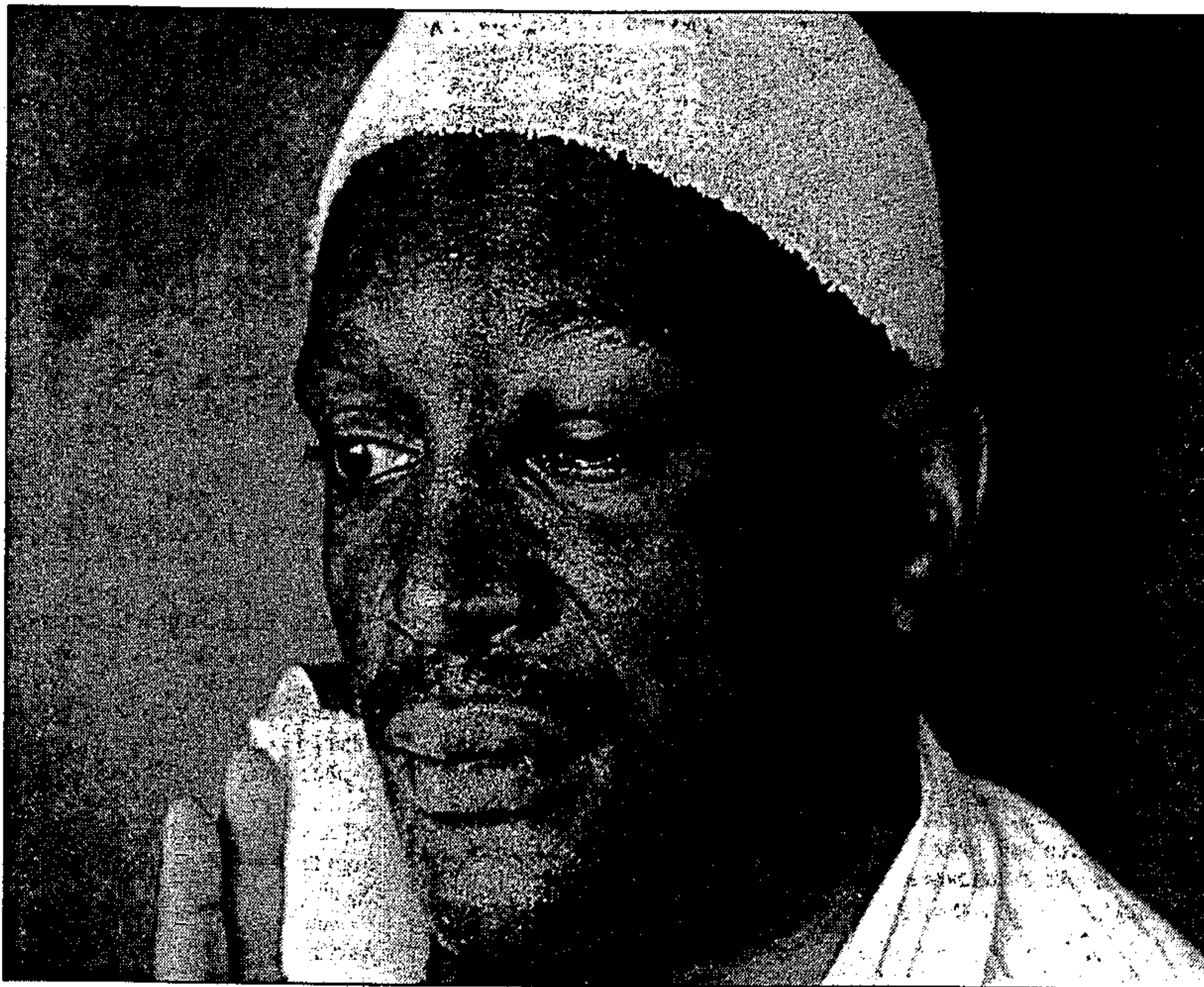
Why this extraordinary level of support for SA? Firstly, as Vice-President Al Gore put it, we share the same values and we are on the same journey. Secondly, as Clinton's trip to Africa next month will emphasise, the African continent stands ready for a major takeoff. If the economic potential of the continent is to be realised, and if the consolidation of new democracies is to continue, SA will have to be a strategic anchor in the cause of freedom and fulfilment.

Thirdly, we want for SA what we want for the world. To quote Albright, we want "a world in which every nation is free and every free nation is our partner, a world in which there is peace, freedom, food on the table and what Clinton has described as the quiet miracle of everyday life".

It will take years for SA to make up for the travesties of 300 years of social engineering, but the US partnership is for the long haul. Ultimately, we will measure our success by the gauge Mandela has suggested: "At the end of the day, the yardstick that we should all be judged by is: are we creating the basis to better the lives of all."



ALBRIGHT



Chris Ribeiro was assaulted and allegedly pistol-whipped by a white motorist during a confrontation in Pretoria this week.

PIC: LEN KUMALO

Govt's commitment to fight poverty reaffirmed

By Claire Keeton

MINISTER of Welfare and Population Development Ms Geraldine Fraser-Moleketi has reaffirmed the Government's commitment to fight poverty at the launch of a "Speak Out on Poverty" programme yesterday.

The Government is one of the partners in this programme spearheaded by the South African NGO Coalition (Sangoco), the South African Human Rights Commission and the Commission on Gender Equality (CGE).

Speak Out will be holding poverty hearings from March to June in all nine provinces, with most hearings focusing on a specific issues like education or health.

The Minister said the process would highlight the role all people can play in alleviating and eradicating poverty.

She said the hearings would give the poor a platform to fight poverty and build access to opportunity and choice.

Working together

"Change is not restricted to the Government. We need the corporate world to work with us to ensure access to credit, houses and land," Fraser-Moleketi said.

"We will see how we can use our partnerships to roll back the scourge of poverty."

Sangoco president Mr Rams Ramashia said the programme would

work towards making the rights enshrined in the South African Constitution a reality for its people.

"(These) rights are empty and democracy is fragile if it does not bring an improvement to the lives of those who bear the brunt of poverty," Ramashia said.

Fifty three percent of South Africans earn less than R301 a month, which amounts to only 10 percent of the total earnings. Most of these people do not have access to work, land, safe drinking water, adequate housing or education.

GCE chairwoman Ms Thenjiwe Mthintso highlighted how women in particular suffered from poverty and inequality.

Sowetan 25/2/97

Special hearings aim to alleviate poverty in SA

About 53% of South Africans live below the R301-a-month poverty line and more than nine million live in shacks.

These figures were released in Johannesburg yesterday at the launch of a four-month series of poverty hearings designed to document the experiences of South Africa's poor.

The hearings start on March 17 in Bloemfontein. They will be conducted by the SA Human Rights Commission,

(244) 297
the Commission on Gender Equality and the SA Non-governmental Organisations Coalition (Sangoco).

Sangoco president Rams Ramashia said the aim was to give poor people the opportunity to share their experiences and propose solutions to poverty.

This information would be used to devise a development framework and would be included in poverty monitoring programmes. - Sapa

Star 25/2/98

Foreign donors support SA's call for more control

25/2/98 (297)

John Dlodlu

MAJOR foreign donors to SA have come out in support of government's call for aid strings to be loosened and for Pretoria to have greater say in the use of development assistance.

Yesterday the US Agency for International Development (USAid), which has been a subject of much controversy, expressed support for a government proposal to review devel-

opment co-operation.

"It's a positive development," said USAid SA mission director Aaron Williams.

The review will look at USAid's training and programme, as well as SA's development priorities.

Last week the Rev Frank Chikane, director-general of the deputy president's office, said government preferred to be able to employ South Africans as consultants. Foreigners should

be employed only when their expertise was unavailable in SA. Government should be able source that expertise anywhere in the world — and not necessarily from the donor country.

An official at the Japanese embassy in Pretoria, which pledged a \$1,3bn aid package in 1994, said Tokyo respected a recipient country's development policy and philosophy. Japanese aid was in response to request from SA, he said.

Both the European Union — which provides about R600m a year — and USAid said they worked closely with Pretoria's government departments.

Government, led by a small team in the finance department, holds annual consultations with foreign donors. This system has been highly commended by donors.

Donors have been criticised for favouring foreign nationals in their employment practices.

A million poor children will lose out on promised support

BD 25/2/98

(297)

David Greybe

CAPE TOWN — New regulations for child support meant grants would not reach 3-million children, as promised by government, but fewer than 2-million, the SA nongovernmental organisation coalition charged yesterday.

The coalition was reacting in a submission to Parliament's welfare committee, which has started discussing draft regulations for all state grants.

The coalition, representing 4 000 organisations, blamed the more than 1-million shortfall on a means test "based on completely unrealistic assumptions".

Welfare Minister Geraldine Fraser-Moleketi said her department had received "quite a number" of submissions on the draft regulations. "We will respond in the next two weeks to all the submissions, including the one from the coalition," she said.

The new regulations will control the phasing out of the current system and the phasing in of the new one, which will extend child support to black children.

According to a source the government could not afford a huge take-up rate of the new system because of a cost miscalculation.

Committee chairman Cas Saloojee said the coalition would be called to make a presentation.

The coalition said it was a matter of public record — as recently as President Nelson Mandela's opening of Parliament speech — that government intended to target child support at SA's 3-million poorest children over the next five years.

According to the ministry, the figure accounted for about 48% of children in the target group — those younger than seven.

It was apparent from the drafting that a number of key policy decisions had not been communicat-

ed to the drafters, the coalition wrote.

Paragraph 12(3) of the regulations suggested the means test be based on the regular income of a household:

- ☐ Below R9 600 if in an urban area or in a house with walls made of brick, concrete or asbestos; and
- ☐ Below R13 200 if an applicant lived in a rural area or house without walls made of brick, concrete or asbestos.

The coalition calculated that the means test defined 40% of all children as eligible.

"If we assume a very high take-up rate of 75% — a take-up rate reached by the old-age pension after many years — only three-quarters of all eligible children will apply for and receive the grant," the coalition wrote.

"In that event 1,87-million children will be reached, significantly below the number the ministry says it wishes to target."

Development Bank of Southern Africa builds foundations for development (297)

Argus 25/2/98

The Development Bank of Southern Africa was established in 1983, and in 1995 was transformed to ensure that it met the needs of the new South Africa and the Southern African Development Community Countries.

The bank's mandate is to finance sustainable socio-economic development projects and programmes in partnership with the public and private sectors; focus on investments in the area of infrastructure; and respond to development demands and act as a catalyst for investments. Its countries of operation include the SADC countries. The DBSA serves to be a leading change agent for accelerated and equitable socio-economic development in southern Africa.

It is committed to: sensitivity to the needs of the poor and responsiveness to the demands of clients; alignment of operations to national policies, regional programmes and local priorities; a network of collaborations and partnerships with public and private sector institutions; competitiveness and professionalism; implementation of a best practice policy in all areas of activities, including social and environmental practices; adherence to principles and practices of good governance.

The bank's products include: regional infrastructure — water resources and sanitation schemes, energy generation, transport and telecommunications; municipal infrastructure — reticulation services, buildings, civic centres, waste disposal; rural infrastructure — water schemes, markets, input depots and distribution points; socially orientated infrastructure — clinics, health centres and hospitals, education facilities; eco-tourism infrastructure — fencing, walking trails, game stocking, cultural centres and heritage sites; entrepreneurial infrastructure — concession investments, toll-roads, structures for small, medium and micro enterprises, markets, technology transfer facilities.

The DBSA supplements government budgets in respect of development which benefits disadvantaged groups and acts as a cata-

lyst to maximise private sector and other investments.

Its environmental, social and institutional policies ensure maximal developments. The bank operates on sound banking principles — financial sustainability, affordability

and applies best practices in terms of corporate governance. Projects are priced according to cost of funding plus a margin for risk, operational cost, return on investment with these adjusted for development impact and according to source of funds.

The bank is dedicated to the mobilising and leveraging of funds and providing technical assistance at programme level and strengthening the ability of clients to manage risk.

The DBSA's policy work aims to optimise development impact, positive economic outcomes, address socio-economic development backlogs and maximise the impact of projects in respect of gender, racial equity, sustainable job creation, appropriate technology, community participation and environmental sustainability. Partnership The DBSA's facilitating role is in promoting the optimal mobilisation and flow of resources, within a broad framework of relationships with key role players at all levels.

This is pursued through collaboration with donors, non-government organisations, community-based organisations, and other partners at international and provincial levels.

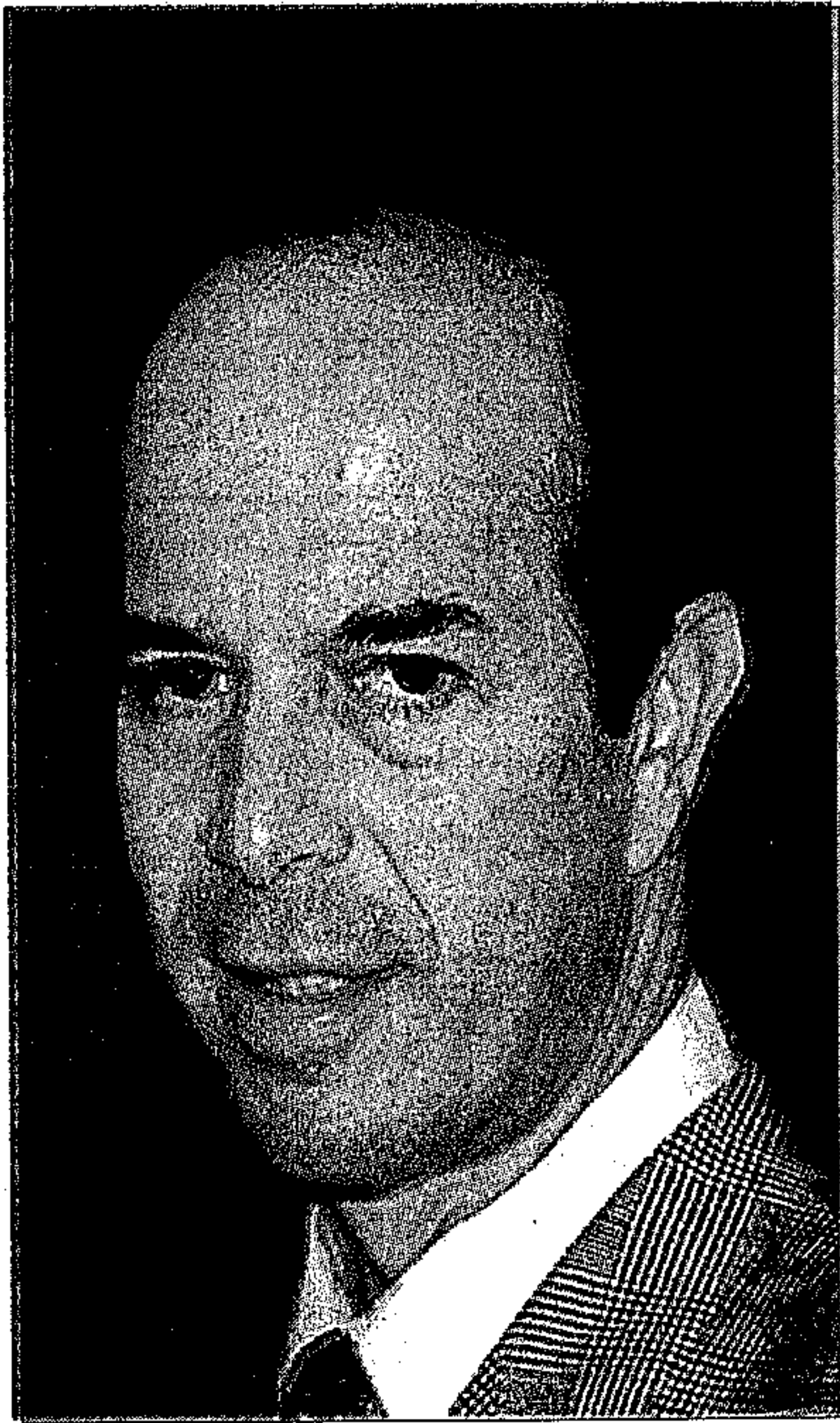
The bank plays a catalytic role in mobilising additional investment through co-financing of public and private sector investments, and facilitates the provision of public and privately owned infrastructure.

It provides technical assistance in the form of project expertise, financial grants or mobilisation of alternative and complementary resources.

It shares skills and knowledge to assist institutions to maximise the development impact and quality of specific intervention at project level.

The DBSA provides professional and administrative resources for the management of special infrastructure development initiatives on behalf of government and/or development institutions.

Until the South African development finance system becomes fully operational, the DBSA could provide finance for small and medium scale enterprise development and rural development as agreed with Khula Investments and the Land Bank respectively.



Building foundations for development: The Development Bank of Southern Africa's CEO, Dr Ian Goldin

and the efficient application of scarce private, public and other resources.

It interprets risk by taking into account project context, the broader financial base of the beneficiaries and the difference in socio-economic development stages of the area, the province or countries.

It applies the principle of cost recovery for technical and professional services ren-

FEATURE **NEWS**

By Claire Keeton
Feature Writer

SOUTH Africa's poverty hearings, starting in March, could lead the way for the world in promoting social and economic rights as fundamental rights, no less important than civil rights.

Organised by the South African NGO Coalition (Sangoco), the South African Human Rights Council (SAHRC) and the Commission on Gender Equality (CGE), the Speak Out on Poverty campaign will hold hearings in all provinces from March to June.

Although the United Nations has recognised that social, economic and cultural rights are indivisible from civil and political rights, they are not universally recognised as basic human rights.

Greatest challenge

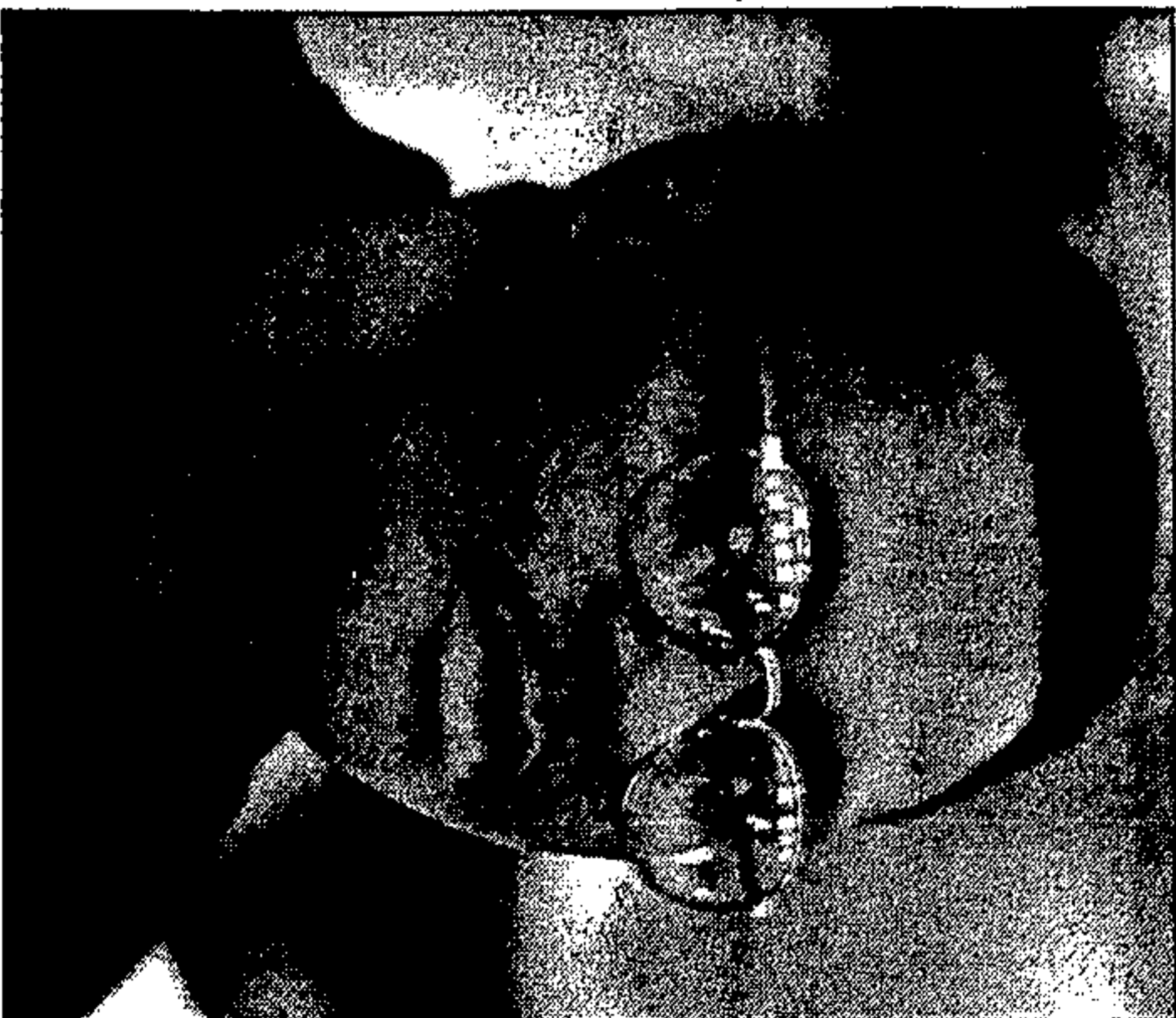
"Our greatest challenge is to integrate (these) rights and make it a reality that rights are not divisible," said SAHRC chairman Dr Barney Pitso at the campaign's launch this week.

He said the right to development was not yet seen to be as important as the right not to be tortured. "South Africa must take the lead in promoting social, economic and developmental rights."

Speak Out aims to do exactly this - highlight the experiences of the poor and look for solutions to the vast inequalities that divide South Africa.

Chairman of the UN committee on economic social and cultural rights Professor Philip Alston said South Africa has come halfway with a demo-

SA hearings on poverty a first



SAHRC chairman Dr Barney Pitso... South Africa must take the lead in promoting social, economic and developmental rights.

cratic Government.

"The next half is harder, to put social and economic rights into practice," he said at the launch. "We need to see people who are homeless or have no food as people whose human rights are violated."

"The fact that South Africa is start-

ing on this path is an enormous achievement, not only for it but for the international community. South Africa can show the way."

The organisers of Speak Out are hoping this campaign will gain support to become a mass movement to alleviate and eradicate poverty. "We ended apartheid. We can end poverty," their slogan urges.

In South Africa 53 percent of the population earn less than R301 a month, over nine million people live in informal shacks and 2,3 million children do not have enough to eat.

Most of the poor do not have access to work, housing, land, drinking water or education.

Sangoco president Mr Rams Ramashia said this country is still divided by the heritage of apartheid - the inequalities between blacks and whites.

Black South Africa rates next to the Democratic Republic of Congo as the 116th country in the world economically, while white South Africa stands

at No 14 with Spain.

Six percent of South Africans earn 40 percent of the income, and the ratio of a managing director's salary to a worker's salary is 100:1 in South Africa, compared to 7:1 in Japan.

These inequalities are further aggravated by traditional inequalities between men and women.

"Poverty affects men and women in different ways," CGE chairwoman Ms Thenjiwe Mtsho said. She said most of the poor are women, particularly in rural areas, informal settlements, and domestic employment.

Male-headed households

Three in every 10 male-headed households are poor compared with six in every 10 in which women are heads. The average annual income of male-headed households is nearly double that of women, averaging R48 000 a year compared to R25 000 for women-headed households.

Only 46 percent of women 15 years or older are classified as economically active, compared with 63 percent of men (according to a Government survey in 1995).

One of the reasons is the heavy responsibility women bear for household duties, with about half of all adult rural women collecting water for close to two hours every day.

It is South Africans with these experiences who will be welcome at the poverty hearings. Speak Out will

be a platform for them to talk about everyday struggles for survival and to give their recommendations on how to improve their lives.

It will listen to the voices of the poor in developing a programme of action for the Poverty Forum (a partnership between trade unions, churches, non-governmental and community-based organisations and Government).

The hearings submissions will be used to inform an economic summit in June to develop a poverty budget for 1999 and to challenge political parties in the run-up to the 1999 election.

Welfare and Population

Development Minister Ms Geraldine Fraser-Moleketi said the Government supported the Speak Out campaign although it would pose a direct challenge to it.

"We need a broad coalition and the Government has a clear focus on poverty alleviation and eradication and promoting pro-poor growth," she said at the launch.

Fraser-Moleketi backed Alston's suggestion that the Government set "benchmarks" - concrete targets for tackling poverty. "We must look at benchmarks."

But she said that all players in society, including business, will need to contribute to achieve the eradication of poverty.

● People who want to speak at the poverty hearings can contact Sangoco at 0800-11-40-10.

Poor will get platform to help them fight poverty

(297)

(297)

Star 26/2/98

By RYAN CRESSWELL

The national Poverty Hearings launched in Johannesburg this week will have far-reaching consequences for the plight of the poor, according to organisers.

The South African Human Rights Commission, the Commission on Gender Equality (CGE) and the South African NGO Coalition will hold 10 nationwide poverty hearings called "Speak Out on Poverty: Your Chance to be Heard".

The hearings will give the poor and their advocates a chance to speak out and will lead up to a report, a summit in June, a pro-poverty macro-economic plan and the Poverty Forum which will be attended by church groups, unions, government and non-governmental organisations.

Sangoco president Rams Ramashia said during the launch at the Worker's Library in Newtown that the macro-economic plan would probably be put forward as an alternative to the Growth, Employment and Redistribution (Gear) strategy, which the coalition saw as being a watered-down version of original RDP aims.

"It's time for poor people to set the policy agenda. This is what we mean by people-centred development and

participatory democracy," he said.

Welfare and Population Development Minister Geraldine Fraser-Moleketi said the hearings were an opportunity to "strengthen the ability of the poor to fight poverty". She promised that the Government would "listen" to what the speakers had to say.

Professor Philip Alston, who chairs a UN committee that looks at economic and social human rights, said these rights were often overlooked because there was a tendency to only regard rights in terms of torture or killing.

Thenjiwe Mtintso, chairman of the CGE, said it was mostly women who were poor and a change in power relations between men and women would be needed before their poverty was truly eradicated. Each hearing will deal with a different issue.

Education on March 17-21 at Bloemfontein; land and rural development on March 31 to April 3 at Pietersburg; open hearings on April 24-25 at Mafikeng, on April 27-28 at Nelspruit and on May 1-2 at Kimberley; economics on May 7-9 at Johannesburg, health on May 11-17 in KwaZulu Natal, social security on May 18-23 in East London, environment on May 25-29 at Port Elizabeth and housing and urban development on June 1-4 in Cape Town.

Welfare officials fired over 'ghost' pensions

By HOPEWELL RADEBE
Political Reporter

About 27 Gauteng welfare department officials have been dismissed and charged with defrauding the provincial government of thousands of rands by withdrawing social grants for "ghost pensioners", Welfare MEC Ignatius Jacobs said yesterday.

The department had also identified at least 18 000 ghost pensioners in Gauteng.

"We did not suspend the officials with their salaries intact but dismissed them because we believed there was sufficient evidence available for the law to take its course," said Jacobs yesterday.

Addressing a media briefing at the legislature, Jacobs said the department had reduced opportunities for officials who were responsible for paying social grants to pensioners to "go home with their pockets and bags full of money".

(297)
At least one departmental official in the fraud investigation unit had survived an assassination attempt.

He was shot seven times after he identified a fraud syndicate "which was stealing from the aged community of the province".

Jacobs said the department had changed its strategy of using cash to one of using banks and the Post Office to pay pensioners.

However, the department was still responsible for 84 pension paypoints in Gauteng.

"Our automated paypoint security system has discouraged criminals from robbing the paypoints. Paypoints no longer carry large sums of cash like before," Jacobs added.

He said the department had reduced the waiting period by making the service more efficient to eliminate queues.

The time spent by pensioners at paypoints before being serviced had also been cut.

Star 27/3/98

February 27, 1998

Gauteng welfare saved R85m in '97

Josey Ballenger

00 27/2/98 (297)

THE Gauteng welfare department saved more than R1m per pension pay point this year, making it the only provincial welfare department to put savings — to the tune of R85m — back into government coffers.

Welfare MEC Ignatius Jacobs said the department was sweeping out fraud and had improved conditions at the province's 84 pay points, formerly a "sore point" in Gauteng.

The department's 1997/98 budget was more than R2bn.

Jacobs told reporters at the provincial legislature yesterday that pensioners stood in shorter queues and payouts were finished by noon, rather than 5pm as under the old system. Security at pay points had improved to the extent that there was only one failed robbery attempt last year, compared to between 60 and 80 in previous years.

An automated payment system, which works by recognising thumbprints, and limits the number of officials who handle cash, had helped eliminate fraud, he said.

Data cleaning and reviews ensured that only those who qualified were recorded in the system. This was reflected by the average number of beneficiaries dropping from 384 241 in 1996 to 365 450 last year.

The computer system was linked up with home affairs to clean out "ghost" pensioners.

"Syndicates" were the largest source of fraud, Jacobs said. "It is largely syndicates, not individuals, who are defrauding people."

The department had disciplined and prosecuted 27 officials involved in fraudulent activities at pay points, eight of whom came from the Germiston service office.

"We dismissed these people. We did not suspend them with pay," he said.

Jacobs said the department's special fraud unit's job "doesn't come without any blood or sweat". One of its senior team members had survived eight bullet wounds in December.

The department outsourced the pay points last year to Cash Paymaster Services (CPS) and the Sinamandla Group and had created "one-stop shops" at some of the sites, with banking and informal business facilities, tea gardens and telephones in order to plough pensioners' money back into their community.

CPS donated 50c per pensioner per month to a R300 000 community development fund in compliance with one of the tender requirements, Jacobs said.

The department will submit its annual report to the provincial legislature on Monday.

Govt turns down 'risky' Japanese loans

John Dlodlu

GOVERNMENT has turned down Japanese loans worth \$75m which were to have financed two development projects after Pretoria felt the finance would result in currency risks.

This signals an increasingly cautious approach to foreign aid by government. It follows concerns raised by the finance department, which co-ordinates foreign aid to SA, that procedural rigidities — such as the requirement to provide only yen-denominated loans — was making Japanese loans only marginally cheaper.

"Due to exchange rate risks, and increased costs associated with taking out forward cover, the landed cost of the loans is only marginally cheaper than loan facilities on the local market," the department said.

It said loans for the Mooi-Umgeni river transfer project (\$50m) and for the Eastern Cape rural roads rehabilitation project (\$25m) had not been approved.

S Otsuka, deputy head of the Japanese mission in Pretoria, on Friday confirmed cancellation of the projects' finance with his government, saying SA had not allocated a budget for the water project and that Pretoria was reluctant take a foreign borrowing risk on the roads project.

The department, which believed a political decision by Tokyo was required to make the loans more affordable, warned that if the terms and

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Continued on Page 2

Japanese loans (297)

Continued from Page 1

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conditions remained the same, government would "have difficulty utilising this facility".

However, Otsuka ruled out a change of heart to accommodate SA's request for policy changes.

Though Japan had attempted to relax conditions in the past, these failed as monetary policy was outside government responsibility, Otsuka said.

Other Japanese-backed projects

were proceeding as planned. These included the first phase of the \$50m rural social infrastructure programme and the \$30m water supply project in the former KwaNdebele.

Of the Japanese \$1,3bn aid package pledged in 1995, the finance department said the \$500m worth of loans from the Japanese Export-Import Bank had been "utilised fully — in excess of the amount pledged" and disbursements were on schedule. The department said there were no disbursement problems on projects funded by Australia, Greece, Italy, Ireland, New Zealand, Spain and UN agencies.

Stolen donor funds may be recovered

(297)

RONALD MORRIS

JUSTICE WRITER

CT 2/3/98

THE Proceeds of Crime Act may ensure that most of the R3,1 million in foreign donor funds stolen from the World University Service-South Africa (WUS-SA) is paid back.

This follows High Court confirmation last week of Mr Barend Petersen, a chartered accountant, as curator of assets of Mr Thompson Msweli, bought with the stolen money.

Msweli, as finance director of the WUS-SA, allegedly started stealing when he took over the portfolio in 1995.

WUS-SA's mainly Swedish and Swiss funding has been suspended, pending a forensic audit to determine the extent of the theft.

After Msweli's arrest, deputy attorney-general Mr Percy Sonn applied to the High Court to freeze Msweli's assets in terms of the Proceeds of Crime Act.

The court heard Msweli had bought two service stations, a house worth almost R500 000, a 1997 BMW Cabriolet, a 1997 Honda Ballade and other motor vehicles.

Evidence was also that he had insurance policies that would pay R16m on maturity.

WUS-SA obtained a provisional sequestration order against Msweli's estate, and a trustee was appointed to manage his assets.

Two laws — the Insolvency Act, which ensures the fair treatment of an insolvent's creditors, and the Proceeds of Crime Act, designed to protect the victims of crime — were then on a collision course.

Sonn gave Absa Bank — a secured creditor — an undertaking last week that its claims would be recognised.

Had the Proceeds of Crime Act not protected WUS-SA, it would have been at the mercy of the trustee of the estate, who would have administered it in the interests of the broad body of creditors.

Petersen said there was no guarantee that WUS-SA would get all its money back, but its interests would be "protected all the way".

Weaving of social safety net is well under way

(297)

Welfare and Population Development Minister **Geraldine Fraser-Moleketi** looks at what is happening with the transformation of the social security system.

20 3/3/98

THE transformation of the social security system is of great importance to our country.

However, the actual transformation process — in terms of putting a comprehensive social security system in place — is not the responsibility of welfare alone. Social security covers a wide variety of public and private measures that provide cash or in kind benefits or both. But it needs to be seen in the context of the contributory system to which both employers and employees contribute.

About 88% of the total welfare budget is currently allocated to social assistance — about 7,5% of government spending.

Substantial work has been commissioned and completed by the department to identify problems in the social security system and to develop proposals to resolve these problems.

The most recent of these is the report of the Public Service Commission, which was commissioned early last year.

This report drew on the 1996 Chikane commission report on social security, and on the findings of an interministerial committee.

The report said the system required urgent attention at all levels of government and civil society.

Living well within our means is the government's commitment through its macroeconomic plan (Gear). It is an objective also of my department in commissioning the public service commission to investigate the status of the social security system.

Last year we set in motion a series of projects to implement the recommendations of the Chikane commission report. These include:

- ☐ Cleaning of the data base;
- ☐ Removal of fraudulent beneficiaries;
- ☐ Inspection of pay points;
- ☐ Early warning system;
- ☐ Training of staff;
- ☐ Dealing effectively with corruption, inefficiency and incompetence; and
- ☐ Development of an audit function within the system.

A major challenge facing government is the development of an effective method of intergovernmental relations to manage social security.

The welfare ministers and MECs have gone a long way in creating the spirit of co-operative governance necessary for dealing with problems in social security. Continuing co-operation will enable us to prevent the problem

recurring.

The national department is neither ambiguous nor indecisive about actions that need to be taken to resolve social security problems. We are way ahead in the implementation of most of the public service commission's recommendations. These include:

- ☐ Building the social security division, headed by a deputy director-general, with a well functioning information technology system;
- ☐ Three tenders have already been awarded as part of the wide-ranging improvements to social security systems;
- ☐ Implementation of the Welfare Laws Amendment Act.

Regulations will soon be tabled to empower the national department to regulate the system. This will come into effect in the next budget cycle as provinces already have their fiscal allocation for social security; and

- ☐ In my latest budget estimates, we have included a R75m allocation which we are using to implement the child support grant and partly to create a model social security system. We are asking for a one-off allocation from the finance ministry to clean our system once and for all. This money will be used to pay for the reconciliation of social security accounts, investigation of fraud and for taking action against criminals, training and for computer system development.

Services to people

It is true that in some cases our social security system does not provide beneficiaries with value for money and, unfortunately, it never did. To reverse this culture of poor service from our public servants is the focus of the welfare ministers and MECs.

The department has received an Institutional Development Fund grant from the World Bank which will allow us to implement recommendations after our investigations.

It is about services to people and not another grand plan or strategy in a vacuum.

Lastly, I am convinced the interventions and changes introduced by my department have begun to bear fruit. Although still loose, and in many cases inadequate, the effort to weave a coherent social safety net is well under way and the public service commission report weaves an extra thread into this tapestry.

USAid cookie jar helps SA get Streetwise

THE US Agency for International Development has provided Congress with a detailed chronology and other documents setting out how it came to award New York-based Children's Television Workshop \$5m to help produce SA version of famous children's programme, Sesame Street.

Questions have been raised as to whether this was an appropriate use of money authorised by Congress to be spent on aid to SA education, and whether, had the SA government been party to how these funds were allocated, it would have made the same choice.

These questions remain unanswered. To look on the bright side, if the \$5m is spent as per the agreement between USAid and CTW signed on September 29, SA children will be delighting within the next couple of years to television and radio shows featuring "indigenised" cousins of Elmo and the Cookie Monster, while SA teachers and care givers will have been trained in how to use the fuzzy creatures as educational tools.

The SA Broadcasting Corporation (SABC) will also have at its disposal a cadre of writers, directors, animators and puppeteers to whom CTW will have transferred technology and skills.

What's not to like about all this? Superficially, very little. Relative to the brain-rotting wasteland that is US television, Sesame Street stands out as a rare, though not exclusive, exception.

There can be no harm in the SABC picking up some of CTW's craft or in the cross-pollination of ideas that will surely result.

Maybe, just maybe, the preschool audience for the new programmes will absorb a few numbers and letters, health tips and pointers to good behaviour, though there is little research to bear this out other than studies commissioned by CTW itself.

Of course, the fact that CTW has had to agree to teach teachers

how to teach children to benefit from watching (or listening to) the shows suggests difficulties with the absorption theory. If that does not hold, would it not be better to use all the \$5m simply to teach teachers to teach using time-tested methods that do not involve radio and television sets.

Issues such as how most effectively to use R25m worth of irreplaceable education funds, when

the majority of SA schoolchildren want for qualified teachers, textbooks or even adequate classrooms, do not appear to have been discussed with people accountable to the SA public before USAid signed its agreement with CTW.

The story told in the agency's own documents boils down to this:

In July 1996, SA's education department officially sought USAid's support in developing "distance learning" using a mix of television and radio programming and printed materials.

What the department got was the CTW SA Sesame Street project. No alternative "distance learning" proposals were solicited or considered by USAid; nowhere in the agency's chronology or in (supposedly) supporting correspondence from the education department is it stated the agency was directly requested by responsible persons in government to fund the project.

CTW, which boasts that Sesame Street "has been enjoyed in 93 countries in its original language, and in 51 additional countries in 17 indigenous coproductions", has long been keen to become involved in SA.

In late 1993, two SA groups, the Electronic Media in Education Forum and the SA Institute for Distance Educations, both funded by USAid, invited CTW to SA to discuss the creation of an indigenous Sesame Street.

In September 1994, with funding from the US Ford and Kellogg Foundations, CTW took six South Africans to the US for training. In July 1996, according to the

chronology, USAid met education department officials.

"Discussion include(d) interest in teacher training and in engagement with possible indigenous version of Sesame Street."

The following August, the department sent the agency a proposal entitled "Developing a Multimedia Approach to Education and Training" outlining a new partnership between the department and the SABC to produce educational programming. Sesame Street was not mentioned.

According to the chronology, the matter did come up again until discussions between USAid and SA's "director of school education" at the end of 1996. At this meeting, "an indigenous version of Sesame Street (was) identified by (the department) as a priority area."

Meanwhile, at around the same time (although the chronology becomes as fuzzy as Elmo at this point), a CTW delegation flew to SA and talked to staff at the USAid mission, the SABC and the education department.

CTW then told USAid it intended to submit "an unsolicited proposal" for funding.

BD 4/3/98

The mission replied that "in consultation with the government of SA" it had "developed a strategic objective and results framework and preferred to solicit directly or through a competitive process". In other words, the mission was concerned that the government might not be thrilled if USAid just went ahead and funded CTW's plan — even though the chronology states that the depart-

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ment of education's centre for educational technology and distance education. Did he say: "Yes, proceed"? Not exactly, according to the chronology. It said it was noted that the SABC and the department were quite pleased about the project, which they saw as the cornerstone of the early childhood development portfolio and an example of their anticipated future collaboration. But by

USAid was party to US taxpayers' money being used to impose an indigenous

version of Sesame Street on SA education, money that could have been better used for other educational purposes, writes Simon Barber in Washington

ment of education already considered what CTW was offering "a priority".

What the mission proposed was to draw up a "sole source solicitation", that is to say, make a determination that only CTW offered the kind of multimedia education expertise USAid wanted, and then request CTW to make a proposal, specifying in the request precisely how that proposal was to be worded. Before going to CTW, this solicitation would be submitted to the SA department of education for "review".

A "high level of interest, discussion and commitment evidenced by South Africans (was) integral to (the) mission's decision to proceed with draft solicitation design and internal review", it is stated in the chronology. What apparently was not "integral" was a formal go-ahead from SA authorities. If it had been, the mission staff who prepared the chronology would surely have said so, since this was precisely the issue on which USAid was being called to account by members of Congress.

On April 3 last year, the mission presented a draft solicitation to Vis Naidoo, director of the ed-

whom was it so noted? Were other opinions expressed?

CTW was sent the solicitation for an indigenous Sesame Street (the SABC had by now already purchased and was broadcasting a generic, dubbed version, Open Sesame) on April 14, "based on (the department's) April 3 approval by two directorates". Which two directorates? What form did their approval take? If formal and in writing, why were these documents not included in the package to Congress (which did include a couple of letters signed by Naidoo wherein the absence of formal go-ahead was conspicuous)?

The chronology's entry for May 26 sheds only further obscurity on the situation.

Naidoo "formally respond(ed) in writing, documenting April 3, 1997 — USAid solicitation to CTW". That is odd, given that we've just been told the solicitation was sent on April 14. And to what was Naidoo responding?

It is a sure bet that the chronologers were having to cope with a document that does not comport with the version of events which they were trying to suggest and which they could be forced to di-

vulge by investigators or under the Freedom of Information Act. Hence the word "documenting". Naidoo's letter being legally unexpurgable from the record, the nature of its contents had to be glossed over in the hope that no one would notice.

Things get more bizarre. On September 19, after CTW had submitted its proposal as solicited and then "negotiated" the fine points with the USAid mission contract officer, mission staff and the department agreed to postpone the launch of the proposed initiative until the formal agreement was negotiated and finalised between CTW and the department. But this could not happen until an agreement was signed between USAid and CTW.

What the chronologers were saying was that even as USAid was moving to closure on giving CTW a substantial chunk of its budget for SA education, SA authorities had not yet been able to discuss the details with CTW.

Indeed, such discussions could only occur after USAid had officially awarded CTW the grant, at which time CTW, armed with the R25m in US taxpayers' money, would be able to dictate terms to the SA education department and the SABC.

That is proof positive, were it needed, that USAid pushed the Sesame Street project onto SA by force majeure. Furthermore, USAid may have positioned the theoretically "not-for-profit" CTW to maximise the money its for-profit affiliates (from whose coffers its management are paid obscene salaries) may make from merchandising "indigenous" Sesame Street creatures, videos and other paraphernalia to SA's children.

The bottom line is that CTW, as much as it denies it, could have easily donated its services to SA's children, allowing R25m to be used on more immediate needs. Maybe it would have, that is if USAid had not been so willing to be its co-conspirator.

Nats target ANC pair in research cash row

CHENE BLIGNAUT
STAFF REPORTER

Two former Western Cape African National Congress ministers have been linked to a private organisation which was paid hundreds of thousands of rands by provincial government departments for research work.

Former health minister Ebrahim Rasool and former transport minister Leonard Ramatlakane are directors of the Foundation for Contemporary Research, a non-government organisation which has undertaken substantial projects for the Western Cape government.

The ministers' involvement in the company came to light after a National Party member of the provincial legislature, Anwar Ismail, gave notice of his intention to ask questions about the company's research.

Today Mr Rasool talked openly to the Cape Argus about his membership of the foundation board, but said he had never tried to influence its "operational decisions".

"The transport report was paid for by USAid, not the provincial government, and was completed before Mr Ramatlakane joined the foundation," he said.

The economic report had been bought from the foundation and not commissioned by the provincial government.

Mr Rasool said he had worked for the foundation for some years. More recently, his role had been as a board member not directly involved in the daily functioning of the organisation.

The foundation, a section 21 company specialising in economic research, is a well known Western Cape NGO which, with several others like it, had been asked to undertake research for the Government.

A shake-up in the provincial cabinet last year meant portfolios previously run by ANC members were given to NP ministers.

The company was commissioned by the Department of Transport, headed by Mr Ramatlakane at the time, and the Department of Economic Affairs, headed by ANC minister Chris Nissen, to do several research projects.

Mr Nissen's department, which was taken over by Hennie Bester of the Democratic Party this year, budgeted to pay the company more than R500 000 for one of several research projects in this financial year.

Mr Bester said he had been "alerted" that "an inordinate amount" of money had been spent on research in his department and had launched an investigation.

The acting managing director of the foundation, Edgar Pieterse, said he would be "surprised" if the former ministers had had any direct influence in the awarding of the research work. They were voluntary directors and not paid by the company.

ASTOUNDING FARM BUILT ON VISION

Free to grow and live their dreams

ET 4/3/98

(297)

POLITICAL WRITER KARIN SCHIMKE visited a far-reaching farming concept near Piketberg that proves the hope of reconstruction and development lies in personal vision and collective strength.

YOU can see Broodkraal from a high mountain road. It's a patch of green surrounded by hectares of new vineyards and undulating wheat-coloured fields as far as the eye can see.

When Mr Jannie le Roux mapped out the way to this farm, which lies on the outskirts of Piketberg, he should have asked us to look out for the funnels of sand swept up behind the farm traffic which seems to endlessly crisscross Broodkraal's 1 000 hectares.

The dust has taken the shine off the bakkies, but the funnels look like pointers picking them out on a huge map.

Not that Jannie's directions weren't accurate. It takes 90 minutes to drive to the farm from Cape Town and, with his directions, you don't miss a turn. Thank goodness, because even a whole day is not enough to see everything you need to see.

Luckily it takes less than a minute to realise just how astounding this farm is... in its scope, its dreams and in its people.

The Berg River is deep purple and wide as an Olympic-size pool at the point where you cross it to enter Broodkraal. On your right, tens of colourful facebrick houses sit neatly in gardens where rose bushes and geraniums are thriving in the flower beds.

Behind these, larger houses with grander roofs are parked around a crescent road surrounded by sparse, but growing lawns. It's awfully suburban. It doesn't seem possible that farm workers live here — most in the smaller three bedroom, while the "achievers" occupy larger houses which sport three bedrooms, a garage and a store room.

Next to the houses, flats are being built for seasonal workers and a cricket field, a rugby field, an enormous crèche, a library and a community hall are starting to take shape.

Opposite this housing development, a newly scraped dam wall rises improbably. The top of the wall is wide enough for two-lane traffic, and — I cannot tell a lie — is rather thrilling to stand on. From here you look out over 100 hectares of farmland which, after

this coming winter, will be under water. This dam is the catchment area for the dreams of hundreds of people and, before we continue the tour, we have to digress into some history.

Jannie, who is the group manager of the Broodkraal experiment, explains that about four years ago he was approached by a highly successful Cape Town businessman and Boland farmer who happened to share his name. This Mr Jan le Roux had decided he wanted to start a labour-intensive farm that would create employment opportunities that would benefit the surrounding community into future generations.

"Jan's only requirement when he spoke to me about taking on the job was that this be a profitable undertaking."

It has to be, because Jan's dream won't work if the farm folds after a few years.

The farmworkers are well aware that their own personal successes are inextricably entwined with the success of the farm and, for them to have a prosperous future, the farm must make money.

Jan tells me later: "This project wasn't about the money, it was about the people. If I'd wanted to make money there are probably ten easier ways to have done it. But I wouldn't want to lose

money because, if this development falls flat, it means there won't be work for all these people."

But to make this work, the farm needed water for the 700 hectares of table grapes it has to support and it had the rights to only enough water for 100 hectares. Because there was a moratorium on the acquisition of new water rights, things were looking pretty grim at the beginning of the project.

Armed with a list of objectives that Jan, Jannie and the workers on the farm wanted to achieve, they all went to see Water Affairs and Forestry Minister Professor Kader Asmal and asked him if they could build a dam. The idea was to pump excess winter water out of the Berg River.

Asmal gave his blessing and Jan and Jannie gave an undertaking to store enough water in the dam to irrigate 100 hectares of the neigh-

bouring farm, belonging to the Wittewater community. The dam, built at a cost of R6-million, was completed last week.

At the foot of the dam wall, a pump house is being built by Ernest Engelbrecht, a local contractor who uses local builders. He and other contractors on the farm are small business entrepreneurs who did not have much of a chance to get their foot in the door before the 1994 elections.

Ernest's sister, Augusta, also works on the farm. She is one of the many who catch a bus into work every day — not a public bus, but one that belongs to the farm. Augusta is the friendly receptionist one first makes contact with when phoning the farm, and she is based in a small rondavel which stands at the heart of the farm.

She tells me: "In the beginning a lot of the farmers around here called Broodkraal 'the ANC farm'. But they're not that critical anymore."

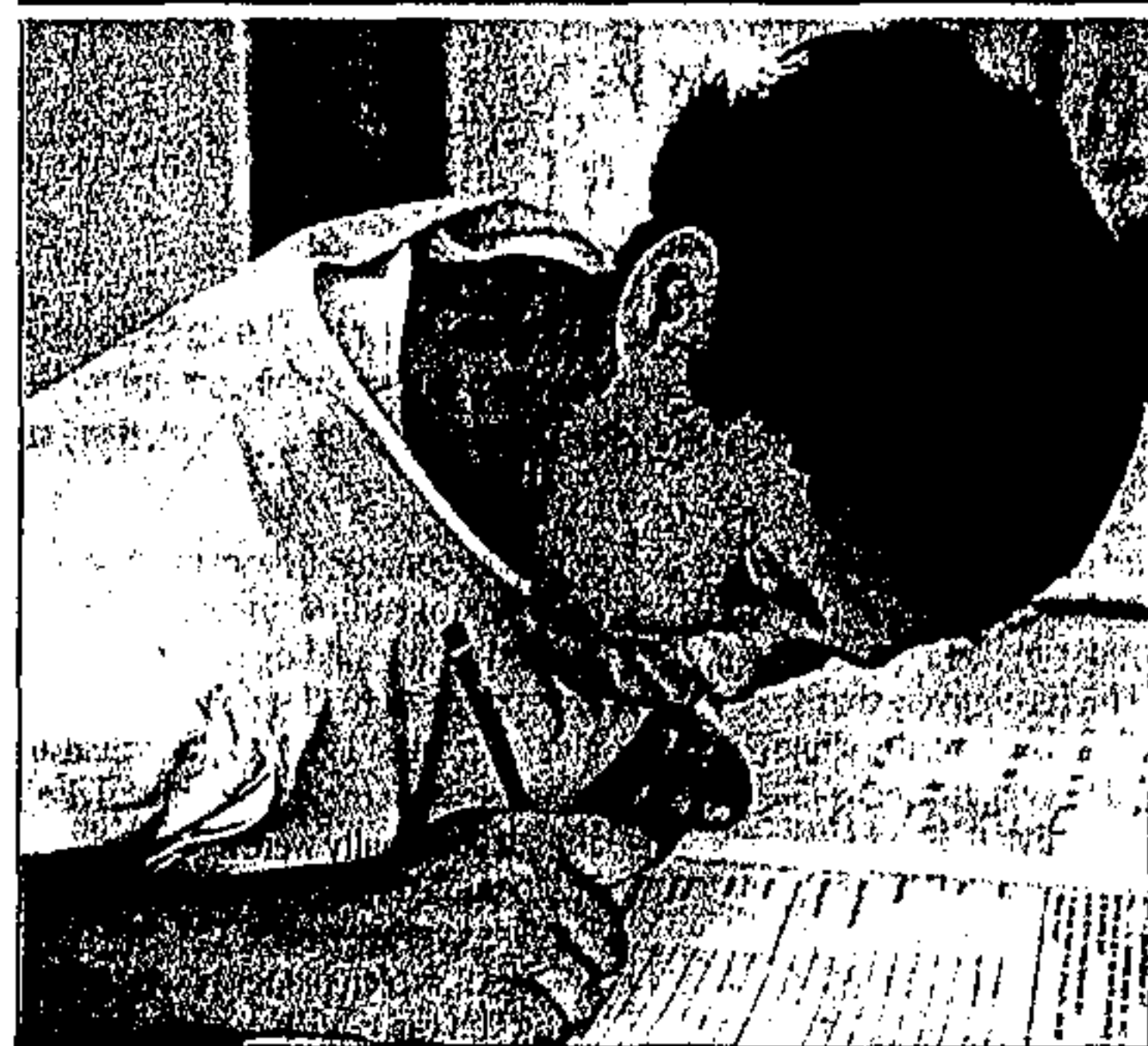
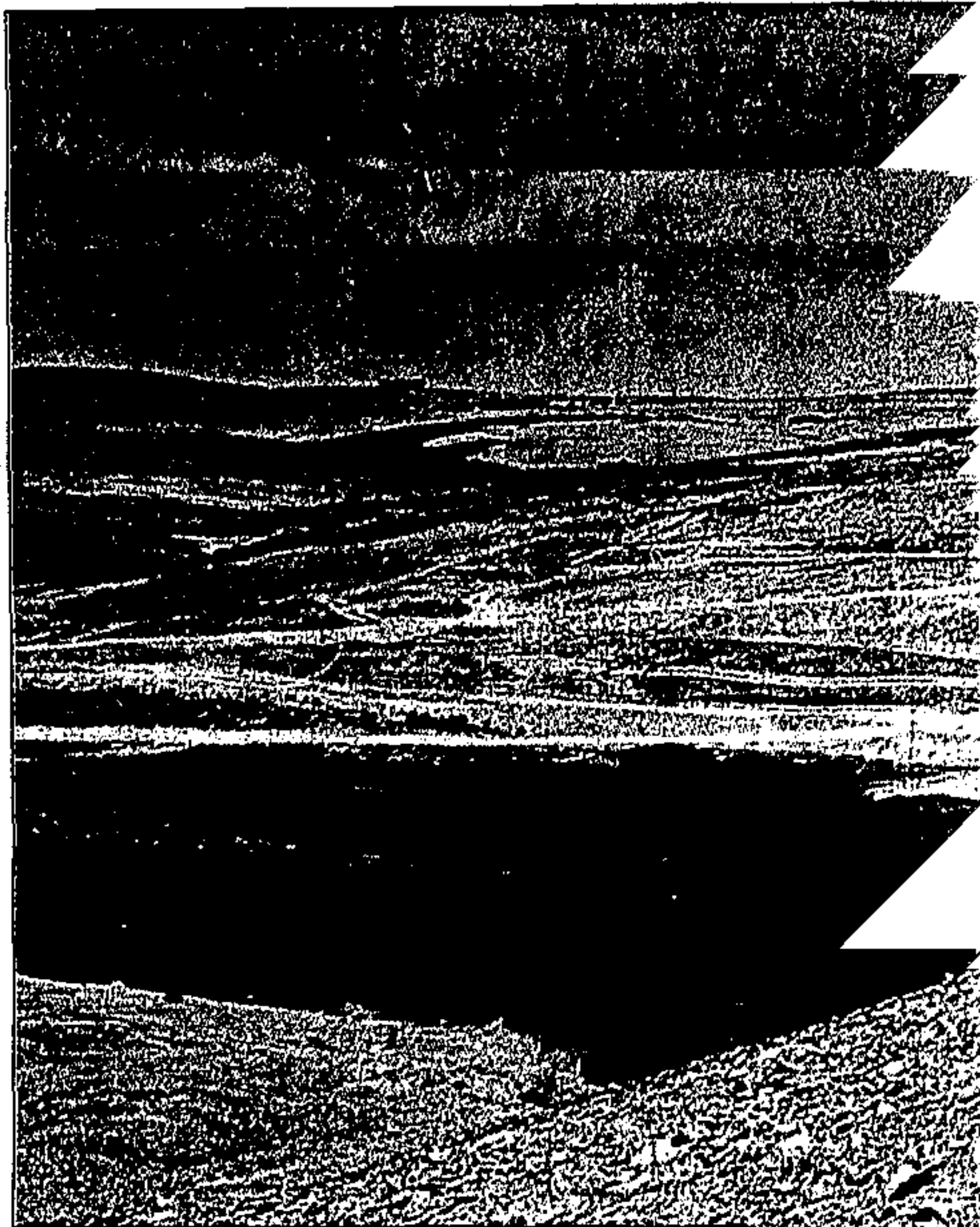
"They see now that (the farm) offers more than any of the others do. The farm workers feel secure, not least because arrangements are made for them for an unemployment fund. You don't get that on other farms. It's a great place for the workers."

Outside the rondavel is a house belonging to one of the managers, a small shop, various farm buildings and a large workshop where the buses, bakkies and tractors are serviced.

A qualified mechanic not only oversees the work, but acts as a "trainer" for those under him. After working there for a while they undergo testing approved by the National Qualification Framework and, if they're good enough, they get a certificate reflecting their skills. This applies to everyone who works on the farm, whether they fix cars, sew curtains (which they sell to their colleagues for a small profit) or prune vines.

They can use their qualifications in the market place should they ever leave the farm, but the training is provided free. In return, a certain amount of service years have to be given back by the worker.

But who would want to leave here anyway? We spoke to so many people on the farm and everyone seemed perfectly content with their lives at Broodkraal. It seems the reason is because most of Broodkraal's people are in control of their own lives and do not live under the patronage of a farmer who deals out welfare. Jan is more in the business of bestowing dignity.



DAM OF HOPE: (above) for this dam the Broodkraal

WRITING THE FUTURE

streets, cutting grass gardens all morning.

Ms Elsie Hanekom, the Samuels are packed pens to grab a bite. I given an hour break to attend literacy class. I gives me a minute of sing the farm's praise.

"I like it here. I don't rake over old coals anymore. I don't think about the past. When we went on a life skills course and I learnt how to handle conflict, how to talk to people, see the difference between good and bad. I am much

Jannie says: "If someone is hungry, you don't give them a fish; you show them how to use a fishing rod. Then they can feed themselves for the rest of their lives."

Here at Broodkraal everyone walks around straight and tall as if they're balancing their fishing rods on their shoulders.

The village, which was quiet and empty in the morning, has become busier at lunch.

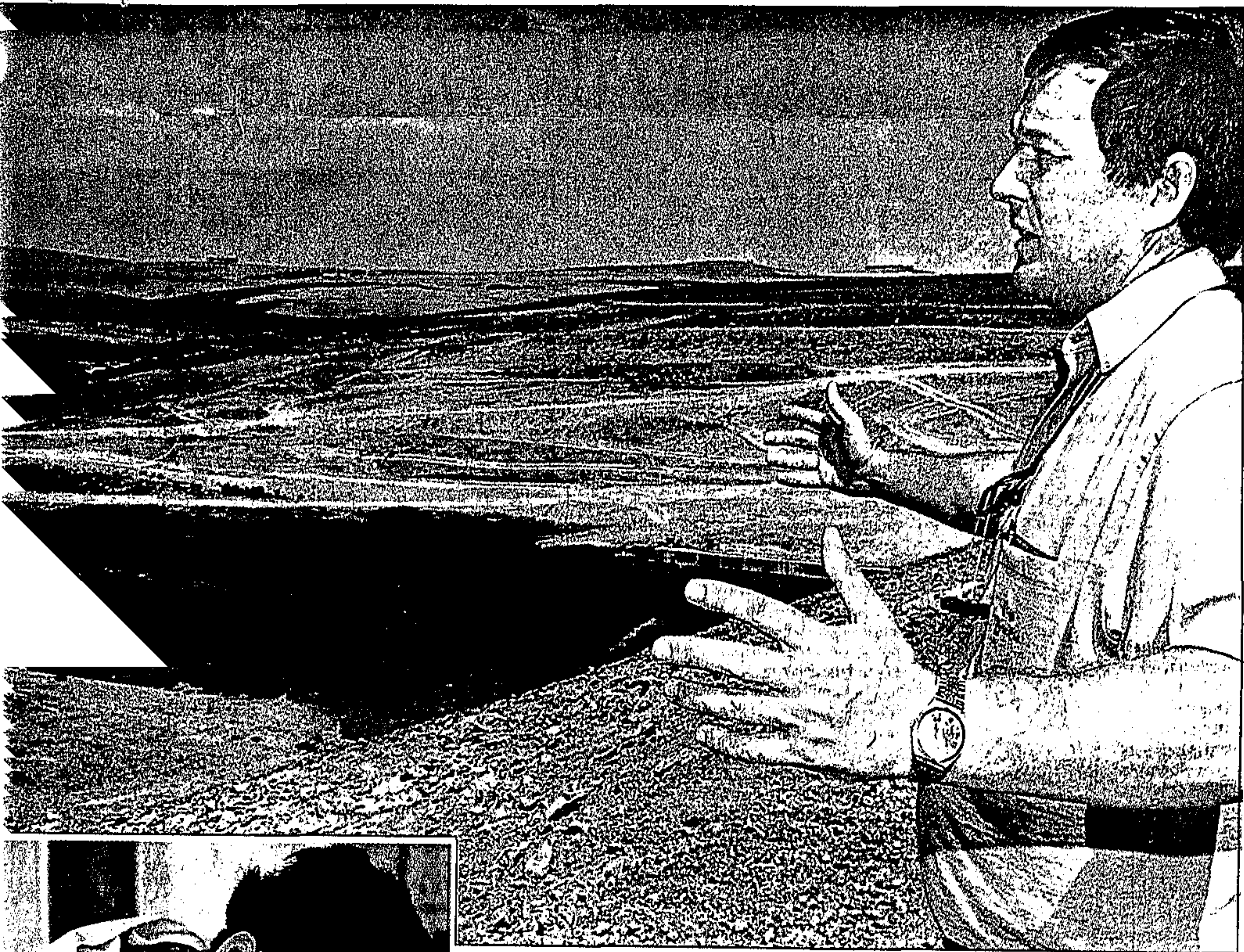
Sanna van Neel is dabbling her brow with her apron while the kids in the crèche tuck into their pudding. Sanna's advanced years and illiteracy haven't locked her into a pointless existence. She has just completed a cooking course with flying colours and is now the crèche cook.

Mothers are seeping through the vineyards to come home for a quick bite at lunch time and check on their kids, who for a mere R1,50 a day are looked after by some of

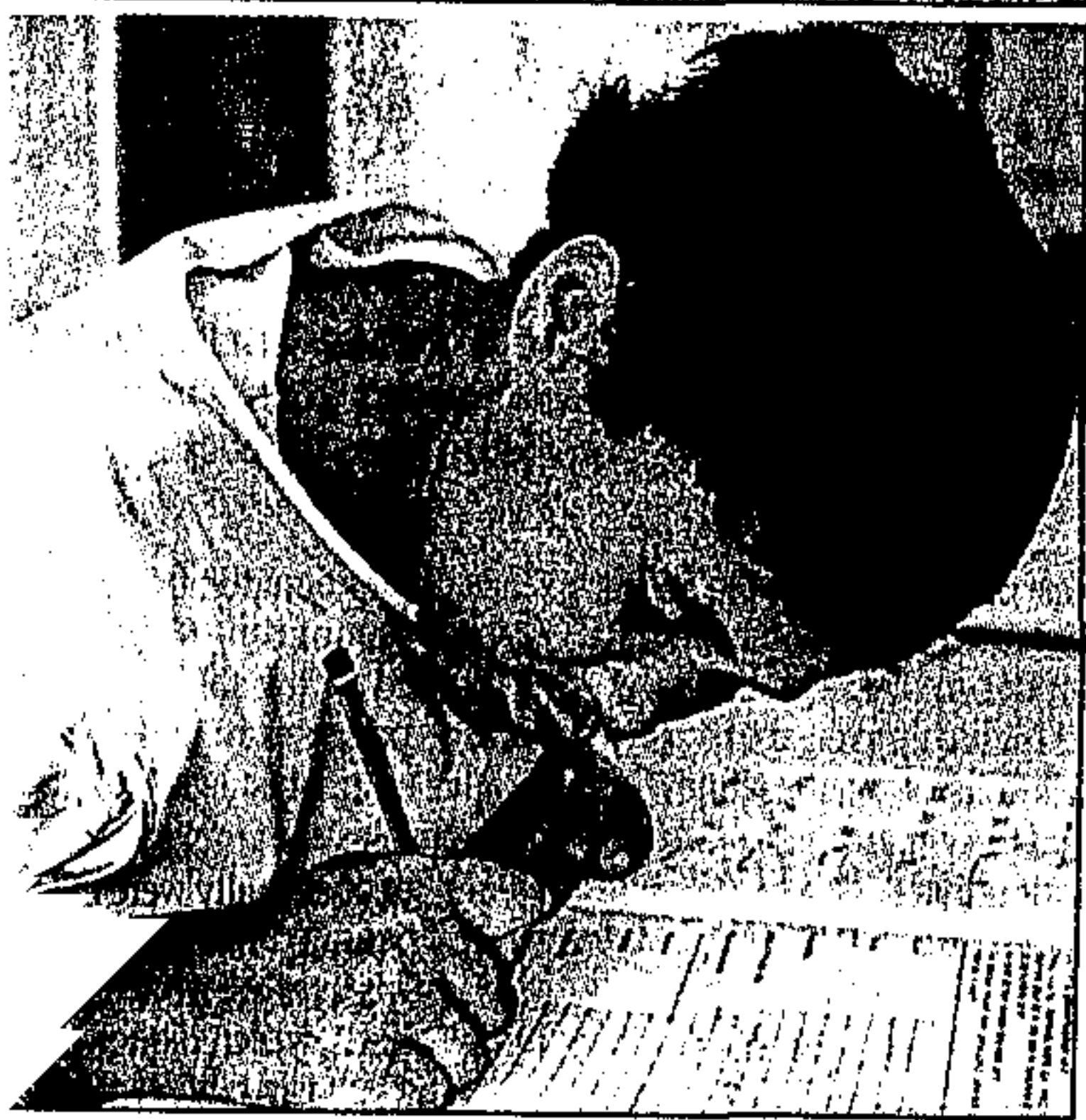
the other women in the community who are training for nursery school teaching diplomas.

And for now Broodkraal's "municipality" has switched off the engine on the "municipality truck" which has been cleaning





DAM OF HOPE: (above) Group manager Jannie le Roux explains how Broodkraal's dam was built. If it weren't for this dam the Broodkraal dream would never have become a reality.



WRITING THE FUTURE: (left) Elsie Hanekom takes a break from the fields for a literacy class.

PICTURES: THEMINKOSI DWAYISA

streets, cutting grass and watering gardens all morning.

Ms Elsie Hanekom and Ms Bettie Samuels are packing away their pens to grab a bite. They've been given an hour break from the fields to attend literacy classes, and Elsie gives me a minute of her time to sing the farm's praises:

"I like it here. I don't rake over old coals anymore. I don't think about the past. When we got here we went on a life skills training course and I learnt a lot. About how to handle conflict at home, how to talk to people and how to see the difference between good and bad. I am much more confi-

dent now."

Elsie is referring to the skills training course that is offered over several weeks to the farm workers. To illustrate what Broodkraal is about, new workers are shown a picture of a man pushed flat on the ground by flour bags, each labelled with something negative which holds people back from succeeding.

During the course they are taught to throw off the bags and stand up, whether the bag they have to discard is labelled "lack of education" or "lack of self-confidence" or whatever. This too, is one of the things you are offered

when you join the Broodkraal way of life. The course is called "Free to grow".

Leaving in the mid-afternoon, with the sound of tractors, construction and working voices behind us, we look back and see that the green in the middle of the farm is what Jannie pointed out as the first of the vineyards that could yield grapes for European tables in two years' time. All around that, fields are being prepared for future vineyards.

Whatever baggage could have hampered this project in the past has been discarded. Broodkraal itself is free to grow.

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NOTE: Letters typed on one A4 page (or 200 words or less) will receive preference. — Editor

Pressure group to tackle poverty (247)

David Greybe PD 5/3/98 (245)

CAPE TOWN — A national campaign to put pressure on government to make poverty eradication a priority was launched yesterday by churches, trade unions, government watchdog bodies and non-governmental organisations.

"Poverty is the cruellest legacy we inherited from apartheid and its eradication should be a top priority on everyone's, including government's, agenda," Anglican Archbishop of Cape Town Njongonkulu Ndungane said. "We have had political liberation in SA. Now we need economic and social liberation."

Poverty could be eradicated "within a generation" if South Africans displayed the will necessary to do so. But, Ndungane warned, SA would be heading for "another abyss" if it believed peace and stability could be attained without eradicating poverty.

The "speak out on poverty" campaign has been convened by the SA Human Rights Commission, the Commission on Gender Equality and the SA NGO Coalition (Sangoco), backed by the Congress of SA Trade Unions (Cosatu) and the church leaders forum. The three month campaign will begin in the Free State on March 17 and end in Cape Town on June 4. Hearings across the country will focus on housing and urban development, land and rural development, education, the economy, health, social security and the environment.

"The hearings will break the silence on poverty by giving poor people the opportunity to share their experiences and propose solutions," Sangoco president Rams Ramashia said.

Human rights commissioner Pansy Tlakula said: "Our wonderful constitution will remain meaningless to those who live in abject poverty and squalor unless it translates into reality."

Poorest get turn to testify on apartheid



Bridge hotel: poverty expert Rams Ramashia visits the people who have built homes at 'Cardboard City' under the Western Boulevard

Hearings to focus on plight of poorest

BLACKMAN NEGRO
STAFF REPORTER

South Africa's poorest citizens will describe how apartheid caused their poverty when they appear at hearings in Bloemfontein this month.

The hearings have been organised by non-government organisations, churches, trade unions, the Human Rights Commission and the Commission on Gender Equality.

The chief executive officer of the NGO Coalition, Rams Ramashia, said the aim was to do for the poor what Archbishop Desmond Tutu had done for victims of apartheid violence.

The hearings will focus on education, housing and urban development, land, health and general economic issues.

Those who will tell their stories include businesspeople, clergy, teachers, farmers, farmworkers, the unemployed, children, men and women.

Anglican Archbishop Njongonkulu Ndungane said the hearings

were being held to redress the legacy of apartheid.

While the Government's achievements were being assessed, the hearings would show that more needed to be done to alleviate the lot of the poor than Government achievement showed.

Government departments had been sent questionnaires by the Human Rights Commission for information on what they had achieved.

The departments had been given until February 15 to respond, but some had not yet done so and had asked for more time.

Pansy Tlakula, co-chair of the Human Rights Commission, said workshops were to be held with departments which had failed to return the questionnaires in time.

"This is a new thing and some of the departments may need help."

Statistics from the United Nations Development Programme's human development index showed that if South Africa were to be divided into two countries, Black South Africa

and White South Africa, White South Africa would rate 14, next to Spain, and Black South Africa 116, next to Congo.

The message seemed clear that any political party that failed to commit itself to the human rights of the poor would be failing.

"We don't want the rights of the poor to be treated like second cousins to political and economic rights or second-generation rights, as some have said," said Ms Tlakula.

Comrie September of the Congress of SA Trade Unions said that although her organisation had been critical of the Government's macro-economic policies, Cosatu expected to take part positively.

"This does not mean that we are going to fight with the Government. It doesn't mean that the hearings will be confrontational to the Government."

"We want to redress the legacy of apartheid. Some of our members who are poor are supporting five others," she said.

HAVE YOUR SAY

Break the silence on poverty, destitution

CT 5/3/98 (297) (297)

A CAMPAIGN has been launched to give the "silenced poor" the opportunity to speak out on poverty at public hearings. **ANDRE KOOPMAN** reports.

A NATIONAL campaign to give the poor a voice on the issue of poverty and to realise economic empowerment for South Africa's destitute was launched in Cape Town yesterday.

Called *Speak out on Poverty*, it is organised by the South African Non-Government Organisations' Coalition (Sangoco) and the Human Rights and Gender Equality Commissions.

The campaign will consist of 10 public hearings throughout the country.

Fifty-three percent of South Africans earn less than R301 a month (the poverty line) while 6% of the population earns 40% of the national income, according to statistics released by the campaign. About 38% of poor children suffered from stunted growth and 23% of those under the age of six suffered chronic malnutrition or stunting.

Sangoco president Mr Rams Ramashia said the hearings "will break the silence on poverty by giving poor people the opportunity to share their experiences and propose solutions to the problems of poverty".

"We are calling on policy decision-makers to show respect to poor people by listening to what the poor have to say," he said.

Hearings start in the Free State on March 17 and end in Cape Town on June 4 and will deal with

The great SA salary divide

ORGANISERS of the Speak out on Poverty Campaign said that in South Africa the ratio of a managing director's salary to that of the lowest paid worker was 100:1 compared with 7:1 in Japan.

It was estimated that 65% of SA's adult population was illiterate while at least 12 million did not have access to drinkable water inside their dwellings or on site.

In startling statistics released yesterday it was noted that:

- 6% of the population earn more than 40% of the income.
- 53% of SA's population live below the R301 a month poverty line.
- More than two million South Africans are nutritionally compromised — including 87% of all African children under 12.

● Some 38% of poor children also suffer from stunted growth.

● An estimated 200 000 children between the ages of 10 and 14 are engaged in various forms of labour, representing 4% of all children in this age group.

● An estimated 270 000 learners with disabilities are outside the formal specialised school system.

● 81% of schools in the Eastern Cape have no telephones.

● 57% of schools have no electricity.

● 53% of the population are poor but they receive only 40% of education resources.

● Over nine million people live in informal shacks.

● Only one black in 2 000 was at university, compared with one white in just 30.

education, land, economic policy and health. Results will be sent to Parliament for debate.

"They (results) will be used as a basis for drafting a poverty budget and election commitment," Ramashia said.

Cosatu would influence its alliance partners, the ANC and the SA Communist Party, to ensure that the issue of poverty was part of next year's election manifesto and "election platforms", said Cosatu vice-president and one of the campaign commissioners, Ms Connie September.

Anglican Archbishop of Cape Town Winston Njongonkulu Ndungane, also a commissioner,

was recently involved in a row with President Nelson Mandela over his persistent criticism of the government's failure to house the poor.

He refused to be drawn on the issue yesterday. Referring to the Christian injunction about good neighbourliness, he said that Mandela was his neighbour and that he would be talking to the president about good neighbourliness when he meets him today.

Churches of all denominations had organised a national summit on poverty in June to which they had invited all decision-makers so that an "attainable, sustainable and measurable" strategy for eradicating poverty could be devised.

DP calls for rise in VAT to help relieve poverty

(297)

By Jovial Rantao

Cape Town

5/3/98

The Democratic Party has proposed a 1% increase in VAT, from 14% to 15%, to generate at least R3,1-billion which will be targeted at poverty relief programmes.

The DP has also proposed a cut in corporate tax, tax deductions for security-related expenses, tax rebates for tertiary education and a reduction of the Cabinet to 16 ministers.

In Budget 98/99 proposals unveiled in Parliament yesterday, the DP's finance spokesman, Ken Andrew, argued that an increase in VAT would not necessarily disadvantage the poor.

"The wealthy benefit more from lower levels of VAT than the poor, particularly as basic foods are zero-rated.

"The very poor can pay only 8% of VAT collected. An increase of 1% would cost the average, very poor household an extra R6 a month above the R84 a month they're paying at present," Andrew said.

On tax rebates for tertiary education, Andrew has proposed that a rebate equivalent to one-third of

tertiary institution fees be given to students or their parents for a maximum of four years of successful study. Medical students could apply for a rebate for a maximum period of six years.

"Students who have student loans should be given a tax rebate of up to a maximum of a third of their tuition fees to be claimed within 10 years of commencing their studies.

"This measure would lighten the burden for first-time employees with study-related debt obligations," Andrew said.

He has also proposed a reduction in the number of teachers and proposed that independent schools should receive a subsidy per pupil in line with the full cost of education in government schools.

"The DP also proposes that an extra R250-million be made available to provide student loans for tertiary education, on condition that repayment requirements are strictly enforced," Andrew said.

The DP has also suggested that a two-year voluntary national service in the police service for matriculants and graduates should be considered as a cost-effective way to increase police numbers.

(297) Star 5/3/98



The word is poverty, and perhaps for the first time ever the poor are going to have their say, anyway they want, from statistics to verbal pictures painted in shades of pain.

Six commissioners, three from the NGOs involved, and three from other organisations, will hear the poor speak out on the injustices of the past, what a right to a better life means for them, and to ideas that will form a basis for reviewing policies and programmes.

The organisers have promised the people "will speak" and Welfare and Population Development Minister Geraldine Fraser-Moleketi has promised the Government "will listen". There are millions who will hold them to their word.

The outcome of the hearings will probably have far-reaching repercussions: a report will go to government, a pro-poor macro-economic blueprint will be put forward as an alternative to the Growth, Employment and Redistribution programme (GEAR) and a large poverty forum will be held.

Welfare organisations and some NGOs feel they are being marginalised as the developing society, mortally wounded by apartheid policies that entrenched poverty for sectors of society and ran the coffers dry through corruption, stop-gap economic practices and war, struggles forward.

However, there are indications that the Government has realised the scourge of poverty is South Africa's greatest challenge in the run-up to the 1999 elections. The issue could also be a deciding factor for voters.

President Nelson Mandela and Deputy President Thabo Mbeki now mention empowerment, transformation and redistribution whenever they get an opportunity.

The statistics of poverty in South Africa are a persuasive call for radical change. About 53% of the country's people earn less than R301 per month, which amounts to just 10% of total earnings. About 74% of the poor live in rural areas.

Most of these people have very little access to land, work, safe drinking water, adequate housing or education.

Nearly 25% of schools do not have access to water within walking distance and half have no electricity.

As many as 500 000 children under 18 are forced to work instead of learn and play. About half of these are probably under 15.

About 23% of children under the age of six suffer from chronic malnutrition or stunting. Poor teacher to student or doctor to patient ratios are also a serious problem for the poor.

The Eastern Cape – a province known for high levels of corruption – is one of the worst-off areas with research showing an average of one teacher to 51 students and one doctor to 10 000 people.

Estimations of adult illiteracy figures range from about eight million to 15 million. Only 41% of all rural clinics have an ambulance within an hour of an emergency call.

Authors of a recent survey on Johannesburg found a large proportion of crime victims were the urban poor, but the impact on this sector of society was less visible than what happened to the middle classes. It was also found that only 47% of



There will be 10 hearings nationwide, covering everything from education to the environment. The organisers have promised the people 'will speak' out and the Government has promised to listen.

crime victims in informal settlements reported the incidents to the police.

Statistics indicate massive differences between races and genders. The middle-class and wealthy, mostly whites, have an average living standard equal to Spain's, while the poor, mostly blacks, have an average living standard similar to that of Brazil.

The ratio of a managing director's salary to that of the lowest paid worker is 100 to one, compared with seven to one in Japan.

Economic growth is just as important for the poor as for anybody else but to a large extent they are cut off from any in-

large extent they are cut off from any influence on business and serious trade. About 6% of the population earn 40% of the total income.

Meanwhile, the employment rate for potentially economically active women was found to be 46% at the end of 1995, compared to 63% of men. Only 3% of all

South African women who earn money are managers or senior officials. Over a third do unskilled work and over one million are domestic workers.

In rural areas many women still spend long hours carrying water which prevents them from carrying out other pursuits.

In 1993 it was found that just under half of all women were carrying water and the average time spent each day doing this was just under two hours.

Then Jiwe Mthintso, chairperson of the CGE, said: "Through 'Sneak Out', the

COLE, said. Through Speak Out, the voices of the poor, most of whom are women, will be heard across the length and breadth of South Africa."

The said women would not really be free from poverty until they were also empowered in their own homes.

tors are usually very different. The Homeless People's Federation has about 1 000 housing schemes linked by ten regional federations and most of the leadership and membership is female. The housing schemes are groups that undertake daily savings programmes and then build houses together.

The poor macro economic programme, which will be put together after the hearings, could be the centre of some heated debate later in the year. Some NGOs feel Gear is a watered-down version of the aims of the Reconstruction and Development Programme (RDP) and want a new project in its place.

They also feel that a desperate attempt to legalise development in totally formal terms has resulted in a sprawling and com-

Jacqui Boule, programmes director for Sangoco, said the more formal and refined a process becomes the "less accessible" it becomes to the poor.

She said when they route is not working, the informal sector

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The Bill of Rights guarantees Africans a better life but difficult responsibilities these responsibilities not, what can be done. The poor are about to be will listen

poor to have their say

(241) (297) Star 5/3/98

NATASHA PINCUS

Alms for the man ... every day thousands of impoverished South Africans take to the streets to beg for their survival.



...e, covering everything from education to the environment. The
...e 'will speak' out and the Government has promised to listen

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They also feel that a desperate attempt to legalise development in totally formal terms has resulted in a sprawling and complex bureaucracy that is rule-bound and driven by finances.

Jacqui Boule, programmes director for Sangoco, said the more formal and refined a process becomes the "less accessible" it becomes to the poor.

She said when they find out the formal route is not working, they turn solely to the informal sector.

Most NGOs feel more communication between the poor and almost everybody else is needed to help solve the problem of isolation for those who live in informal urban settlements and distant rural areas. NGOs have used national and international exchange programmes between settlements and talking newsletters in the form of cassettes and workshops with success.

In 1991 these methods were used to help organise the Southern African People's Dialogue on Land and Homelessness, which had 63 settlements from around southern Africa participating.

The Bill of Rights guarantees all South Africans a better life but it places new and difficult responsibilities on the state. Are these responsibilities being met, and if not, what can be done to improve things? The poor are about to tell to anybody who will listen.

Invitation to send in ideas

The Speak Out on Poverty hearings will be held in all nine provinces and will cover a broad range of issues.

A national education hearing will be held on March 17 to 21 in Bloemfontein, land and rural development issues will be heard on April 31 to May 3, open hearings on April 24 to 25 in Mafikeng, April 27 to 28 in Nelspruit and May 1 to 2 in Kimberley, economic hearings on May 7 to 9 in KwaZulu Natal, social security issues on May 18 to 23 in East London, environmental issues on May 25 to 29 in Port Elizabeth and housing and urban development issues will be heard on June 1 to 4 in Cape Town.

Experiences, ideas and requests for oral presentations can be sent in writing or on cassette tape, in any of the 11 official languages, to Speak Out, Sangoco, PO Box 31471, Braamfontein, 2017 and fax: 011-4038703, or email: speakout@sangoco.org.za

The written submissions must not be longer than 10 pages and oral presentations should not be longer than 10 minutes.

Govt to lend an ear to plight of impoverished

Results will be submitted to Parliament and used to draw up a 'poverty budget'

Man 5/3/98

SA
Cape town

About 53% of South Africa's population live below the R301-a-month poverty line, according to statistics released yesterday at the launch of a nationwide campaign to give a voice to South Africa's poor.

The Speak Out On Poverty campaign, organised by the Hu-

man Rights and Gender Equality commissions and the SA NGO Coalition, will consist of 10 public hearings throughout the country starting in the Free State on March 17 and culminating in Cape Town on June 4.

Its results will be submitted to Parliament and used to draw up a "poverty budget".

SA NGO Coalition chairman Ramas Ramashla said the hearings were meant to "break the

silence on poverty" by giving poor people a chance to share their experiences and propose solutions to poverty.

"We are calling on policy and decision-makers to show respect to poor people by listening to them," he said.

"This is what we mean by people-centred development and participatory democracy." The hearings would highlight the extent to which apartheid policy continued to hamper access to social and economic rights.

"But it will also look at concrete suggestions and solutions to eradicate poverty." The findings would be submitted to Parliament for debate and discussion and would also be used to inform the platform of action of the Poverty Forum.

"They will be used to draft a poverty budget," Ramashla said.

The hearings would cover education, economics, health, social security, housing, land, urban and rural development, and the environment.

Organisers said that in South Africa the ratio of a managing director's salary to that of the lowest-paid worker was 100:1 compared with 7:1 in Japan.

It was estimated that 65% of the country's adult population were illiterate and at least 12 million South Africans did not have access to drinkable water.

Some 2,3 million people were "nutritionally compromised" - including 87% of all African children under 12 years old.

About 38% of poor children suffered from stunted growth and 23% of those under the age of six suffered chronic malnutrition or stunting.

Sowetan 5/3/98
**Moves afoot to
 address poverty
 in South Africa**

ABOUT 53 percent of South Africa's population live below the R301-per-month poverty line, according to statistics released yesterday at the launch of a nationwide campaign to give a voice to South Africa's poor.

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Results will be submitted to Parliament and used to draw up a "poverty budget".

Sangoco chairman Mr Rams Ramashia said the hearings were meant to "break the silence on poverty" by giving poor people a chance to share their experiences and propose solutions to the problems of poverty.

"We are calling on policy and decision makers to show respect to poor people by listening to what the poor

have to say," he said. It was time for poor people to set the policy agenda.

The hearings would highlight the extent to which apartheid policy hampered access to social and economic rights. The findings would be submitted to Parliament for debate and discussion and would also be used to inform a platform of action.

Campaign organisers said that in South Africa the ratio of a managing director's salary to that of the lowest paid worker was 100:1 compared with 7:1 in Japan.

It was estimated that 65 percent of South Africa's adult population was illiterate and at least 12 million South Africans did not have access to drinkable water. Some 2,3 million South Africans were "nutritionally compromised" - including 87 percent of all African children under 12 years old. About 38 percent of poor children suffered from stunted growth and 23 percent of those under the age of six from chronic malnutrition. - *Sapa*.

Parking bay poachers ably put in their place

Crackdown on drivers in 'disabled' bays

ARC 7/3/98

(297)

TWEET GAINSBOROUGH-WARING

There's no end to the devious excuses made by inconsiderate motorists taking up parking bays reserved for disabled drivers at Cape Town's shopping centres.

But managers of shopping centres have had enough of selfish drivers.

They are coming down hard, issuing fines, clamping wheels, embarrassing them and using hi-tech equipment to keep them at bay.

Even people in high places have been known to use the special bays kept for disabled motorists.

Former Western Cape education minister Martha Olckers, whose husband is disabled, was in the news last year for using his car with its disabled driver sticker to get priority parking at the Waterfront.

Many shopping centres now clamp the wheels of cars illegally parked in bays meant for disabled motorists.

The fines paid by motorists to free their vehicles are usually donated to a charity associated with the disabled.

One supermarket has even hired people to follow erring motorists around the shop to embarrass them. The staffers wear a sign pointing out that the person in front of them has occupied a parking space meant for a disabled motorist.

Wendy Radford of the Constantia Village shopping centre said security guards were often on the receiving end of very creative excuses from



Tight squeeze: Heidi Vollmer tries to get to her car at a parking bay for disabled drivers

able-bodied motorists taking a chance. "The usual excuse is 'just running in to drop a video', but they usually end up doing their shopping," she said.

She said the centre now used a method of issuing disabled drivers with remote-controlled transmitters so they could access bays set aside for them.

The bays are cordoned off with chains which can be dropped by remote control.

A spokesman for a large northern

suburbs shopping centre said the promise of "only five minutes, no longer" was the usual story.

He said the centre clamped the wheels of an offending car, and it cost the driver R108,30 to have the clamp removed. If the driver did not arrive, a tow truck would remove the car - costing the owner a further R150.

Heidi Vollmer, a member of the Access Committee of the Disabled People of South Africa, said a popular excuse used by motorists was that they had just had an operation.

"It doesn't seem to matter if it was 10 weeks ago," she said.

She was angered by motorists using parking bays for the disabled because they did not realise how inconvenient it was.

"It's not that we are lazy," she said, explaining that the bays for the disabled were wider than normal to enable wheelchairs to be unfolded.

She said disabled drivers sometimes had to get other people to move their cars into a wider space so they could get in if somebody had blocked their access.

She said the issue was sensitive, as people with less obvious disabilities used the bays.

Other users of these bays include heart patients and people suffering from emphysema.

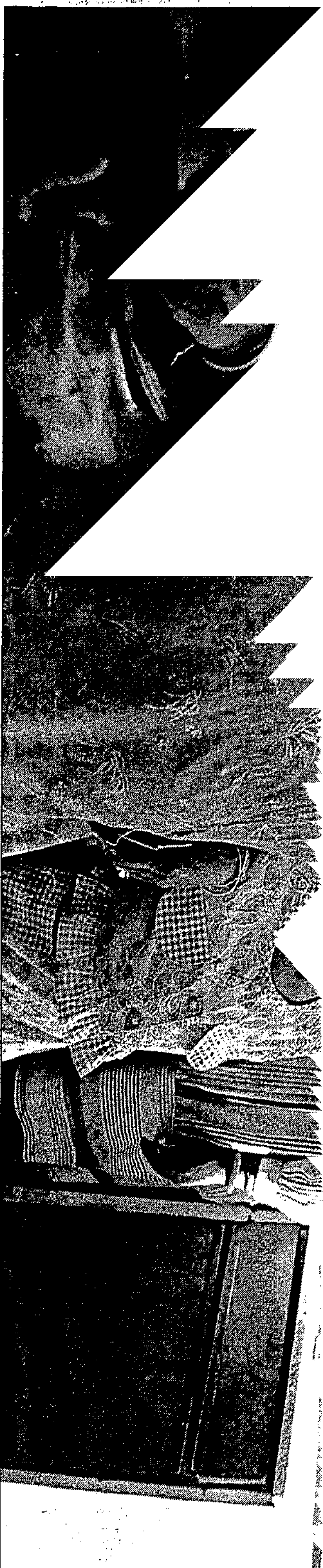
People with disabilities can apply to their local municipalities for special car stickers entitling them to use special bays.

Access control specialist Marc Algra of Sybrand Park has developed the system using a chain to block off the disabled bays.

It is operated using a remote-controlled transmitter which allows the chain to drop when a disabled motorist wants to use it.

He said Constantia Village had sponsored transmitters, which were available for disabled drivers from centre management.

The system has also been installed at Cape Town International Airport to reserve VIP and company parking areas.



Chance to break silence ... grandmother Elizabeth Sithebe (front), Ellen Sithebe (behind), Portia Mahlo, Jane Sithebe (hat), Elspeth Mahlo (front). Sithebe could become a spokeswoman for the poor.

Poor get ready for their very own 'summit'

Battling pensioner is one of the many impoverished waiting to speak out

By Mike Masera

It is almost an insult to suggest that Elizabeth Sithebe (70), of Orlando West, Soweto, makes ends meet on the R470 pension she gets every month, considering that she has to feed a family of eight, including three mentally retarded dependants.

With the money, Sithebe has to pay for clothing, food, rent and other services, in addition to ensuring that her two grandchildren are educated.

She also takes care of her ailing sister and her three retarded children, Jane, Ellen and Sipho.

And the members of her desperate family are just a tiny portion of the 53% of the South African population that lives on less than R301 per month each.

Perhaps, for the first time yet Sithebe and millions like her are to have their say, any way they want.

Poverty hearings called

We often

have our

electricity,

water cut

”

“Speak Out on Poverty: Your Chance to be Heard” have already been launched by the South African National NGO Coalition (Sangoco), the South

African Human Rights Commission (SAHRC) and the Commission on Gender Equality (CGE).

There will be 10 nationwide hearings covering several issues, from education to the environment, starting in Bloemfontein on March 17 and ending in Cape Town on June 4.

Six commissioners, three from the NGOs involved, and three from other organisations, will hear the poor speak out on the injustices of the past and what does a right to a better life mean to them; and present ideas which will form a basis for reviewing policies and programmes.

The organisers have promised the people “will speak” and Welfare and Population Development Minister

Geraldine Fraser-Moleketi has promised the Government “will listen”. There are millions who will hold them to their word.

The outcome of the hearings will probably have far-reaching repercussions: a report will go to government, a pro-poor macro-economic blueprint will be put forward as an alternative to the Growth, Employment and Redistribution programme (Gear) and a large poverty forum will be held.

“Things really get bad sometimes,” Sithebe said from her home said last week.

“We often have our electricity and water cut off because I can’t always manage to keep up the payments. My elder daughter does domestic chores once a week, earning R80 at a time.

That only manages to keep us going until the next pension payout,” Sithebe said.

If you think Sithebe’s situation is bad, spare a thought for

He chased

me. I don’t

have money

to go home

”

Lesotho national Nthabiseng Nthobi who lives in a derelict building in the Market Theatre precinct in Newtown in downtown Johannesburg.

Nthobi (23) has two children, aged seven and five, and is pregnant. She sells cardboard boxes to factories and shops in the area to provide for herself and her family. Their home is a plastic and cardboard shack inside the derelict building.

“I left Lesotho eight years ago to look for a job here. I met a guy who promised me marriage and took me to his village in Hammanskraal. He chased me away at the end of last year when I fell pregnant again. Now I don’t have money to go back home,” she said.

On a good day Nthobi and other women in the building, most of whom are pregnant, make at least R10 a day selling cardboard boxes but often sleep on empty stomachs after a bad working day.

Star 9/3/98

(297)

(297)

Foreign funders leave SA donors far behind

(Star 9/3/98 (297))

Although millions of rands have been used to fund the new community media in black communities in the past four years almost all comes from foreign funders.

The Independent Media Diversity Trust has provided R14-million in grant funding to some 40 print and radio projects over the past 4½ years. This was mainly to community newspapers and magazines with R1,2-million going to fledgling community radio stations.

This funding was largely derived from Dutch, Danish and Swedish aid agencies, with R840 000 coming from South African groups.

German, Norwegian, Australian and Canadian aid groups have also been prominent in the funding of community radio.

Money for community and small-venture print media has dried up while new funding for community radio stations is just getting going, from new sources, including the Government.

The Open Society Foundation of SA (OSF-SA) has to date been the major donor of funding for community radio, providing some R7-million since 1994, with the intention of future funding at the rate of R4,8-million a year. The society's funding comes from the Soros Foundation in the US.

Jointly, with the Independent Media Diversity Trust (IMDT), it established the Kgaso Fund (Broadcasting Fund) in May 1995.

This was based on an agreement by Danida and the SA Government each to provide R6,3-million in grant funding for the community radio sector over 30 months.

The Department of Communications of the SA Government has planned to provide R10-million of this funding over four years for community radio stations.

It is spending R3,139-million on equipment for 18, mainly rural, stations. The Development Bank of Southern Africa recently decided to provide community radio infrastruc-

ture with loans. The problem for most community radio stations in black communities is one of seed funding, training and capacity building as well as the provision of equipment and studios.

Community stations are legally prohibited from making profits. The IBA Act sets a requirement that community broadcasting be non-profit, dedicated to the services of the community and operated with genuine community support and participation.

Foreign governments have found ways of supporting the media.

■ The Dutch government established a Press Fund after World War 2 to promote press pluralism and especially to help publications in financial trouble. It did this by providing favourable rail and postal rates and exemption from sales taxes.

■ Sweden established a system of subsidies in the 1970s for newspapers also to promote pluralism, with the largest subsidies going to newspapers with the second largest circulation in any one region.

■ France established an aid mechanism in the 1980s for general and political national dailies with little income from advertising.

■ Other incentives came in the form of exemptions from VAT to reduce the selling price of newspapers: Britain, Portugal, Sweden, Denmark, Luxembourg and Brazil exempt newspapers from VAT. Austria, Ireland and Spain reduce VAT by 50%; France reduces VAT between 18% to 2%, and Finland waives VAT on subscriptions.

■ Some states reduce telephone and telex costs: Italy, Belgium and France by 50%, Portugal by 30%.

■ Direct subsidies to newspapers are provided by some states to ensure all sectors of society have adequate media voices.

Governments in developing countries tend to be behind the First World in supporting the development of media, or linking media to their policies and strategies for development.

R50-m for poverty relief

Securam 10/3/98

By Ido Lekota

COMMUNITY-BASED organisations fighting against poverty and unemployment yesterday received support when Welfare and Population Development Minister Mrs Geraldine Fraser-Moleketi gave them funding amounting to R50 million.

In all 1 139 projects will be funded throughout the country under the National Poverty Alleviation Programme.

An amount of R2 million will be distributed to 53 projects in Free State.

Another R4,4 million will be given to projects in Gauteng.

Also to receive funding are the School Uniform project and the Cottage Bakery project in Kwazulu-Natal run by unemployed women.

The funding, Fraser-Moleketi said, was part of her ministry's commitment to alleviate poverty and unemployment, especially among women and the youth.

She said the success of such efforts lay with the various departments who were working together to fight poverty.

Welfare problems are being tackled, MECs say

David Greybe

2011/2/19

CAPE TOWN — Welfare MECs assured Parliament yesterday that, despite social security problems such as corruption and insufficient funds, the country would not see a repeat of the recent nonpayment pension debacle in the Eastern Cape.

Nomsa Jajula, newly appointed Eastern Cape welfare MEC, told the welfare portfolio committee the provincial executive had decided to "shift whatever funds we have to pay social security grants".

Jajula and fellow welfare MECs said steps taken by provincial governments to

improve the social security system included phasing out former homeland identity documents, setting up fraud and forensic audit teams, introducing computerised filing systems, outsourcing payments and retraining staff.

They were requested to brief MPs after the Public Service Commission reported last month that SA's social security system was racked with problems.

The commission proposed that acceptance of the report be accompanied by a detailed implementation plan, with time frames which Parliament could monitor. It said some provinces implemented some of

the proposals, but a national way forward was needed.

The MECs, who yesterday concluded a two-day intergovernmental forum meeting with Welfare Minister Geraldine Fraser-Moleketi, stressed the importance of a co-operative governance approach between national, provincial and local governments to social security.

Fraser-Moleketi said after the meeting she felt "quite confident" because the MECs had shown a "real commitment" to cleaning up the social security system. There was also a realisation by everyone that they needed to work together to overcome problems.

USAid reviewing support to groups

Wyndham Hartley

(297)

CAPE TOWN — The US Agency for International Development had not come under pressure from the SA government to halt funding to certain non-governmental organisations (NGO), USAid mission director Aaron Williams said yesterday.

At a news briefing preparing the ground for President Bill Clinton's visit to SA, Williams said USAid gave support to hundreds of organisations

in SA and was busy reviewing them in consultation with the SA government.

NGO funding became an issue after President Nelson Mandela attacked it during his marathon speech to the African National Congress conference last December.

US ambassador James Joseph told the briefing that the US hoped to replace aid to SA with trade.

Clinton will become the first serving US president to visit SA when he lands in Cape Town on March 26.

DD 11/3/98

Development trust looks at its accomplishments (297)

Robyn Chalmers

DD 11/3/98
THE Independent Development Trust, which is undergoing fundamental restructuring to position it as a partner of government in facilitating development programmes, has funded 8 800 projects over the past eight years.

A closing report by the trust's current board of trustees said the projects were funded in the fields of education, health, welfare and urban, rural and micro-enterprise development. Trust acting CEO Mike Ridley said that, after a three-year debate, it was agreed the organisation should be transformed so that it could become a facilitator of development programmes with government.

Ridley, who replaced Merlyn Mehl as head of the trust in January, said a new board was being appointed as part of the transformation. Current chairman Mamphele Ramphele would resign at the end of this month and a new chairman would be appointed.

Ramphele said the past four years of the trust were characterised by consolidation of many initiatives undertaken in the early years.

"It was also a period of intense debate about how to redeem the trust from the legacy of its illegitimate birth in the dying stages of National Party rule.

"The trust has accepted, and embarked on, a process of transformation to position itself as a development facilitating agency committed to working with government and other partners to promote sustainable development," she said. Over the past seven years, R1bn had been channelled through community development organisations in the fields of education, health, rural and urban development.

WOMAN COLLECTED 29 PENSIONS

Welfare enlists judge's help

CASH-STRAPPED PROVINCES are taking action against fraudsters who are abusing the welfare system.
JOVIAL RANTAO of the Parliamentary Bureau reports.



THE services of Judge Willem Heath, who has been successful in uncovering corruption amounting to billions of rands, are to be enlisted to help several provincial governments combat fraud and corruption in their welfare systems.

At least four provinces — Northern Province, Kwazulu-Natal, Northern Cape and Eastern Cape — told Parliament's portfolio committee on welfare yesterday that they would enlist the help of the judge, dubbed the "corruption buster", to catch the fraudsters, who include department officials, beneficiaries and district surgeons.

Among the stories heard by the committee were of a woman drawing 29 pensions, and of a welfare official who was murdered for refusing to be an accessory to fraud. Essentially, the provinces not only want

the judge to help to uncover corruption and fraud but also to help them recoup the millions gained by the criminals.

Northern Cape MEC for Health and Social Welfare Dr Leonard Matlaopane said the judge's help was needed to institute swift legal action to recoup several properties owned by a welfare clerk who has been involved in corruption and fraud.

Eastern Cape Welfare MEC Ms Nomusa Jajula said Heath's expertise was required to short-circuit the criminal justice system which took time to handle cases of corruption.

"We have cases which have been pending since 1994. We want Judge Heath to short-circuit and prosecute those that must be prosecuted. A meeting will be held this week (with the judge) to discuss the matter," she said.

Jajula said her department would approach the Interim South African Medical and Dental Council to ensure that doctors guilty of lying about the condition of a beneficiary of a disability grant would, in addition to facing criminal prosecution, lose their licences.

Northern Province said pensioners with invalid identity numbers would be removed from the pension payroll.

Ms Hunadi Mateme, MEC for Welfare in Northern Province, revealed that of the 95 000 beneficiaries that were reviewed by the province, only 3 000 were left in the system while the rest were suspended.

She said 58 disability grants had been suspended after it was found that the beneficiaries and the doctors who had examined them, had lied. The cases have been reported to the police and the IMDC.

"We've also discovered that there are syndicates which charge people R400 to enable them to receive disability grants. We also discovered that there were people who were born in 1970 and 1958 who were receiving

pensions," Mateme said.

In Qwaqwa a woman who was found to be receiving pensions for 29 people was arrested, Free State MEC for Welfare Ms Ouma Motsu-mi-Tsopo said.

Mpumalanga and the Free State reported that they had experienced problems with pensioners from Swaziland and Lesotho who were still benefiting from the system.

Kwazulu-Natal MEC for Welfare Prince Gideon Zulu said doctors, lawyers and department officials were involved in syndicates bent on milking the government.

Zulu told the committee that a department of welfare member who had refused to take part in fraud was murdered. His killers had been convicted and given long prison sentences.

Gauteng MEC for Welfare Mr Ignatius Jacobs said his department had spent R200 000 on reviewing all the beneficiaries of disability grants. "Our action has produced a saving of R11 million. Gauteng has flushed its welfare system of people who shouldn't be receiving disability grants," he said.

CHRISTINE NESBITT

Unemployed but busy ... these are some of the men and women in White City, Soweto, who have volunteered their services to clean schools and maintain gardens without cost to the community.



Deafening silence greets call to help poorest of poor

(297)

The poor are to air their views on poverty in hearings entitled: 'Speak Out on Poverty: Your Chance to be Heard'. Here pastor Isaac Silas speaks of his experience

BY WINNIE GRAHAM

The mothers and grandmothers of Soweto weep when they speak to pastor Isaac Silas.

They sob when they tell how their angry, hungry youngsters assault them because there is no food when they come home from school.

They cry when they talk of their daughters who sell their bodies in exchange for a meal. And the pain becomes almost unbearable when they confide that their children have become victims of this century's most despicable sexual disease ...

But what, ask the women, are they to do when they can't find jobs? When their men have been retrenched - and remain unemployed? When their sons turn to crime as an escape from joblessness and hunger?

Isaac Silas has lived in

White City, Soweto, long enough to share in the pain of his people. He is doing what he can to help - but it is not nearly enough.

About a year ago, he and members of Look and Live Ministries decided they had to do something about unemployment. Some 2 500 people, mainly parents, attended a meeting where many of the jobless agreed to work at local schools without pay.

"Rather than sit around doing nothing, the women agreed to clean the classrooms and the men to work in the grounds," Silas said this week. The community started organising raffles and competitions to raise money for projects where people could be taught skills. A number of unemployed university and technikon graduates took on the administration of the project.

Silas wrote to the Government. He asked the Department of Education to pay the women cleaners a basic wage of R35 a day and the men R45 for tending the grounds and looking after the schools, which are often vandalised.

The answer came back: we have no money. So he wrote to the Department of Manpower and the Department of Public Works. No answer.

Was someone out there listening? Would someone come to the rescue of these desperate people?

"The middle class people of Soweto have either escaped to the suburbs or can afford to send their children to the old Model C schools in the city," he said. "The unemployed are trapped. They are in a terrible situation - specially the old grannies who are often left to look after the children. You can-

not believe how bad the picture is."

Pastor Silas once lived for himself, he says. But when his daughter Thembi was five he listened to her singing songs of praise and he knew what he had to do. He gave his life to God and started working for the community.

When he saw the extent of the problem in White City, he registered a welfare organisation - the Zkhene Skills Development Project (number 01101690004) - and tried to raise funds. But times are tough and the lot of the poor in White City has not improved.

He came to The Star to appeal to churches, the private sector - anyone, in fact - for help.

"Surely someone out there cares?" he asks. If anyone does, he can be phoned him at (011) 982-5810, extension 209.

Poverty the focus of increase in welfare and social grants

David Greybe

CAPE TOWN — Pensions and other social-security grants would increase by 4,3% or R452m on July 1, Welfare Minister Geraldine Fraser-Moleketi announced yesterday.

Nearly R19bn — 12% of noninterest spending — would go on welfare and social grants in the 1998/99 financial year, Finance Minister Trevor Manuel said in his budget speech. This meant a nominal increase of 15,8% in the welfare budget.

Fraser-Moleketi said the increase underscored government's "dedication to care for those of us in need of support, and a realisation of the contribution of welfare to human and long-term economic development".

Old age, disability and care-dependency grants would increase from R470 to R490 a month, Fraser Moleketi said. Foster-care grants would increase from R340 to R350 and grants-in-aid from R80 to R90 a month. War veterans' grants would increase from R488 to R508.

The new child-support grant of R100 a month — to be paid to primary care givers of children under the age of

seven once the conditions of a means test were met — would come into effect at the beginning of next month.

The programme was intended to reach about 3-million children in poor households in five years. The grant would replace the state-maintenance grant, which would be phased out over three years, Fraser-Moleketi said.

Manuel announced that allocations for poverty-relief projects would increase from R500m in 1997/98 to R800m in 2000/01. "Welfare and social-security spending represents government's primary investment in poverty alleviation," he said.

Government had subsequently increased spending on welfare from R14bn in 1995/96 to R19bn in 1998/99, and it had budgeted for an increase to more than R21bn in 2000/01.

In a drive to "uproot corruption and eliminate fraud", the welfare department and provincial authorities had embarked on a project to re-register about 3-million beneficiaries of social grants and pensions.

"This process will enable us to eliminate duplicate claims, ghost beneficiaries, syndicates and cross-provincial payments," Manuel said.



Old-age and disability grants go up R20 a month

'Restrict voluntary severance in govt'

BD 12/3/98

CAPE TOWN — Voluntary severance packages for public servants should cease to be readily available, the parliamentary public service portfolio heard yesterday.

Such packages should largely be restricted to redundant workers, a task team from the public services and administration department proposed in Cape Town.

Team leader Corrie Smit said the voluntary severance package plan had not been applied correctly in the past, resulting in a loss of skills and money.

Examples of maladministration of the scheme was the granting of packages to public servants approaching retirement.

"The scheme has come to be regarded as a service benefit, while at its essence a management tool," Smit said.

The task team was appointed in June last year to explore proposals for a framework on right-sizing the public service.

Smit said the voluntary severance scheme had failed to shed

public servants whose services were no longer required. Most of these workers did not apply for packages.

The level of excess workers had remained more or less constant at 55 000 despite a 100 000 cut in overall staff numbers since 1995.

While voluntary severances helped to reduce staff numbers by more than 48 000 by September last year, the scheme did not serve the public interest in all respects, Smit said.

Vacancies created by using the scheme were supposed to have been filled only in exceptional circumstances. This policy was not always followed.

Smit said previous plans to trim the public service were hampered by the absence of clear staffing targets.

"Departments did not know whether to downsize or to upsize, and voluntary severance packages and redeployment measures were launched in a void." Downsizing clashed with the drive for greater

representivity in the public service, for example, Smit said.

Limiting voluntary severance to redundant workers would help cut their numbers. The department should be compelled to carry the full cost of such packages in a bid to curb abuse of the scheme.

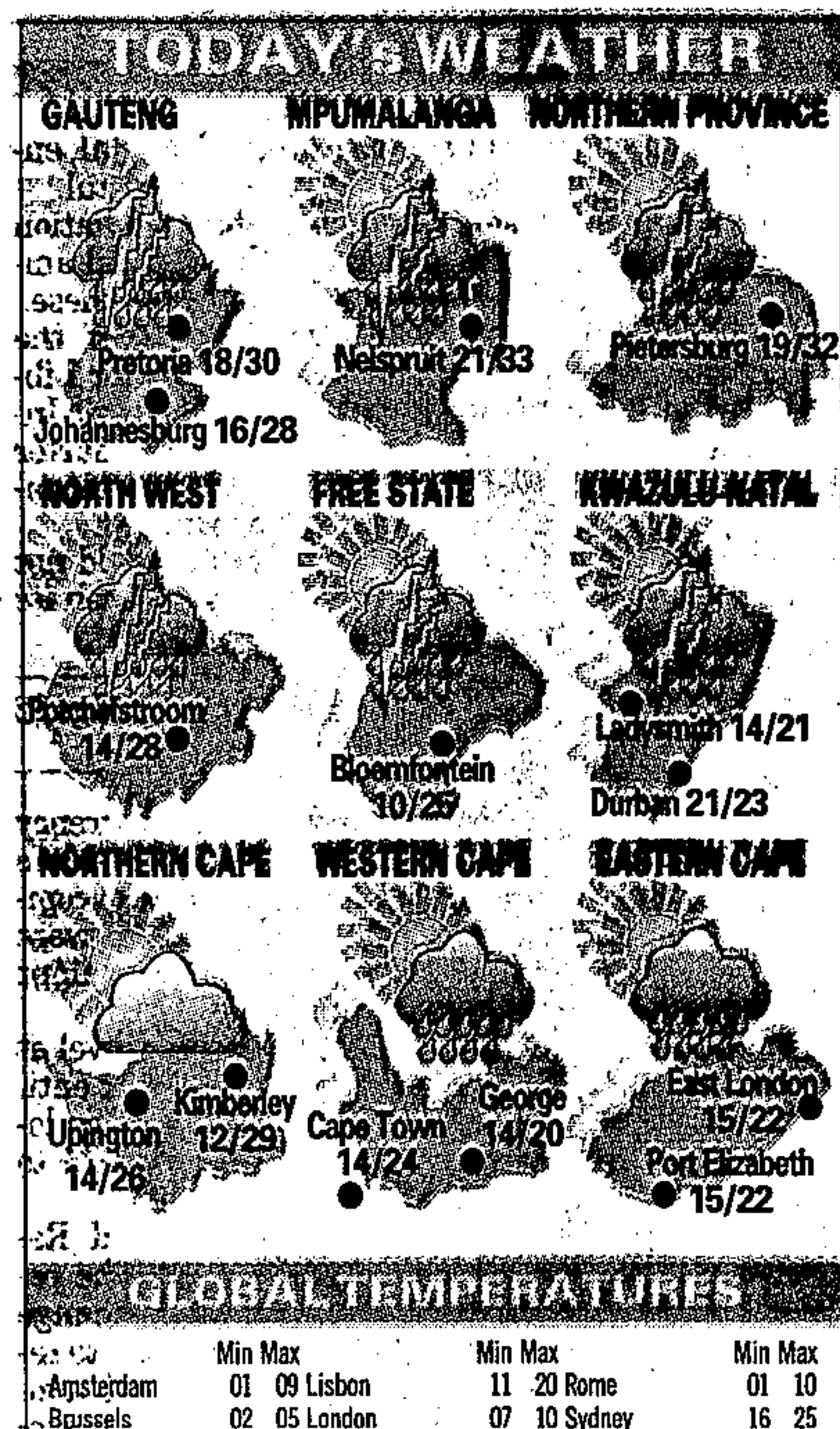
The issue of forced retrenchments was still to be discussed with public service trade unions.

Reducing surplus staff and eliminating ghost workers formed the major focus of the task team, Smit said. "Achieving that would result in substantial savings."

Ways to root out ghost workers should include office head counts by all departments and all provinces. This approach was very effective in the Eastern Cape.

A ghost worker barometer should then be set up, with departments issuing public reports on their progress in getting rid of such workers.

Smit said the public service wage bill had risen by R10bn from 1995 to last year. — Sapa.



Japanese govt pledges \$4m more to help Kagiso Trust

Patrick Wadula

BD 12/3/98

THE Japanese government pledged \$4m for Kagiso Trust yesterday for a variety of nongovernmental organisation (NGO) projects aimed at the upliftment of previously disadvantaged communities.

At a signing ceremony in Pretoria, Japanese ambassador to SA Atsushi Hatakenaka said the Japanese government's total contribution to Kagiso Trust since 1987 amounted to more than R147m.

"The Japanese government has extended this assistance in the belief that uplifting disadvantaged communities at a grassroots level is one of SA's major objectives in line with the reconstruction and development programme," Hatakenaka said. Japan was encouraging the developing world to set goals so that development could take place.

The financial aid would assist a variety of projects mainly in education and training, local economic development, rural and agricultural development, youth development, community development support programmes, health and AIDS prevention.

About 12% of the contribution would be set aside for the needs of individual small-scale projects.

Yasuhisa Kitagawa, Japanese embassy special assistant: development, said his government was already assisting local NGOs through the provision of small-scale grants. An assistance for a grassroots projects programme was also conducted by the Japanese government through its embassy.

Government gets serious on tackling poverty relief *ARG 12/3/98* *R500-m bonanza*

DI CAELERS
SPECIAL WRITER

News that R500-million has been set aside in the Budget for poverty relief – R200 million more than last year – has been hailed all round as proof of the Government's commitment to uplift the poor.

Finance Minister Trevor Manuel also promised the figure would rise to R800-million in 2000/01.

"This isn't the food parcel way either. This shows a commitment to dealing with poverty in a proactive way, a way that doesn't only take in welfare, but other departments, too. It's an approach that gives people greater control," said Guy Preston, special adviser to Water Affairs Minister Kader Asmal, whose department was allocated R150-million for poverty relief last year.

Water Affairs used the money for 240 Working for Water programme projects across the country, securing jobs for 7 660 people in the Western Cape alone, of whom 60% were women and 20% were aged between 16 and 25.

Each worker generally supports at least another five people.

The workers remove alien vegetation in a countrywide water-saving initiative.

"On top of the jobs created there is also the enormous value of the water that would be wasted by these trees. Invading alien plants cause massive economic damage to the country,"

said Dr Preston.

The welfare department, allocated R50-million in poverty relief last November, handed out cheques for this amount earlier this week.

One hundred cheques totalling R5,7-million went to projects in the Western Cape.

Among those to benefit were the Zwelihle food garden project in Worcester, the Sinethemba disabled group, the Towerkop farmworkers' upliftment project in Oudtshoorn, Catholic Welfare and Development in Guguletu and Elsies River, the Council for Black Education in Khayelitsha, the Franschhoek Adult Education Centre, the Quaker Peace Centre in Mowbray and the Atlantis Resource Centre.

A sum of R85-million went last year to the Public Works Department and Zaid Nordien, spokesman for Public Works Minister Jeff Radebe, yesterday praised the Government for this year's total increase of R200-million for poverty relief.

"It is a reflection of the Government's commitment to ensure increasing investment in infrastructure as well as community-based public works development projects," said Mr Nordien.

Their poverty allocation last year was directed to the country's three poorest provinces, KwaZulu Natal, the Eastern Cape and the Northern province where individual communities were targeted for upliftment.

Mr Nordien said about 12 000 jobs were created as a result.

BUD

'More funds needed for poor'

Linda Enso

CAPE TOWN — Finance Minister Trevor Manuel should have restructured SA's debt in his budget speech on Wednesday to make more funds available for poverty relief, the Anglican Archbishop of Cape Town, Njongonkulu Ndungane, said yesterday on behalf of a coalition of civic organisations.

The repayment of national debt, Ndungane said, continued to drain the country's resources.

The coalition of the Congress of SA Trade Unions, SA Council of Churches, the justice and peace department of the SA Catholic Bishops' Conference and

the Nongovernmental Organisation Coalition believed the debt owed to the Public Service Commission could have been restructured to release up to R15bn a year to eradicate poverty and develop infrastructure.

The coalition also expressed disappointment that Manuel's budget was one of restraint.

"While we welcome the Umsobomvu Fund, we look forward to a concrete strategy to combat joblessness," the coalition said.

It expressed alarm over the significant cuts in several reconstruction and development programme departments such as housing.

Scheme for poorest of poor abused

Sowetan 13/3/98 (297) (MBA)

Some even built business premises

By Sello Serlpe

THE Mpumalanga government has enlisted the help of the SA Police Service after uncovering a scam in housing subsidies.

MEC for provincial local government Mr Craig Padayachee said that most suspects had tried to abuse the subsidies for the building of a second house or business premises.

The subsidy scheme is meant to help prospective first-time homeowners earning less than R3 500. The subsidy limit is R15 000.

Padayachee called in police to investigate criminal charges against people who abuse the local government housing subsidy scheme on the recommendation of a task team appointed by the MEC last year to investigate allegations of abuse.

A week ago the task team informed the MEC that most cases of abuse occurred in the former self-governing states of KaNgwane and KwaNdebele.

In a statement earlier this week the

MEC said the recommendations that all individual subsidies to KaNgwane and KwaNdebele should be stopped pending further investigations was because these areas did not have accurate records of title-deeds.

This created potential for large-scale abuse.

Padayachee said the task team would work closely with the SAPS to investigate allegations of abuse in the province.

"Where these cases come to light, fraud charges will be laid and the subsidies recovered by a special police unit working directly with the department of housing," he said.

He added that police would investigate professional institutions most to blame for large scale abuse in the past.

"The department has so far recovered R4 million from conveyancers' trust accounts," he said.

Provincial local government spokesman Mr Leon Mbangwa told *Sowetan* yesterday that those who used their grants to extend or build business premises would have to repay "loans".

Big shift to social spending belies unions' claims

ST(27)15/3/98 (297) (P)

The government has fulfilled its promise to revise budgetary priorities. SVEN LUNSCHÉ looks at the ways in which the money is being allocated

FINANCE Minister Trevor Manuel's legacy on the Budget has been twofold: a continuing shift towards social services and a worrying surge in personnel spending at the expense of capital projects. The 1998/99 Budget is the first in SA's history to provide a three-year timetable. A closer analysis of the trend confirms that the ANC government has met its promise of reprioritising state spending towards social services. Jac Laubscher, chief economist at Sanlam, says the shift towards social spending is "striking", pointing out that 60% of non-interest expenditure in the Budget — an amount equal to R102-billion — was devoted towards the social ministries (housing, education, health and welfare). The shift has come at the expense of economic services, which in 1998/99 face a cut in their allocations to R17.1-billion from R18.9-billion in 1997/98, and defence, whose budget since 1995/96 has fallen from R11.6-billion to R11-billion this year. However, Manuel continues to give more funds to the other protection services, particularly the SA Police Services, whose budget this year is R14.1-billion, up from R9.3-billion four years ago. The trend towards increased allocations to social spending shows no sign of abating. The three-year forecasts show that spending on social services will increase by an average 3.2% in real terms from 1998/99 to 2000/01, with spending in health rising 5.8% and education 3.4% a year. At R46.8-billion in 1998/99 — 16.3% up on 1997/98 — education has surpassed interest payments as the largest single spending item in the Budget. The health budget was raised by a staggering 24.2% this year to R25.1-billion. The figures provide the government with much-needed ammunition as it confronts Cosatu's allegations that it presents Budgets for Business. Nothing could be further from the truth although the unions have a point when they say the spending does not always mean real benefits for the poor.

The poor efficacy of the education budget — pupils seem to be getting fewer school books despite ever-increasing budgets for their departments — is largely out of Manuel's control. However, he does have the power to arrest one key expenditure trend that contributes to poor delivery of social services, namely the rise in the salary bill at the expense of capital expenditure on school buildings, clinics, etc.

The figures for 1998/99 make particularly depressing reading. Total personnel spending at R83.3-billion is up almost 13% on the previous year, accounting for more than 53% of non-interest expenditure.

Manuel's Budget review also reveals that government is experiencing increasing pressure from rising personnel spending.

Personnel spending is projected to rise 6.9% and 5.8% over the next two years, still 2.9% real growth a year.

Manuel admitted the trend was worrying but said government was obliged by regulations under public service agreements and labour legislation.

Rising salaries have forced government to cut back on capital expenditure. In 1998/99 capital costs have been cut from R14.8-billion previously to R14.4-billion. Even more worrying is that until 2000/01 capital spending will decline by 2% a year in real terms.

This, warns stockbrokers Huysamer Stals in their analysis of the Budget, "bodes poorly for future growth".

That is putting it mildly. The cutback in capital expenditure will result, among others, in fewer schools and clinics being built.

Manuel counters that the percentage figures do not paint the true picture in that public-private partnerships and capital programmes by parastatals "are increasingly replacing the direct spending on infrastructure". However this applies only to areas where parastatals operate — namely electrification by Eskom and phones by Telkom, among others. The schools and hospitals still have to be built by government and there is less and less money available for that.

WHERE THE MONEY GOES?

	1997/98		1998/99	
	Estimate R-billion	% of total	Estimate R-billion	% of total
General services	13.2	6.9	9.0	4.4
Protection services	29.6	15.6	33.0	16.1
Defence	10.7	5.6	11.0	5.3
Police	13.1	6.9	14.1	6.9
Prisons	3.9	2.0	5.6	2.6
Courts of Law	2.0	1.0	2.5	1.2
Social services	88.6	46.6	102.2	49.8
Education	40.3	21.2	46.8	22.8
Health	20.2	10.6	25.1	12.2
Social security & welfare	18.4	9.7	19.8	9.6
Housing	4.2	2.2	4.0	1.9
Other	5.5	2.9	6.5	3.2
Economic services	18.9	10.0	17.1	8.3
Water schemes & related services	1.9	1.0	1.9	0.9
Fuel and energy	0.2	0.1	0.1	0.1
Agriculture, forestry & fishing	4.5	2.4	4.3	2.1
Mining	0.3	0.2	0.3	0.2
Manufacturing	1.1	0.5	0.6	0.3
Regional development	0.9	0.5	0.7	0.3
Transport & communication	7.3	3.8	6.5	3.2
Other economic services	2.8	1.5	2.6	1.3
Interest	38.6	20.3	43.0	21.0
Reserve	1.3	0.7	1.0	0.5

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BUDGET

Sunday Times Business Times
March 13 1998



PRESSURE . . . Trevor Manuel's Budget reveals rising personnel spending

War on poverty stepped up as alarm bells ring

HENRY LUDSKI

ST 15/3/98 (297)

THE government has pledged to spend millions more on poverty relief and job creation in the face of continued criticism of its delivery in these areas.

Welfare Minister Geraldine Fraser-Moleketi earlier this week set Budget Week in motion by allocating R50-million to 1 139 special poverty alleviation projects throughout South Africa.

Then, on Wednesday, Finance Minister Trevor Manuel set aside R500-million for poverty relief, R200-million up on last year's allocation. He also announced his Umsobomvu ("New Dawn") job creation initiative, to be funded by a 2,5 percent once-off levy on beneficiaries of the demutualisation of life insurers Sanlam and Old Mutual.

All this has, however, not satisfied his critics, who remain unimpressed with the government's alleged poor delivery record and restrictive fiscal policies.

Poor service delivery, the general failure of the government's Masakhane campaign and the admission last month by President Nelson Mandela that it was not in a position to meet its 1994 election promise of a million homes by 1999, have contributed to the ANC-led government being sensitive to criticism about non-delivery.

Manuel has been tasked with steering the economy through difficult waters. Criticism of a lower than expected growth rate and a lack of synchronisation in his growth, employment and redistribution (Gear) strategy has opened him up for attack by the ANC's alliance partner, the Congress of South African Trade Unions.

Cosatu maintains the economy is being straitjacketed by a "contradictory" fiscal and monetary policy that is making it impossible to meet employment, growth and social targets.

It is vociferous on the area of job creation and poverty relief, saying a more comprehensive social security system needs to be put in place to provide an important lifeline to the poor.

It accuses Manuel of following an economic policy that stifles job creation.

Manuel has responded by saying there are "no short cuts" to achieving

sustainable growth, because the government's resources are finite. However, the attack which most riled the government came from Anglican Archbishop Njongonkulu Ndungane, who accused it of slackening commitment to fulfilling its responsibilities to the poor.

Ndungane yesterday described poverty as the "greatest legacy" of apartheid, and said poverty alleviation needed to be addressed "much more vigorously". He said he had found encouraging signs in Manuel's budget, which suggested the issue was being taken seriously.

However, he added it was imperative that the budgetary allocation be seen to be making a discernible difference to the lives of the poorest of the poor.

Poverty, education, housing, health care and social welfare were just a few of the matters that required urgent attention, Ndungane said. "Faced with the harsh realities in which many of our people live, we continue to look for signs of hope for the poverty-stricken."

The issue of service delivery or, rather, the lack of it, has already emerged as a key electoral issue and it should be patently clear to the government it is likely to be the central issue around which next year's general elections are fought. It has also been taken up by the South African NGO Coalition, churches, labour, the Commission on Gender Equality and the Human Rights Commission.

Fraser-Moleketi, who is compiling a special poverty and inequality report for Deputy President Thabo Mbeki that is expected to be ready by April, said the government was trying to attain the broadest possible social security system.

The government had limited resources, she said, but significant strides had been made, particularly in respect of its special intervention on free health care for children under the age of six. Her department would also be extending the R100 child support grant to another 178 000 children.

Describing proposed new welfare legislation as "a war on poverty", Fraser-Moleketi said her focus was on areas of greatest vulnerability, and particularly on putting a comprehensive system in place for care at an early age.

Disabled in new welfare fiasco

BRETT ADKINS

(297)

ST 15/3/98

DESPITE promises of better management after January's pensions fiasco in the Eastern Cape, thousands of disabled people in the province have again not received their welfare grants.

Recipients in East London were turned away at pay points this week after the province's welfare department failed to issue them with cards designed to stamp out fraud.

Officials said all legitimate beneficiaries were receiving their grants and

~~200~~ only those who had been rejected by the new system were not.

But the newly appointed welfare minister, Nomsa Jajula, said on Friday that a computer error in Pretoria had resulted in a number of people not receiving theirs. She said the problem was receiving priority attention.

About 100 people protested in East London on Tuesday.

Several said that, although they were unfit to work, they had been told they were eligible for employment as Bisho intensified its efforts to eliminate false claims.

Poverty war goes on

THE South African National NGO Coalition, South African Human Rights Commission and Commission on Gender Equality recently launched hearings on poverty.

This is not specific to South Africa. Many countries have put the reduction of global poverty at the top of their development agenda. And there is a note of optimism that it can be dramatically reduced.

The Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD) has set the target of eliminating absolute global poverty by 2015 – just 17 years away.

The question, however, remains: How can global poverty be reduced and ultimately eliminated, considering that 1.3 billion people, most in Africa and South Asia, live in poverty, surviving on R5 a day for all their needs?

History tells us that in the last 50 years more people in the developed countries have escaped from poverty than in the previous 500. Since 1960, child death rates in developing countries have been cut by more than half.

People have more food to eat and the percentage of the population with access to clean water has doubled to 70 percent.

This suggests that history has equipped us with better instruments of intervention on which to focus our efforts in combating poverty. We have also learned economic growth plays a significant part in reducing poverty.

Under existing policies, Zambia, Mozambique and South Africa need at least eight percent, 12 percent and five percent average growth respectively for four to six years if poverty is to be reduced significantly.

But the complex relationship between economic growth, income distribution and their impact on the reduction of poverty varies from country to country.

Because growth is linked to income distribution, it will only have minimal impact in societies where inequality is higher.

The uneven distribution of the benefits of economic development diminishes the impact of growth on poverty elimination. Appropriate development is likely to be achieved more easily where resources are distributed fairly.

This suggests that economic growth should be inextricably linked to social justice. There must be equality of opportunity and the possibility for everyone to benefit from economic growth.

In the African situation, the high growth which a number of countries are experiencing has not been proportionate to income distribution as many people are in the informal sector.

Much of the success of poverty reduction in the past was built on agricultural improvements,

Eliminating poverty cannot be achieved by economic growth and macro policies alone. Public action is needed to help the poor. **Claude Kabemba** explains...

(297) Souetan 16/3/98



SAHRC chairman Barney Pitso Moleketi. The organisation launched hearings on poverty in South Africa recently.

and small incremental gains based on intensive use of labour, low capital and technological input.

Here the approach is to have an integrated view of economic endeavour, embracing the simultaneous and interacting development of agriculture, industry and socio-economic infrastructure.

Poverty elimination targets cannot be achieved by economic growth and sound macro policies alone. Complementary direct public action to provide a safety net is required to help the social and human development of the poorest sectors of society.

Support both for sustainable economic development and social development now need to be inextricably integrated by all actors in poverty reduction.

Other elements play an important role in enabling people to have access to resources and should be seriously considered in poverty policy formulation: education, race, age, gender and religion.

Education plays a crucial role in human development and OECD targets aim for universal primary education by 2015. The education of women is viewed as a key element in any poverty reduction strategy.

The value of empowering women in poorer regions, enabling greater self-reliance, and the impact of this on households has been well

demonstrated. There is also a need to invest in new knowledge to really understand the world we are living in.

Land reform, for instance, will only be beneficial if backed up by agricultural and technological reforms (as happened in India with the Green Revolution or the Philippines through crop development).

The poor, then, will need access also to formal markets.

This, in turn, requires good roads and appropriate infrastructure.

Development cooperation can also play an important role in eliminating poverty. Today, however, the climate surrounding foreign aid programmes is heavy with disillusionment and distrust.

On all sides we sense a weariness amid a search for a new direction. Much has been said about building genuine partnerships between the donor community and the recipient countries.

The conventional wisdom in both donor and recipient countries emphasises trade and investment as more important than assistance given to poor countries, but aid is still a relevant option in fighting poverty.

Economic growth alone will not resolve the problem of the bottom 10 percent. Northern NGOs can play an invaluable role working alongside their counterparts in developing countries, and can often reach the poorest.

Growth supporting the poor can be encouraged by recipients and donors to empower the poor to become producers, in turn contributing to wider economic growth.

To succeed, the poor need greater access to credit, investment, technology and assets.

The real challenge is to ensure that aid recipients can take the driver's seat, while recognising the need for donors to maintain some control of how their taxpayers' money is spent.

The West can indeed help poor countries. But it is not an easy matter, expressible in terms of money alone.

It demands a deep respect of African needs, traditions, initiatives and decisions.

There is a need to equalise relations between donors and recipients. The principal objective should be to help the poor to rid themselves of poverty by their own efforts.

(The writer is an international relations researcher at the Centre for Policy Studies, Johannesburg.)

SA's poor not benefiting from spending — Idasa

Linda Ensor

DD 17/3/98

(297)

CAPE TOWN — SA's poor were not benefiting sufficiently from social spending despite the greater resources allocated by government since 1994, Institute for Democracy in SA (Idasa) researchers told Parliament's portfolio committee on finance yesterday.

"SA's social expenditure budgets are relatively large relative to other middle-income developing countries. Yet our socioeconomic indicators are poor. This is related to the inequality and ineffectiveness of spending," Idasa's Shirley Robinson said in a presentation to the committee on the recently announced budget.

"Although data is sparse, recent reports indicate that the incidence of social spending in SA is not geared toward the poor, 'despite the shares allocated to education and health expenditure'. Spending on the poor and 'ultra-poor' was much lower than their share of the population, she said.

Robinson said that while the poor comprised about 53% of the population, they received only about 40% of the education budget. The 'ultra-poor' formed about 29% of the population, but received only about 20% of the education budget.

These trends highlighted the need for finer expenditure targeting. Idasa recommended the policy co-ordination unit in deputy president Thabo Mbeki's office monitor the situation.

Robinson said the real decline in social assistance grants this year, the projected decline in the welfare vote over the next three years, and the decline in the social services element of the welfare vote would affect SA's poor.

Robinson blamed the poor use of resources on the lack of an integrated policy to alleviate poverty, with initiatives being fragmented across sectors.

She called for an urgent relaxation of the deficit targets of government's growth, employment and redistribution strategy (Gear) to release more resources for development. This was especially justified, Robinson argued, in view of the fact that economic growth was lower than expected.

Economists representing the SA Chamber of Business, the Afrikaanse Handelsinstituut and Business SA agreed that finance minister Trevor Manuel's 3% growth target for the 1998/99 fiscal year was rather optimistic. Sacob, for instance, had forecast 2,3%. However, business supported his disciplined budget and his commitment to Gear targets.

The Federation of Unions of SA attacked government plans to increase public service salaries by only 4% in contravention of its three year agreement and announced that it would not participate in any further discussions on transformation until the obligations under the agreement had been met. It predicted further industrial action and a deterioration of labour relations.

Small solutions to the big problem

(297)

BD 17/11/97

MOST organisations regard education and training as a top priority, with some allocating as much as 75% of their corporate social investment budgets to this area.

Education includes the provision of infrastructure and equipment, training, skills development, research, technology, management and delivery systems, developing teaching methodologies and curricula, addressing learning difficulties and materials development, outreach initiatives and bridging programmes.

Margie Keeton, CE of the Anglo American and De Beers Chairman's Fund, says: "One cannot look at the big picture alone. It is easy to fall into the trap of believing that big problems need big solutions. There are many meaningful ways to tackle a big problem, and there are a variety of small, highly focused projects under way that are undoubtedly making a difference in the lives of individuals.

"One merely has to look at some of the pre-schools that are community initiatives: they are doing work that will ultimately help transform the lives of many youngsters in those communities."

The widespread demand for support is evidence both of the urgent need for improved educational facilities and of the efforts of local communities to commit their own resources to finding their own solutions.

"There are schools that function

well in the most disadvantaged communities. People need to look at the success stories and see what it is that makes them work.

On a larger but still highly focused scale, the READ programme has had a significant effect. The programme can be run without a structured classroom, and participating schools are typically one or two years ahead of similar schools that have not had access to the programme, says Keeton.

It is at tertiary level that the country's crucial educational challenges are most sharply felt, and the effects of far-reaching social and political change are played out most publicly.

"We concentrate on activities that seek to provide enhanced teaching to students who are less well-prepared, including bridging programmes and academic support," says Keeton.

Investec director Reggie Berkowitz says, "We want to provide an opportunity to formerly disadvantaged people to develop skills relevant to finance, banking and accounting. We have allocated funds for training in those core disciplines to create opportunities for students to qualify in fields that are relevant to our industry."

"We offer holiday employment to students, to help them develop these skills in a practical environment.

"We provide resources to train employees in speed-reading, business-writing skills, computer skills, basic banking and management," he says.

Smaller charities face a cash squeeze

BD 17/3/98 (297)
LARGE projects focusing on community upliftment and black economic empowerment now tend to attract the bulk of corporate social investment funding, and organisations serving individuals or small groups in communities are facing an unprecedented cash squeeze.

Welfare organisations and charities address the needs of people who are in some way disadvantaged and unable to help themselves. They aim to improve the quality of life of people such as the physically and mentally disabled, the unemployed, orphaned and abused children, the aged and the sick.

Many of these organisations are too small and too focused on peripheral problems to justify major contributions from companies with big CSI budgets.

Margaret Rushworth, programme director at Reach for a Dream Foundation, which aims to fulfil a dream each day for children with life-threat-

ening illnesses such as cancer, leukaemia, cystic fibrosis, muscular dystrophy, kidney failure and AIDS, says accountability is the responsibility of every charity or welfare organisation and the right of every donor.

"Companies are fully entitled to see how funds are being used. That can only help us retain our credibility in the long term. We have to be held accountable," she says. "Most businesses assist with sponsorship, but they could make creative use of their resources," says Rushworth.

"For instance, companies in the tourism industry can offer accommodation or transportation, while certain retailers may have stocks of food, clothing and toys that they can offer either as a donation or at a good price."

Firms that do set funds aside for such organisations tend to want to focus on specific projects, and prefer not to contribute to ongoing expenses.

GONE are the days when companies were able to contribute to community upliftment while keeping their heads down and remaining uninvolved.

A new trend in corporate social investment is for companies to form partnerships with government.

While government provides the mainstream investments for a country's development programme, business enhances the process.

Government has insufficient resources to uplift society on its own, and the private sector can add value through its experience and creative approach to problem-solving.

While the value of projects that companies undertake individually can be substantial, some observers are questioning their real effectiveness. Conventional CSI is fragmentary by nature, and lack of synchronisation and communication often leads to businesses, government and NGOs duplicating each other's efforts.

"An emerging trend is for demands to be placed on business, on a collective and an individual basis," says Brian Whittaker, executive director of the National Business Initiative.

"Companies are being asked what they do individually to

Working with state to avoid duplication

support communities, and the business community is being asked what it is doing to address national problems. This question requires a collective response."

In this context, CSI has two dimensions: the way a company interacts with the community, and the way it joins with other parties to respond to broader issues.

Workshops involving business and local government representatives are increasingly being used as a means of forming partnerships where ideas for CSI initiatives are put forward.

Eric Ratshikhopha, senior manager Billiton Development Trust, who organises such workshops, says, "It makes business sense. We are facilita-

tors and catalysts, and our goal is to bring the appropriate elements in government together with the corporate sector.

"We recognise that it is government's job to run the country, and it is not our objective to run government.

"In identifying which initiatives we should support, we take into account government's plans and priorities.

"As an organisation we accept responsibility for taking decisions: we do not act merely as his master's voice; but at the same time we are conscious of the need to co-ordinate our input with government's plans — in effect, we don't want to establish boreholes where a dam will be built," he says.

Ratshikhopha says the private sector also has a role to

play in setting up and supporting pilot projects that can be replicated by government, such as the trust's housing project in Belfast.

CSI partnerships can also be formed in the private sector, and do not need to involve government directly. By forming partnerships with other corporations, institutions and communities, as well as encouraging employee participation, business recognises that it is able to spread its wings wider.

Margie Keeton, CE of Anglo American and De Beers Chairman's Fund, says: "No company, no matter how small, cannot contribute in some way. It is simplest to do so through partnerships."

"This makes it possible to increase the effect of modest budgets. When businesses attached to the community become involved in uplifting the community, even in a small way, they create a sense of commitment in their workforce."

She warns that communities are vulnerable when supported by a single donor or corporation, "You can kill with kindness just as easily as with neglect. Diversity of support is needed, otherwise the community may become too dependent on a sole donor," she says.

Providing assistance is a two-way street

(297)

REGULAR feedback from donors is fundamental to any sound corporate social investment (CSI) programme, say industry leaders. Communities benefit from CSI programmes have a responsibility to provide measurable feedback about the progress of initiatives.

Projects are more likely to last if the community contributes time and effort to complement skills and resources offered by a corporate donor. Lance Japhet, director of the Hollard Community Development Trust, says: "Some organisations may help budding entrepreneurs who cannot get loans from banks, by lending them money without requiring any surety. The rate of bad debt in these cases is high: we have a long way to go before our trust will be reciprocated by their commitment to pay. In the long term we may have to stop providing this sort of support."

Responsibility

Firms have a responsibility to assess whether the recipients of funds are capable of making good use of the money.

Eric Ratshikhopho, senior manager at Billiton Development Trust (formerly Gencor Development Trust), says: "Active participation by communities in projects that use the communities' own structures creates a sense of pride and ownership from the start."

"We don't always have all the answers, but we can get together and jointly solve the problems, supplying money only as the need for it is confirmed and in a way that encourages and requires accountability," says Lungi Sigebengu, Mi-crosoft social responsibility manager. "Companies have been criticised for not following up on how money has been spent. IT-related initiatives, for instance, are costly and while we cannot expect accountability in terms of capital returns, a level of commitment and care of the equipment is necessary," he says.

1998/12/13

2 Corporate social investment

IN a country that is notorious for its political violence, crime and road accidents, casualty statistics often focus only on the number of deaths, says Microsoft social responsibility manager Lungi Sisebengu.

"But what about those who are left behind — the seriously injured and permanently disabled? Disability is a far greater risk than death, and simply giving a disability grant is not enough.

"In many cases, readily accessible modern technology can cater for a number of disabilities. Companies need to

Catering for disabled with more than handouts

explore the possibility of retaining employees who become disabled, or of employing disabled people for certain types of work," he says.

Projects among disabled communities have enabled many disabled people to take up the challenge of their own development.

"They have been able to rise above their disabilities, and in many cases are seeking to share their experiences with others in need.

"Companies are receiving an increasing number of requests from NGOs, charities and welfare organisations that work with people with various disabilities, and by and large the business community is probably doing its fair share in terms of financial support," says Neville Cohen, Gauteng chairman of the National Environmental Access Programme.

"But as the social benefit structure deteriorates in this country, they will receive an increasing number of appeals for help. The needs are growing, while the trend among corporate social investment (CSI) programmes is to focus on upliftment projects built around the goals of the RDP."

Cohen says if corporate donors can learn to look beyond their budgets for creative ways to contribute, there are many ways to empower disabled people other than giving financial grants.

For example, the Self-Help Association of Paraplegics has established a factory using mainly disabled workers.

"There have been suggestions that certain of these jobs should be mechanised, but we're saying 'no' — these people need jobs, even if their lower productivity levels means they earn a lower salary. And by using them, even if output is slower, production is still cheaper than by high-tech means," he says.

R4,8m to help
relieve poverty

Star 19/3/98
(297) (241)
Non-governmental and community-based organisations in Gauteng will today receive R4,8-million from the province for poverty alleviation.

The welfare and population development department yesterday said selected programmes would help the poorest sectors of the community. Amounts allocated to each organisation will range from R800 to R242 000. - Sapa

Disabled reassured

Sowetan 18/3/98

(297)

By Khangale Makhado

THIRTY-FIVE disabled workers at the Orlando Sheltered Workshop in Orlando East, Soweto, could be out of work following word that their project had not been included in the current Gauteng government's budget.

The workshop, established almost 50 years ago by the Johannesburg City Council, creates employment for people with disabilities who live on the sales of products they make. The workshop is divided into five sections — weaving, sewing, packing, netting and making baskets.

When *Sowetan* visited the shop yesterday, the workers' morale was low. They said their only living came from the production of their products.

Two of the workers, Mr Daniel Mabula (56) and Mr Hosia Mashinini (67), joined the project when they were 16 and 17 years old respectively.

The workers said they had received information from the Gauteng department of welfare that because they had been excluded from the current budget, the project would either be privatised or the workers would be given lump sums to pursue their business elsewhere.

Welfare and population development deputy director Mr Boland Smith yesterday dismissed the claims. He said the workshop was still on the budget, but the department was trying to phase it out as "they are not registered".

"We are busy drawing up a business plan for them and also helping them to become a Section 21 company... there is no way we will abandon them," Smith said.

R25-m to help million people

By Joshua Raboroko

THE Gauteng government has spent about R25 million on emergency vehicles to service a million people from several previously disadvantaged areas.

The move comes despite the fact that some local authorities are cash-strapped.

Speaking at the handing-over of emergency projects, including fire-fighting vehicles and ambulances, to eight local authorities in Heidelberg yesterday, Gauteng local government MEC Mr Sicelo Shiceka said he hoped they would benefit many people.

In the past, he said, in areas such as Heidelberg, Nigel, Brakpan, Kyalami, Pretoria, Bronkhorstspuit, Cullinan and Eekoa-Vaal, facilities were scarce as they were not meant to serve certain race groups.

"In black residential areas many people died tragically in violent incidents because emergency vehicles were not available," Shiceka said.

Loss of lives through fire cost the country about R15 billion in the past two years, he said.

Outrage over pilfering

(297)
Sowetan 23/3/98

A UNITED States welfare agency yesterday called on the US and South African governments to investigate the possible looting of a shipping consignment of goods destined for the poor in Transkei, in the Eastern Cape.

The call, on the eve of President Bill Clinton's South African visit, was made by an outraged official of the Washington-based Research Analysis Development Action (Rada).

Dr. Marsha Adebayo said evidence suggested that the biggest suspects were South African shipping officials in customs at seaports.

"Justice officials must hunt down the culprits and bring criminal charges against them. What they have done is appalling and horrifying. It is more than a scandal and for that, they must be brought to book without delay," Adebayo said.

Adebayo was reacting to news that a 750kg crate containing a Rada donation of schoolbooks, educational toys and second-hand clothing valued at more than R100 000 had been broken into.

Almost all the goods inside the wooden crate were stolen before they could reach their final destination, the Ncediwe Community Development Trust in Umtata. The trust provides survival skills to unemployed rural villagers in Transkei.

Trust director Ms Bessie Mdoda said the items which were left when port officials showed her the broken crate in East London were worthless.

Micor Shipping spokesman Mr Lionel Kretzmann said his information was that the crate had apparently been broken into and looted before getting to East London. He had no idea where the pilfering took place. — Sapa.

Real power is economic

European Bank lends SA R2-bn

By Sowetan Business Reporter

THE European Investment Bank (EIB) will lend South Africa about R2 billion for infrastructural projects, a move seen to be a breakthrough regarding this country's accession to the Lome Convention.

The EIB is a European Union institution which helps developing countries with grants under the Lome Convention.

EIB's vice-president Dr Rudolf de Korte and the Deputy Finance Minister Gill Marcus signed the agreement on March 4.

The agreement is also referred to as the second framework agreement.

The bank has also made certain arrangements under which South African businesses can tender for EIB projects in other ACP countries.

An increase in activity between the

Sowetan 24/3/88 297
**Agreement is a major breakthrough
for S Africa's European Union bid**

EIB and South African financial institutions and business has become visible during the last financial quarter.

The First National Bank (FNB) was able to raise an R80 million 10-year loan facility with the EIB for infrastructure financing.

In February, the Compagnie Thermique de Belle Vue Limitee, a contract winner from EIB, selected Duke Engineering and Services as a turnkey contractor for their coal/bagasse co-fired 70 MW thermal power station in Mauritius.

The EIB has, as the awarding authority, requested tenders for many of its projects.

Companies wishing to apply for tender documents will be able to do so

at Eskom Transmission Commercial Services in South Africa.

The past two years have seen funds from EIB totalling about R1,2 billion going to various projects, says the bank.

These include institutions such as the Industrial Development Corporation (IDC), the Development Bank of Southern Africa (DBSA), Central Energy Fund (CEF) and commercial banks Standard Bank, FNB and Nedcor Bank.

The EIB says the Maputo Corridor, rural electrification, Telkom's telephone lines extension, water supply and sanitation into rural areas, are some of the projects being financed under the agreement.

Airport to help handicapped

AKG 26/3/98 (297)

Facilities for handicapped people using Cape Town Airport are to be improved.

These include the access ramps to the post office and VIP lounges, while access to the parking area and VIP apron will also be improved. The

improvements follow a report by Cedric Wilkins, a handicapped worker who was given a wheelchair by the Airports Company and asked to "test drive" the airport to improve its "user friendliness". - Transport Reporter

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(297) M+G 27/2 - 5/3/98

week that the panels have had "extreme effects" on how his staffers discharge their duties. There are only

to sit on the panel.

But De Vries was not satisfied with this explanation: "Although the department has apparently promised paybacks to January for those who qualify, how do they expect the disabled and their families to survive until then?"

But De Vries was not satisfied with this explanation: "Although the department has apparently promised paybacks to January for those who qualify, how do they expect the disabled and their families to survive until then?"

Moshima reacted: "Disability

grants are not a poverty-relief system. The purpose is

not to create income for people, but to assist people."

“Doctors were caught unaware

when disabled people started flocking to

reviews. From the end of February, they arrived at the pension pay points only to hear that they would

not receive any money until their grants had been reviewed."

The review panels are biting deep into the province's already under-

staffed hospitals. The panels can only see a maximum of 10 people a day, and scores of others are turned away.

Malamulele hospital's superintendent Imataa Wasilota said this

will be given a date to come back—maybe even in June.”

A doctor at Phalaborwa hospital, who asked not to be named, said the freeze is "a clear case of stupidity, coupled with a desperate attempt at a public relations exercise that neglects the needy. There are clear cases which don't need a review."

"You get a patient arriving at a pay-out point in a wheelchair. Or the patient is blind. Why on earth do you need to review the case of that person?"

De Vries also mentioned administrative problems that doctors are putting up with in the review process. "To top it all, the review forms ran out. When the regional office was contacted, their excuse was that they had no toner for the photocopier."

Matemne said she could not comment on Baloyi's death as she had not been informed about it.

Clinton's torch

in rural SA

Babak Dehghanpisheh

MC 27/3-2/4/98 (297)

The initial diplomatic overtures for President Bill Clinton's visit to South Africa were made last year with the arrival of America's unofficial envoys, the Peace Corps.

They include young Americans working among the poorest of the poor in rural South Africa. One of them, Marcus Watson (24), appears to have been groomed for such work from birth.

"I remember first hearing about South Africa at the age of 10 or 11, when my father did a consciousness-raising act by standing on his head every Wednesday during February [Black History Month] with signs saying 'Free South Africa'," says Watson, a New York native who will finish his term with the Peace Corps in 1999.

Born to a Muslim black father and a Jewish white mother, Watson says a large part of his beliefs was shaped by growing up with mixed parentage. "I realised early on that if I hate whites, then I'm hating my mother and part of myself — and if I hate blacks, then I hate my father

youth, from his parents and family friends, some of whom worked in Rwanda.

After completing university with a degree in history and political science, joining the Peace Corps and coming to Africa seemed like a natural choice.

The other volunteers don't have the same personal ties to Africa. Lorena Alvarez, a 29-year-old California native born to Mexican parents, says she knows a lot about Latin America but believes coming to Africa is a way to broaden her horizons.

There are 28 of them in Northern Province, working with the provincial and national education departments to strengthen the link between schools and communities and to help upgrade teaching skills.

Earl Yates, Peace Corps director for South Africa, says the volunteers' placement was based on the recommendations of an assessment team sent out in early 1996 to confer with the government and NGOs. The team recommended the volunteers be placed in rural primary schools. "That's where the greatest needs are, and where it's hardest to find

et, your life and here's how we're going to fix it', we expect the community to have most of the answers."

Coping with the cultural and physical differences of rural life may be one of the hardest things volunteers have to face.

Often they are placed in remote areas with a single telephone line, limited electricity and a scarce water supply.

Despite his mixed heritage, Watson is also finding the cultural differences hard to adjust to. "It takes 20 minutes to walk from the paved road to my village [Motantantyanene], but in

ing, 'C'mon, I've had a long day and I just want to get home and sleep,' but I'm wrong because I'm here."

Integrating into the community is a vital component of the three-month training period volunteers must undergo, which includes language and cultural training.

Despite recent charges of fraud and corruption in the Department of Education in the Northern Province, the volunteers say they haven't noticed it on a widespread level. But they have noticed there is a certain amount of disparity between schools.

The schools even look different — Moine Primary School is practically falling apart."

Jermima Mashiane, principal of Mokone School, says she is impressed with the workshops given by Watson.

"After two days, we were able to develop missions and objectives to improve our situation. The teachers were very happy, and the students tried to improve their language by speaking to him in English."

The volunteers, too, say they believe the Peace Corps mission is worthwhile. "From Buffalo, New York, to Motantantyanene was a step



Helping hand: Peace Corps volunteer Steven Douglas at a rural school in the Northern Province

cially — I think we can learn a lot about how to treat each other from the people living here," says Watson.

Government helps market SA

Patrick Wadula

GOVERNMENT has pledged a R10m marketing assistance scheme to encourage and enable entrepreneurs to market SA worldwide as an attractive tourist destination.

Deputy Environmental Affairs and Tourism Minister Peter Mokaba said the aim of the scheme was to compensate entrepreneurs active in tourism for certain costs incurred when promoting international tourism to SA.

He said SA needed to realise the country's tourism vision and fully capitalise on the major contribution it had to offer to the country's economy.

"More emphasis therefore needs to be placed on innovative and aggressive positioning of SA in global markets and assistance to the private sector in achieving this goal," Mokaba said.

The scheme would provide financial assistance to the industry for international sales and marketing missions, including investment recruitment missions, exhibitions and the production and distribution of international tourism marketing material.

Assistance included expenses for travel, exhibition, postage and transportation costs of marketing material and assistance for the design, printing and distribution of such material

internationally.

Tourism department chief director Mike Fabricius said companies which wished to make use of the scheme had to register with the department.

Those interested had to meet certain criteria, including trading for commercial gain, membership of a recognised tourism organisation and being appropriately equipped to conduct business in the international marketplace.

They had to have participated in an SA Tourism-organised international exhibition or be formally approved by Satour to participate in events.

Fabricius said the scheme also provided for emerging tourism enterprises that were independently owned and managed.

The companies had to have been in business for more than three years with a turnover of less than R5m and operational costs that were less than R2m.

"We have formulated a development strategy on tourism, which targets a growth of 71% in international tourism arrivals until 2000," Fabricius said.

He said this would result in a rise in foreign earnings to R23bn a year and sustainable tourism-related job creation of between 550 000 and 880 000 jobs.

ED 1/4/98

R90m donated to education NGOs

Pranashini Pillay

THE Joint Education Trust (Jet) announced yesterday a further commitment of R90m over a three-year period from the Private Sector Initiative to fund non-governmental organisations in education and training.

Jet was set up by the initiative in 1992 to draw together major political parties, trade unions, business and educational organisations which represented the then disenfranchised citizens of SA.

Its mission was to address the education crisis in SA on a national scale.

Over the past six years, Jet has acquired nearly R400m from the initiative. The money has been distributed to more than 40 non-governmental and community organisations. The funding was directed to the most disadvantaged sectors of SA society in a bid to improve the quality of education and the relationship between education and business.

ED 1/4/98

Sacked IDT staff insist on voluntary severance payouts

CHRISTO VOISCHENK

ECONOMICS EDITOR

Cape Town — The Independent Development Trust (IDT), the facilitator of socio-economic development projects, fired three senior employees for running a private firm in competition with the IDT, Mamphele Ramphele, the chairman, said yesterday.

The three were fired on February 26 — just two days before they were to receive voluntary severance packages. Lawyers representing the three are insisting the packages be paid out.

Bonile Jack, the former director of the community employment and agriculture portfolio, Baby Mogaane-Ramahotswa and Agnes Nyamande-Pitso, former

senior programme managers in the portfolio, accepted voluntary severance packages when the IDT was restructured recently.

"The IDT will oppose all attempts by the three ex-employees to have their packages paid out," Ramphele said.

The IDT found evidence that the three employees were shareholders and directors of EPA

Development, a private company that also facilitated socio-economic development projects.

"The work done by the three employees was in conflict with the interests of the IDT and done in breach of their fiduciary duty to the IDT," Ramphele said.

"They hid their activities from the IDT and no written approval was sought.

"Jack disclosed an interest in EPA last year, but it was done in a way which might have been misleading."

The IDT recently changed its focus from being a financier and implementer of development projects to facilitating projects.

As a facilitator, the IDT brings various parties in the public and private sector to the table.

Welfare looks at new strategy

BD 3/4/98

(297)

Bonile Ngqiyaza

THE Gauteng welfare department has issued a discussion document which proposes the adoption of a sustainable developmental approach to social welfare as an alternative to the current system of monthly subsidies and payment schemes.

The document suggested a number of strategies and action to support poor and vulnerable communities. Strategies included the setting up of community owned business ventures in disadvantaged areas and partnerships with big companies in establishing factories, petrol stations and shopping

malls in these areas.

It proposed that communities be encouraged — through subsidies and grants — to buy franchising rights into food outlets and other ventures. On social security — which takes up the largest portion of the welfare budget — the document called for the establishment of a lottery scheme with the 400 000 social security beneficiaries.

Gauteng welfare and population development MEC Ignatius Jacobs said some of the concepts and ideas were at an advanced stage of planning.

"Creative and innovative strategies are required to make the budget work for us," Jacobs said.

Regional offices to provide one-stop service facilities

Robyn Chalmers

THE Gauteng provincial government plans to set up six regional service offices to deliver social services using one-stop shop facilities or community centres.

Gauteng premier Mathole Motsheka told the Vusani Amadolobha (urban regeneration) conference yesterday that centres were envisaged in two services council areas and one in each of the four metropolitan areas.

Local development committees would be established in each of the six proposed centres.

"This will provide a highly organised and coherent system ... for rapid development and social services delivery," he said.

The committees would consist of politicians and officials from national, provincial and local government; councillors representing interested municipalities and other stakeholders.

The conference's aim was for business, local government and community structures to begin forming partnerships on delivery projects at local level.

These would centre around revitalising the city centre and uplifting the poor.

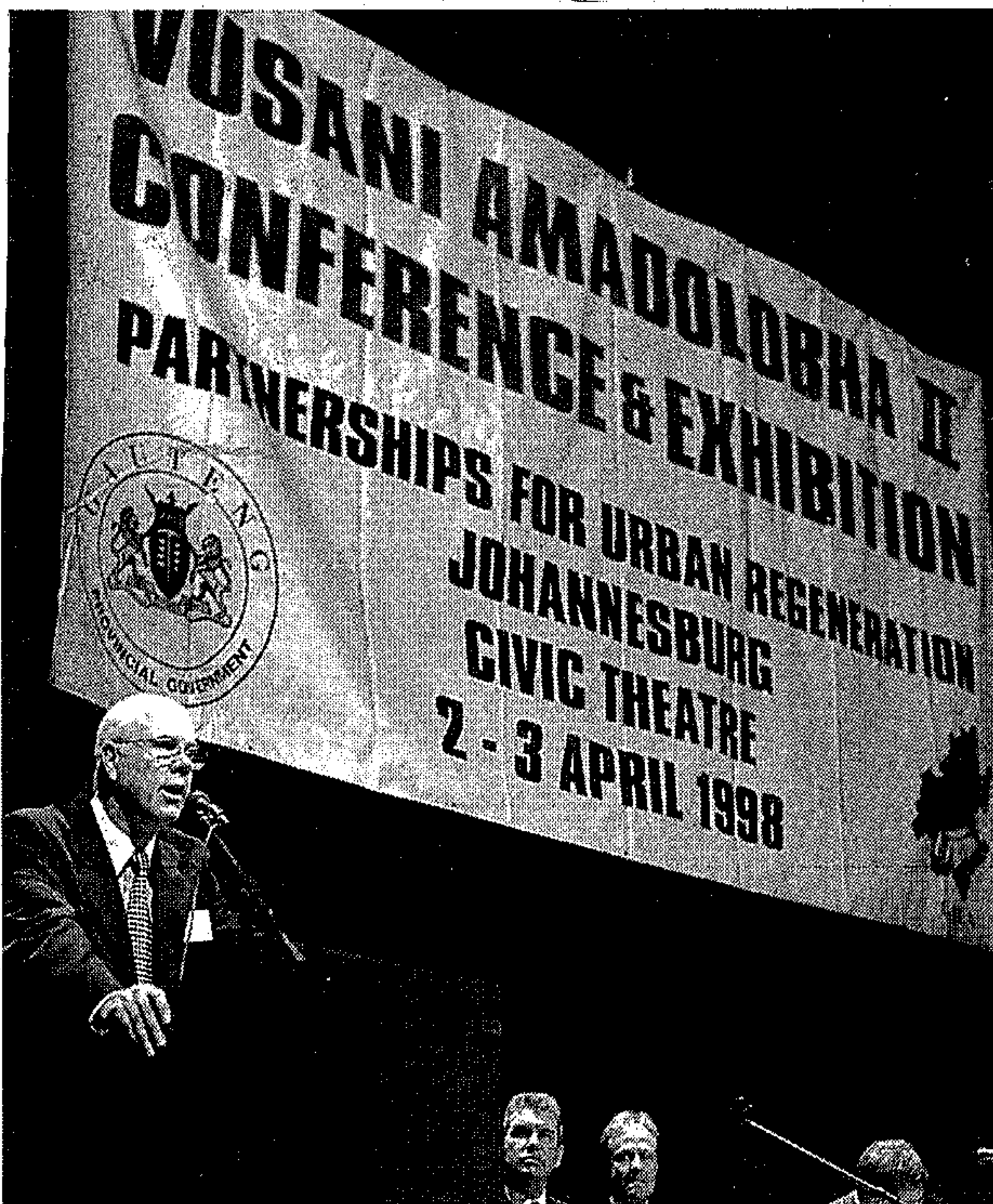
Gauteng development planning and local government MEC Sicelo Shiceka said partnerships with the private sector did not mean government would rescind its responsibility — it would perform its functions in "responsive and innovative ways".

Local government department chief director Rolf Dauskardt said partnership and support was vital to urban regeneration and integration. For example, local partnerships were needed in individual city, town and township centres to improve districts.

Technical and institutional support was needed on project management and financing of developments and both financial incentives and support were needed to boost local partnerships.

Shiceka said his department was moving ahead with a R26m project aimed at stimulating urban regeneration, job creation and private sector investment across the province.

The provincial government has earmarked R6m for the Vusani Amadolobha Fund, which has been set up to kick start the revitalisation of economic nodes in city, town and township centres.



National Business Institute executive director Brian Whittaker addresses delegates at the Vusani Amadolobha (urban regeneration) conference in Johannesburg yesterday. The conference aims to encourage partnerships between business, government and the community to revitalise the CBD and uplift the poor.

Picture: KENNETH MULLER

Help us, say

rural poor

MTG 3-8/4/98

Ann Eveleth

South Africa's rural poor gave a stern warning to the government this week as the first round of Speak Out on Poverty hearings opened in the Northern Province.

Dozens of rural participants from across the arid, sun-drenched province crowded into church halls and community centres to tell their stories of desperation and survival in the face of extreme poverty.

Many of those who descended on Pietersburg's Mankweng township and travelled through Elim's sprawling green hills to discuss the topic of land and rural development blamed government inefficiency and indifference for their worst problems.

Caspetina Mashamaitse and two neighbours from her village of Skoon-gesit B, near Bochum, told commissioners lead by human rights commission chair Barney Pitso that a local government councillor who is "always in a hurry and doesn't know us" and local traditional leaders who

refuse to help are their biggest stumbling blocks to progress.

"Where I stay we don't have water, roads or electricity. When we go to town, we have to walk 3km to get a taxi. About the roads we tried to do something, but the local government said we must go to the king. When you go to the king ... you are told you are not supposed to be there."

"We formed a water committee, but the local councillor is always in a big rush and he has never done anything for us. Since the new government, we have never had anything delivered to us," said Mashamaitse.

At times, Lydia Hlahla related, unscrupulous officials — or at least people feigning to be officials — had crushed women's self-help projects by taking away crucial seed money.

"We were sewing sheets and pillow cases. But this woman came and said she was from the government and took us to Nodbank to withdraw our money. Now we are crying because we haven't done anything since they stopped us. We don't have mon-



Poverty hearings: Caspetina Mashamaitse pointed to a hopeless government councillor and local traditional leaders who refuse to help as their biggest progress blockers

ey to buy material now," said Hlahla. Stories like Mashamaitse's and Hlahla's made clear that women have been, and remain, the real driving force behind development in their communities.

Despite a lack of infrastructure, most female participants could recount at least one group effort they had joined to alleviate poverty.

Some male participants also expressed a strong sense of community. Daniel Motsele pleaded for the government to help his community fight unemployment. Motsele survives on piece jobs and doesn't know how he

will pay for his children's education.

"During the apartheid government at least I was able to get about R100, but now I sometimes go three to four months with nothing," he said.

"This government has got a chance of beating the old government by far, but only if we can get some jobs. If it doesn't help us, some of us will try to kill and steal to get something to eat."

Men like Thompson Ngoboni (69), who has not held a steady job since 1984 due to mining injuries, have learnt to scrape a living from the good will of friends and family.

Ironically, while the hearings centred on land-based poverty, with subsequent hearings intended to target other issues, the collective cries of this week's participants laid bare the extent of rural poverty in all areas of development.

As the KwaZulu-Natal-based Rural Consultative Forum argued, "Rural areas need water, housing, land and everything else more than anywhere else. [We] celebrated the birth of the new South Africa, but very soon after realised that the promises of the government were only being made for the people in the cities."

Three sacked employees to sue IDT

NCABA HLOPHE

(297)

CT (MRA) 6/7/98

Johannesburg — The three sacked employees of the Independent Development Trust (IDT) would take legal action to reclaim their retrenchment packages, the legal representative of the three said on Friday.

"Although the trustees involved are now no longer employed by the trust, the trust will have to bear the consequences of their actions as legal proceedings are about to be launched by the three to enforce the retrenchment contracts," said Jo Didcott, the former employees' attorney.

The previous board of trustees fired the three on March 31, the day the board's term of office expired.

Chaired by Mamphela Ramphele, the vice-chancellor of the University of Cape Town, the board said Bonile Jack, Agnes Nyamande-Pitso and Baby Mogane-Ramahotswa allegedly failed to disclose their interest in a private company which was deemed to be in competition with the IDT.

Didcott said her clients had disclosed their interest in EPA Development, a developmental and agricultural consultancy involving 22 black professionals. She said EPA was not going to compete with the IDT.

"The alleged conflict of interest has been used as a means to prevent the three from using the money from retrenchment packages to fund EPA and prevent EPA from competing with the

private businesses of the outgoing trustees," she said.

The new board of trustees would be greeted with the legal action at their first meeting on April 28, Didcott said. The meeting was due to chart new vision for the implementation of government's reconstruction and development objectives.

Dangor Achmat, acting chief executive officer at IDT, said the trust was expected to defend the decisions of the previous board.

The board will be increased from 10 to 12 members; eight will be appointed by government. Four outgoing members will be retained.

The sackings appear to be a symptom of problems that have clouded government's intention

to transform the IDT to fulfil a new role.

The IDT was set up as a development agency on a R2 billion grant by former State President FW de Klerk in 1990. By last year it had earned more than R1,6 billion in interest on the R2 billion and had spent more than R3 billion on 8 800 projects.

Sources said the transformation programme had ignited antagonism between staff and trustees over the new IDT's vision and the possible encroachment of government on its independence.

Over 80 skilled people, including Professor Merlyn Mehl, the chief executive officer, and his two deputies took retrenchment packages.

Disabled misunderstood

CT 7/4/98

(297)

CHILDREN with disabilities should be provided with an enabling environment so they could enjoy the same rights as everyone, said Ms Sebenzile Matsebula, deputy director on the status of disabled persons at the Office of the Deputy President.

Matsebula was speaking yesterday on the second day of a four-day international conference on the United Nations Convention on the Rights of the Child, with the focus on disabled children.

She said discrimination against disabled children began at birth, where it was regarded as a tragedy, and spread in the community.

"By the time the child is exposed to the world, there has been so much negativity generated towards his or her existence that it makes the child very vulnerable to a dis-

criminatory world," she said.

Mr Jerry Nkeli, commissioner of the SA Human Rights Commission, said constitutional protection of children still had to be translated into positive redress through active implementation.

"The right to equality is affirmed in the Bill of Rights and in our constitution, but these provisions lack muscle. Without an enforcement mechanism, the constitution is not going to be worth the paper it is written on," Nkeli said.

Ms Washella Sait, national co-ordinator of the Disabled Children Action Group which organised the conference, said South Africans still regarded children with disabilities as incapable, incompetent, sick and a problem that needed to be dealt with separately from other issues. — Sapa

Mbeki set to sign a new R230m loan with Japan

Stephen Laufer

8/4/98 (297)

TOKYO — Deputy President Thabo Mbeki and Japanese Foreign Minister Keizo Obuchi will this afternoon sign a yen loan agreement worth R230m for the Development Bank of Southern Africa to finance rural infrastructure development projects, particularly water and sanitation.

Mbeki arrived in Tokyo late yesterday at the start of a 12-day Asian tour which takes him to Japan, China, and South Korea. Included in his delegation are Deputy Foreign Minister Aziz Pahad, development bank CE Ian Goldin, and Mbeki's director-general, Rev Frank Chikane.

Goldin said last night that the terms of the ¥6bn preferential loan allowed SA seven years in which to draw down funds, followed by an 18-year repayment period. This gave the loan a potential total life span of 25 years.

Set at 2,5% interest, the loan was not immediately attractive in comparison to other international finance available to SA, but was likely to be brought into use by the development bank as international interest rates began to climb again — a development widely expected in international banking circles.

The bank was looking at forward cover for the loan, which would be arranged via an internationally competitive tender. Drawdowns would take place only if and when the yen loan provided cheaper funds than those available elsewhere.

Capital market borrowing in Japan would not have given SA terms as positive as those connected to the loan to be signed by Mbeki and Obuchi.

Goldin said the crucial area of un-

certainty around the loan was its international competitiveness, given the unpredictability of interest rates. The terms of the loan agreed with the Japanese government felt "comfortable", given the open-ended nature of the drawdown time.

There were no strings attached to the loan, as SA said it would not enter agreements tying finance to suppliers or skills providers from a particular country. The position was different where outright grants were concerned, and discussions were under way with the Japanese government regarding the provision of technical experts in conjunction with infrastructure loans. Japan had skills in the area, which could benefit SA greatly.

The long life of the loan represented a significant advantage in infrastructure financing as it allowed income streams to be matched to repayment streams on projects with long lead times.

The development bank aimed to focus such concessional funding on the poorest parts of SA, particularly rural areas in the Eastern Cape and the Northern Province.

About 50% of an earlier Japanese loan of about R200m had been drawn down for infrastructure projects in the Free State, KwaZulu-Natal and Mpumalanga. The remaining R98m would be drawn down in the next several months.

Sapa reports that SA National Defence Force chief Georg Meiring upstaged Mbeki in Tokyo yesterday, with local newspapers reporting on his resignation and ignoring the impending visit of Mandela's likely successor.

Mbeki on the menu: Page 5

Nation
Oberh

R230m loan will assist Cape

TOKYO: Rural areas in the Eastern and Northern Cape were the most likely beneficiaries of a R230 million loan for infrastructural development, Development Bank of Southern African chief executive Dr Ian Goldin said here yesterday.

Japan has offered South Africa a concessional loan at an interest rate of 2,5 percent, to be repaid over 25 years with a seven-year grace period.

The loan agreement will be signed by Deputy President Thabo Mbeki and Japanese Foreign Minister Keizo Obuchi today, the second day of Mbeki's visit to the Japanese capital.

It follows a similar loan of R200 million from Japan, of which R98 million has already been accessed.

The DBSA would have a five-year period to access the new loan which, if drawn, would be used to mostly

fund water and sanitation projects in the Northern Province and the Eastern Cape, Goldin said at a news conference.

He said the "crucial area of uncertainty" was the competitiveness of the loan.

"There is absolutely everything to gain from having facilities of this nature, if one doesn't feel in any way compelled to draw them ... until the time is right."

The DBSA would do so only if it was cheaper than all its other sources of finance, Goldin said. "We have a commitment to finding the cheapest possible source of funds, so we will only draw this yen amount down when we can get the forward cover at a competitive rate.

"That is why having a long period to draw is very important. It doesn't

put any pressure on us."

Goldin said the question of the interest rate had been the subject of intense discussion.

"We believe the interest rate in Japan has reached a historic low and it can't go down much further. So over the period that we're looking at the interest rate is bound to turn in our favour.

"Although it may not be attractive at the moment, we're sure it will be very attractive during that period."

The DBSA was looking at other possibilities, including grant facilities from the Japanese, dedicated funds for environmental purposes and funds at cheaper rates for the poorest most indebted countries in Southern Africa, he said.

The DBSA would also ask for Japanese technical assistance. — Sapa

CT 8/4/98

Poor communities get R583m for services

Deborah Fine

(297)

BO 9/4/98

GOVERNMENT has set aside about R583m to provide poor communities with bulk and connector services this financial year.

The funds will be channelled to local authorities as capital grants via the Consolidated Municipal Infrastructure Programme (CMIP) for services such as water, roads, solid waste removal and community lighting in needy neighbourhoods. Launched last June, CMIP gives councils subsidies of up to R3 000 per low-income household for installing or upgrading bulk and connector services infrastructure.

The constitutional development department said yesterday that about R113m had been allocated to Gauteng projects.

Other allocations were: Eastern Cape R109m, Free State R31m, Kwazulu-Natal R117m, Mpumalanga R41m, North West R46m, Northern Cape R11m, Northern Province R69m and Western Cape R44m. Funds were allocated on the basis of provincial populations and poverty indices for each province.

Projects include bulk water reservoirs, pump stations and purification works; water main connector lines; internal water reticulation; internal bulk sanitation and sewerage works; local distributor roads and bus routes; stormwater drainage; solid waste disposal sites; and street-lighting. About R86m was granted via CMIP in the last financial year.

The short-term Municipal Infrastructure Programme and Extension to the Municipal Infrastructure Programme, which were set up three years ago to provide once-off grants for installing and upgrading bulk and connector infrastructure, had been incorporated into the longer-term CMIP, after completing 1 007 projects valued at about R1,3bn.

Councillors taste low side of life

Close look at hardship

BEAUREGARD TROMP AND CAROL CAMPBELL
Staff Reporters

Cellular phones and tape decks were surrendered as five city councillors were deprived of their comforts to experience first-hand the hardships of life on the streets.

Before setting out, they listened attentively as Greg Andrews from Onse Plek shelter ran them through a basic survival course for the streets.

"Eye contact is very important and show that you are unarmed by keeping your hands open or in your pockets," warned the Rev Andrews.

The five, Isobel Edelstein, Marelda Khan, Dan Plato, Ernest Sonnenberg and Charlotte Tabisher, are part of a council task team dealing with the homeless.

The councillors were asked to find seven objects during the course of what was going to be an arduous night.

The items required included a "paine", hairs of a dog and a "till slip from heaven".

In street lingo this meant they had to find a bottle used to sniff glue or thinner, a place which had been marked as the sleeping quarters of another street dweller and to get high during the course of the night.

Hours before the project was to have begun there was a large police swoop on the city with armed patrols and vans randomly searching passersby.

Rev Andrews said the police were having a major crackdown on drug peddlers in the city centre and it was not a show of force to make the streets safe for the night for the councillors.

Armed with a 30-minute crash course on the streets and full of gusto, the five made their way out trying to find their seven items.

Councillor Ernest Sonnenberg, wearing a jumble of clothes he admitted wearing 10 years ago when he performed as a vagrant in a play, said this was a dream come true for him.

"It's been a childhood ambition to put myself in the shoes of those who really experience hardship."

"The next time I speak in council (about street people) I can say that I have been there," he said before heading out.

The media was told not to communicate with the three teams of coun-

cillors, watched closely by two caretakers versed in the way of the streets.

By about 12.30am councillors Isobel Edelstein and Charlotte Tabisher had gathered some cardboard to sleep on and had made R11 from begging.

At sunrise today the team were councillors again and enjoying breakfast at a coffee shop in Church Street.

They were cold, very hungry and two of the ladies admitted using their position as councillors to gain access to the toilets at the City Hall.

Mrs Tabisher and Mrs Khan, with the help of street people, had found a clump of hair from a street dog called Rooles - one of the tasks they had been set.

They had been instructed to find out "the best price for a BJ" which Mrs Khan admitted she thought was a hamburger.

"It's the street name for blow job and it costs at least R350," she said.

The two women said they tried to sleep behind the fountains outside Woolworths' head office but were evicted by police.

"At first we refused to move but as soon as we put up a fight we were surrounded by police."

"Somebody tipped them off that we were the councillors and then they backed off," said Mrs Tabisher.

The councillors were refused till slips from Heaven strip club and had to pick them up outside the club - another of their set tasks.

They all had to beg for money for supper and admitted they became irritated and frustrated when passersby wanted to give them cigarettes instead of cash.

Renée Rossouw, a worker from Onse Plek, said the councillors were watched by a "caretaker team" from a distance to make sure they did not get hurt.

"They were not exposed to some of the abuse from the street boys who can be very violent," she said.

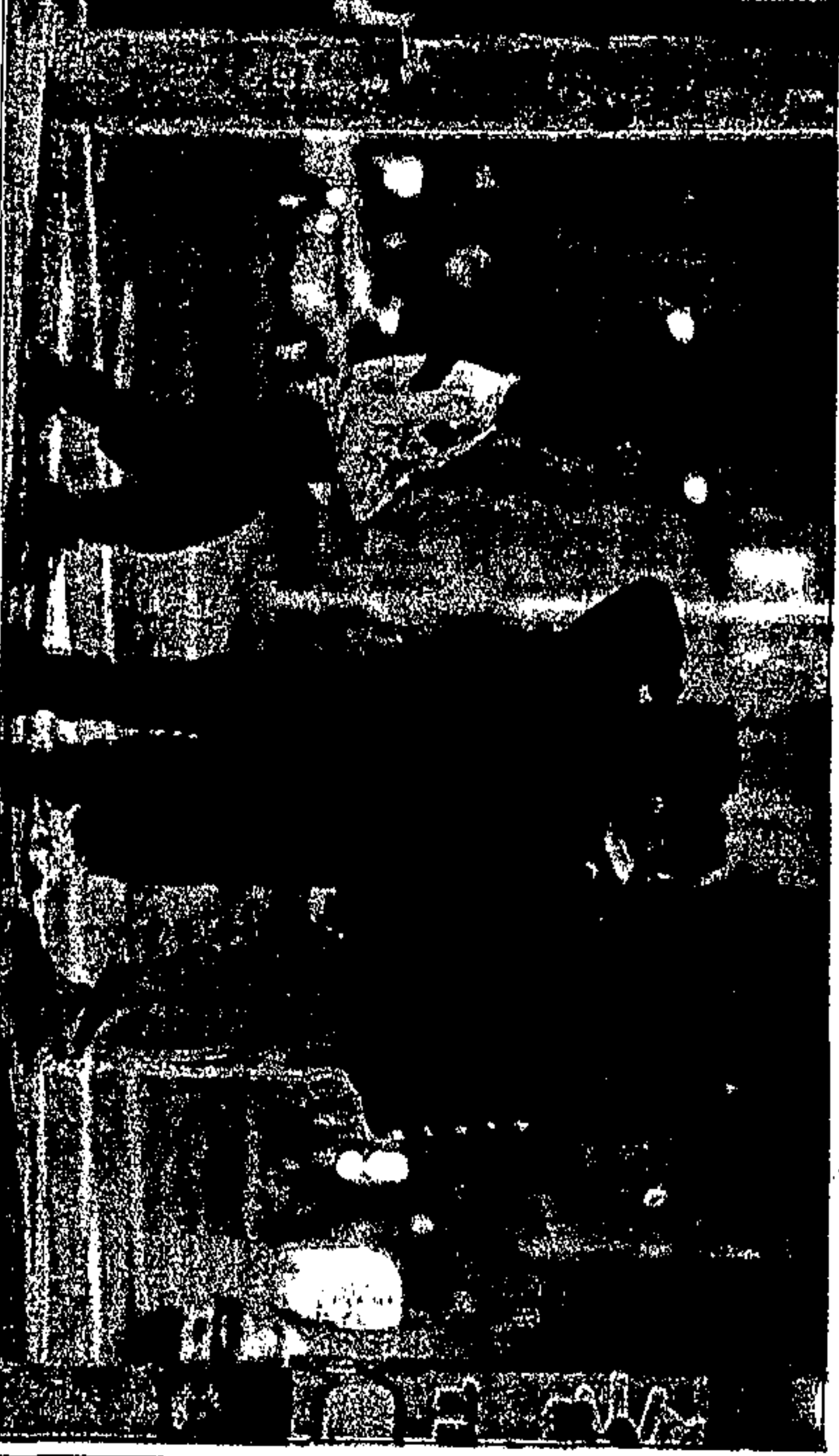
An elderly street woman, Rebecca Goetzes, waking up after a night outside the Central Methodist Church, told the councillors she was afraid of street children because they threw thinner on her and tried to set her alight.

Mr Plato commented: "This experience was very, very interesting."

Rev Greg can be contacted at 082 852 7740.



Tough night councillors from left Charlotte Tabisher, Ernest Sonnenberg, Marelda Khan, Dan Plato with street people Marks, Rebecca and Lionel



Street encounter: councillors Isobel Edelstein and Dan Plato talk to street children on the outskirts of the Loop Street nightclub scene

HANES THART

Talks on US plan to cut aid to SA

(297)

By ESTELLE RANDALL

stan 11/4/98
The SA Government and the United States Agency for International Development (USAid) will meet next week to discuss a controversial proposal from USAid to cut its funding to South Africa by 2005 and to review USAid-funded projects in SA.

Ahead of the meeting, Shaheed Rajie, from the Department of Finance and leader of the South African delegation, reiterated the Government's concern that trade should not replace aid.

"The Government strives to establish trade relationships," said Rajie, "but we do not see aid and trade as being mutually exclusive. Donors can continue to play a crucial role in areas of policy advice, capacity building and basic service delivery for the foreseeable future."

Rajie's sentiments are shared by the South African Non-Governmental Organisation Coalition. "We have met with USAid and our energies will be to convince them to continue to fund projects after 2005," said Sango director Kumi Naidoo.

Other major government donors to South Africa are the European Union, Germany, Denmark, Sweden, the UK and Japan. But the US is the largest.

After SA's first democratic elections in 1994, the Clinton administration committed \$630-million to SA in aid. South Africa is one of the US's largest trading partners in Africa. US investment of about \$9.5-billion here also makes it the largest foreign investor in SA, with American firms providing about 100 000 jobs.

USAid's South Africa mission head Aaron Williams said the funding phase-down strategy was devised



MAJOR INVESTOR: US President Bill Clinton on his recent visit to Soweto

in 1994. "Our intention was to phase down funding as trade with South Africa increases," Williams said, "but our phase-out by 2005 is subject to discussion with the South African Government."

According to USAid's strategic summary plan published last year, the agency's overall goal is to support sustainable transformation – which goes beyond short-term transition but not as far as long-term sustainable development.

Activities focused on sustainable transformation of the private sector, housing and health would be completed by 2000-2003. After this, the programme would concentrate on continuing sectoral transformation in education and sustainable structural transformation in governance and economic policy, designed to help ensure an environment for long-term development and growth.

Before the 1994 elections, most of USAid's funding went to non-governmental organisations (NGOs). Now, Williams said, it was split 50-50 between the Government and NGOs.

"But of the 50% that goes to NGOs, most goes to those who are supporting government programmes and policies," Williams said.

No NGOs will take part in next week's main review meeting between USAid and the Government. But NGOs will be briefed at the end of formal proceedings.

Besides the issue of a funding phase-down, the Government wants specific commitments from USAid. Rajie believes the Government has sufficient checks and balances to ensure that donor aid supports SA's developmental needs.

Funds squeeze delays Boesak's

Legal team in place but no work being done on case,

GLYNIS UNDERHILL
SPECIAL WRITER

Allan Boesak's fraud and theft trial in the Cape High Court has been postponed for the fourth time because there are no funds for his defence.

His attorney, Chris Petty, said yesterday that the trial date which had

been provisionally set for May 18 had been postponed to August because of the cash shortage.

Dr Boesak was being unfairly prejudiced by the repeated delays, which had resulted from his wrangle with the Legal Aid Board, he said.

"We have the legal team in place but we still haven't got funds, so the case has had to be postponed again."

No work was being done on Dr Boesak's case, in spite of the seriousness of the charges against him, Mr Petty said.

Dr Boesak faces charges of fraud and theft relating to the alleged misuse of R1,1-million of foreign donor funds intended for the victims of apartheid.

"The legal team is not being paid

and we haven't started work on the case," said Mr Petty. "Dr Boesak is certainly being prejudiced by the delays."

Mr Petty said a date had not yet been set for the Legal Aid Board's appeal against a Pretoria High Court judgment ordering it to set aside its decision to suspend funding to Dr Boesak.

Mr Petty said he had had discussions with Cape Attorney-General Frank Kahn and agreement was reached to postpone the case.

Deputy Attorney-General J C Gerber confirmed that the case had been postponed to August 17.

Witnesses would be told when they would be needed, he said. Nick Pretorius, director of the

attorney SAYS
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Legal Aid Board, said he was not prepared to comment on proceedings while litigation was pending.

Dr Boesak was living in Cape Town with his wife Elna and family on money given to him by the African National Congress, his attorney said.

At his court appearance earlier this year, Dr Boesak said the family was severely strained by the circum-

stances surrounding his case.

"Four years is an extraordinarily long time for any human being to live under the stress and circumstances that my family has been living under," Dr Boesak said at the time.

"My hope is that we could get this thing over as soon as possible so that I can get my life together," he told the Cape Argus.

trial yet again

'Financial help must be earned'

Patrick Wadula

PORT EDWARD — Development projects in any province had to show that businesses had developed through them before financial assistance could be given, Council of SA Banks CEO Bob Tucker said yesterday.

This was preferable to waiting for banks to come up with the money first, he said in an address to delegates at the Wild Coast spatial development initiative.

Initiatives would gain financial support from the banking sector only if people changed their perception on how to seek funding.

It was not the banks' responsibility to supply funds for any given project. Projects had to prove their viability, thus creating a demand for finance.

"The idea of 'have money and we will lend you some' is not the way to go for banks, but an attitude of have a business and we will lend you the mon-

ey (is)," he said. With this approach money would be used effectively and appropriately.

Banks were able to participate in infrastructural development as long as they had an equity stake in the project.

"If you want banks to participate in any initiative it has to be profitable" and the banks had to be given a 30-year guaranteed participation "to ensure a favourable return on their investment", said Tucker.

Land Bank MD Helena Dolny said the parastatal recently launched a microcredit scheme that would assist in providing funding for small farmers and other related small and medium businesses.

She said the scheme involved a partnership with the private sector banks.

"We want to see ourselves as wholesalers for the financiers of different types of projects relating to land," Dolny said.

Local people must have say in affairs in their area — Sigcau

Patrick Wadula

PORT EDWARD — Public Enterprises Minister Stella Sigcau called yesterday for the inclusion of local communities in all private and public sector initiatives relating to development in their areas.

She said government was privatising state assets while liaising with the private sector. However, some of the local communities directly involved with the state assets were not part of the talks between government and private sector companies.

She said that a partnership with the communities had to be established for any private sector-driven project to succeed.

State-owned diamond mining company Alexkor, which was earmarked for privatisation, would be run in the interim by a management team, while the non-core activities in the area, such as agriculture, would be developed for the people living around the mine. "As government we are responsible for all the land of all South Africans to whom it belongs."

However, the private sector had to bring its expertise, training and funding so the local community would benefit through job creation and housing.

Aid for aid bodies

STAFF WRITER

CT 23/4/98

(297)

RECENT announcements by foreign aid donors that they will cease supporting non-government organisations from the end of 1999 has prompted three organisations to form a partnership to help NGOs continue their work.

The partnership, to be known as the Non Profit Partnership and which is to be launched today, will be made up of the SA Non-Governmental Coalition, the SA Grantmakers' Association and the Charities Aid Foundation.

Charities Aid Foundation representative Mr Eugene Saldanha said the three organisations had decided to unite their efforts to help address poverty and distress in the country — the single most important challenge facing NGOs.

"There is general agreement that the state cannot meet all development needs," he said. "On the other hand a financially weak NGO sector cannot deliver. This is one creative way in which we can ensure the sector will continue working to eradicate poverty and distress."

The NPP would offer all NGOs services which would "strengthen" their financial and fund-raising capacity.

Development bank lends R1bn for infrastructure

John Diudlu

THE Development Bank of Southern Africa has extended loans worth about R1bn to shore up a range of infrastructural development projects in southern Africa during the past year.

In an interview, senior officials at the bank indicated that projects worth hundreds of millions of rands were being looked at with other development financiers.

This comes a year after the development bank's mandate was broadened to allow it to finance projects in the Southern African Development Community

(SADC).

Bane Maleke, regional manager for southern Africa at the development bank, said the priority in the year ahead would be to look at projects in Tanzania, the Seychelles and the Democratic Republic of Congo—the latter being the last two countries to have been allowed to join the SADC.

The bank was now established in other SADC countries.

Maleke said infrastructural funding was still at the core of the state-owned development bank's activities in the SADC. "However, on an additional basis, we allow ourselves some flexibility to

cater for the needs (of those SADC members) as they arise."

The strategy was to act as a cofunder with other multilateral financiers, including the World Bank, the European Investment Bank (EIB) and the French development bank CFD.

Johan Mans, the development bank's project manager for southern Africa, said the bank also acted as a catalyst and provided financial assistance, advice and support to facilitate "timeous resolution of environmental, institutional, social and developmental issues", including training and local community participation.

By addressing these aspects, project sustainability and participation by the private sector was enhanced, Mans said.

The objective was to assist and facilitate the most appropriate sources of finance for various elements of development projects, Mans said.

After the reshaping of the mandate last year, the bank's exposure in SADC countries increased, notably in Swaziland, Namibia, Zambia, Malawi, Mozambique, Botswana and Lesotho.

Its exposure in the Magugu dam development in Swaziland stood at R400m. There was a pos-

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sibility of a further R100m for irrigation/development in Swaziland, Maleke said.

The Namibian Development Corporation received a loan of R65m, while a R206m loan was under negotiation with the Windhoek city council.

With the World Bank, CFD and the EIB and others, the development bank was providing loan finance to the R1,2bn Zambian electricity rehabilitation project. The bank's exposure as one of the lead donors was R210m.

The bank had given R242m to the Botswana Water Utilities Corporation.

Since 1987, the bank had been funding the Lesotho water scheme. For phase 1A of the scheme, the bank provided loans of more than R1bn. In phase 1B, about R420m would be extended, said Mans.

The bank was also following privatisation developments in the SADC and leads in the telecoms and energy sectors of the region. It is one of several participants in the Maputo development corridor where its exposure was R240m.

"The beauty of it (telecommunication) is that it is very attractive to the private sector," said Maleke.

cture

Partnership launched to help cash-strapped NGOs

Dustin Chick

BO 24/4/98(297)

WORKERS employed by cash-strapped nongovernmental organisations (NGOs) would soon be offered access to a provident fund and medical aid with the formation of the Non Profit Partnership by the SA National NGO Coalition, SA Grantmakers' Association and the UK-based Charities Aid Foundation.

Partnership director Eugene Saldanha said at the organisation's launch last night that it aimed to develop a wide range of services and the sector's financial sustainability. Foreign donors were tending to shift the emphasis of grants to government and the National Development Agency (NDA) which was soon to be formed to channel money to organisations.

The need for the partnership between the private sector and NGOs was highlighted by international donors indicating that they would withdraw or radically reduce donations after the 1999 elections and the possibility that the NDA would not have adequate funds, Saldanha said.

Welfare Minister Geraldine Fraser-Moleketi said that the partnership would offer invaluable support to nonprofit organisations and individuals.

Policy aims to develop all people

ANDRE KOOPMAN

(297)

WELFARE and Population Development Minister Geraldine Fraser-Moleketi yesterday launched a new population policy centred on sustainable human development and removing apartheid inequities.

Past population policies were aimed at curtailing the fertility of black people by providing contraceptive services — often by coercive means — and there were deliberate racial schemes to keep them ignorant, she said.

In launching a White Paper tabled in Parliament, she said past policies also restricted the movement and settlement of Africans, limiting their access to employment.

Under apartheid there had been no country in the world where a profit on each labourer was as high as in SA.

"This cannot continue: We must consciously share and redistribute what we have, this is the thrust of sustainable human development.

"The thrust of this population policy is not on controlling the population growth rate, but rather on looking at the socio-economic variables that impact on population growth, and the need to provide for those socio-economic needs."

Families should be able to provide for their families to meet their potentials and South Africans, especially women and youth, should be empowered to take control over their own lives.

The policy calls on policy-makers to take population factors into account when developing their policies and programmes.

CT 24/4/98

Partnership promises lifeline for poor NGOs

(297)

M+G 24-29/4/98
Mail & Guardian reporter

With foreign donor funding drying up, South Africa's non-governmental organisations and their donors this week formed an agency to devise creative means to make them financially sustainable.

The South African NGO Coalition (Sangoco), the South African Grantmakers Association (Sag) and the United Kingdom's Charities Aid Foundation joined hands to set up the Non Profit Partnership as a lifeline for cash-strapped NGOs.

The new partnership said: "Recent announcements by funders that they would begin considering withdrawing from South Africa at the end of the millennium and the small amount of start-up funding allocated to the National Development Agency have forced many NGOs to explore more creative ways of raising funds for their work."

Many NGOs have already closed down because foreign donors are rechanneling their funds to the government.

Donors and the NGOs said drastic steps were needed because they did not believe the National Development Agency — the government body that is the custodian of NGOs — has enough money to keep them alive.

Said Eugene Saldanha, director of the Non Profit Partnership: "There is a general agreement that the state cannot meet all the development needs on its own. On the other hand, a financially weak NGO sector cannot deliver. This is one creative way in which we can ensure the sector will continue working to eradicate poverty and distress."

Among the services the partnership will offer are a provident fund for NGOs, high-interest bank accounts and other investments, medical aid, corporate services to develop closer links between South African companies and non-profit organisations, fundraising assistance, loan services for NGOs with cash-flow problems and advice on tax and legislative matters.

The Non Profit Partnership plans to release NGOs from fundraising and allow them to concentrate on the work they were established to do.

Its services will also halt the brain-drain the sector has been experiencing since the introduction of multi-racial democracy, and improve the benefits of NGO employees.

National agency will help the poor

8D 30/4/98 (297)

Linda Ensor

CAPE TOWN — Draft legislation to create a National Development Agency to promote development among the poor in partnership with government was approved by cabinet yesterday.

The long-awaited Open Democracy Bill was also approved, although changes made to initial drafts will only become clear once it is tabled in Parliament.

The development agency, which would have its own CEO and independent board of directors, was expected to kick off with about R195m. Bongi Mkhabela, director of programmes and projects in deputy president Thabo Mbeki's office, said yesterday.

Government had budgeted R50m, which had been matched with R50m from the European Union, while the Independent Development Trust had committed R95m. Donor funds would also be

channelled through the agency, whose task it would be to alleviate poverty among targeted groups.

One of the underlying principles behind the establishment of the agency, Mkhabela said, was government's acknowledgement that it could not take sole responsibility for development and that civil society was a key player.

The agency was expected to assist nongovernmental organisations which found it increasingly difficult after the 1994 elections to gain access to foreign funds.

One of the weaknesses of such organisations was that they could only deliver "to scale" if they were in partnership with government.

Mkhabela said that there were small community organisations in need of funds, which lacked skills such as literacy and computer knowledge to access them.

The agency would address these organisations.

To prevent the creation of huge

bureaucracies the agency, in addition to making direct grants, would channel funds through existing grant makers. These would include small bodies which were closely connected to communities.

The draft legislation, which would be scrutinised by Parliament's finance committee, was not prescriptive about the development projects the agency should fund. This would be up to the board to decide in collaboration with communities.

The agency would report to Finance Minister Trevor Manuel and Parliament and be subject to an audit.

Its 15-member board would consist of nine representatives from the public and six government representatives chosen in a public selection process.

Cabinet also decided yesterday that long-term border control should be in the hands of the SA National Defence Force.

DEVELOPMENT CO-ORDINATION

What role for Trade & Industry?

Planning powers are only one issue

Housing Minister Sankie Mthembu-Mahanyele has indicated that the Department of Trade & Industry (DTI) may take the lead in co-ordinating government development and infrastructure investment.

At a housing conference in Rustenburg, when concerns were expressed about housing construction continuing without supporting amenities, Mahanyele said ministries are addressing the issue "in an attempt to come up with a formal response as instructed by Deputy President Thabo Mbeki's office".

A department may be set up under DTI management to direct and co-ordinate investment with a view to unlocking Growth, Employment & Redistribution. DTI has had some success in its spatial development

MM 1/5/98
corridors in specific areas, which have focused on the planning of industrial and tourism investment and development.

Its small business promotion agencies Khula Finance Corp and Ntsika Enterprise Promotion are kick-starting pilot industrial parks.

National co-ordination of development efforts was lost when the Reconstruction & Development Office closed.

But aside from special integrated presidential projects (Sipps), co-ordination has been left to provincial and local authorities.

The Constitution obliges them to produce integrated development plans for cities and towns.

Department of Housing urban development director Johan Wallis says co-ordination has been hampered by budgetary constraints. "Some provinces have set up mechanisms between departments to co-ordinate the delivery of services, especially within the Sipps."

A bottom-up approach to planning and delivery advocated by the Department of Housing was supported by passage of the Development Facilitation Act. It is designed to enable communities to form local development objectives. But this process has not been completed in all provinces.

Moves to form planning tribunals at metro or regional service level are being made in Gauteng to counteract over-ambitious local metro council tribunals. Land facilitation director Stephen Berrisford says

Land Affairs Department is under pressure from Minister Derek Hanekom to issue a Green Paper in September. This is being drawn up by the Development & Planning Commission.

Despite these efforts, government departments, particularly those charged with providing infrastructure, such as Transport and Constitutional Development, are under-



Russell Roberts

Mthembu-Mahanyele . . . houses but nothing else



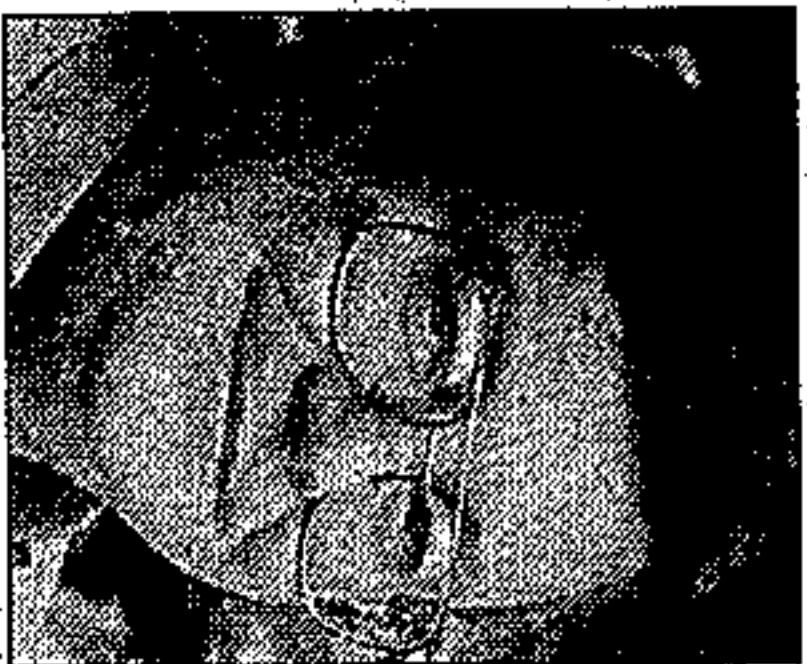
Arnold Pronto

Mbeki . . . Ministers told to come up with formal proposal

stood to be growing frustrated at the lack of co-ordination.

Berrisford prefers "a single process rather than the creation of some new structure or body to co-ordinate investment, particularly government's investment in infrastructure, and which will work hand in hand with planners. The nub of the issue is who tells whom what to do and how they tell it. Government departments are concerned about their autonomy and fear their delivery could be hampered by more hoops and hurdles. But there is certainly a need for clear directives".

DTI programme director for small and medium manufacturing development and tax holidays Francois Truter says his department has an investment programme to help local and foreign manufacturers nationally as well as at specific locations where the tax holiday scheme operates. "DTI can be one of the role players within a broader spectrum of bodies to coordinate investment and development." **Allison Goldberg**



NGOs: politics vs accountability in South

(297)

Non-governmental organisations should act as a watchdog and voice of the poor, writes

29/6/98

After President Bill Clinton's visit to South Africa, one of the issues under debate was one of our major foreign donor funding agencies, US Aid. Concerns are mounting that Government is intent on crushing NGOs (non-governmental organisations) which do not toe the party line.

At the ANC's Matleng conference, President Mandela criticised some NGOs and foreign donor agencies as having political agendas.

Until 1994 many NGOs and foreign donors supported agendas contrary to government line. Since then most foreign donor funding has gone directly to the government, leading to the demise of an estimated 5 000 NGOs since 1994.

From the office of Mandela's desig-

nated heir, Deputy President Thabo Mbeki, have come demands that the Government should have a greater say in how foreign donor aid is employed, including control over the employment of consultants.

Given the often self-serving interests of donor countries, such concerns are understandable. But in SA they also sound alarm bells. What are the prospects for NGO independence?

Such concerns have been voiced by some NGOs, concerns aggravated by the Government taking over the Independent Development Trust (IDT) which, with state backing from the De Klerk presidency, accumulated some R4-billion, of which over half has been disbursed for development projects.

Now it will become a semi-state facilitating agency of government development projects, with a new board, and will be accountable directly to Parliament - dominated by the ANC.

Then there's the dependence of many NGOs on the Transitional National Development Trust, to be transformed into the permanent National Development Agency (which will have only R50-million in government funds) by mid-year - and funded by government funds and government-directed donor funds.

This again raises fears of politicised bureaucratic control. Yet there are those who argue, in a country with scarce resources and great needs, some sort of oversight mechanism is needed. This is not helped by alleged corruption within NGOs, most recently affecting the IDT and the National Literacy Co-operation.

Government concerns can be met without dictating to NGOs, as long as a culture of openness and transparency operates within NGOs and they obey the laws of the land.

In a country where one party dominates the political system, and where problems of effective delivery are widespread, NGOs offer an invaluable range of alternative mechanisms and solutions. In many cases they are closer to the people they serve than politicians.

The "War Against Poverty" campaign, launched with NGOs and the Human Rights and Gender Commission and with the backing of trade unions and churches, shows that NGOs will make their voices heard at the Employment Summit in mid-year.

They are acutely aware of the ANC alliance's sensitivities to the issue of poverty as the 1999 election approaches, particularly at provincial levels. The problem is what pressure NGOs can realistically bring to bear. Unlike the trade unions, they do not have organised, mobilised constituencies, although they can turn to the constitution and to the trade union movement as allies.

In the last resort, NGOs cannot just be a partner of government. They have to be a watchdog too, and keep alive alternative voices where "struggle" issues tend to drown out everything else. What we need least of all is political interference, to the detriment of South Africa's emerging and fragile democracy.

■ Gavin Lewis is editor of two independent monthlies, *Tourism Info Brief* and *RDP Monitor*

Gavin Lewis

Africa

Report on poverty calls for transformation plan

Reneé Grawitzky

(297)

INHERITED structural problems in the economy coupled with government's macroeconomic policy framework posed major constraints to job creation and poverty eradication in SA, a report prepared for the United Nations Development Programme said.

The report, compiled by the National Institute for Economic Policy, has called for a "pro-poor transformation strategy" to stimulate job creation and alleviate poverty.

The research is intended to provide an analysis on employment creation and sustainable livelihoods and assist the development programme in formulating its programmes, in relation to the government, on priorities and strategies for poverty reduction in SA.

To achieve this, the research project focused extensively on who the poor and unemployed are, their location and sources of income.

The report found that sources of income were extremely diverse, with poor households being dependent on a wider range of income sources than wealthier households.

The poor and ultra-poor relied heavily on the state through remittances and social pensions. This had major policy implications for government and "policy shifts regarding pensions must be considered for the broader impacts they will have on rural households and economies".

National Institute for Economic Policy research director Asghar Adelzadeh said a "pro-poor growth strategy" was central to any policy as it could expand employment, improve productivity, ensure better income distribution, increase the economy's long-term growth and generate domestic demand with a "gradual and careful approach to integration into the world economy".

It would also ensure that government became actively involved in extending social services, improving the infrastructure and transforming the labour market.

BRITAIN TO DONATE R8M

Development boost for Bushmen

(297) (297) ET 11/5/98

A NEW ERA of development awaits the San people, better known as the Bushmen, once a huge funding programme gets under way.

MELANIE GOSLING reports.

THE South African San people, who have been marginalised and discriminated against for centuries, are in line for a major development boost in the form of a multi-million rand funding programme from the British government.

The San, or Bushmen, communities of the Kalahari, and the !Xu and Khwe people from the tattered tent town of Schmidtsdrif, stand to get around R8 million from Britain's Department for International Development (DFID) over the next three years.

San representatives gathered with government officials in Kimberley last week at a workshop organised by the Department of Land Affairs to discuss their development needs.

And the Northern Cape government, which, several times has blocked the resettlement of the Schmidtsdrif San on land bought for them by the Department of Land Affairs two years ago, has come out in public support of the resettlement programme at the workshop for the first time — some say because the whiff of donor-funding is in the air.

It was clear from the representatives of the about 5 000 San people in



NEW HOPE: The San stand to get a R8-m development boost. Here San Association chairman Petrus Vaalboo discuss development needs with Adele Wildschut of the South African San Institute.

PICTURE: MELANIE GOSLING

this country that their most pressing need was access to land. The Kalahari San have instituted a claim for land in the Mier district in the Northern Cape

and for access rights to land in the Kalahari Gemsbok National Park. The 4 000 !Xu and Khwe San, who worked as trackers for the former

SADF in Namibia during the border war and were resettled on army land at Schmidtsdrif near Kimberley in 1990, have been trying to resettle on

Platfontein, a farm nearby which Land Affairs bought for them in 1996. They cannot move until the Northern Cape government has provided infrastructure and services. Other pressing needs articulated by the San were for the upliftment and preservation of the San culture, language and traditions, skills training and the provision of basic services.

The workshop was organised by Ms Philippa Haden, who was seconded from DFID to the Department of Land Affairs last year at the request of Land Affairs Minister Derek Hanekom.

"My original brief was to work on issues surrounding the San land claims within the land reform process in South Africa. It soon became clear that there was far more work to be done than a single person could accomplish. We need to look beyond the land reform process and, since January, I've been focusing on the design of a long-term DFID support project in the San communities.

"We've been holding workshops with the San to look at their needs. This workshop, with provincial and national government representatives, looks at how community-based organisations and government departments should work together to ensure that the benefits of land reform are sustainable," Haden said.

If the funding is approved, it will be channelled through the Cape Town-based South African San Institute, the only non-government organisation in SA directly involved with San communities.

Plan to transform funding for welfare

(297)
STAFF REPORTER

A draft policy on the funding of welfare services provided by the not-for-profit (NPO) sector will emphasise priorities, policies and the developmental approach while encouraging the transformation of services.

Welfare and Population Development Minister Geraldine Fraser-Moleketi said the guidelines for the funding of welfare services would be based on requirements, the scope of services to be financed and available finance.

The document, which proposed three types of financing: grant financing, programme financing and a

mechanism to promote priorities, was developed by national and provincial welfare departments.

Fraser-Moleketi said grant financing aimed to assist developing NPOs that did not yet meet all the requirements for financing. "The idea is to kick-start development and build capacities."

Programme financing focused on registered services that would be financed according to a formula linked to needs and priorities.

The mechanism to promote priorities would enable welfare departments to make their needs for services known and to invite NPOs to meet identified needs to

transform service delivery.

It was proposed that all financing be subject to the submission of a business plan, an appraisal process to determine the priority of the application and its financing, the negotiation of a service and financing agreement signed by both parties as well as measures for accountability such as progress reports and financial statements.

"An essential characteristic of the draft policy is its flexibility," Fraser-Moleketi said. "It does not prescribe closed and limited categories of service, maximum unit costs and financing of posts or monthly payments for all services *ad infinitum*."

Star 11/5/98

Bill removes our power, say NGOs

Linda Ensor

(297)

CAPE TOWN — Non-governmental organisations (NGOs) were concerned about a cabinet amendment to a draft bill setting up the National Development Agency which removed their power to influence the selection of their own representatives on the board of directors.

Instead, cabinet vested this power in Finance Minister Trevor Manuel.

Director of projects in the deputy president's

office, Bongi Mkhabela, conceded this unhappiness on the part of NGOs during a briefing to Parliament's standing committee on finance on the proposed legislation.

The agency is intended to be a conduit for donor and government funds to NGOs which were hit by a funding drought after the new government came to power in 1994. It would hopefully start operations in September with R195m.

Democratic Party fi-

nance spokesman Ken Andrew was dissatisfied with the cabinet amendment which ruled that Manuel would choose the nine representatives of civil society instead of this being the recommendation of a committee of four MPs and four representatives of civil society. This would undermine the credibility of the board.

There was a danger, Andrew said, that government would channel funds to its favoured organisations.

DD 13/5/98

Bus service for disabled hits the road

SHARKEY ISAACS

TRANSPORT REPORTER

ARG 13/5/98

(297)

South Africa's first Dial-a-Ride bus service for disabled people has been launched by the Cape Metropolitan Council with the help of the private sector and welfare organisations.

By the end of the month four buses will be operating in Mitchell's Plain and Khayelitsha in a pilot project, benefiting more than 1 000 physically disabled and visually impaired people in the area.

A telephone call to the toll free number 0800 600 895, will send a bus to the doorstep of a physically or visually disabled person and cost no more than a normal bus fare.

At the project's launch yesterday deputy Cape Metropolitan mayor Isobel Edelstein said the buses had been specially equipped to meet needs of disabled commuters.

Dial-a-Ride was the first service of its kind and she hoped it was a sign of things to come.

The project is a partnership between the Cape Metropolitan Council, the Association for the Disabled, the Cape Town Society for the Blind the council's transport agency, Modalink, and the Golden Arrow Bus Company. The buses will operate daily from 6.30am to 6.30pm.



SHARKEY ISAACS

Mobile: Ruth Davids, assisted by Yusuf Abrahams, is hoisted aboard a special Dial-a-Ride bus for the physically disabled and visually impaired

Govt to rethink poverty alleviation

Farouk Chothia

CAPE TOWN — Government should reassess the use of monetary policy to contain consumption and inflation, as it seemed to have a negative effect on job creation, growth and access to home ownership, a report has said.

Commissioned by government and called "Poverty and Inequality in SA", the report said fiscal policy, through appropriate public invest-

ment expenditure, could ensure the poor and unemployed benefited from job- and income-creating opportunities. Supply-side incentives could direct investment to more labour-intensive industries. The report, compiled by independent researchers, was presented to the cabinet yesterday. Welfare Minister Geraldine Fraser-Moleketi said it would be discussed at a conference on poverty on June 12.

The report said that

government emphasised social spending. However, the problem was that high- and middle-income groups had, until recently, benefited more than the poor from this. It warned the long-term success of the spatial development initiative programme was "far from assured". The programme concept could not be implemented throughout SA, creating the risk that it might divert resources to a limited number of areas.

BD 14/5/98

Housing project builds Phola Park's economy

MLG 15-21/5/98
Sechaba ka Nkosi

A housing project that started as part of the Reconstruction and Development Programme in the one-time battlefield of Phola Park on the East Rand is paying dividends to the community.

The project — a joint venture between low-cost housing contractors Ecodev, the Gauteng Department of Housing and Land Affairs and the community — has turned an otherwise small and very limited entrepreneurial base into a vibrant local economy.

The houses are available to locals for less than the R15 000 government subsidy, which means most of the new owners move in without paying a cent. For the biggest — a 44m² house — the owners only have to pay an additional R4 000.

Some people employed on the project have opened businesses like spaza shops, while others have purchased knitting machines to supplement the family income.

But most importantly, residents say, the Ecodev project has not only resulted in the employment of a few locals but has increased the buying power of the community.

Spaza-shop owners say since the project kicked off about three years ago, their profits have been climbing — albeit slowly.

Local councillor Sino Ncwangwa

(297)

says the most crucial part of the venture is the preferential employment status it offers residents. At the same time it has opened up opportunities in Kaitleng, Thobaza and Vosloorus — communities equally ravaged by violence in the early 1990s.

Says Ncwangwa: "The project involves 4 395 sites constructed under state subsidies for low-income earners and the unemployed. This means a lot of money for Ecodev. But we also benefit because we have agreed that even when it comes to sub-contracting elements of the project, the first preference rests with Phola Park and Kaitleng."

Since the project began, it has employed at least 300 of the estimated 30 000-strong population of the settlement, mostly women.

The project has turned an otherwise small and very limited entrepreneurial base into a vibrant local economy

In the words of Ecodev employee Nomthetho Mathola, the R475 she receives a fortnight for plastering up to three houses every day is better than nothing.

Mathola, a single mother of five, says it helps her support her school-going children and her mother back home in Transkei.

"If things get really bad, I use some of the money to buy vegetables from the farm produce and sell them during my spare time and weekends," she says.

Most of this close-knit community's business leaders are retrained employees who once worked in the



More for all: The housing project has increased the buying power of the community

private sector. Now they provide jobs, with some employing up to 10 people.

Whitney Gabede is the proud owner of a makeshift "butchery" in the area. He sells mainly offal and tripe. In the early hours of every morning Gabede travels nearly 60km to Vereeniging to buy his R1 000 stock. The father of nine children makes up to R500 profit a day, while his wife knits and sells jerseys.

Says Gabede: "Survival is the

name of the game here. Even though most people don't earn much, they survive on the little we all make out of the butchery."

Community leaders and business people say Phola Park has become a self-sufficient community which uses every available opportunity to make ends meet.

The only problem is that the emerging entrepreneurs have few skills and little assistance from small business development organisations.



Building a future: The salary isn't high but it's better than nothing. PHOTOGRAPHS: MADINE HUTTON

Boesak case delayed again as funding row goes on

ANNA ZIEMINSKI / AFP

Cape Town - The Legal Aid Board yesterday clarified the controversy over its withdrawal of funding for Dr Allan Boesak's pending High Court theft and fraud trial involving his alleged misappropriation of R1,1-million in foreign donor funds.

The board said Boesak refused two invitations to board meetings aimed at resolving the controversy. The first meeting was to investigate the circumstances relating to an anonymous donation for his self-chosen top senior counsel, and at the second Boesak would have had to identify the donor.

The board said: "Having regard to the very strange terms of the donation, the board believes it would be a dereliction of duty to provide further funding, unless circumstances change materially."

"It would be most unfortunate if Boesak's case should set a precedent whereby applicants for state assistance could, by contriving unusual financial arrangements, effectively obtain legal aid despite adequate alternative financial resources."

In Boesak's brief appear-



Still waiting ... Allan Boesak, with his wife Elna, addresses the media outside the Cape Town High Court yesterday after a brief appearance on 32 charges of fraud and theft.

ance in the Cape High Court yesterday, the case was postponed to August 17.

The board said its average

cost for a criminal trial was R1 719, whereas the board had already paid out R340 426 for Boesak's defence before the

termination of his legal aid.

An appeal was now pending against the High Court ruling in favour of the board. - Sapa

Star

19/5

98

and her case was postponed to August 4 for further investigation.

The police have refused to identify the private investigator who is expected to be the prosecution's chief witness.

tion by lawyers about their justification for opening fire on the marchers. — Sapa.

Welfare praised and admonished

CAPE TOWN — The welfare department has come under fire from auditor-general Henri Kluever for inadequate control over its budget for the 1996/97 financial year, which resulted in unauthorised expenditure of more than R400 000 and problems with donor funds, among other things.

However, he praised the department for leading the process of solving the serious deficiencies in the control and payment of social pensions countrywide.

In a report tabled in Parliament yesterday, Kluever expressed concern about deficiencies

in the department's budgetary process, as shown by unspent funds surrendered annually.

Unauthorised expenditure as a result of not complying with tender procedures included: R149 487 paid to a company for conference facilities, catering and accommodation on the occasion of its national conference in November 1996; R10 896 paid to a consultant for a development programme for unemployed women with children under the age of five years; R30 951 for the printing of 5 000 calendars; R29 200 paid to a firm for the production of a simplified version of

a report on the women's conference in Beijing; R19 357 and R17 429 paid to hotels for conferences in July 1996 and August 1995; and R59 310 for the production of a newspaper for post-Beijing conference activities.

On foreign funding, which totalled more than R2,1m, Kluever said internal control measures for administering the funds were inadequate.

Funds were received from some donors without the necessary treasury approval. The department was required to provide financial reports by a certain date, but had not. — Sapa.

BD 21/5/98

Msweli guilty of stealing R3,5m

(297)
RONALD MORRIS
JUSTICE WRITER

ET 21/5/98

THOMPSON MSWELI, former finance director of the World University Service — South Africa (Wussa), was found guilty in the Wynberg Regional Court yesterday of stealing R3,5 million in foreign donor money.

Msweli pleaded guilty to 30 counts of theft that were uncovered in mid-December last year.

About 70 NGOs aimed at the poor and the marginalised mostly in rural areas were affected and ground to a halt after foreign donors froze funds pending the outcome of the trial.

Its principal donors are the Swedish International Development Agency (Sida) and the Swiss Agency for Development and Co-operation (SDC), and Wussa is one of the largest funding conduits for adult basic education, training and development in South Africa.

Msweli, a former uMkhonto weSizwe intelligence officer, had bought two service stations, a

house in Durbanville worth almost R500 000, a 1997 BMW Cabriolet, a 1997 Honda Ballade and several other motor vehicles.

Evidence was also that he had several insurance policies, which would pay out R16m on maturity, and various endowment policies.

Msweli, who allegedly started stealing when he took over as financial director in 1995, diverted the money to his personal bank account. The thefts were uncovered when he was away from the office on sick leave.

Shortly after his arrest, deputy attorney-general Percy Sonn made legal history when he brought an application before the High Court under

the Proceeds of Crime Act to freeze Msweli's assets. He was sequestered soon afterwards.

Days after the thefts were uncovered, Hilton Gischen, Wussa's attorney, appointed forensic experts to investigate and within a month they unravelled the case.

Msweli will be sentenced at a later date.

NGOs for the rural poor ground to a halt as funds were frozen

Lack of funds forces foundation to close

Linda Ensor

22/5/98

(297)

CAPE TOWN — The Rural Foundation, established to promote the upliftment of farmworkers and rural communities, would close its doors this month after 15 years because of a lack of funds, foundation chairman Ronnie Baskind said yesterday.

However, its work would be taken over by various independent trusts and community development associations set up by the foundation to administer its primary health care and preschool projects. These included the Centre for Integrated Rural Development and the Rural Health and Education Trust.

Baskind attributed the financial crisis to the diversion of foreign donor funds to the new government, the cutback in government funding and the resistance of enlightened commercial farmers to investment in infrastructure in a context of perceived government antagonism towards them. Baskind estimated that the commercial farmers with whom the foundation had dealings had invested about R24m in schools, houses and other community facilities each year. They were reluctant to do so now in the light of their uncertainty over government land and labour policies and their feeling that it was the duty of the new government to fulfil its promise of delivery.

At its peak, the Rural Foundation delivered services to 1,2-million people involved with 130 self-help organisations.

The social wage is the rage

M+G 22-28/5/98

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Ferial Haffajee

We are not going to eradicate poverty in a decade," says Minister of Welfare Geraldine Fraser-Moleketi. It's a very new song she is singing.

Fraser-Moleketi is the young minister responsible for breathing life into what used to be a "by-the-way" ministry run by the National Party's Abie Williams.

"This is a powerful ministry. It can make or break the country," she says matter-of-factly. That's because welfare is at the cutting edge of poverty alleviation — the social pensions she is responsible for support seven million people. Most old-age pensions keep entire families in food and basic needs.

Under her hand, Minister of Finance Trevor Manuel has had to cut a bigger slice of the national pie for welfare. It was

one of the few budgets which grew this year. The combined national and provincial welfare departments received more than R200-million for this financial year. By the turn of the century, this will increase to R234-million.

With the additional revenue she will lead the search for a better way of catching the millions who live on the edge. Government gurus are investigating a social wage for the poor because they know welfare cannot reach everybody. It is a cross-sectoral plan which involves the

departments of health, public works, welfare and transport. The social wage is part of Deputy President Thabo Mbeki's plan to co-ordinate the work of different ministries to make them more effective.

The social wage, says Fraser-Moleketi, will involve providing micro-credit (small loans) to the poorest of the poor, sustainable public-works programmes, food security, a provincial youth service to get young jobless people off the streets, and a national programme of skills training through joint programmes with busi-

ness. It will also mean investigating cheaper and more efficient public transport systems in the rural areas.

The social wage is an idea gaining currency again — it was first raised in the Reconstruction and Development Programme, but was never really implemented by the government. It is likely to now be marketed by the government

in order to yoke together a range of development projects.

"All government programmes are targeted towards poverty alleviation," says Fraser-Moleketi. She acknowledges that things have taken longer than expected.

That's because before she could tackle the problems of the poor, she's had to engage in a huge ghost-busting exercise. Many dead people collect her pensions. Some of the living get double, even triple, grants, and backhanders paid to officials often buy a blind eye. Pensions are

audit and clean out. Fraser-Moleketi says she has also had to make the politically difficult decision to cut apartheid's state maintenance grants to (largely) coloured and white communities in order to pay R100-a-month per child to all parents in need.

The government also wants all those on the roll to have an identity document.

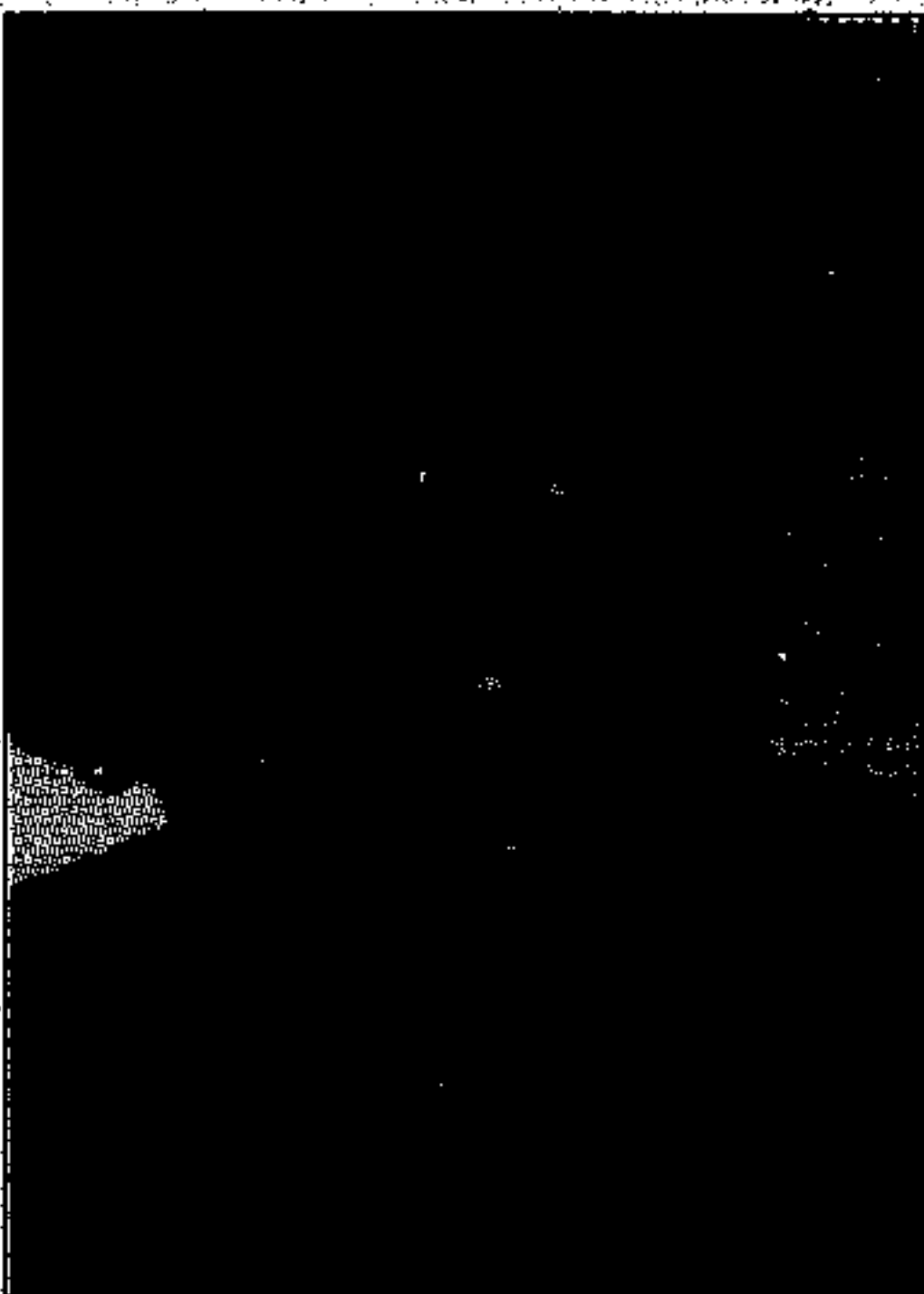
But these things are easier said than done, and many people have become unintended victims of change.

rife. The department is in the throes of a two-year clean-up aimed at ensuring that only the legitimately needy get on to the welfare roll-call.

This has meant some provinces have ceased payments while they

/paid out after a means test, but often those who should fail and those with private pension payments receive government grants as well.

She inherited a system where fraud and mismanagement were



Geraldine Fraser-Moleketi

'Better in the old days'

MTG 22-28/5/98 (297)

Ferial Haffajee

In KwaZulu-Natal a community of women risk getting eaten by crocodiles and bitten by snakes. It's the peril they face on their daily trek to collect water.

Other women told the poverty hearings in other provinces that they are raped or harassed as they make their way to watering holes. Water provision is one of the feathers in the government's cap, yet the poverty hearings show that a million taps are not enough.

The co-ordinator of the hearings, Jacquie Boule, says one of the more disturbing testimonies has been that "it was better in the old days".

Many people have made their way to the poverty hearings being held around the country to complain of being stripped of their old-age pensions, and their disability and state maintenance grants.

Some have been caught in the cracks, like the squatter mother of five who had many children because the old system paid out per child. Now that system's been replaced by one whereby the state will pay R100 per child and will not pay

for more than two children.

Others say the identity documents they now need to secure their grants are impossible to get out of the Department of Home Affairs. Some provinces have ceased all payments as they audit and clean out their welfare rolls.

"Stopping grant payments is incredibly inhumane," says Boule, adding that people are speaking the language of the forgotten and the neglected.

"Around the country there is evidence of a big pool of people caught in the middle who have absolutely nothing." That's the group falling right through the social net, like the Northern Province mother who told the hearings she was about to put her children in foster care because she couldn't find work. She is too young for an old-age pension and her children are too old for the child-support grants which stop when children are seven.

While it is the changes in welfare policies that have been most acutely felt, the end of the homeland trade incentives has also wrought devastation. In the North West and other provinces, factories have shut down, swelling the numbers of jobless.

"Yisise
Leliso"

Protest march by troubled Cape pensioners expose daring ghosts

By ANDILE NOGANTA

EASTERN Cape pensioners recently took to the streets again, only this time it looks set to backfire as "ghost recipients" allegedly cropped up amongst them.

About 300 pensioners braved severe cold for two days last week, blocking the entrance to the legislature buildings in an action reminiscent of the days that led to the axing of Nomsa Marasha as the province's Welfare MEC.

Hundreds of desperate pensioners who had not received their payouts, camped outside the legislature when the department ran out of funds earlier this year. Central government had to bail out the province's Welfare Department with a sum of R801 million.

But the latest protests lacked the might of the previous ones; instead they revealed a number of fraudulent pensioners.

And now Welfare MEC Nomsa Jajula has promised tough action against those identified as fraudulent welfare recipients, some of whom allegedly include former civil servants.

Most of the pensioners last week claimed they had not been paid their grants since 1996 when the pension system omitted their names after the re-registration of pensioners.

Jajula admitted that certain applications had been lying around in offices since 1996 and had only been admitted into the welfare system.

She said the department would start paying out these applicants - numbering more than 55 000 - in the next months.

But Jajula fired back her own salvos at some of the protestors, charging that they were frauds while some had already been paid.

She told City Press she suspected that there was a force with a hidden agenda steering last week's protest.

"The majority of people who demonstrated at the entrance to the legislature according to our records have been paid. We have since identified people who have wrongly been getting cheques from the department and others from other departments," Jajula said.



TALKING TOUGH... MEC Nomsa Jajula, determined to weed out fraudulent welfare recipients. ■ Pic: WILBERFORCE MDODA

She added that the others are people who have been declared fit by doctors and so do not qualify for social grants.

Jajula said the Eastern Cape government would institute civil and criminal claims against the fraudulent ghost pensioners - some of whom were identified in last week's protest - to retrieve the money lost to them.

Spotlight is on our homeless people as city takes action

Seven mayors to lead initiative

ARG 26/5/98

(297) (1524)

Greater Cape Town's seven mayors are to serve on a high-profile committee as part of a new plan to tackle homelessness.

The Local Government Street People Committee, expected to be up and running by the end of June, is one of the strategies detailed in the Cape metropolitan area's first joint policy and action plan on homelessness.

The initiative is the result of 10 months of work by people involved with the homeless, driven by the Cape Metropolitan Council, and including the six metro local authorities, the University of Cape Town's Community Law Centre, non-government organisations, Child Welfare, the police, the Justice Department and the Department of Social Services.

Local authorities will consider the report next month, while a final report including further recommendations will be ready by August.

A spokesman for the Cape Town municipality said the report would be considered by the housing committee next month, and later go before the executive committee and full council.

Cape Town mayor Theresa Solomon pledged her support for the development of the policy document, and said society had to take responsibility for generating and implementing solutions for homelessness.

A committee spokesman said that, while local government did not have a social welfare role: "It is acknowledged that local government can and must play a key role in addressing the challenge of street people in the Cape

SPECIAL REPORT

DI CAELERS



Metropolitan area. If this challenge is not met, the area's physical and social environment will deteriorate, and its potential to serve as an economic engine of growth and empowerment will be greatly compromised."

Isobel Edelstein, deputy metropolitan mayor and chairwoman of the task team behind the report, will present the findings to the Cape Chamber of Commerce and Industry today.

Among recommendations for local government are:

- Facilitating job creation;
- Providing basic needs;
- Ensuring that all by-laws – and their implementation – are consistent with the constitution and the realisation of socio-economic and human rights; and,
- Auditing the needs of street people and what action can be taken to support service providers.

The report also suggests the establishment of the Cape Metropolitan area Local Government Street People Committee to include mayors, a councillor and an official from each local authority, representatives of the province, the Community Law Centre or Human Rights Committee and non-government organisations.

Local authorities are encouraged to establish similar committees.

By the end of July, the main committee should have concluded an initial round of meetings with organised business and be in a position to advise organisations that work with street people on funding application procedures.

Statistics from last year, the latest available, show that non-governmental organisations provided 22 facilities for street children in greater Cape Town, three for street youths (between 18 and 25 years), 22 for street adults (older than 25) and one project for chronically mentally ill adults on the streets.

Only five full-time social service workers looked after the needs of about 900 street youths and adults in the Cape Town central business district, and another five worked specifically with street children.

There were not enough night shelters, only one day centre for adults, and no day centres for youths.

The report said the mission statement and recommendations gave local authorities and the CMC the chance to mobilise and co-ordinate activities and resources around street people.

Bathembu Lugulwana, task team co-ordinator and the CMC's head of social development, said: "This is going to allow a more effective, co-ordinated approach to addressing homelessness. It will allow us to go out and seek partnerships with business and NGOs."

Welfare may face new shortfall

27/5/98

(297)

Kevin O'Grady

FEARS were raised yesterday that provinces would again face a shortfall in the funds needed to pay social security grants because fund allocations from national government were well short of those requested by the provinces.

Underfunding of welfare was one of the main reasons for January's social security debacle in the Eastern Cape in which 630 000 pensioners were turned away from paypoints because there were no funds to pay them. National government later made up the R801m shortfall.

Sapa reports that the parliamentary portfolio committee on welfare issued a report yesterday which showed while provincial welfare departments had asked for R20,3bn, the allocations of R18,6bn suggested that welfare might be underfunded by R1,643bn this financial year.

It also appeared the shortfall would increase to about R3,874bn by the final year of the medium-

term expenditure period in fiscal 2000/01. The shortfall may increase further later this year with the increase in grants from July 1.

The committee said it supported the inclusion in the national welfare department's budget of an amount of R100m for each of the next two financial years to improve financial management of social grants programmes.

The report noted that old-age pensions, disability grants and remittances were the main sources of income for almost half of the country's poorest people. It expressed concern that grants had been increased only 4,3% — a real decline which would severely affect the poor, particularly in rural areas.

Provinces yesterday acknowledged there was a shortfall in the funds needed to pay grants, but said this would be made up from other welfare programmes to ensure all grants were paid.

Eastern Cape finance MEC Enoch Godongwana said all grants in the province would be

paid as a result of the "85% rule" imposed by national government. This dictated that 85% of all provincial funds should be directed to welfare, education and health to ensure these sectors were not underfunded.

"In our circumstances, we think we will be able to meet the requirements of the social security component," Godongwana said. Other elements of social welfare could face funding shortfalls as a result, he said.

The committee's report called on the cabinet to separate the social security and social services components of the welfare and population development ministry to form distinct budget votes.

"In this way, the social services component will be more transparent," the report said.

A spokesman for Welfare and Population Development Minister Geraldine Fraser-Moleketi said she would discuss the issue at a news briefing ahead of her proposed budget vote in the national assembly today.

Pensioners reap benefit as welfare fraud is cut back

(300) (297)
David Greybe

CAPE TOWN — Welfare Minister Geraldine Fraser-Moleketi announced in Parliament yesterday a two-step increase of 6,4% in social grants, including pensions, this year.

Fraser-Moleketi said during the welfare budget vote that social grants would increase by R20 — to R490 — on July 1, and by another R10 — to R500 — on October 1.

The increase would affect an estimated 2,8-million beneficiaries, who received various types of grants: old age, war veterans, disability, grant in aid, parent allowance, child care, foster care and care dependency.

Fraser-Moleketi said the welfare department had managed to provide for the increase due in particular to the continuing "clean-up" of the social welfare system.

For example, the department had saved nearly R160m by suspending payments to nearly 60 000 deceased

beneficiaries. Another 20 249 grants, worth R11,3m, were suspended to beneficiaries who had reached the 18-year-old limit.

With social security an important pillar of poverty relief — providing livelihoods to the aged, disabled and poor children — the department remained under pressure to ensure full access to social security for all who qualified, Fraser-Moleketi said.

The department had completed investigations into the social security administration system. It now needed to complete its data clean-up and re-registration of beneficiaries to improve service delivery and to deal more effectively with fraud and corruption.

Fraser-Moleketi said the department was developing a business plan in consultation with provincial departments to improve the financial management of welfare.

She said R100m in the 1998/99 bud-

Continued on Page 2

BD 28/5/98

Pensions

(300) (297)
Continued from Page 1

BD 28/5/98
get of the national welfare department had been set aside for the operation, with a similar amount to be provided in the following financial year.

Steps to be implemented under the business plan included: appointment of financial managers in provincial departments on two-year contracts; strengthening the welfare management information system as a matter

of urgency; fast-tracking the data clean-up and re-registration of beneficiaries; building capacity in provinces to undertake reconciliations of social security payments; establishing an asset management function, and improving the information technology infrastructure within provinces.

The 1998/99 welfare budget for national and provincial departments amounted to R18,6bn, which represented an overall nominal increase of 16,2% from the previous year — "a real achievement because it brings us closer than ever to actual expenditure".

Fraser-Moleketi gives boost to welfare grants

ANDRE KOOPMAN
PARLIAMENTARY BUREAU

WELFARE MINISTER Geraldine Fraser-Moleketi announced yesterday that social grants for pensioners, war veterans and people with disabilities would increase by 4,3% from July and a further two percent in October.

In her budget speech in the National Assembly yesterday she said these grants would increase from July, going up from R470 to R490.

From October 1 they will be further increased from R490 to R500.

Foster-care grants will increase from R340 to R350 on July 1 and from R350 to R360 on October 1. Grants in aid will increase from R80 to R90 in July but there will be no further increase in October.

The increases exclude state maintenance grants, which are being phased out, and the child-support grant introduced on April 1.

Fraser-Moleketi said the increase in social benefits were funded through savings achieved in "cleaning up" the system.

Curbing fraud and improving efficiency was a priority in her department.

Payments to 60 000 phantom beneficiaries of welfare grants had been suspended, saving the taxpayer R160 million for the 1997/98 tax year.

The number of grants suspended for

those who had reached the 18-year age limit and were still illegally receiving grants totalled 20 249, with a value of R11,3 million in the 1997/98 tax year.

By December 1997, 89 officials had either been suspended or prosecuted for fraud.

Speaking about abuses of the system by ghost beneficiaries, Fraser-Moleketi said: "We have made a serious effort to re-register beneficiaries in order to increase the accuracy of our database so that we can pay each beneficiary who legitimately qualifies the right amount at the right time in the right place — every month.

"Our goal is to minimise the inconvenience to bona fide beneficiaries. We are making a deliberate effort to fast track the re-registration of those who qualify and to address backlogs of applicants waiting for payments."

Minimum standards for the Child and Youth Care System, the first ever for SA, would be circulated within three weeks, she said. The transformation of

the system remained a top priority and significant progress had been made in this regard. "If we continue to work at this pace and with positive outcomes, we will indeed have a fully transformed system for young people at risk within the next five years, as planned."

Fraser-Moleketi said her department had provided financial assistance to 1 140 employment projects throughout the country — most in remote rural areas.



FRASER-MOLEKETI

Social grants for pensioners, veterans and disabled to go up

More funds made available through 'cleaning up' of department, minister says

By ANDRE KOOPMAN
Independent Parliamentary Bureau

Social grants for pensioners, war veterans and people with disabilities will increase by 4,3% from July and a further 2,1% in October, Welfare Minister Geraldine Fraser-Moleketi announced yesterday.

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to re-register beneficiaries in order to increase the accuracy of our database, so that we can pay each beneficiary who legitimately qualifies the right amount at the right time in the right place + every month.

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Minimum standards for the Child and Youth Care System, the first ever for South Africa, would be circulated within three weeks. The transformation of the system remained a priority and significant progress had been made in this regard.

"If we continue to work at this pace, and with positive outcomes, we will indeed have a fully transformed system for young people at risk within the next five years, as planned," Fraser-Moleketi said.

She added that her department had provided financial assistance to 1 140 employment projects throughout the country, mostly in remote rural areas.

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(297)

Welfare gets cash boost

(297)
POLITICAL CORRESPONDENT

ARG 28/5/98
Welfare Minister Geraldine Fraser-Moleketi says R200-million will be spent in the next two years to improve financial management of the welfare system, especially the social security system.

Opening the National Assembly debate on the social welfare budget, she said steps to be implemented included the appointment of financial managers in provincial welfare departments.

"The clean up of data and re-registration of beneficiaries was to be 'fast-tracked'. Provinces would be assisted to develop the capacity to do monthly reconciliations of social security payments," Ms Fraser-Moleketi said.

Fraud claims: US donors stop funding top NGO

By JIMMY SEEPE

TWO LEADING United States aid agencies have called for a forensic audit of a leading South African non-government organisation involved in higher education following allegations of huge misappropriation of funds by its director.

And one of the donor agencies, the United States Agency for International Development (USAID), has decided to withhold all funding to the NGO until all the allegedly misappropriated funds have been recovered from the director.

The two agencies, USAID and the WK Kellogg Foundation, have launched separate inquiries into the activities of the director of the Institute for Higher Education Development in South Africa, Dr Cecelia Moyo.

The two international agencies were alerted to her activities by the institute's governing board and deputy director, Dion Masenya.

City Press is in possession of the minutes of a meeting held last week by the institute and representatives of USAID, and of correspondence between the institute and the Kellogg Foundation.

The meeting was attended by USAID's deputy financial controller, education team leader, senior financial analyst and a special criminal investigation agent of the agency's general office.

The institute's staff members and board are now worried that the director's alleged actions could severely damage the good work they have been involved in.

The latest events may have come

*CP 31/5/98 (297)
Director Moyo allegedly used
donor funds for R250 000 car*

at a bad time for most NGOs in the country who have been struggling to get funding from international donor agencies since the Dr Allan Boesak affair.

Boesak is facing charges for allegedly misappropriating millions of rands in Swedish funds in his Foundation for Peace and Justice in the 1980s.

USAID has now called on the institute to provide a written statement regarding steps it has taken to safeguard the integrity of all financial records, since Dr Moyo appeared to have continued access to its offices.

Last week, representatives of USAID and the Kellogg Foundation held separate discussions with the institute's deputy director, Masenya, to work out plans to recover the money.

Representatives from USAID instructed Masenya and the board to work out plans to institute legal proceedings against her.

Faced with the embarrassing situation, Masenya took it upon himself to personally write a letter to the Kellogg Foundation's vice-president in the United States, Dr G McClure, explaining events that have unfolded in the institute regarding the director's activities.

Masenya wrote: "Over a period of time Dr Moyo has accumulated some personal loans from the Kellogg Foundation account exceeding

R109 000. These loans were taken without the authorisation of the governing board."

Moyo is also alleged to have acquired a new vehicle worth R257 000, using donor funds for personal use without the permission of the governing board or even the Kellogg Foundation.

When the institute caught up with Moyo, she allegedly sold the R257 000 car to a dealer for about R150 000 - prompting them to open a case docket to recover it. Moyo had allegedly deposited the R150 000 into the NGO's bank account.

Police seized the car from the dealer but he demanded that he be repaid the R150 000 he had given to Dr Moyo. The NGO succeeded in getting the car but had to settle for a resale price of R210 000.

The vehicle was said to have been acquired from the Kellogg Foundation's funds.

Masenya told City Press this week that the institute, after becoming aware of the missing money, tried to work out a plan to recover it from Moyo.

The institute managed to recover about R48 000, but some of the money is still outstanding.

USAID has also called on the institute to provide it with a copy of an affidavit signed by Moyo in which she allegedly admitted having misappropriated donor funds.

Change needs more than vague words

IT WOULD be a lot easier to support transformation if someone would work out what it means. In fact, it might be easier to move towards a new society if we stopped using the word altogether.

"Transformation" is a word much used by people in government and by many commentators. It was, perhaps, made famous after President Nelson Mandela's December political report at the African National Congress conference in Mafikeng. Commentators poring over the details concluded that the governing party leadership was signalling it was intent on thorough "transformation".

Few, if any, bothered to try to explain what that meant.

At first glance, this complaint seems like a semantic quibble. All those who use the word know, surely, that transformation means a total change? In our context, that seems a difficult goal to dispute. We still carry much of the baggage of our past, including all its problems. Few people would argue that we do not need thorough and dramatic change. Who, then, bar a few dinosaurs, could possibly oppose transformation?

The issue is, however, hardly that simple. Total change in any society at any time is impossible. There are always aspects of the past which remain because no society can get along without them — or because they are, for the moment, simply immune to change. Any programme for change, therefore, needs to say clearly what will go and what will stay.

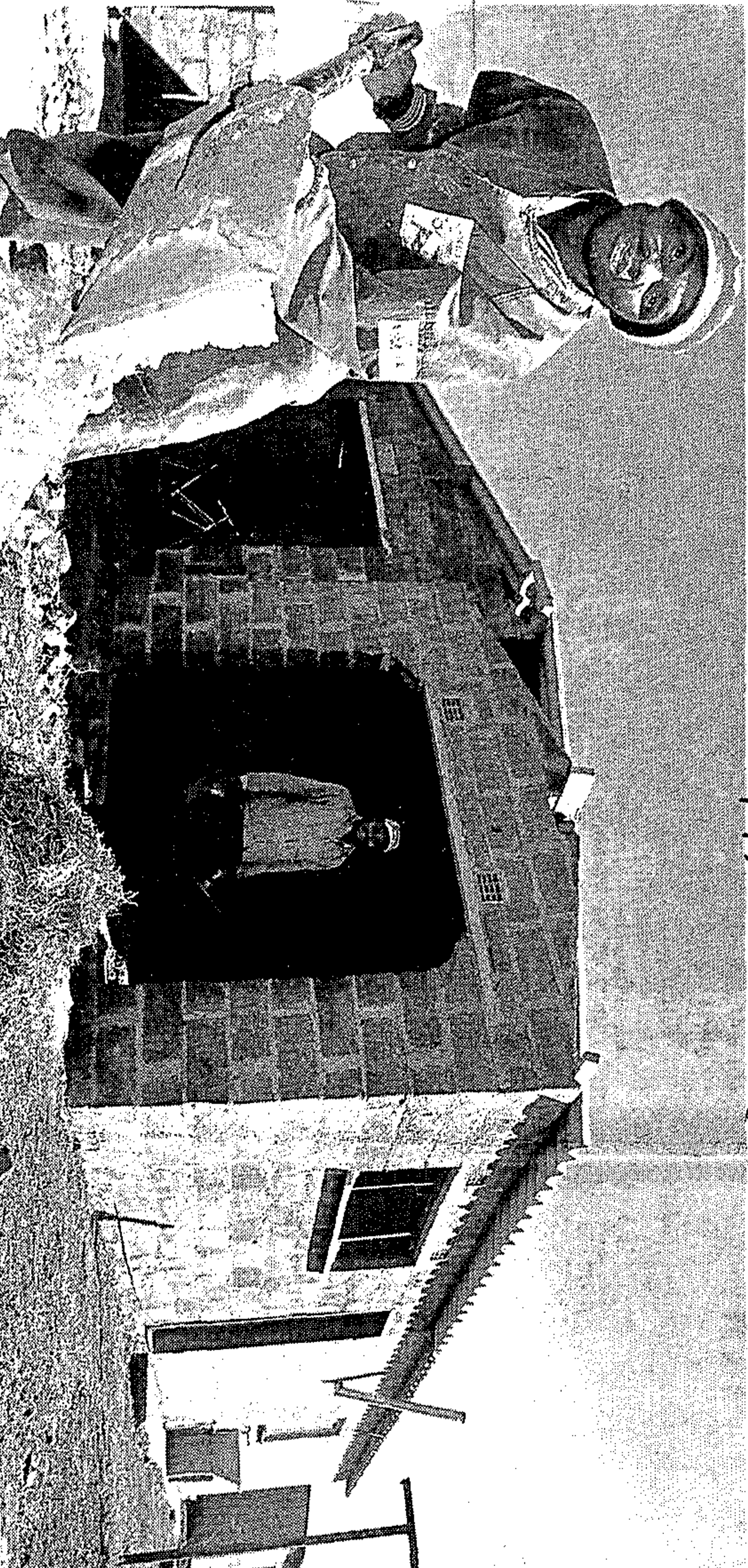
Transformation does not tell us that. Small wonder, then, that it can justify anything from changes in the racial and gender composition of the public service or business through to the adoption of fancy management ideas by government departments.

The point was illustrated by a discussion on crime policy last year. Everyone in the room was firmly committed to transformation. However their agendas ranged from those who wanted a police service more committed to human rights and to people in the townships, to a proposal to turn the police into something resembling an accountancy firm.

Transformation — like the reconstruction and development programme in the first year or so after 1994 — can, therefore, mean anything to anybody except those who want to retain the status quo.

Transformation needs measurable targets, argues Steven Friedman, otherwise it will remain a vague term serving confusing and sometimes conflicting ends

DN 11/6/98 (247)



Bandyng about words like transformation is not as effective as setting up clear and measurable goals and targets with broad support

Is that a problem? Does not any society need its slogans, even though they are vague and their details very much in the eye of the beholder? But, if we are looking for a slogan which will motivate people to bring us closer to a more workable society, transformation does not seem to fit the bill.

As implied earlier, focusing on total change removes the need for considered thinking on what needs to change.

Transformation gives us no idea of what we are trying to leave behind and more importantly, what goals we are hoping to achieve. How, as one analyst asked in a recent discussion, do we know when we are transformed? The answer, of course, is that we do not and the word can thus be used by anyone to justify anything

for the foreseeable future.

It may also lead us to believe that anything which is different from what we have now must be desirable. This is, of course, not so. It is, for example, open to doubt whether some of the present ideas for making government work better will bring improvements: they could take us backwards, particularly where they rely on ideas which are fashionable in the US or Europe, but which may not fit our circumstances.

Transformation can also make it difficult to set priorities. If everything must change, there is no point in trying to work out what is feasible. Many transformation agendas list a set of goals which conflict with each other.

To name but one example. Radically changing the way in which

organisations operate will, for a time, disrupt them, ensuring that they are less effective. However it is not uncommon to see programmes for change which want to shake government institutions up and at the same time improve their immediate effectiveness. Inevitably, the effectiveness suffers.

Transformation talk also often removes or denies the need to discuss who is to benefit from change. This is important, since not everyone gains from any given change: some interests are better off, others lose. Many advocates of transformation would, if pressed, argue that the disadvantaged are to benefit. However, they do not say who these people are.

Twenty years ago, it was easy to work out who was disadvantaged: black people were, since

almost all were poor, while almost all whites were privileged. No longer. The standard measure of inequality, the Gini co-efficient, for black South Africans is almost as high as that for the society as a whole. The gap between affluent black people and the poor is, therefore, almost as wide as that between the richest (whites) and the poorest (blacks).

Since some forms of change

favour the affluent, others the poor, there is a need to spell out who is meant to reap the fruits of change. Again, transformation obscures the question. This makes it fairly inevitable that programmes for change will favour those who are far better at making themselves heard, rather than the poor.

Similarly, if institutions which provide services to the public are

to be transformed, who is this primarily designed to serve? Those who provide the service or those who receive it? Often, it is impossible to benefit both equally. Transformation can, therefore, be used to ensure that the interests of those who are meant to serve the public are given priority over those of most citizens.

Finally it is hard to see how transformation can inspire anyone to work harder to improve society. If we do not say what it is we are working towards why should anyone become enthused about striving towards it? In a society which desperately needs some common goals and values beyond personal self-interest, transformation does not offer anyone an ideal for which it is worth putting their immediate concerns aside.

In sum, the stress on transformation commits us to unworkable or unintelligible goals: it also hides the need to make choices and to spell out details. And it does not offer us something towards which to work.

Instead of relying on transformation, we probably need two things. The first is a set of values or aspirations towards which to strive. Reconciliation may have played that role for some in the couple of years after April 1994, but it is unlikely to do so now. Old fashioned words such as justice or caring may serve us better.

More importantly, we need some measurable goals. However whatever goal is chosen, it will only serve a useful purpose if it can be translated into measurable and attainable targets and if it can win the support of the widest possible spectrum of the society.

The aspirations will obviously be open to differing interpretations and there will be heated debates over how the targets are to be achieved. However these differences would focus minds more clearly on what is wrong with our society and what it needs to achieve. It would raise many of the questions which "transformation" obscures.

We cannot move forward behind a vague word which is putty in the hands of anyone who uses it. We need goals and targets which are clearer, easier to measure and which can inspire us to work enthusiastically for a society better than the one we inhabit.

□ *Friedman is director of the Centre for Policy Studies.*

NUTRITION SCAMS WIDESPREAD

R10,6m fraud in govt food schemes

CT 4/6/98

(297)

THE COMMISSION probing major nutritional programmes has found evidence of widespread fraud in most provinces, reports **JOVIAL RANTAO** of the Political Bureau.

SCRUTINY of three government nutrition programmes has uncovered fraud involving R10,6 million and possible fraud of R143m, Parliament's joint standing committee on public accounts was told yesterday.

According to documents tabled by Johann Wiegand, who has been given the job of investigating the programmes, lack of documentation, excessive prices, double payments, and the lack of adequate control and staff had led to serious irregularities.

Wiegand said the figures were not final, as audits were still being carried out in five provinces.

He chaired the Wiegand Commission, which investigated irregularities in the Protein Energy Malnutrition Programme (PEM), the National Nutrition and Social Development Programme (NNSDP) and the Primary School Nutrition Programme (PSNP) from the 1991/92 financial year to 1996/97.

He said action had been taken against at least 10 people in the

Eastern Cape, where irregularities involving R2,3m had been uncovered, but the commission had had difficulty in getting them to repay the money.

Reporting on the PEM schemes, Wiegand said audits had revealed:

NGOs involved in implementing the programmes will now have to submit a business plan, which will have to be approved by the provincial as well as the national government

- Irregularities involving R66 475 in the Western Cape, and possible irregularities involving R5,8m were being investigated.

- Duplicate payments had led to R17 084 in irregular payments, and possible fraud involving R346 080 was

being investigated.

- Fraud involving R48 293 and possible fraud involving R1,2m in KwaZulu-Natal were being probed.

- Duplicate payments in the Free State where an overpayment of R54 996 was uncovered. A probe into possible fraud involving R2,1m was under way.

- In the North West overpayments involving R16 000 and possible fraud of R1,2m was being probed.

Reports from the Eastern Cape, the Northern Province,

Mpumalanga and Gauteng were still outstanding.

On the NNSDP, Wiegand reported that:

- Fraud involving R2m had been uncovered in Mpumalanga, and additional fraud involving R2,2m was being investigated.

- Possible fraud involving R2,1m in the Eastern Cape was being investigated.

- Possible irregularities involving R45m in Gauteng were being probed.

On the PSNP, Wiegand reported that actual irregularities involving R8,2m had been uncovered and possible irregularities involving R60,9m were being investigated.

Wiegand said his commission liaised closely with Judge Willem Heath's special investigating unit probing corruption, and had referred cases totalling R6,66m to the unit.

Outgoing director-general of health Olive Shisana said procedures and systems had been introduced to ensure that the nutritional programmes were run efficiently and reached their intended targets.

Shisana said non-government organisations and any others involved in implementing the programmes were now required to submit a business plan, which would have to be approved by a provincial as well as the national departments of health, and by the Department of State Expenditure.

NGOs guilty of mismanagement and irregularities were black-listed, the committee was told.

GOVERNMENT

(297)

'WELFARE IS ON TRACK'

AM 5/6/98
AG's report dismissed

The Department of Welfare has dismissed as inaccurate a disturbing report by Auditor-General Henri Kluever that it has not begun the assessment phase of Year 2000 rectification. In any compliancy project, systems can't be rectified until the assessment phase is completed.

Kluever's report has raised fears that Welfare's pension payment systems could be crippled at the dawn of the new century. Some have called up the spectre of a nationwide version of January's pension payment crisis in the Eastern Cape.

However, Andy Zachariades, the senior data technology manager carrying the can for millennium compliancy at the depart-

IT special

ment, explains that a tender has been awarded for the assessment of the problem and staff have been informed. She is confident that all code will be rectified by the financial year-end, March 31, after which testing can begin.

She says Welfare Minister Geraldine Fraser-Moleketi is personally monitoring the process.

Amdahl SA was recently awarded a R224 000 tender to assess the problem and do an inventory of systems. The assessment phase was scheduled for completion at the end of May. The next phase, problem analysis and planning, will again go to tender. Despite regular delays at the State Tender Board, Zachariades is confident that planning and analysis will be completed by the end of June.

» If welfare's systems are not corrected the payment of social benefits could grind to a halt «

Her biggest concern is that if Welfare's systems are not corrected, the payment of social benefits could grind to a halt. The department issues software to the nine provinces for regional payment. Updated software will be issued, and provinces' PCs will be assessed for compliance. Other mission-critical systems are those controlling welfare services and child emergency services. In total, Welfare needs to analyse and correct 5m lines of code. About 400 PCs must be tested, but because these are mostly Pentium-class machines, they may not need replacing.

Despite Zachariades' reassurances, Welfare is far behind in solving the problem. Most large commercial companies, such as the banks, have been working on the problem since 1996 and are scheduled to complete their systems by the end of the year. Welfare is still at the first step.

Other central government departments are also lagging. According to the AG, the Department of Public Service & Administration wrote to the heads of 45 national departments and provincial administrations in June last year, requesting reports on the progress they were making in fixing their systems. By September only 30 had responded. Nineteen indicated they were still assessing the problem and eight were already fixing their systems. Two claimed to have completed the task.

"Welfare will definitely be ready," Zachariades promises. "It is not a crisis." For the country's sake, she'd better be right.

Duncan McLeod

Disabled learn to survive everything – except indifferent public facilities

FEMIDA CASSIM

Leon Fleiser overcame a crippling injury to qualify as an accounts executive and went on to coach a wheelchair rugby team, yet he can't get on a bus or into his own office block without assistance.

Backpacking through Europe with another wheelchair-bound friend a few years ago, the physically disabled 28-year-old discovered that access to transport abroad was far more convenient than in South

Africa. According to him, "access to public transport is limited here".

The Association for the Physically Disabled transports people for a nominal fee, but Mr Fleiser says the service encourages the isolation of the physically disabled.

The Government has done nothing to improve the situation. In November, Deputy President Thabo Mbeki released a white paper on the development, promotion and protection of disabled people and their rights. But Adrian Castens, the act-

ing strategic executive for the Johannesburg metropolitan council, says budgetary constraints have limited the practical implementation of the paper.

Councils have only been able to adopt low-cost measures, such as painting bus steps a luminous colour to aid the visually impaired or buying flags for bus passengers who need to attract the driver's attention. But how does that help someone with limited use of their hands and arms?

Wittem Hendrik Vermaak was paralysed after he was shot in the neck in the line of duty. Now the 33-year-old former detective from Meyerton, Johannesburg, finds gaining access to buildings and parking areas a problem.

"There are few shopping centres that are wheelchair-friendly, but parking can be a problem. People with no disabilities frequently use the reserved space because they are too lazy to walk a few paces." Mr Vermaak twice confronted a

hospital sister and a pharmacist who frequently parked in reserved spaces in Three Rivers Square in Vereeniging.

Meanwhile, his family is still adapting to his situation: "I cannot play with my children, or give them hugs. I cannot dance with my wife, or go fishing".

"When I want to hug my children, I ask them to put their heads on my shoulder. By shrugging my shoulder and pressing my head against theirs, we hug."

public facilities

Earlier this year, a month after receiving an award for outstanding service, Mr Vermaak was discharged: he was medically unfit for service.

Richard Maimane, 46, sits on a flat cardboard box spread on the floor of an entrance to the Oriental Plaza in Fordsburg, Johannesburg. He rests his back on his right leg while his left leg relaxes on an old brown crutch. Both his legs are artificial. Mr Maimane was robbed, stabbed and thrown out of a moving train 27

years ago. Today he begs for a living. If he is lucky, he gets about R20 a day.

Each month Mr Maimane and his wife try their hardest to pay their bills. "I never thought this would happen to me. I have a wife and three children to support. What I get from the Government doesn't help my family. That is why I am here."

"I don't find it difficult because I'm used to it. I normally help myself, but," he says, with a smile on his face, "when I do get help I accept it."

trolled by Wouter Basson, whose activities as head of South Africa's secret chemical and biological warfare programme will come under the spotlight of the Truth and Reconciliation Commission this week.

the phial into his mouth and accidentally he touched the poison and accidentally brushed his mouth.

The poison was so powerful it knocked the man out for two days, reports say.

have interviewed people connected to several companies in Britain and other parts of Europe who had dealings with Dr Basson.

One former British major in military manufacturing of chemical weapons in the final years of the former government. Dr Basson is facing criminal charges alleging that he siphoned

Disabled pupils left stranded at home

School has no money to fix ancient buses

ARC 7/6/98

~~(297)~~ (297)

BARBARA LOFTUS

More than 180 mentally disabled children are being forced to stay at home, some of them without supervision, because there is no money to repair their dilapidated school buses.

The vulnerable group of children, who attend the Nompumelelo School in Guguletu, were left stranded at their homes this week as all three of the school's buses had broken down.

Only about 20 children, who live near the school, managed to attend their classes.

Concerned parents were frustrated and annoyed that their children could not be fetched from their homes

and taken to school. Some of those who had jobs were forced to stay at home and risk losing their pay to care for their children.

Reneé Hsia, a special school's researcher who visited Nompumelelo this week, said that some children were better off at school than at home.

"Many of the absent children come from violent homes. If they have to stay at home, they are at risk of being abused, ignored and left unfed.

"One of the many benefits of these children attending the school is that they are fed and cared for in a manner their parents cannot or will not do," she said.

The buses were repaired in April,

eroding the monthly budget by about R22 000, leaving just R3 000 for food, electricity and other basic resources that month.

A source close to the school said that the buses were often overcrowded. Up to 60 children were forced to squeeze into buses designed for 25 passengers.

The school has to scrape together funds from its annual budget to buy transport vehicles. Ms Hsia said this was an unfair strain on resources.

She said the Western Cape education department seemed unconcerned that all the teachers were present at the school last week with a fraction of students attending classes.

Following her visit to the school,

Ms Hsia claimed that school staff had notified the department about the urgent need to repair the buses, but to date, their calls have not been answered. The Sunday Argus's attempts to reach department officials for comment were unsuccessful.

A teacher at the school, who did not want to be named, said it was pointless having the buses repaired because it would be too costly.

She said many Government schools had a surplus of school buses that could be made available to the special school in Guguletu.

The school's principal, Nonkokeli Mxube, declined to comment, referring Sunday Argus to the education department.

Business Day

WEDNESDAY, JUNE 11 1998

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Lottery to be split between private operator, Post Office and govt fund

Samantha Sharpe

CAPE TOWN — Ownership of SA's national lottery, believed to be one of the largest in the world still up for tender, will be split between a private lottery operator, the Post Office and government's National Empowerment Fund on an 80:15:5 basis.

The decision, taken by the cabinet yesterday, puts an end to speculation about government and the Post Office's role in the lottery, while ensuring it starts operating by mid-1999.

Ajay Sooklal, the trade and industry department director of lotteries, said a tender document inviting proposals for the lottery's operation would be published at the end of the month, giving bidders time to comment before a final draft is published next month.

Evaluation of bidding operators — between eight and 12 parties had made inquiries about the lottery tender document — would begin in October, with government to announce its decision on the successful bidding operator in the first week of December, he said.

While declining to comment on details of the tender document, Sooklal said the department agreed that the SA lottery was probably the biggest still up for grabs.

Industry sources estimate potential revenues at between R2bn and a more optimistic R7bn a year. Brazil's national lottery brought in more than R7bn in its first year of operation last year, though the country's population is close to treble that of SA.

Sooklal said the tender document would put a great focus on the empow-

erment of small, medium- and micro-sized businesses and would look to the successful bidding operator to help in the transfer of skills and in respect of capacity building.

It would also seek to have potential operators engage in an "industrial participation strategy", facilitated through an offset clause, he said. "For example, if a US operator wants to bring in terminals from the US, this must be offset by an import of goods from SA to that value."

Sooklal said South Africans were

expected to have online access to lottery tickets by the second half of next year, although a scratch card version might be accepted sooner. A sports pool licence would be issued 18 months after the start of the national lottery.

Existing scratch card games and regional lotteries would cease three months before the lottery began.

Sooklal said it was government's intention that the lottery be a "people's lottery" in the sense that everyone with R1 to spare would be able to participate by the second half of next year.

Relief greets lottery tender news

12/6/98

(297)

Janet Parker

NEWS yesterday that the tender document inviting applications for the National Lottery will be published at the end of the month has been greeted with relief by gaming and leisure groups.

The winning applicant will be announced by the end of the year.

There had been growing impatience among foreign companies which planned to bid for the lucrative contract. Last year, one of the world's largest lottery operators, France's Internationale des Jeux, abandoned its plans to bid for SA's national lottery owing to the delays in the passing of lottery legislation by Parliament.

A decision taken by the cabinet yesterday stipulated that ownership of the national lottery would be split, with 80% allocated to a

private operator, 15% to the post office and 5% to government's National Empowerment Fund.

Alastair Ruiters, chief director for business regulation and consumer services for the department of trade and industry said yesterday the lottery licence was valid for between five and seven years. During that time the success of the partnership between the three stakeholders would be examined.

The involvement of the post office did not preclude other institutions, such as banks, distributing lottery tickets, via a partnership with the lottery operator. The post office only has between 2 000 and 2 500 terminals, and the national lottery would require about 15 000 terminals or access points. "Good causes" would receive 50% of the national lottery's profit.

A spokesman for the post and

telecommunications department said yesterday the national lottery has a multitude of synergies with the post office's functions. The most obvious was the processing of a high volume of low cost items. By increasing the use of the post office's existing infrastructure, the national lottery would assist the post office, he said.

Moss Mashishi, CEO of black-controlled leisure and gaming group Moribo Leisure, said the trade reciprocity strategy would force potential bidders to examine their bid content closely. It would encourage them to "promote SA business in the event of needing to offset any importation necessary for the running of the lottery". On-line access to lottery tickets was expected by the second half of next year, and the scratch card version could be available sooner.

Delegates attending the Barnard Jacob Mallet bancassurance conference held in Johannesburg yesterday listened as Christo Wiese, the head of bank supervision at the registrar of banks, speaks on regulatory issues. International trends in bancassurance were also addressed.

Pictures: TREVOR SAMSON

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10/12/1998

(297)

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R35 000 'personal splurge'

(297)

MD 12-18/98

South Africa's 15-million illiterate people were left in the lurch when the National Literacy Co-operation had to close because of financial irregularities, writes Mungo Soggot

The long-awaited forensic probe into the financial scandal that shut South Africa's biggest literacy organisation reveals expense-account abuse on the part of its national director and mismanagement.

The national director of the National Literacy Co-operation (NLC), Enrico Fourie, resigned in January, but the full extent of his alleged spending spree has only emerged now after auditors Ernst & Young were commissioned by the European Union, the NLC's key funder, to examine its books. Ernst & Young's findings are expected to be released shortly — three months after the organisation closed amid allegations of widespread financial mismanagement.

The NLC was an umbrella organisation which steered South Africa's literacy programme. About 200 NGOs involved in literacy training, about 60 of which have folded over the last two years, are affiliated to the NLC. South Africa has 15-million illiterate people.

The report is understood to accuse Fourie, a former employee of the University of the Western Cape and the Congress of South African Trade Unions, of a R35 000 splurge of "unrecovered personal expenses".

He allegedly used his company petrol card to buy a R5 000 compact disc player for his car, and ran up enormous accounts on his NLC cellphone. In September last year he allegedly clocked up a R15 000 cellphone bill, with the help of two overseas calls which cost at least R600 each. It is understood that the audit report describes this expenditure as "unreasonable".

Sources close to the NLC say the auditors reported that Fourie "apparently spent an excessive amount on his NLC credit card, including cash withdrawals". On August 21 last year Fourie owed R25 000 on his credit card.

In a spending spree reminiscent of excesses at the Independent Broadcasting Authority, Fourie allegedly used the card at outlets such as a liquor store in the Johannesburg suburb of Yeoville, a record shop, as well as making cash withdrawals of up to R800. Fourie also allegedly obtained a R6 000 loan for an MBA course he did not attend, but R5 000 was nevertheless transferred to his corporate credit card.

The NLC employed about 45 people at its Johannesburg headquarters, which were donated by the Rotary Organisation. It expanded from a shoestring organisation in 1996 after its previous director, Kumi Naidoo, secured the EU funding. Since then the EU has pumped more than R11-million into the NLC.

It is understood the report describes how salaries were often paid in cash — after cheques were made out to administrators — and describes instances in which employees overpaid themselves. In April 1996 a woman in charge of salaries paid herself R30 000 on top of her monthly salary and paid a friend an extra R10 000.

Ernst & Young discovered that several unauthorised loans were dished out to affiliated organisations.

Employees apparently embarked on unauthorised overseas trips at the NLC's expense. Fourie went on one jaunt to the United States, claiming it was being sponsored by the Department of Education when he in fact billed the NLC. Two other employees, Derick Peo and Sheri Hamilton, arranged unauthorised trips to the US to coincide with their leave.

The auditors' tour of the NLC's provincial offices unearthed endemic financial mis-

management; in some instances there were literally no accounts. Sources say that in its report on the Eastern Cape, the auditors reported: "We noted an absence of third-party supporting documents for payments to educators."

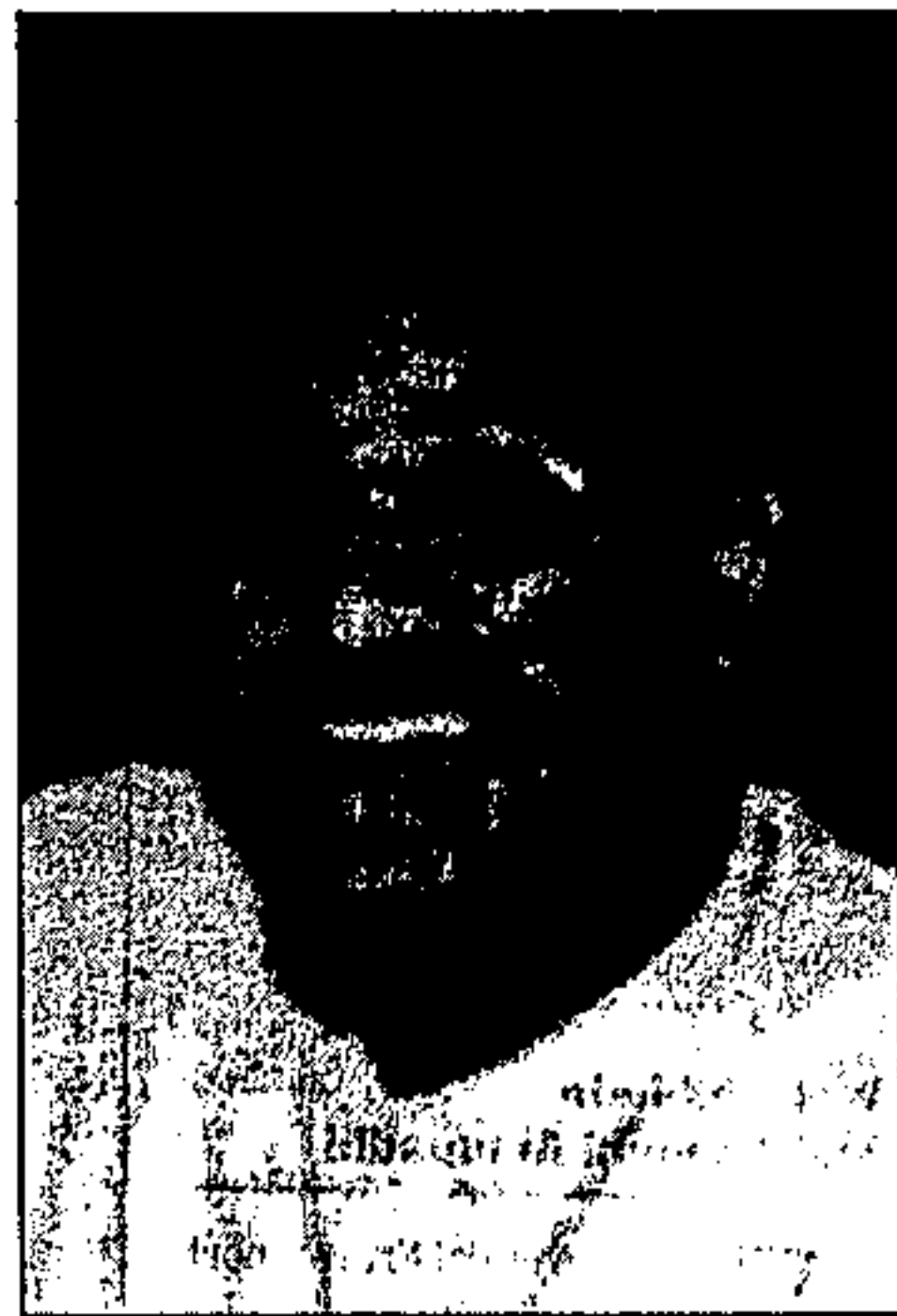
In KwaZulu-Natal, the books show that the chief administrator serviced her car four times in one month. "These expenses are considerable as it is our understanding that company cars are bought with full maintenance contracts," the report is understood to say.

Fourie said this week that most of the allegations in the report were "not true". He said he would withhold further comment until he had seen a copy. He said the auditors never contacted him. "I really think it is unfair to do a forensic audit without questioning me."

A representative of the board of trustees of the NLC said the board would consider suing, but the amount involved might not warrant it. He declined to comment further.

It is understood that senior officials from literacy organisations linked to the NLC will meet this weekend to conduct a post-mortem and discuss a possible replacement body.

Sources say Fourie was to have taken up a contract at the secretariat for safety and security, but that the job was canned in the wake of the NLC's collapse in March.



Spending spree: Enrico Fourie is accused of misusing corporate credit cards

Sensible advice on how SA can get out of the poverty trap

(947) ST (77) 1416 198

Amartya Sen, regarded as a world authority on poverty, paid a fleeting visit to South Africa last week. CAROL PATON spoke to him

AMARTYA Sen's stature as one of the world's most influential thinkers was underlined by the presence of a half-shaven British photographer who followed the professor around, recording his every move, during his recent visit to South Africa.

Sen, an esteemed academic and development economist with a growing list of honorary doctorates from across the globe, is to be the subject of a documentary film, part of a series on British opinion-makers.

Sen, born in India and now Master of Trinity College, Cambridge, and a Harvard professor, has also extensively influenced teaching and research in South Africa. His acceptance of an invitation by Deputy President Thabo Mbeki's office to address a government meeting on poverty — on his only free weekend in the year — was a coup.

The problem of poverty is becoming increasingly pressing for the government. While the political transformation has been hailed by the world as a success, the Poverty Index Report prepared for Mbeki this month reveals 19-million people remain trapped in poverty, surviving on a household expenditure of R353 per adult.

South Africa is second only to Brazil in the size of the gap between rich and poor, measured as 0,58 by the Gini coefficient. While some black people have benefited from the transition — levels of inequality within the blacks population are almost as high as the national average — 61% of blacks are still poor.

Many of Sen's views have a direct bearing on the debates within the ANC and in parliament over how to deal with economic and social transformation. The poverty report also draws heavily on his approach to poverty and inequality.

Crowded into the backseat of a taxi bound for Johannesburg, the ever-present photographer and an assortment of battered briefcases at the end of his three-day visit, Sen is immensely optimistic about South Africa. There are three things SA should do in tackling the prob-

lems of poverty and inequality, he says. Firstly, it should pursue policies that will bring economic growth, as growth is the mainstay of economic development. Secondly, it must tackle the deprivation of black people in particular, on a broad range of fronts. This means providing a range of social and economic opportunities simultaneously which will allow them to break out of the poverty trap.

Thirdly, wealth must be used or redistributed in a way directed towards opening up such opportunities. Education, health care, micro-credit and land reform all have a role to play.

The notion of using the national wealth to provide the poor with new opportunities underlies much of Sen's thinking on poverty. While this entails redistribution, it is not just redistribution that is important. It is using redistribution to empower powerless people, he says.

"When you have an income to transfer you can do it in different ways. You can simply transfer it to some poor people to relieve poverty. But there are other ways. You can transfer that money to expand education, in particular elementary education, or expand health care, or use it for subsidising employment or giving incentives which can reduce unemployment."

One of the greatest reasons for optimism when comparing South Africa with other poor nations of the world, is that it has some wealth to redistribute.

In what appears to be his typical fashion of looking at a question from at least two angles, Sen says: "One way of looking at South Africa is to look at it in terms of income levels, quality of life should be much higher. 'Life expectancy is lower than it should be for its income, levels of morbidity are too high, educational levels are not as developed as they should be."

But another way of looking at it is to say: for the same levels of underdevelopment, SA is relatively richer country. So it has opportunities of using income transfers. "But I think if income transfers are used then it is better to use them in a way that regenerates more economic and social op-

portunities, rather than pure transfers of income."

To these three things, Sen adds a fourth particularly South African ingredient into the mix of the poverty medicine.

"Having had the special history of national struggle, of fighting apartheid and introducing a psychology whereby the country seems at peace and quite united, the period of co-operation could be put to greater use to bring about a changed development perspective."

Harvesting the patriotism of the rainbow nation before it dissipates and addressing inequalities was placed on the agenda by Mbeki in his recent budget vote speech to parliament.

Addressing poverty, said Mbeki, was essential if the people the ANC set out to liberate were to see the fruits of their liberation. If they did not, the government and the privileged would be certain to be on the receiving end of their anger.

Development should be seen as an expansion of human freedom, says Sen, whose new book — number 20 — focuses on the relationship between the two.

"South Africa has gone from being a very repressive regime to being a democratic and free regime. It's very important to extend these political freedoms to social and economic freedoms," he says.

In practical terms, this means things such as land reform, which has been part of "every successful economic development in the world", and incentives to generate employment, to small and big enterprises.

Social opportunities, on the one hand, and economic incentives on the other should be part of a "balanced package".

But implementing many of these measures requires an active "developmental" state — a concept which has lost popularity with growing consensus that the market should be placed at the centre of attempts to create efficiently functioning economies.

While the big ideological debates on the role of the market are over, Sen says its important to take a balanced view. "Certainly, markets will expand opportunities in different



MORAL VICTORY ... Amartya Sen believes SA can achieve peaceful economic transformation in the way it reached a collaborative political settlement

ways. Markets give people the opportunity to move and is very important for economic mobility. So markets are needed.

"At the same time it can't be adequate on its own because one of the legacies of apartheid is very unequal social development, land holdings and other enabling conditions.

"The market on its own cannot cure it," he says.

State intervention requires state resources — which are in short supply with attempts to rein in government spending and push the budget deficit down. Policies aimed at financial stability are valuable in them-

selves, says Sen.

"I think SA is keen on keeping the inflation rate down and the inflation rate has come down from about 20% to 5%. That is in itself an attractive policy because the stability of prices can be quite helpful from the point of view of economic expansion.

"But it's a question of balancing that against other objectives: one has to look at employment and at economic growth — just keeping prices down will not expand wealth on its own," he says.

It is a balance that has gone badly wrong in other parts of the world, he says. With the debate on the budget deficit a political hot potato, Sen

declines to comment on whether South Africa has got the balance right. This requires more detailed knowledge of the South African economic and financial situation than he has so far been able to acquire.

The poverty report, however, has questioned the extent of government saving required, saying there is a potential trade-off between the objectives of low inflation and higher levels of employment and output.

There is also evidence, says the report, that fiscal constraints have already forced government to moderate its redistributive approach in the areas of health, education and

had reform.

Since poor people are already marginalised and have little capacity to persuade government to provide an adequate level of services, this puts the country at the risk of social instability and has the potential to undermine economic growth," says the report.

But while these dangers are extremely real, Sen believes that South Africa's miracle transition stands it in good stead to overcome the apartheid legacy.

"This is a tremendous moment that South Africa has achieved."

"It is the red-hot hope of the world and has achieved almost the unachievable. It has won a very big moral victory in the po-

litical struggle and the moral standing of SA is possibly the highest in the world. And that is a very major thing.

"It is on SA's experience that quite a lot of reading of the future of the world depends — namely, whether races could live in harmony and whether big inequalities could be brought down by consensus and by processes that are co-operative, just as political change has been achieved through non-violent and collaborative method."

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PHILIP BRETT/ELC

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ST (1997) 1446/98

PICTURE: BRIET ELOF

Government expenditure 'does not help the poor'

CT(MR) 22/6/98

THABO LESHILO

BUSINESS EDITOR

Johannesburg — South Africa's prosperous minority benefit more from government expenditure than the poorest households, a study commissioned by the deputy president's office has found.

The Poverty and Inequality in South Africa report shows that high- and middle-income groups benefit significantly more from government expenditure.

The researchers, comprising economists and social scientists, found that though the country had the per capita income of a middle-income country, "the experience of most South African households is that of outright poverty or of continuing vulnerability to the poor".

About 19 million people, just under half of the population, live in poverty, with a monthly household expenditure equivalent to R353 an adult.

Many households still have unsatisfactory access to education, health care, energy and clean water.

"This situation is likely to affect not only the country's social and political stability, but also the development path it follows," the researchers warned.

The survey estimates that 1,2 million people eke out a living in the informal sector. Of these, 86 percent are Africans and 7,6 percent are "Coloured".

Analysis of the extent to which government expenditure offset the tax burden on households indicates that fiscal activities in 1993/4 tended to redistribute income from the highest-earning groups to the middle-income groups, but not to the poorest.

Rural people were found to constitute 72 percent of the country's poor, with the poverty rate the highest in the Eastern Cape and the lowest in Gauteng.

It further indicated that poor people — especially African women — were relegated to secondary labour markets, which were less regulated, required lower skills and paid less.

"Much of the employment in this sector is informal, characterised by home-based micro-enterprise and reliance on informal skills," said the report. "The level of income generated by these activities tended to be low because of the highly competitive environment, with clients drawn largely from low-income households." Small, medium and micro enterprise development funding was too concerned with manufacturing, to the detriment of the most vulnerable group in the services sectors.

The researchers found that the government's fiscal prudence was essential in the light of the effect of global conditions on national economies. International experience showed that a low and stable level of inflation could protect poor people against further erosion in their standard of living.

It said, however, that the extent and duration of the economic contraction must be considered, because the "socio-economic costs thereof may offset the anticipated gains from low inflation".

It also warned that monetary and exchange rate policies, aimed at maintaining low inflation, encouraging private-sector investment and ensuring a competitive real exchange rate, might actually hurt investment.

The report said high interest rates negatively affected investment, economic growth, development of the small, medium and micro enterprise sector, and homeownership. But they could also strengthen the value of the rand and undermine export competitiveness.

Call to change RDP's focus

(297) 120 24/6/98

THE reconstruction and development programme's (RDP's) focus should be changed from home ownership to a new entrepreneurial class, Anglo American corporate affairs chairman Clem Sunter said yesterday.

Addressing delegates to the Institute of Retirement Funds annual conference in Johannesburg, Sunter said joblessness and not homelessness was a major threat to the country's social, political and economic fabric.

"This will be marvellous way of revitalising the RDP and allowing the private sector, in partnership with government, to construct realistic action programmes," Sunter said.

He said he was pessimistic about any positive outcome from the proposed job summit. He said neither the public service nor the top 100 companies would be major creators of jobs in the next 10 years.

Government was reducing its staff complement from 1,5-million to 1,2-million while globalisation and new technologies meant the production of more products using less labour.

"The forthcoming summit should be called an enterprise summit, rather than a job summit.

"It is only through the creation of millions of enterprises that we will create millions of jobs," he said.

He called for the creation of regional stock exchange networks specialising in over-the-counter stock and flotation of small businesses. "Nasdaq in the US is a superb example," he said.

"An alternative is to modify the stokvel system so that members' subscriptions are invested in a range of businesses owned by them. Stokvels could even be turned into closed stock exchanges if members started trading in each other's shares." — Sapa.

Regional slant to Norway's aid for SA

Linda Ensor

(297)

20 23/6/98
economically marginalised by SA.

CAPE TOWN — A condition to Nordic aid to SA in future would be that it be used to benefit the southern African region, a Norwegian government spokesman said in Oslo last week.

Norway's R800m five-year development aid programme comes up for review next year. A proposal to renew the aid, albeit for a lesser sum, would be presented to the Norwegian parliament shortly. Approval was likely, said foreign affairs deputy director-general Aud Lise Norheim.

She said the five Nordic countries were concerned about not entrenching SA dominance in the region at the expense of SA's neighbours. Southern African Development Community (SADC) members feared they could be

Norheim said the fears were understandable, especially as SA firms were penetrating the neighbouring economies. She questioned whether there was sufficient sensitivity on the part of the SA government to the problem.

SADC countries expected some recognition from SA's government of their support for the anti-apartheid struggle but this had not materialised.

Also, apart from its regional consultation about its negotiating position for the proposed SA-European Union free trade agreement, SA had not consulted sufficiently with its African neighbours on other issues, Norheim said.

"We have to strengthen regional assistance by channelling more money to SADC countries to balance the assistance we give to SA," she said.

rake in billions

CT 26/6/98

THE CABINET has approved a draft tender document for South Africa's national lottery. The billions of rands expected to be raised from lotto mania will go to welfare, upliftment and development projects. Among those who have indicated interest in running the project are Virgin Airline boss Richard Branson. **TROYE LUND** reports.

(297)

NATIONS across the globe are obsessed by it and by this time next year, South Africans will have their own form of "lotto mania" with scratch cards, on-line lottos and sports pools expected to generate between R3 billion and R6 billion a year.

Half the national lottery's total takings will be prize money and most of what is left will go to welfare, upliftment and development projects, said Gambling, Lotteries and Liquor national director Ajay Sooklaar yesterday after the cabinet approved a draft tender document for South Africa's national lottery.

The prime aim of this "tax paid by the willing" would be development.

Sooklaar added: "Sydney's opera house was built on lottery money, Ireland paid for new nursing colleges and the Texans built new roads and schools. South Africans will benefit in the same way. It is a people's lottery."

International consortiums, including operators of the British Camelot Lotto that generated R40bn last year, are already talking to black empowerment groups they could team up with to bid.

"International operators have the skills and experience, but the money must stay in the country," said Sooklaar.

Virgin Airline chief Richard Branson has expressed interest in making a bid and, according to consultants in the gaming industry, he has gone as far as suggesting he would plough all his lottery profits back into reconstruction and development in return for a management fee.

How bidders planned to direct money to the poor and how games would be made accessible to rural areas would carry significant weight during deliberations over applicants. However, Branson's offer might not be as good as it sounded, Sooklaar said.

Questions expected to be put to Branson by the 11-

member Lotto Board, which is due to be appointed by Trade and Industry Minister Alec Erwin, would include concerns that doing away with the profit motive might result in his not putting "120%" into the operation.

Operating costs and profits would have to be taken out of 20% of the lottery's total earnings. Profits would be split between the private operator, the Post Office, and the government's National Empowerment Fund, on an 80:15:5 basis. After profits, costs and winnings, there would be 30% left for good causes.

Half the "good cause money" would be given to the National Development Agency for reconstruction programmes and the other half divided between welfare, sport development, arts, culture and natural heritage.

Another question that could affect Branson's bid is his involvement in a recent British court battle that convicted Guy Snowden of Gtek, the Camelot Lotto operator, of bribing Branson to stay out of the bid.

After talks with the government on his last visit to SA, Branson issued a press statement cautioning the government to appoint a "squeaky-clean" operator.

Aside from being able to stand up to intensive scrutiny from the state Tender Board, Auditor General and Lottery Board, bidders would be expected to invest between R500 million and R1bn over the licence period, Erwin told the cabinet yesterday.

Sooklaar was satisfied that checks and balances would be in place to ensure the lottery's operator was above board

for the duration of the tender. And if the operator defaulted in any way, severe penalty clauses in lottery legislation would enable the government to claim damages.

Consultants to the gaming industry stressed that a lottery had to have public confidence to survive and do well.

The lottery licence, which would be issued for five to seven years, should be issued to the successful applicant in December this year.

Erwin said the release of the request for proposals (RFP) document early next month would be followed by a bidders' conference. A final version of the RFP and a draft licence would be issued by July 31. The closing date for applications has been provisionally set for September 30 so that the lottery can start around May or June.

Major consortiums running existing scratch card and lottery schemes are gearing to bid because they have to

*Half the 'good
cause money'
will go to the
National
Development
Agency.*

FIRST DETAILS OF 'WILLING TAX

Lottery mania to

Cosatu calls for prescribed assets law

FROM SAPA

(297) (297) CT (32) 29/6/98
Johannesburg — The Congress of South African Trade Unions (Cosatu) called on the government at the weekend to formulate legislation on prescribed assets requiring financial institutions and pension funds to invest part of their funds in job creation and social services.

In a statement released after the organisation's central committee meeting in Johannesburg last week, Cosatu hit out at South African financial institutions, saying they were fleecing consumers.

The prescribed assets regulations would allow for financial institutions and pension funds to plough back some of their profits to the community, the organisation said.

It also called for an amendment of the Labour Relations Act to make retrenchments impossible without negotiations.

Cosatu reiterated its call for a moratorium on retrenchments until the proposed presidential job summit. "We cannot afford to destroy jobs during a national crisis of unemployment and poverty. There needs to be a national

agreement to do everything possible to save existing jobs."

Cosatu's call for a moratorium on retrenchments was rebuffed by the government and the private sector, which said the proposal was impractical and contrary to agreements reached earlier with the workers.

"We call for the government to embark on a deliberate and co-ordinated programme with clear time frames and targets, aimed at creating a specified number of jobs within an agreed period," Cosatu said.

South Africa needs about 350 000 new jobs annually to absorb new entrants to the job market.

Among other things, Cosatu's central committee resolved to mobilise its membership to give its ally, the African National Congress, a "decisive victory" in the 1999 general elections.

"The central committee resolves to engage the masses of our people in several phases of broad-ranging actions in support of these campaigns, rather than a one-off event," Cosatu said.

The first phase, which includes report-back meetings and canvassing the community, will take place in the three months from July.

Cosatu's central executive committee will meet in mid-October to evaluate the campaigns and determine further actions to be taken during the second phase.

The third phase of action is expected to take place during the run-up to the 1999 elections.

"In the weeks leading to the jobs summit, marches of the employed and unemployed will take place in different regions. On the day of the summit, a massive national march will be organised in the region where the summit is being held to present these demands.

"In line with this programme, we commit ourselves to mobilising our members in solidarity with struggles being waged by various affiliates, including the current round of collective bargaining, around jobs, closing the apartheid wage gap and other related issues."

The legislation would allow institutions to plough back some profits to the community

R23m boost for Franschoek

(297) CT# 29/6/98

A JUBILANT Franschoek witnessed the pledge yesterday of a R150m loan from the French, which will be used in a unique upliftment programme for poor communities. **WILLEM STEENKAMP** reports.

NOT even a devastating fire at the Franschoek municipality on Saturday night could dampen the mood of this picturesque Boland town. For yesterday was a red-letter day, and hopefully indicative of many more to come.

First, French Foreign Minister Hubert Vedrine, accompanied by South African Foreign Minister Alfred Nzo, popped in to visit the "French corner" away from France.

Vedrine and his large entourage first visited the "412" squatter settlement, one of several poor areas in the region to be uplifted in a bold community-driven social upliftment initiative.

He then visited the Huguenot Monument, viewed a new exhibit and unveiled a plaque commemorating the 400th anniversary of the Edict of Nantes at the Huguenot Museum.

Then it was time to get down to what the locals were really interested in — providing money for the upliftment programme.

Vedrine signed a Ffr150 million (R147m) loan — the third such loan, making a total of R392m (Ffr400m) — to the Development Bank of SA (DBSA) for the betterment of indigent communities.

Immediately afterward, the DBSA and municipality signed a memorandum of understanding for the provision of R23m of the French money should the Franschoek initiative — which aims to house more than 1 000 poor families and stimulate sustainable economic development — be translated into action.

The initiative, although still being negotiated, is already being hailed as a unique endeavour in the history of South Africa.

It is the result of two years of intensive negotiations by a wide range of Franschoek bodies and organisations, resulting in a ground-breaking social contract being signed by the community in February.

Although the deadline for development proposals runs out tomorrow, already plans are being laid to develop a hotel, an upmarket residential golfing estate and other upmarket and middle-income housing. These developments — along with complicated land swaps involving municipal-owned commonage and several famous wine estates — will be used to cross-subsidise homes for the poor.

The plan is for plots to be provided, free and serviced, to needy people, and

for them to be assisted in building their homes and in developing sustainable skills and work.

Apart from several high-profile local builders, developers and consultants who have become involved in the process, some of the world's top developer names have also shown interest.

The V&A Waterfront has been "twinned" with Franschoek, the world-famous Orient Express Hotel group — which owns the Mount Nelson Hotel — wants to build the hotel and the prestigious Gleneagles Golf Developments wants to design and build the golfing estate.

However, at a public meeting at lunchtime yesterday, another — late — contender appeared on the scene. André Pieterse, the original developer of the luxury Fancourt golf estate at George, asked for an extension on tomorrow's deadline so that he and the US-based Golf Corporation could be allowed to submit their plans.

However, his plea did not go down well with the other developers, many of whom have worked for some time on coming up with practicable ideas acceptable to the whole community.

Among them, of course, were representatives of Orient Express and Gleneagles, who respectively now own and are working on the Fancourt estate.

Nevertheless, the general mood in Franschoek yesterday was one of great optimism that the town's social scheme

would eventually be successful.

Mayor Norman Kahlberg said he was proud of his community for thrashing out the matter and arriving at agreement in principle on how to do it.

"Today there is hope that housing will become a reality," 412 squatter community leader Mirna Davids said.

The challenge now is to make it work and do so as quickly as possible, for some people cannot wait for ever.

Another 412 resident, Ida Leibbrand, who occupies a tiny clapboard shack with her husband and three children, said she and her family had been living in the camp's squalid, muddy conditions for seven years and desperately needed a home.

Her husband suffered from an enlarged heart, water on his lungs and a kidney problem, and his health was falling fast. For this reason he was living elsewhere, with her sister.

"We've got to get a house — my husband can't take the cold," Leibbrand said.

● The fire at the municipality was started by a burglar who broke into the council treasurer's office, but apparently found nothing to steal and instead committed arson.

Kahlberg said council computers and records had been completely destroyed, although back-up records were kept.

Damage ran into hundreds of thousands of rands.

Chirac honours Tutu

FRENCH President Jacques Chirac has saluted Archbishop Desmond Tutu "as a man who was — and is — the conscience and inspiration of South Africa".

He awarded Tutu with France's Grand Officer of the Legion of Honour decoration, the highest rank for people who are not heads of state.

Speaking in French, Chirac said Tutu was a man of dignity. "As an unstinting messenger of peace, you travelled extensively abroad and called on the world to choose the peaceful path of economic sanctions to force the apartheid regime to compromise."

Chirac also praised Tutu for his role in the Truth and Reconciliation Commission.

As he pinned the decoration to Tutu's lapel, he said: "Archbishop, I salute in you a man who brought the message of the Gospels to the heart of action, a man who was — and is — the conscience and inspiration of South Africa."

Thanking Chirac, Tutu said: "I would also like to thank the French people for the support they gave South Africa during the struggle."

Speaking to journalists afterwards, he said the award was an accolade not for Desmond Tutu, but for all South Africans, black and white.

"It is an encouragement for the new South Africa."

Tutu noted that some people had tried to denigrate the commission. However, the Grand Officer of the Legion of Honour was the third award he had received while chairing the commission. It was highly unlikely the world would want to recognise the chair of a discredited body.

"I would hope that some of these politicians ... recognise that the world believes that the commission is something quite extraordinary and special."

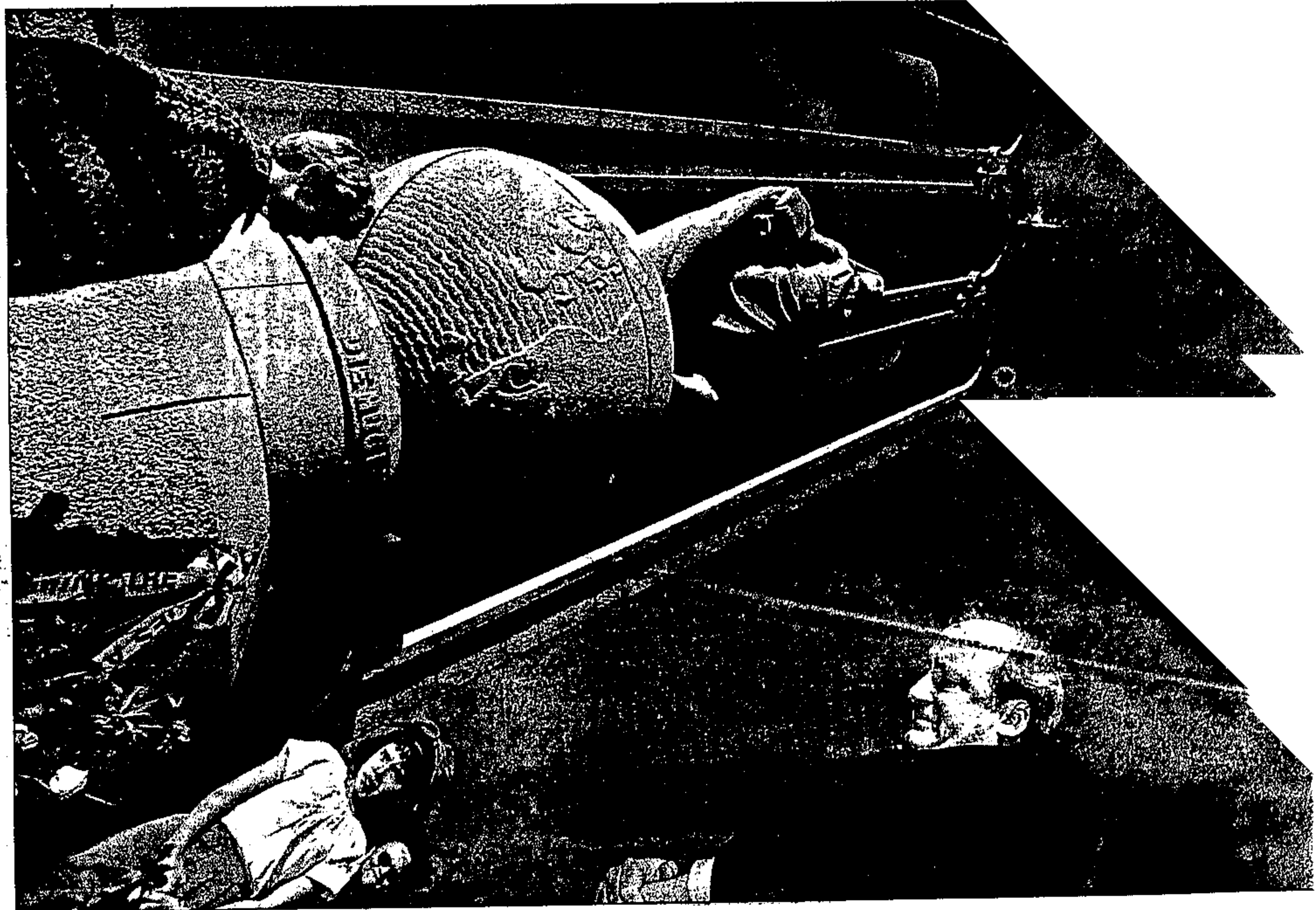
Tutu was accompanied by his wife, Leah, and daughter, Naomi.

Chirac was expected to leave for Maputo yesterday afternoon. — Sapa



HONoured: Desmond Tutu (left) after being awarded the medal of Grand Officer of the Legion of Honour for his anti-apartheid activities. It was presented by President Jacques Chirac (centre) in Stellenbosch yesterday.

PICTURE: AP



THE FRENCH CONNECTION: French Foreign Minister Hubert Vedrine pays his respects after laying a wreath at the Huguenot Monument in Franschoek yesterday. The wreath was handed to Vedrine by two local children, Steph Joubert, 8, and 11-year-old Elzona Floris.

PICTURE: GARTH STEAD

NEWS

GAMBLING Licensee required to spend up to R1bn, boost infrastructure and create jobs

State outlines tough terms for lottery

LYNDA LOXTON

PARLIAMENTARY CORRESPONDENT

Cape Town — The successful bidder for South Africa's first national lottery would have to invest between R500 million and R1 billion over the next five to seven years to build up a sophisticated national network that would reach more than 25 million adults, Alec Erwin, the trade and industry minister, said yesterday.

According to Erwin, the bidder would also have to strengthen state infrastructure by involving Telkom, the Post Office and the Government Printer, and ensuring job creation and other spinoffs for small, medium and micro enterprises run by previously disadvantaged South Africans. It will also have to ensure that "none of the potentially negative social influences of gam-

bling" affects South Africans, especially those under 18, and devise ways of maximising the funds raised for good causes.

It has been estimated that the lottery could raise between R2 billion and R7 billion a year. However, a cap will be placed on how much the licensee can keep, with the rest going to the National Lottery Distribution Trust Fund.

The cap, as well as the salaries to be paid to the staff of the successful bidder, will be negotiated by government and the bidder to avoid "excesses" experienced in other countries.

Erwin said it would be in the best interests of all South Africans to establish a national lottery operated by an expert private lottery company. "We have no doubt that the framework proposed for a private lottery company will maximise funds for good causes,



WORD IS OUT Alec Erwin has explained the criteria for the successful national bidder

PHOTO: JOHN WOODROOF

ensure propriety and integrity, and provide the most efficient, effective and attractive national lottery."

Erwin said extra efforts had

been made to ensure that the lottery was "truly South African and not just a mirror image of another lottery". He said a national lottery should be seen as a fun experience that encourages participation and contributes to good causes.

"However, the licensee must make every effort to avoid negative social effects such as addiction and access by underage players, and shall comply strictly with the regulations as contained in the licensee's bidding document and the licence agreement."

Although 80 percent of the lottery will be owned by the licensee, 15 percent will be held by the Post Office and the remaining 5 percent by the National Empowerment Fund.

A draft of the bidding document or Request for Proposals will be made available soon, and a bidders' confer-

ence is scheduled for July 15.

Final bids will have to be submitted by September. It is expected that the licence will be awarded in December, with the lottery going into operation by the middle of next year.

Erwin also envisaged that the lottery should be linked in some way to a state savings scheme in the long run, with a percentage of each player's lottery spending being linked to a savings account in his or her name.

He said the licensee would be expected to "operate up-to-date systems and technologies and provide an efficient and reliable service to players and retailers."

Erwin said the licensee would also be expected to provide "a comprehensive retail distribution network". He added that coverage of remote regions would be a challenge.



Outrage as disability grants are cut

Star 15/7/98 (297)

Welfare Ministry streamlines its computer systems, and almost 11 000 people are nearly destitute

By KHANYISILE NKOSI

There were angry confrontations yesterday when disabled people and welfare groups' representatives confronted Welfare and Population Development Ministry officials during a media briefing in Johannesburg on the suspension of disability grants.

In Gauteng, 6 985 temporary disability grants were suspended between November 1997 and March 1998. Since April this year, a further 3 974 grants have been suspended.

According to Welfare Minister Geraldine Fraser-Moleketi,

the amalgamation of the 14 different social security systems onto one computer database since April 1994 has allowed the national Department of Welfare and the provincial departments to clean up inconsistencies in grants.

Fraser-Moleketi said the main reasons for the suspensions were that the qualifying period had elapsed; the person was under 18; there was insufficient/invalid information; and the beneficiary had not responded to the review process.

"The process of reviewing the forms is to ensure that only beneficiaries get the grants and to catch those defrauding the

department," Welfare Department director of communications Anton Fisher told the briefing.

But angry social workers told officials that many innocent people were being caught in the red tape.

"We have been sending reports to the Welfare Department, and while they are busy reviewing applications, people are without food or money," said Johannesburg social worker Leah Zail.

Social workers said they were tired of explanations.

Speaking at the briefing, organised by the Association for the Physically Disabled, unem-

ployed Cyprian Nkosi (44) said: "I lost my right arm in 1980 during train violence. I have been receiving a disability grant ever since then, until it was stopped in February last year."

Nkosi, a father of five, said his wife passed away last week and he did not have money to bury her. He has not been able to pay rent of R15 a month for a year now, and is afraid that his children, aged between six months and 13 years, will be thrown out.

Fraser-Moleketi said the department had received the names of 219 suspended beneficiaries from the Association for the Physically Disabled this

week. Of these 89 were suspended because the beneficiaries failed to abide by the review procedures; 29 were rejected by the assessment committee; 40 were never suspended or stopped; 30 had no valid ID numbers; 15 will receive payment in August; and two were from other provinces.

The minister added that where payments were outstanding, these would be backdated and paid out over two months.

"The aim of the cleanup process is simple. We want to improve the service we deliver to you so that we can reach those most in need," she said.

Plan blunts long-term threat to US aid for SA

ND 20/7/98 (297)
Simon Barber

WASHINGTON — A move to cut off aid to the SA government unless it repeals legislation seen to threaten the patent rights of the pharmaceuticals industry has been slowed down but remains alive in the US Congress.

New Jersey congressman Rodney Frelinghuysen, a Republican, sought last week to tie continued US assistance to SA to the repeal of section 15c of SA's Medicines and Related Substances Act. The act appears to give the SA health minister the power to abrogate drug patents for the sake of controlling medicine costs.

Acting on behalf of the US drug industry, Frelinghuysen is not satisfied the Clinton administration is taking the tough action on the issue demanded by more than 40 congressmen and senators, Republican and Democrat, in a letter to the White House last year.

US Trade Representative Charlene Barshefsky has already blacklisted SA as a violator of intellectual property rights because of offending clauses in the bill, and is refusing to implement a number of new trade benefits granted to SA until the matter is resolved.

The Republican chairmen of the congressional committees responsible for appropriating foreign aid funds and approving how they are spent balked at Frelinghuysen's original proposal, which they considered too extreme.

Instead, they agreed that a clause should be placed in the bill that governs the US's foreign aid funding budget for the next fiscal year. The clause should prohibit aid to the SA govern-

ment until Congress receives a report containing the plan of action "to negotiate the repeal, suspension or termination of section 15c".

In the likely event this language makes it into law, it would give the administration the discretion to use aid — on top of trade benefits — as a lever to resolve the patent rights dispute, but would not oblige it to do so.

Frelinghuysen serves on the house appropriations committee and its subcommittee for foreign operations. He has fought doggedly to prevent the US government agency that looks after war veterans from restricting their drugs prescribed in its publicly funded hospitals for cost-control purposes.

He said he was not targeting US aid channelled through private organisations, but only funding transferred to the SA's central government.

Section 15c of the SA medicines act states the health ministry "may, notwithstanding anything to the contrary contained in the Patents Act 1978, determine that the rights with regard to any medicine under a patent granted in the act shall not extend to act in respect of such medicine ... put on the market by the owner of the medicine, or with his or her consent".

Pharmaceutical Research and Manufacturers of America has called this a "clear violation" of domestic SA law and SA's obligation as a member of the World Trade Organisation.

Government contends drug multinationals exploit their patents rights to charge unreasonable prices. The act is being challenged in SA courts and has not been implemented.

20 000 street people feeling welfare squeeze

Feeding schemes struggle to help growing number of destitute people as winter makes street living more difficult

Nov 20/7/98

By BUNTY WEST

Welfare organisations and churches providing food and clothing to an estimated 20 000 destitute people living on the streets of Johannesburg's inner city say they are battling to fill the growing need for their handouts as winter bites.

Warm clothing, proper bedding and hot food reach only a lucky few, as the ranks of the street population swell.

Les Sanabria, co-ordinator of the central office of the Alliance for Street Children, said the coffers of its already cash-strapped member organisations frequently ran dry.

He said there were more than 2 000 children on Johannesburg streets. The alliance organisations reach only half of them.

Bopang Bokamoso, an or-

ganisation which runs a soup kitchen for children in Yeoville, is desperate for oil, bread, vegetables and samp to fill a growing need. The volunteers who run the organisation are feeding the children out of their own pockets, Sanabria said.

Mildred Mhlanga, liaison officer for Twilight Children, reckons the number of homeless people has doubled since 1993. "We are seeing a lot of white people, which we never saw before," she said.

Organisations such as Twilight Children in Hillbrow and the Paradise for Street Children in central Johannesburg help hundreds of youngsters each day.

Mhlanga said the Twilight Children shelter was now using three buildings to feed and house youngsters.

Ron Steele, spokesman for Rhema's several outreach pro-

grammes in the inner city, said cold weather normally drove children and adults to seek shelter.

"We are providing 1 500 meals a day but the need is growing," he said.

Salvation Army spokesman Ingrid Andersen said the Army's Simmonds Street branch was the only centre in the inner city providing help for the itinerant through a soup kitchen, and by handing out clothing, food parcels and blankets to those in dire need.

"Finding where to get a hot meal each day is becoming a life skill for those with nothing, and it is often the healthier and younger person who gets the food. The sick and old go without simply because they have neither the strength nor agility to get to service points in time to receive a handout," Andersen said.

New-style family courts delayed

Wanted: two magistrates (297)

ASHLEY SMITH
STAFF REPORTER

The introduction of family courts – intended to alleviate the Cape High Court's crippling divorce caseload – is on hold until magistrates are appointed to run them.

Regional head of justice Hishaam Mohamed said the two family courts, destined for Mitchell's Plain and the city centre, were awaiting a decision by Justice Minister Dullah Omar on the appointments.

Rules governing procedures in these courts also had to be finalised.

Mr Mohamed said it was

expected that Mr Omar would appoint one magistrate (presiding officer) for the Cape Town Family Court within the next few weeks.

But Mitchell's Plain would have to wait somewhat longer, because of budget constraints.

Mr Mohamed said a task team composed of community representatives, non-governmental organisations, the legal fraternity and the police had expressed reservations at the delay in operating the courts.

The family courts, when up and running, are designed to deal with domestic issues such as divorce, child abuse, restraining interdicts and maintenance. This

is intended to take the strain off the Cape High Court.

Such problems as accessibility to courts had been one of the key reasons for the development of family courts, Mr Mohamed said.

The family courts had been designed to alleviate "undefended" matters, which constituted about 80% of the cases brought before the Cape High Court.

"In these family courts, divorces will be done much quicker and more cheaply, as it won't be necessary to brief an advocate.

"These courts will also be easier to access for people in so-called disadvantaged communities," Mr Mohamed said.

Bill will fight domestic violence

CLIVE SAWYER
POLITICAL CORRESPONDENT

New hope for victims of domestic violence could be offered by legislation tabled in Parliament this week.

Justice Minister Dullah Omar has released the Domestic Violence Bill, which will replace the outmoded and inadequate 1993 Prevention of Family Violence Act.

Bitter experience of the loopholes in previous legislation through which offenders could

escape has led to the drafting of the new law.

The bill, scheduled to be approved by Parliament before the end of this year's session, recognises a wide range of aspects of domestic violence.

Among these is that many victims of domestic violence are unable to escape because of social and financial factors, and that victims come from all social, economic, ethnic, cultural and religious backgrounds.

In its preamble, the bill also recognises that "the home is

often the most violent place for women" and that domestic violence is an obstacle to gender equality.

The most important changes which the bill will bring are in the widening of the scope of legislation. Instead of the old definition of protecting only "parties to a marriage" the new bill will protect any victim in a domestic relationship, which is widely defined to include all family relationships and live-in relationships between people of the same or different sexes.



Good for you: Safia Wardien, 9, tries one of the carrots grown in Eastville Primary School's vegetable garden



Bonny brassicae worker Belinda Abrahams and project co-ordinator Ian Fortuin inspect a cauliflower in the school's garden

Food for thought as school plants seeds of hope

SISAN SAMUEL
SPECIAL CORRESPONDENT

At Eastville Primary School in Mitchell's Plain there is no such thing as waiting for someone to help you.

Instead the community and the school have developed a programme which enables those in need to come and work in the large vegetable garden on the school grounds.

In return for their work, they receive food and sometimes education on issues such as AIDS and alcoholism.

And in return for its investment in the community, Eastville school is cared for, protected and looked after by the people it serves.

This win-win story began four years ago with the initiative of a parent, Ian Fortuin.

"We are committed to a long-term development," he said. "Everything we do here

means nothing without the linkage between the community and the school. It is when the school cares for its community, that the community starts to care for the school."

Explaining the project, Mr Fortuin said: "When people are hungry, they can come here and work very hard for their food. We don't give handouts. People work too hard here to feel that the food they get is for free."

"We try to give work to about 10 people a day, but sometimes there are more. An individual can work only twice a month - that is to ensure that we have a maximum impact. The food we give will carry a family of five for about a week and it is important to get this to the people most in need."

The food packages are worth between R35 and R40 and contain 2,5kg sugar, 2,5kg cake flour, 2,5kg mealie meal, 2kg rice, 1 bottle sunflower oil, 500g beans, 500g lentils and a can of sardines.

MR 30/7/98

(297)

Mr Fortuin said the programme was very strict with the workers. "We try to establish a kind of work ethic. They must be on time and they can't take a break whenever they feel like it, and they must act properly and suitably. This is to prepare them for 'out there' so that, when they eventually get a job, they keep it."

Although the day starts quite early, it ends at 2.30pm. "We saw that it is mostly women who come here to work. We feel that it is important for a mother to be at home when her children arrive from school and we do not want to keep her away from her duties as a mother."

But four years ago, things at Eastville were very different. The school did not have a window left intact and there were no fences around it. A fire had been made in one of the classrooms, damaging it, and there was virtually no vegetation in the grounds.

Mr Fortuin was then asked by the school to write a proposal to the Culture of Learning, a presidential lead project intended to renovate schools, for funds to repair the school. They were ecstatic when they received R218 000. Mr Fortuin then began planting flowers at the entrance.

This soon developed into a vegetable garden which, within two years, grew to be bigger than a rugby field.

"When we contacted the provincial health department's Health Promoting Schools programme last year about the idea for food packages, we got fantastic support from them. Now we have quite a few people, some of them experts, involved in the project."

They include a dietitian, a Philippi farmer with a lot of knowledge about health and feeding and Nick Combrink of Stellenbosch University who is in charge of the

university's experimental farms. "These people do not have time to waste and it shows the trust they have in our project."

A new project, being launched with the co-operation of Lentegour Psychiatric Hospital and the advice of Drakenstein olive farmer Henk Hanekom, is to take 2ha of land at the hospital and grow green olives. "Hospitals no longer have the budget to maintain their grounds, so the idea is we'll plant at least one hectare with olive trees and use the rest of the land for cash crops."

Mr Fortuin says the most important part of the project is that it empowers the community. "I believe in the 'hands-on' approach where people are educated in the trenches - the reality of their lives. One cannot take these people and expect them to learn something when they are sitting down and listening. They must learn skills while they also learn to work hard."

Principal Graham Stark is delighted with the success of the project. "The people who work here feel pride in what they do and the contribution they make. Some people tend to focus on the fact that we make money selling the vegetables, but all of this goes back into the community. We don't have to search for a market."

"A great spin-off from all this is the fact the school has now become a much safer place. There is constant activity on the premises and the classrooms are being used by associations and clubs for meetings in the evenings. The community makes sure nothing happens to the school during holidays, because they feel that it is their property."

In front of the school there are four flag-poles, one of them flying the South African flag. In the dark ground below bushes of pink flowers are blooming. "Those are for the church," smiles Mr Fortuin.

PROTECTION FOR VICTIMS

Govt tackles family violence

A FAR-REACHING DRAFT BILL on domestic violence, which gives greater protection to victims of abuse, was tabled in Parliament yesterday. **ANDRE KOOPMAN** reports.

AMONG key provisions of the Domestic Violence Bill is that it extends the definition of victims of domestic violence, those who may be subject to it, beyond the traditional understanding of the term which referred to people in marriages and common law marriages.

Deputy Minister of Justice Manto Tshabalala-Msimang said the draft bill significantly included women who were involved in relationships, who were dating, co-habiting or in any kind of domestic relationship with the abuser.

"What is more important is that people who find themselves in situations of domestic violence often find it difficult to move out of that situation," she said.

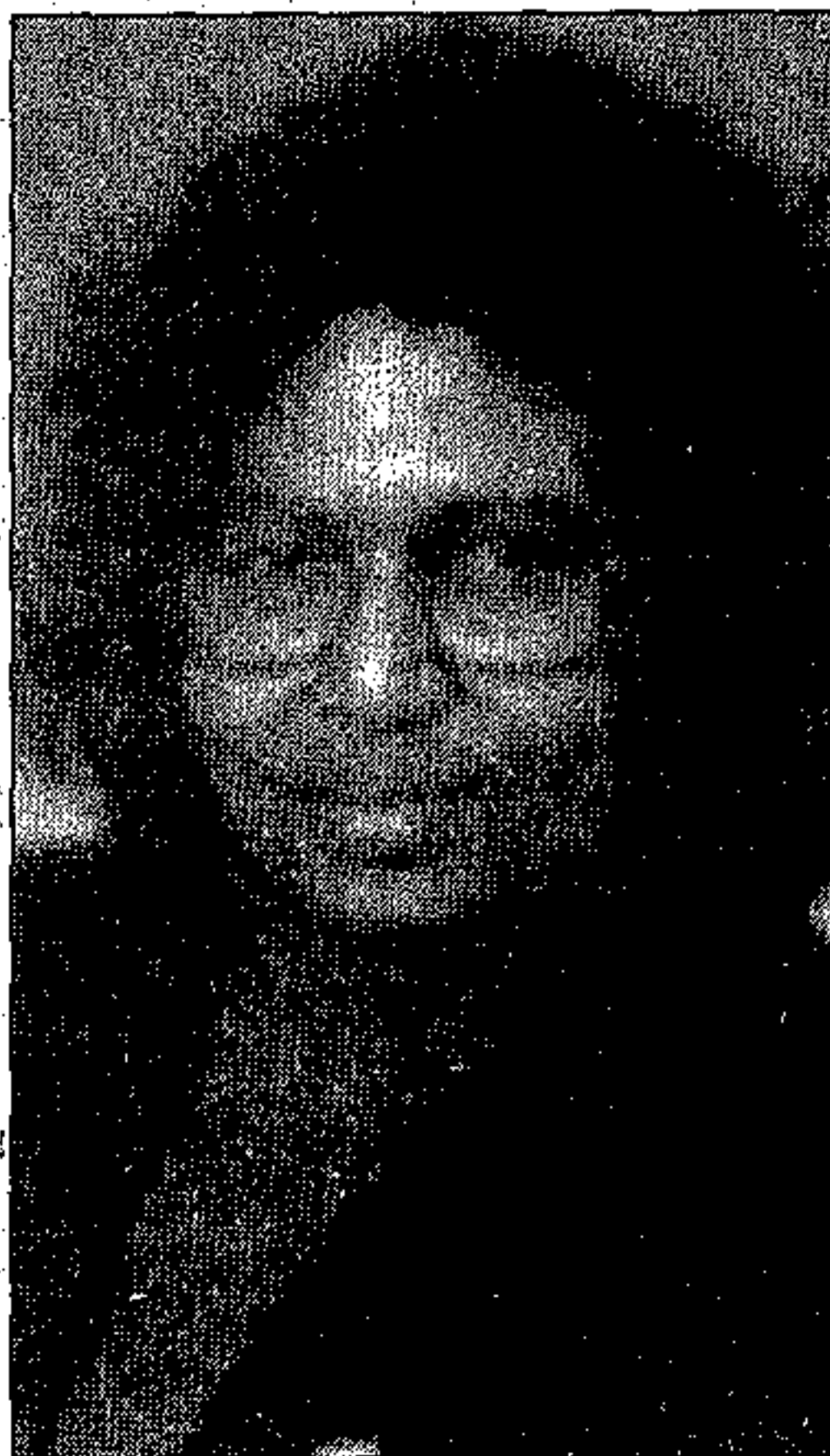
"The bill begins to say that maybe the person who is actually causing problems in the house should leave, so that you don't expose the wife and children to the discomfort of settling into a new situation."

Tshabalala-Msimang said this was a "radical departure" from the past and most welcome.

The bill would also require that the abuser continue to pay the rent or mortgage, above any maintenance granted, to provide housing for the victims.

The bill also compels police, on arriving at a scene of domestic violence, to inform victims that they have the right to ask for police assistance to protect themselves and their children.

The police are also obliged to tell



EXTENDING PROTECTION:
Manto Tshabalala-Msimang

victims how to get a protection order.

Under the provisions of the bill victims may also ask for police assistance in locating a place of safety and for assistance in moving themselves and children to that place of safety.

Protection orders would be available from a Magistrate's Court at any time of day or night and would be served on the abuser free, whereas previously victims were charged R75 for this service.

Tshabalala-Msimang said to address the situation in rural areas, where courts were often far away, it

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would be possible for a justice of the peace to issue a temporary protection order until the matter could get to court.

The draft bill also allows police to arrest abusers without a warrant and allows for the seizure of firearms and other dangerous weapons.

It also compels "every dentist, medical practitioner, nurse, psychologist, social worker, teacher" or any person dealing with children to report abuse immediately, notwithstanding the provisions of any other law.

The bill provides for conviction on charges of marital rape, "irrespective of whether the parties are married according to civil, customary or religious law".

It also specifies that legal proceedings should be held in-camera.

Tshabalala-Msimang said an important facet of the new bill was that it recognised that domestic violence was not just a serious crime against persons, but that it was a crime against society and that most of the victims were women.

She said it would be important to develop a more "comprehensive package" to deal with the problem "because you also want to assist the perpetrators or the people who commit domestic violence — they themselves need to be involved in rehabilitation programmes".

While protecting victims, methods of rehabilitation such as mediation and counselling also had to be explored.

The intention was not just to separate family units, she said.

Tshabalala-Msimang thanked the women of this country for the "tremendous contributions" they had made in preparing the draft bill.

State selling applications for R25 000

ET (BR) 23/7/98

SA national lottery licence up for grabs

THABO LESHILO

BUSINESS EDITOR

Johannesburg — South Africa moves closer to its first multibillion-rand national lottery today when the trade and industry department starts selling application documents to prospective lottery operators for R25 000 each.

Ajay Sooklal, the department's gambling, lotteries and liquor director, said the draft "request for proposals" and licence documents would be on sale by today.

Applicants have to declare their interest in running the lottery to the trade and industry minister by noon on July 31. The application fee of R1 million is non-refundable.

Jacques Verster, a consultant to the lottery industry, said the lottery was expected to have a turnover of between R3 billion and R6 billion a year. The prizes are expected to be astronomical, easily topping R50 million.

The lottery will be 80 percent-owned by the private sector, 15 percent-owned by the Post Office and 5 percent-owned by the National Empowerment Fund.

Ithuba, Viva and Zama Zama, some of the scratch card competitions run by Games Africa on behalf of charity trusts, would be allowed to run only up to a week before the launch of the national lottery. The probable date for the launch of the lottery is the beginning or middle of next year.

Verster said the main contenders for the lottery licence included International Lottery and Totalisator Systems, based in San Diego, Scientific Games, based in Atlanta, and Tattersalls Australia.

The international players will bid together with local empowerment groups, including front-runner Moribo Leisure, the holding company for Games Africa.

"The government wants transparency and will want to avoid obscene profits by the operator — like in the UK. Whoever runs the lottery would have to be squeaky clean," said Verster.

He expected the Ithuba Trust, Viva Trust, Kagiso Trust and the Red Cross, which are beneficiaries of the scratch card business, to benefit even more from the lottery.

Left to beg in the new South Africa

CT (Afr) 23/7/98 (297)

LUKE BAKER

Johannesburg — Once a hot destination for foreign and domestic donations, South Africa's non-profit sector is suffering.

Foreign governments, private foundations and local corporations which once gave millions of dollars to help those ignored under apartheid are scaling back their generosity.

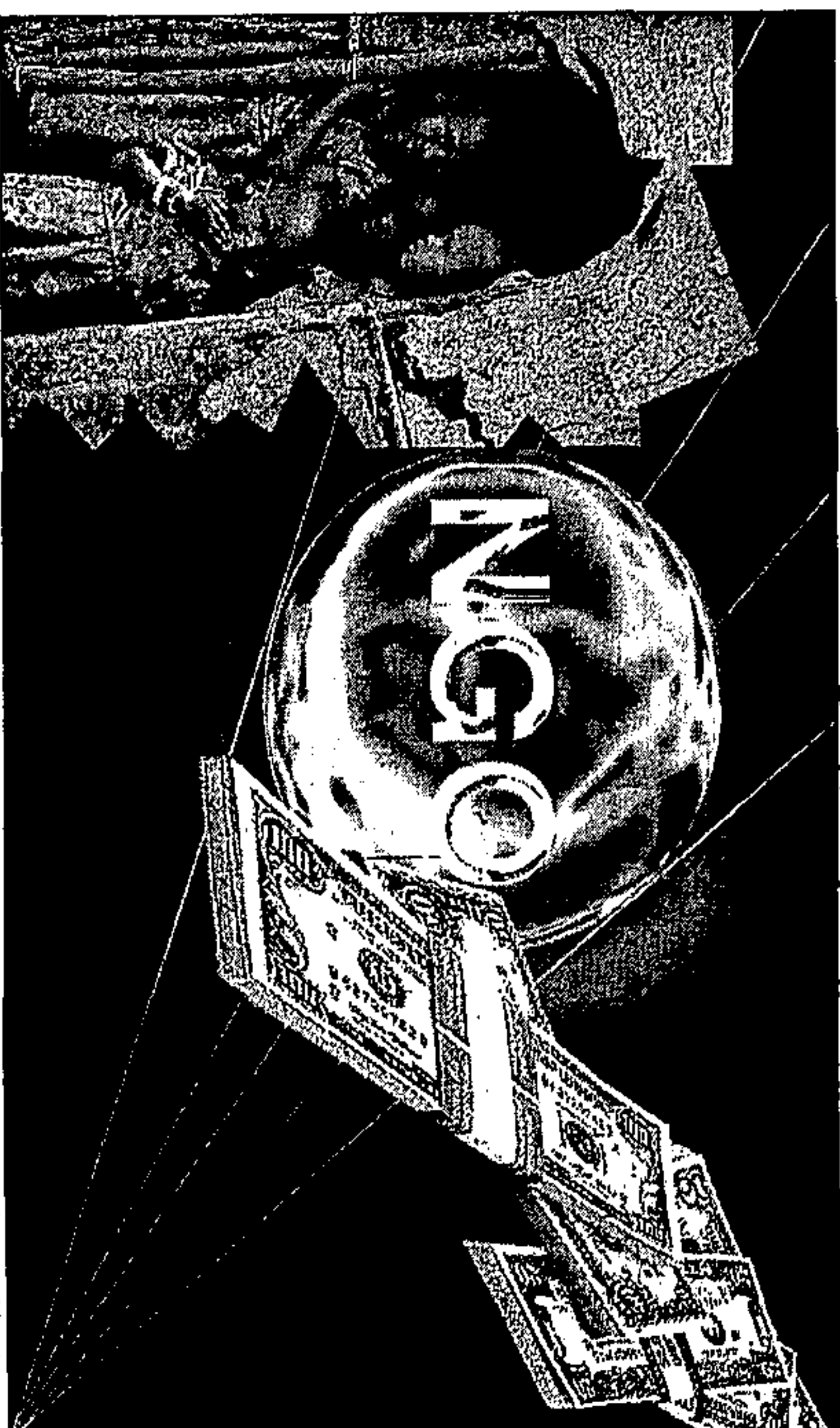
Competition for the diminishing pool of money is increasing as thousands of new non-profit groups spring up each year to meet an array of social problems, from illiteracy to health education, poverty, land reform and the environment.

"In the run-up to independence there was a lot of pressure on corporates who were concerned about their image, and they gave a lot. Now that pressure has decreased," said John Gerhart, director of the Ford Foundation in Southern Africa.

This is partly because the government has taken over many basic functions not provided for under the previous regime, as well as corporations no longer feeling obliged to give. "The amount of funding has declined sharply since the change of government," Gerhart said.

Scandinavian countries, among the most generous sponsors during the fight against apartheid, are keeping a lower profile, put off by the accusation by a Danish aid agency that anti-apartheid cleric Allan Boesak embezzled R1 million from donor funds.

While Ford and other wealthy US donors including



the Mott, Kellogg and Carnegie foundations have maintained their funding levels, their largesse is not enough to support the entire non-profit sector.

Increasingly, attention is turning to South Africa's corporate sector to be a beacon for investment in social development through non-governmental organisations (NGOs).

Corporate donations amounted to less than 10 percent of total contributions in South Africa, Kumi Naidoo, director of South Africa's National NGO Coalition (Sangoco), estimated.

"The corporate sector can and should do much more," he said. "A narrow cheque-book mentality dominates and shows there is not a serious concern, given the scale of need in the country."

Of the R10.4 billion given to NGOs in 1994, a little over 70 percent came from individuals, according to David Cuthbert, founding president of the Southern African Institute of Fundraising.

About 10 percent came from foreign foundations, and less than that from corporations, he said, backing up Naidoo's estimate.

Worryingly, Cuthbert sees corporate donations shrinking. "Corporate giving is noticeably tighter now than the (historic) motivation has gone. It's tending towards about 4 percent of all funding," he said.

The evaporating pool of funding means many NGOs are having to close their doors. In 1994, an estimated 500 groups shut down. Cash resources for

the NGOs left in operation remain scarce.

In a large country where most of the need is in rural areas, travel is an expensive and important consideration. And in a sector short of experienced management, salaries take up an increasing portion of funds intended to help those in need.

South Africa's corporate sector is enormous, containing some of the world's largest companies. The market capitalisation of the Johannesburg Stock Exchange is nearly R1 trillion.

Billiton, a South African based metals company listed in London, turned over about R25 billion last year. Yet its charitable arm, the Billiton Development Trust, gave away just R10 million.

"There's a general lack of

attention by the corporate sector to development in South Africa," said Gavin Andersson, director of the Development Resources Centre. "They've gone back to seeing it as social responsibility spending rather than an investment in the country's future."

Anglo American and De Beers, two pillars of South Africa's economic existence, have mined much of the world's gold and diamonds over the century. Combined, the companies' market capitalisation exceeds R100 billion. Yet, during 1996, the fund contributed less than R18 million to South Africa's future.

Naidoo believes the onus is on NGOs to convince corporates of the benefits of investment. "They've got to realise that investing in social cohesion is in their own material interest, it's not just philanthropy," he said.

Andersson agrees: NGOs must now take the lead. "The culture of corporate giving is the issue. As we join the global market, it seems people think more about putting money into offshore investments than investing in the long-term future of the country," he said.

Sangoco, the Southern African Grantmakers' Association and the British-based Charities Aid Foundation recently formed a partnership aimed at strengthening the sector's financial sustainability.

The partnership is looking to set up a provident fund for NGOs and will offer the benefit of bank accounts with high interest rates. It is also lobbying for a more favourable fiscal and legal climate for the sector. — Reuters

New post for NGO veteran

(297)
Nemavenda Mathiane

ESTABLISHED non-governmental organisation activist and Co-operative for Research and Education director, Pirosshaw Camay, has been appointed as head of the Democracy, Education and Election Management Consortium secretariat.

The consortium consists of 20 reputable non-governmental organisations such as the Institute for Democracy in SA, National Business Initiative, Association of Rural Legal Studies, Community Law Centre and the Institute of Multiparty Democracy.

Camay said that non-governmental organisations had the capacity, experience and knowledge to facilitate the broadening of democracy because they worked with the people on the ground.

bb 29/7/98

Companies backsliding on social responsibility

Patrick Wadula

UNITY, the union-controlled company that formed the Community Growth Fund jointly with Nedbank Investment Bank, has expressed concern about companies backsliding on their social responsibility commitments after getting approval from the fund.

Unity vice-chairman Frans Mahlangu told a media briefing yesterday that the past six months had seen substantial improvements by most of the companies monitored by Unity, except for the few that seem to have made a slide rather than progress.

Mahlangu said that Unity would continue to monitor those that seemed to be on a slide because of their failure to adhere to Unity's criteria for social investments. The fund was established in

(247)
1992 to promote investments in companies committed to job creation, affirmative action and community development.

Its criteria for approval, which companies have to adhere to, include job creation through innovation and expansion plans; equity through affirmative action; training of workers to enhance skills; good conditions of employment and high health and safety standards.

"Unity will never compromise on its social criteria and will consistently reject companies that do not adhere to them, while de-rating companies that fail to maintain their standards of social responsibility once accepted," he said.

Mahlangu said Haggie was an example of a company that had been derated to a "B" as a result of significant job losses. Another company under close scrutiny was Foschini, for

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its management's continued hampering of union activities. First National Bank was being monitored for its policies of red lining.

Mahlangu said Plessey was another company that had proved disappointing due to the deteriorating state of relations between the company and the union.

Mahlangu said there had been significant growth in the number of companies approved by Unity in the past six months.

These companies included Santam, FutureBank Corporation, Carson Holdings, African Harvest, Oceana Fishing and Illovo.

Companies that had been rejected outright were Gensec, Medi-Clinic, Rand Merchant Bank, Kloof Gold Mine, Driefontein and Rex Trueform, because they could not meet Unity's social criteria.



National Congress of Trade Union general secretary Cunningham Mchukana, far right, was the guest speaker at the Community Growth Fund's press conference in Johannesburg yesterday. Warren Brown, middle, and Cronwell Mashengate, left, were recently appointed the fund's managers.

Picture: ROBERT BOTHA

COMMENT & ANALYSIS

Bank leads by example in transformation

IAN Goldin will have some explaining to do tomorrow when he presents the Development Bank of Southern Africa's latest annual report to Deputy President Thabo Mbeki.

The bank's mandate is to finance infrastructure development, with the aim of improving the lives of the poorest of southern Africa's poor. Yet the figures to be published tomorrow will suggest that the bank is making money hand over fist.

The bank is expected to disclose that its operating surplus doubled in the year to March 31 1998 from R103m in the previous financial year. The overall surplus, taking into account various special items, was even higher.

Goldin is likely to make no apologies for the improvement. He is likely to point to a remarkable transformation at the bank in recent years, ranging from improved lending margins to higher employee productivity and rising demand for its services.

Goldin recalls that when he took over as chairman in May 1996, the bank — once a vehicle for propping up apartheid's homelands — was "coming out of an existential crisis". There was even talk of letting it die a quiet death.

The bank has survived, but only after a top-to-toe shake-up still reverberating through its head office in Midrand.

The upheaval shows signs of bearing fruit. The value of projects approved by the bank has soared to R15,7bn in the 18 months to March 1998, from R2,7bn in the previous year and a half. The bank's own contribution has climbed to R6,1bn from R1,4bn.

Progress is reflected across a broader front than lending volumes. The number of projects given the green light within six

The Development Bank of Southern Africa's turnaround has been dramatic and multifaceted, writes deputy editor Bernard Simon

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Development Bank: before and after

Total value of projects approved (Rbn)	2,7	15,7	+487%
Total DBSA contribution to projects approved (Rbn)	1,4	6,1	+325%
Total operational costs as percentage of total income	24%	13%	-46%
Number of clients at end of period	200	545	+173%
Percentage of management filled by affirmative action appointments	28%	68%	+143%

Graphic: RUBEN DAVID SOURCE: DBSA

months of application has risen from a quarter to 56%, and the number of bank clients has grown from 200 to 545.

The bank has also gone some way towards applying normal banking principles, such as commitment fees and cancellation penalties, to its business.

"The way we work has completely changed," says Fazal Saib, a regional manager.

Previously, "everything was committee-based". Now, individual managers can approve projects of up to R7,5m, with only Goldin's signature needed for projects of up to R25m.

Saib says a R7m infrastructure project in Harrismith was processed in just two weeks. At the same time, the bank has also become increasingly active in other parts of southern Africa.

Yet the bank's growing financial strength and operational efficiency are only part — and arguably not the most significant part — of its transformation.

The bank has launched one of the most aggressive affirmative action campaigns among SA employers. The proportion of management jobs filled by blacks and women has jumped from 28% to 68% within the past three years.

As part of this process, some white managers have been moved into nonmanagement jobs; others have left.

The bank is also one of the few SA employers — if not the only one — which has come up with substantial payments to compensate employees for past racial and gender discrimination.

As part of the shake-up, 65 operating units have been compared into 21, one of four management layers has been cut, and the number of managers has been reduced from 74 to 27.

The bank's total workforce has shrunk by about 6% during the past two years.

According to Oupa Mokuena, chairman of the bank's affirmative action committee, "the essence of transformation was not to shift the chairs, but to ensure that some of the chairs came out of

the room".

The bank "has changed, and is changing for the good," says Mvula Lolwane, who heads the local branch of the SA Commercial and Allied Workers' Union, which represents about 60% of employees. (Lolwane does, however, criticise management secrecy.)

The transformation process was designed for maximum staff participation. Besides the eight-person "transformation" team, 41 other groups were set up to examine topics ranging from the bank's interest-rate policies, to gender and affirmative action issues.

In addition, Goldin set up a 25-person "grading" team to reassess every one of the bank's 470 jobs. The team included representatives of the in-house affirmative action committee, women's forum, and staff association, as well as outside consultants.

The transformation process has not been without problems, big and small.

About half-a-dozen employees have appealed to the Independent Mediation Service of SA against their new job gradings.

Although the overall affirmative action numbers may be impressive, the bank has struggled to find blacks and women for professional jobs, such as engineers, accountants and financial analysts. Blacks currently fill 45% of these grades, and women 28%.

The bank has set targets of 60% and 40% respectively by 2000.

Other employers have poached many of the bank's best and brightest people — black and white. Only three of the transformation team's eight members still work for the bank.

The most contentious part of the recent upheavals has been the exercise to correct "anomalies", in other words, past discrimination.

In consultation with the affirmative action committee, management last year identified about 200 people, or about 41% of the workforce, who qualified as "anomalies".

White male salaries were used as a benchmark to determine compensation for previously disadvantaged employees. With the help of outside consultants, payouts were calculated on the basis of such criteria as level of entry, qualifications, years of experience and exposure to training. Experience was equated with formal qualifications.

The bank has so far made cash payments totalling R2m, and another R3,4m was set aside for salary adjustments last April. The payouts were, in Goldin's words, "slightly progressive", with lower grade employees generally receiving the biggest amounts.

Not everyone is happy with the process, including some blacks and women who have either been excluded from the anomalies exercise, or feel they deserve more.

"It hasn't ended," says Makgoshi Sindane, head of the bank's affirmative action and gender unit. "It needs continuous information and management."

Not surprisingly, disaffection with the transformation process as a whole has been greatest among the white Afrikaner men who once dominated the bank.

Dirk Swanepoel, formerly the bank's treasurer and a member of the transformation team before he moved to the private sector last September, says, "I never really had any problem with the transformation process." Yet he says most of his former white Afrikaner colleagues still at the bank are "not very happy".

Despite these complications and pitfalls, Goldin is satisfied. "Restructuring of this kind could and should be done by private companies," he says. "The real story is not only that it's been done, but that it's unlocked a huge amount of constructive energy in the bank. My sense is that one can achieve fundamental transformation and deliver simultaneously."

Creating Security for the poor

By Claire Keeton
Feature Writer

SOUTH Africa has all the elements for a strong social security system – but these need to be properly harnessed to form a comprehensive national system, says new deputy director-general of social security Ms Ntlanja Ned.

Appointed this month by the Department of Welfare, Ned hopes to draw major stakeholders like government pension schemes, private pension annuities into building this system to provide a safety net for those living in poverty.

“At the moment stakeholders are not talking to each other but they are there. We need to consolidate and make sure they are linked,” she says.

“We are planning a social security summit to discuss proposals with stakeholders later this year.”

Ned advocates building social security on a multipillar system with a “safety net pillar” at its core.

“We would guard this first pillar so that when everything else breaks down, the first pillar will always be there to provide minimum access (to social security).”

“We will have to see whether there is room to cross-subsidise this safety net pillar.”

Compulsory contributions

Ned explains that compulsory contributions towards retirement by wage-earners or voluntary retirement annuities could be the other pillars in the system.

She is concerned that “age-maintenance” should be incorporated into the planning.

“We are looking at a longer life-span and it is important that people understand their responsibilities. We must create appropriate mechanisms to work for us (when we are older).”

“When people are able-bodied and employed, they must plan ahead. We should have inter-generational cross-subsidising.”

The newly formed social security branch embodies the main function of



Deputy director general of social security Ntlanja Ned ... South Africa has all the elements necessary to build a strong social security system.

the Welfare Department, which also consists of social welfare services and social development.

Social security absorbed 88,2 percent of the social welfare expenditure for 1996-97 and departmental statistics show that over 2,8 million people received social security grants totalling almost R1,2 billion in April 1997.

From 1994 to 1996, when social pensions were equalised among race groups, the number of beneficiaries expanded and the amounts paid out increased substantially.

The bulk of the social security budget is spent on old-age pensions (R740 million), followed by grants for the disabled. Other social security payments include war veterans' grants, grants for parent allowance, childcare, foster care, care dependency and grant in aid.

“The payout of grants and pensions is our main poverty alleviation programme,” says the director of communications for the Welfare Department, Anton Fisher.

Research has shown that pensions

provide 28 percent of income for the poorest 20 percent of South African households, compared to 5,8 percent for the those who are better off.

“(The old-age pension system) is well-targeted for rural areas, has a positive impact on the welfare of other household members, an excellent take-up rate, and performs well in gender terms and in terms of inter-provincial equity,” states *The People's Voices*, a report on poverty released this month.

“In all provinces – but particularly in Northern Province, KwaZulu-Natal and Eastern Cape – there were many, many people who spoke about the problems of state grants, and about the importance of this money to their households' survival.”

In many cases a household of 10 or more people were dependent on the grants in these two provinces.

“If I include myself and the grandchildren, there are about 20,” Mdushwa Tembe told the recent nationwide poverty hearings on which the poverty report is based.

PIC: CLAIRE KEETON

In its submission to the hearings, Black Sash noted that 60 percent of the cases brought by the 43 000 clients who visit their eight advice offices each year involve social security inquiries.

The report clearly demonstrates the critical role of social security grants to South Africans.

“It is a direct service, mainly implemented by the provinces,” says Ned. “We cannot do without one another. We are doing joint work, setting the agenda, and norms and standards.”

Acceptable service

Among her priorities is looking at the human resources in the Department and their capacity to deliver an acceptable service.

“We need public service delivery in a humane and accountable manner.

“(Public servants) working in human services are often not oriented towards humane relationships.”

While it is training staff, the Department is also concentrating on improving its technology and cleaning

up data to be more efficient.

This involves re-registering beneficiaries across the country to eradicate “ghost” payments and duplications, a vital process that has, nevertheless, caused hardship in provinces like Eastern Cape.

But in certain provinces like Free State, which is seen as a “best-practice model”, it has been smoothly managed and is complete.

“We hope to have done about 30 percent (re-registration) by the end of the year. That 30 percent will be data with integrity,” Ned says.

She is positive about a commitment by all provinces to adopt a unified approach to this process.

“They agreed in June on a uniform approach and format to follow. Each provincial strategy has to ensure it meets the norms.”

Supporting and monitoring social security in provinces is central to Ned's position.

She has monthly meetings with the heads of social security and next month will start visiting the provinces herself.

“There is a big disparity in the resources for social security between provinces. The way they have been historically managed is inequitable. Some provinces do not even have necessary telephones, electricity and offices.”

However, the Department now has reliable information about these disparities and weaknesses, and is working progressively to eliminate them.

Social security has been allocated R100 million to build capacity in provinces, strengthen the management information system, improve communication and stamp out fraud and corruption.

The Department has a constitutional imperative to provide access to social security and is aware of what this means.

“We are sensitive that we are dealing with bread and butter issues, with extreme levels of poverty,” says Ned.

“It is very, very important that we provide a service that reaches people – an appropriate system for the new millennium.”

Lottery to raise

Wins of up to R50-m in country's first national lottery, with huge profits going to boost development and help needy

By TANIA BROUGHTON

Durban

Good causes are expected to benefit by as much as R1-billion a year from the national lottery, scheduled to make its debut in mid-1999.

Prizes estimated to reach as high as R50-million will take up about half the takings, with almost as much going to good causes such as reconstruction and development programmes; charities; arts, culture and national heritage; sport and recreation, and miscellaneous allocations, for example, a disaster fund.

Director of Gambling, Lotteries and Liquor in the Trade and Industry Department, Ajay Sooklal, said yesterday the projects would benefit by a "monumental amount".

"We have our research and do not wish to make it public until the bidders for the licence have made their presentations, but it will certainly represent a sea-change for these causes."

Regarding prize money, he said the Government was mindful of problem gambling and would probably cap roll-overs and prize money.

"On the one hand we want the lottery to be attractive, but we don't want people cashing in their entire salary to buy tickets," he said.

The potential spin-offs from the lottery had been maximised by the Government, he said.

Empowerment initiatives will benefit through the National Empowerment Fund's 5% share in the lottery and through the actual participation of empowerment groups in the bidding process.

The Post Office will hold a 15% share and will use this to restructure and re-engineer the organisation.

The licence-holder would hold 80% of the shares and a "realistic" ceiling would be placed on its profits.

A state saving scheme is also in the offing and a percentage of each player's lottery spending will be allocated to a savings account registered in his or her name.

To maximise funds, the successful bidder would be required to provide a comprehensive retail distribution network which will reach the more than 25 million adults in the country.

Successful bidder will invest over R500-m

Today is D-day for interested bidders to register – and pay R1-million to the Trade and Industry Department to take part in the bidding process.

Sooklal said he expected eight groupings, all of which had international partners, to take part.

"We are looking for a home-grown lottery, but we have to be realistic. We do not have the experience in the technical arena here and we need to import some of that in the short term, but the calibre of bidders will be very high."

The successful bidder is expected to invest between R500-million and R1-billion for a licence that will be issued for between five and seven years.

(297) R1-bn a year for SA
Straw 21/12/98

Subsidy for low earners

The Greater Johannesburg Metropolitan Council and its local councils yesterday approved an indigency policy to assist people with an income of less than R1 500 a month, councillor Loretta King, chairperson of the council's credit control task team, said.

"The assistance envisaged includes a municipal service subsidy sufficient to cover the cost of 10kl of water - enough for a household of six - sewerage and refuse removal.

"It does not cover the cost of electricity," King said.

She said a pilot project

would begin on August 3 and would cover four suburbs, one from each of the local councils - Orlando East, Orange Farm, Bertrams and Dobsonville.

People who wanted to apply for assistance needed to fill out application forms, which would be screened by a trained field worker.

A panel consisting of councillors and officials would assess the application.

Application forms would be available from councillors, council paypoints, non-governmental organisations and community-based organisations. - Sapa

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(297)

Transforming DBSA cuts back, ups its lending 87%

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DEVELOPMENT CAPITAL
BY ANDREW GILL

THE Development Bank of Southern Africa almost doubled its lending in the past year, outstripping even the most upbeat estimates and growing infrastructure spending exponentially.

The DBSA, which is coming out of a period of major transformation from its apartheid roots as a homeland bank, approved lending of R4.3-billion in 1997/8, up 87% from R2.3-billion a year earlier. Chief executive Ian Goldin said the bank was surprised by the extent of the growth, especially in view of the transformation process which has seen employee numbers substantially reduced with a focus on efficiency and affirmative action. He said it was unlikely that the current financial year would show such strong growth.

The bank has doubled productivity on almost every measure. It has cut management positions to 27 from 57 since October 1996 and the number of management positions filled by blacks and women has risen 83% to make up three-quarters of management.

Goldin says the bank's success should be measured by the impact it has on the communities it serves. "In the past year, 987 000 house-

holds in 72 SA urban areas benefited from DBSA projects which included upgrading water supply and sanitation, roads, electrical reticulation and institutional and social services."

The most striking turnaround at the bank has been the sharp increase in co-funding of projects.

For every R1-billion approved by the bank in 1997/8, another R2-billion has been contributed by other parties — private, government and donor — to create a total project value of some R13.5-billion. This compares to a ratio of under one just a year before. Much of this improvement comes from the DBSA's move outside SA to other SADC countries. While loan approvals of R2.3-billion within SA contribute the bulk of total project value of R4.1-billion, approvals of R1.96-billion in other SADC countries represent only 21% of project value of R9.4-billion.

Goldin says R2.2-billion was disbursed in 1997/8 against R1.4-billion a year earlier. The combined job creation effect of the 1997/8 disbursements and approvals is 54 000 direct jobs. The bank is bud-

geting for disbursements to grow on average by 10% a year and in 1998/9 provision has been made for disbursements of R2.5-billion.

The bank has already accepted new loan commitments in the pipeline of some R4.67-billion.

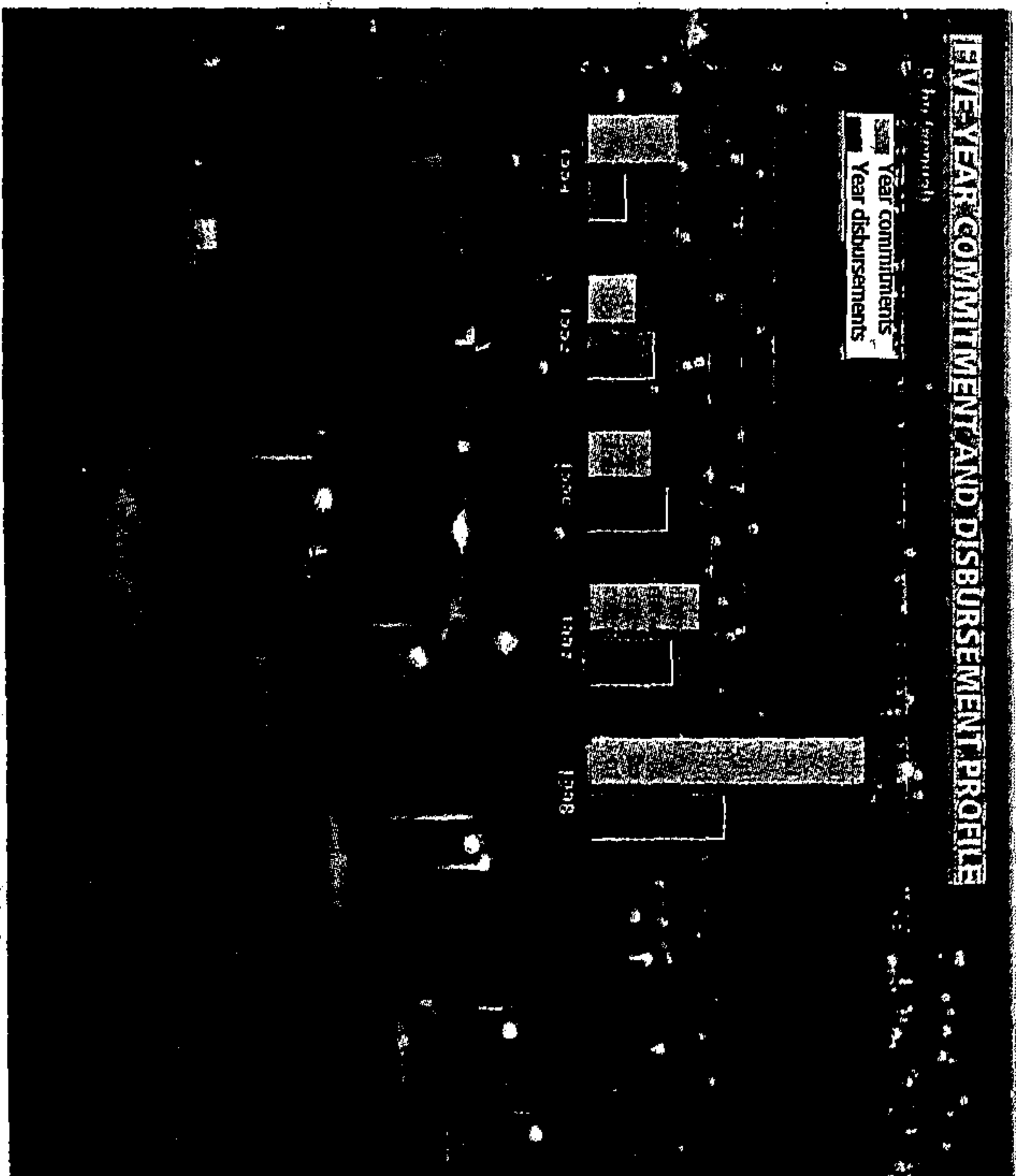
The DBSA lends over 40% of its funds to local authorities and Goldin says that despite the widespread attention given to potential bad debts, the argument carries little weight at the bank. He says none have had debts written off and expects potential write-offs to be minimal in the current year.

Overall bad debt write-offs in 1997/8 was a negligible 0.04% against 0.4% in 1996/7. The bank makes provisions of 7% of its development loans for bad debts.

The bank reported a 317% higher surplus for the year of R427-million, R250-million of which is considered exceptional.

About 95% of DBSA funding is raised at commercial rates on the capital markets, and about half of this is from offshore lending.

The bank has delivered well ahead of expectations in the last year and Goldin says the only possible constraint to further strong growth in lending is linked to internal capacity.



Bank must attract new investment — Mbeki

Mzwandile Jacks
SD 3/8/98

ABOUT \$15bn-\$25bn would be needed to address regional backlogs in transportation, telecommunications and energy by 2005, Deputy President Thabo Mbeki said at the weekend.

Mbeki said at the release of the Development Bank of Southern Africa's annual report that because government resources in the region would not have all the resources to address the problem, public-private partnerships would be required.

"Optimal use of resources from multilateral and bilateral financial institutions and development financial institutions in the region are imperative.

"As one of the primary funding agents of infrastructure in the Southern African Development Community region, the bank's role is pivotal. It must act as a catalyst to mobilise international and private sector funding for investment in infrastructure in the area.

The bank approved R4.3bn in loan finance for 148 projects and disbursed R2.2m in the past year.

About 34 000 jobs are expected to be created in SA by these loan approvals, the bank said. During the past year, about 20 000 jobs were created in SA by disbursements.

Headline earnings lifted to R177m (1997: R103m) while total assets were

R12bn at year end. The bank said the positive cost recovery policies resulted in an 830% increase in noninterest income, which grew to R11.2m.

The total surplus increased 317% to R427m of which R177m is normal and R250m accounted for by exceptional items. Loan loss provision is 7% of development loans, but write-offs were curtailed to 0.04% of the portfolio in 1997/98.

CE Ian Goldin said he was confident about the bank's performance. During the period under review the bank cut management positions from 57 to 27 and reduced staff numbers, pursuing an aggressive affirmative action policy.

"We believe that transformation and delivery go hand in hand. This performance indicates that we are transforming more than other parastatals.

"Our cost structure is far below that of private banks, showing that we are more efficient than the private sector."

Finance Minister Trevor Manuel, who attended the release of the annual report, said the government, in partnership with the private sector and parastatals such as the development bank, had to meet the challenge of overcoming the infrastructure funding gap for development.

The bank had not cost taxpayers a cent since 1994, he said. "In fact, it has invested R9.5bn for development, raised mainly from the markets."



The Development Bank of Southern Africa released its annual report on Friday. Attending the function in Midrand were bank CE Ian Goldin, left, and Deputy President Thabo Mbeki.

Picture: ANDY KATZ

BANKING 'Tight ship' policy yields productivity at Development Bank

Transformation enhances delivery

RICHARD STOVIN-BRADFORD

BANKING EDITOR

Johannesburg — The Development Bank of Southern Africa (DBSA) has given the strongest indication yet of its pivotal role in enhancing delivery on regional infrastructure financing and job creation.

The bank said last week it had approved a record R4.3 billion of funding and had disbursed R2.2 billion of loans in the year to March 31.

The 87 percent leap in loan approvals and the 58 percent surge in disbursements were the fruits of increased productivity following the bank's 18-month transformation of business practices and "tight ship" financial, operational and human resources policies, said Ian Goldin, the chief executive.

"A direct result of the disbursements is approximately 20 000 new and sustainable jobs created in South Africa alone... with an estimated 34 000 additional jobs anticipated through the projects approved last year," he said.

Trevor Manuel, the minister of finance and DBSA governor, said: "The context in which the bank works is probably more important than its performance.



GOOD NEWS Ian Goldin (left) and Thabo Mbeki are more than pleased that the DBSA has been instrumental in creating 20 000 new jobs

PHOTO: SEWON TAIT

"We ask the DBSA to operate fearlessly as a development finance institution, catalysing development in a particular way," he said.

The bank achieved a total surplus of R427.4 million for the year, helped by R250 million of exceptional items. The headline surplus was R177 million, a year-on-year rise of 72.9 percent.

Goldin said the total surplus would be recycled. It showed the bank was now self-sustaining. It would not require transfers or subsidies from the government.

"The bottom line is that we're a parastatal that's financially independent, and we're going to remain so," he said.

"The government hasn't had to give us any money for three years and we don't get any state guarantees. But more important still is the leveraging effect of the DBSA's lending, because it acts as a catalyst for other lenders to development projects."

These lenders now put in R1.60 for every rand lent by the DBSA, a 77 percent increase over the period prior to the

transformation programme.

Goldin said the quality of assets, totalling R11.9 billion, had improved significantly. The growth in disbursements had been matched by a "prudent" 372.6 percent increase in risk provisions. Loan loss provisions were a "conservative" 7 percent of the development loan book.

Write-offs, in spite of loans to 120 local authorities, fell to a "very low" 0.04 percent of the book against last year's 0.4 percent as a result of better risk appraisal and management.

Leaner bank doing more business

(297) / Sowetan 3/8/98

By Isaac Moledi

THE Development Bank of Southern Africa (DBSA) has made record loan disbursements of R2,2 billion and approved new loan commitments of R4,3 billion in its financial year ending March 1998, the bank's chief executive Dr Ian Goldin said on Friday.

Compared to disbursements of R1,4 billion and approvals of R2,3 billion in the previous year, these figures represented an increase of 58 percent and 87 percent respectively.

This was the bank's first financial report after the DBSA Act was passed in April last year.

Confirming the bank's new mandate as a development bank in the Southern African Development Community region, Goldin said productivity, measured across a range of indicators, more than doubled.

"This is indicated by the significant increase in activities achieved while staff numbers decreased from 494 to 465 and real operating expenditure was held at zero percent real growth," he said.

Goldin said the results were achieved because "during the past year, DBSA vigorously pursued its development mission while continuing its transformation to achieve this more effectively".

"Last financial year, internal aspects of transformation inevitably dominated the agenda.

"During 1997-98 there was a greater focus on delivery and on the bank's



Deputy President Thabo Mbeki says the DBSA has benefited millions of South Africans

relationships with its clients," Goldin said.

Deputy President Thabo Mbeki said during the occasion that more than one million households across the country benefited from the DBSA's infrastructure funding during the year in focus while more than 780 000 housing subsidies were approved by February this year. About 500 000 houses were nearing completion.

Last year alone, 424 000 houses were electrified and 360 000 telephone lines were connected by Telkom in underserved areas.

This resulted in the creation of about

250 000 job opportunities through construction and maintenance of municipal infrastructure projects by the Consolidated Municipal Infrastructure Programme (CMIP), Mbeki said.

Concerning the bank's participation in the Southern African region, Mbeki said it funded smaller infrastructure projects and co-funded large-scale projects and programmes such as the Lesotho Highlands Water Scheme, the Maguga Dam, the Botswana North-South Water Carrier project and the Mozal aluminium smelter in Maputo.

"The bank contributed to employment creation and promoted community participation, skills transfer, and small business development and addressed environmental concerns, sound financial planning, and institutional capacity building," he said.

Mbeki said as the region was poised to enter a period of social and economic transformation, "we believe the DBSA is ready to support the infrastructural imperatives of the

Reconstruction and Development Programme at national and regional level".

As governor of the DBSA, Finance Minister Trevor Manuel said he was happy to report that the bank had not cost the taxpayers a cent since 1994.

"In fact, it has invested more than R9,5 billion for development, raised mainly from the markets.

"In the past year alone, it has succeeded in virtually doubling its activities and productivity, while maintaining its financial independence and sustainability," Manuel said.



Development Bank of Southern Africa chief executive Ian Goldin and Deputy President Thabo Mbeki on Friday.
PIC: PETER MOGAKI

SA out to end service backlog

(297) *source 4/8/98*

By Thabo Mbeki

THE Development Bank of Southern Africa (DBSA) asked us to say a few words about the role of infrastructure in the development process of our country and region.

The centrality of infrastructure, both physical and social, in development cannot be overemphasised. Therefore any development process must entail a commitment to investment in infrastructure.

Infrastructure forms the backbone, the base, upon which most of our programmes can flourish. Infrastructure, in all its forms, is a catalyst for development.

Well-planned and managed infrastructure can enhance productivity and lower production costs. It enables established businesses to expand their production levels while encouraging small businesses to enter the market. It also promotes trade and supports economic concentration.

Our Government is committed to promoting the development of the country and the region as a whole. We take the view that development is about people.

In South Africa, our Government is investing in infrastructure to eliminate service backlogs in under-served areas, especially the black townships and rural areas, in order to meet our people's basic needs.

Basic infrastructure services can also reduce poverty and contribute to job creation. Through various public works programmes, Government has over the last few years ensured that the provision of infrastructure takes place in a manner that enhances job opportunities for the unemployed, especially women.

Despite our efforts, most people still live in under-served rural and peri-urban areas.

Productive activities

The challenge that the DBSA and all of us face is to find innovative ways to provide them with the necessary basic infrastructure.

Improved infrastructure services will make them less vulnerable, allowing them to undertake productive activities both within the household and in the wider economy.

In 1994 the new Government inherited a mixed but rapidly deteriorating infrastructure stock. Economic infrastructure was reasonable, with transport and electricity fairly well developed.

However, these networks were not appropriate for the needs of the population and the economy. Many roads and railway lines had lost their economic bases, with few railway lines being financially sustainable.

City transport systems were increasingly strained as the majority of the population had been forced to live far from their places of work and basic services.

Access to social and domestic infrastructure was restricted mainly to urban areas and people in rural areas had few services. In 1994 only 20 percent of rural dwellers had access to electricity, 35 percent to clean water and five percent to adequate sanitation.

Even in urban areas, at least a fifth of households could not access these services.

The Government needed to provide infrastructure that would meet the country's economic demands while simultaneously redressing apartheid imbalances.

We have been actively addressing this problem. Our key policy documents – the Reconstruction and Development Programme (RDP) and Growth, Employment and Redistribution – emphasise the key role of infrastructure in promoting growth while meeting basic needs.

Government also acknowledges that the fiscus will not be able to address all these needs on its own and has therefore called for public-private partnerships to enhance service delivery.

The Government launched several RDP-funded programmes, culminating in the Consolidated Municipal Infrastructure Programme (CMIP) to fund building, upgrading or rehabilitation of internal bulk and connector infrastructure.

Recently the Government – with the assistance of the DBSA – established a Municipal Infrastructure Investment Unit to act as a facilitator and promoter of public-private partnerships in the municipal sector.

The Government also made significant progress in delivery. Since 1994 about 1 000 more people have gained access to clean water every day and over 1.4 million have benefited so far.

Over 780 000 housing subsidies were approved by February and about 500 000 houses are nearing completion. In 1997 alone 424 000 houses were electrified and Telkom connected 360 000 telephone lines in under-served areas.

The CMIP created some 250 000 employment opportunities through construction and maintenance of municipal infrastructure projects in its first year (1997).

Given both its limited fiscal resources and international trends on good governance and efficient delivery, the Government is committed to utilising public-private partnerships in the creation of social and physical infrastructure.

boards still dominate, private-sector involvement is gradually increasing through joint financing, delivery concessions and other institutional innovations.

To ensure that partnerships promote economic empowerment, the Government has focused on developing new regulatory frameworks to guide these initiatives. All public-private partnerships are to target small business development, job creation and training.

Government's Spatial Development Initiatives (SDIs) are a particularly significant vehicle for public-private partnerships.

Focusing on areas with untapped economic potential, they facilitate regional integration by promoting investment, employment and wealth creation as well as infrastructure development.

SDIs demonstrate the paradigm shift from the protected and isolated approach to economic development of the past towards regional cooperation and integration.

Eight SDIs were identified in South Africa, based mainly on mineral processing, tourism and agriculture, and seven more within the region. The Maputo Corridor is an example of a SDI which links South Africa to its neighbours.

The demand for regional infrastructure is huge. Infrastructure investment in the region has long been inadequate and, sometimes, ill-directed.

Deliberate isolation

Most early infrastructure development was related to the colonial history of the region, focusing on exporting raw materials to the rest of the world instead of promoting inter-regional links.

More recently, apartheid's deliberate isolation and support for acts of aggression, frequent armed conflicts and the subsequent need to divert expenditure from the infrastructure to defence compounded the problem.

As a result, across the Southern African Development Community (SADC), most rural people cannot access clean water and proper sanitation. Beyond urban limits, infrastructure services are often in a state of disrepair.

But the physical upgrading of infrastructure alone will not suffice. It needs to be combined with credible policies, capacity building, skills transfer, regulatory reform and institutional change.

Infrastructure is not the only constraint to efficient trade, but it is a prerequisite for successful economic development.

(This is an edited version of Deputy President Thabo Mbeki's speech to the Development Bank of Southern Africa in Midrand on Friday.)

Although parastatals and local

service backlog

(297) *source 4/8/98*

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Empowering the earth

Shedding its remote image among rural people, technology is now making a grassroots impact by enhancing food security in South Africa. Ufieda Ho reports

Star 5/8/98

(57)

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(297)

PHOTOS: STEVE HILTON-BARBER

Putting food on the table is often not as simple as ordering out for pizza – for many rural communities food security means being almost entirely dependent on what grows out of the earth.

For these small-scale farmers the problems they face include everything from irrigation, to fighting pests and the ill effects of El Niño. It's a battle waged with the barest of resources and even less technological understanding on how to overcome the problems. In the Year of Science and Technology (YEAST), the Agricultural Research Council (ARC) has identified food security as the area of greatest priority.

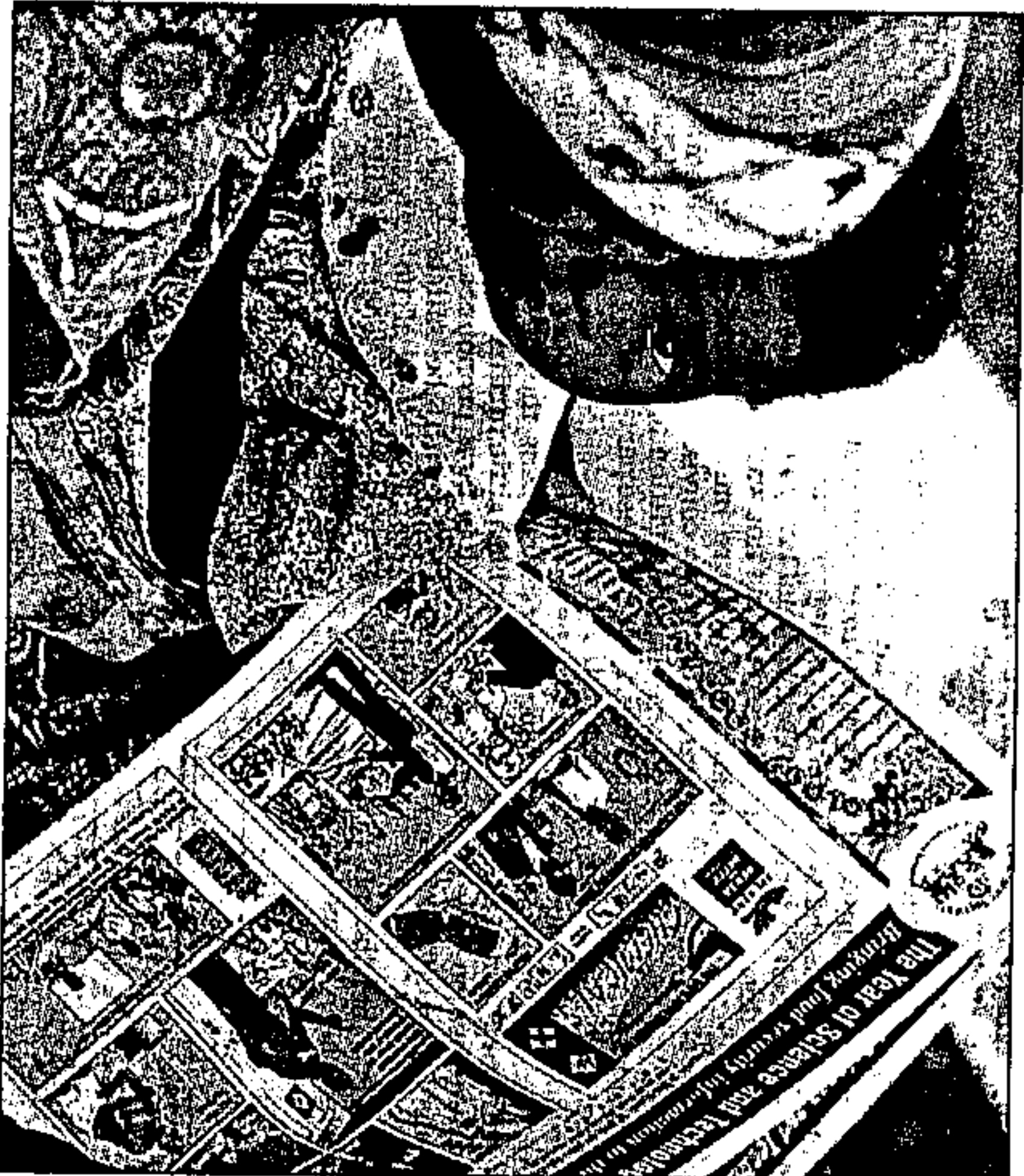
The aim is to ensure research information is filtered through to rural communities. The hope is that the technology will enhance not only crop yield and business potential, but will equip farmers with technological knowhow to maximise their farming efforts.

The food security thrust of YEAST has taken the form of a roadshow which tours the remote regions of the country. Most recently it made its way to Mpumalanga in the Nkomazi and Nsikazi regions.

Heading the team is chief of marketing at the ARC, Dr Nico Human. "Our science background is still too small and people need to be trained," Human says.

He adds that the roadshow is crucial for its motivational potential. The central tool of the roadshow is a series of 20 cartoons. These teach – through using drawings – everything from how to collect rainwater for irrigation and making compost heaps, to taking soil samples and correct "inspanning" of donkeys.

The emphasis of the cartoons is on self-reliance and rural empowerment. "We want people to take ownership of their ventures and to do it themselves," Human says. TV personality Sandy



Technology for the people... "Benza and Betty" the cartoon characters teach rural communities about optimal technological farming methods and give health hints.



Bringing home the dinner... crates of vegetables grown by members of the Masinhalisane vegetable project are sold to local consumers.



Tilling the soil... men from the Nkomazi region listen to a presentation.

All round praise... community

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TV personality Sandy Ngema, the spokesperson for the roadshow, says: "Food security is very close to my heart because I have two daughters of my own and I have to ensure they are properly nourished before they go to school each day".

In the Sibange area the Inkululeko Women's Club have been granted 4,5ha of land for farming.

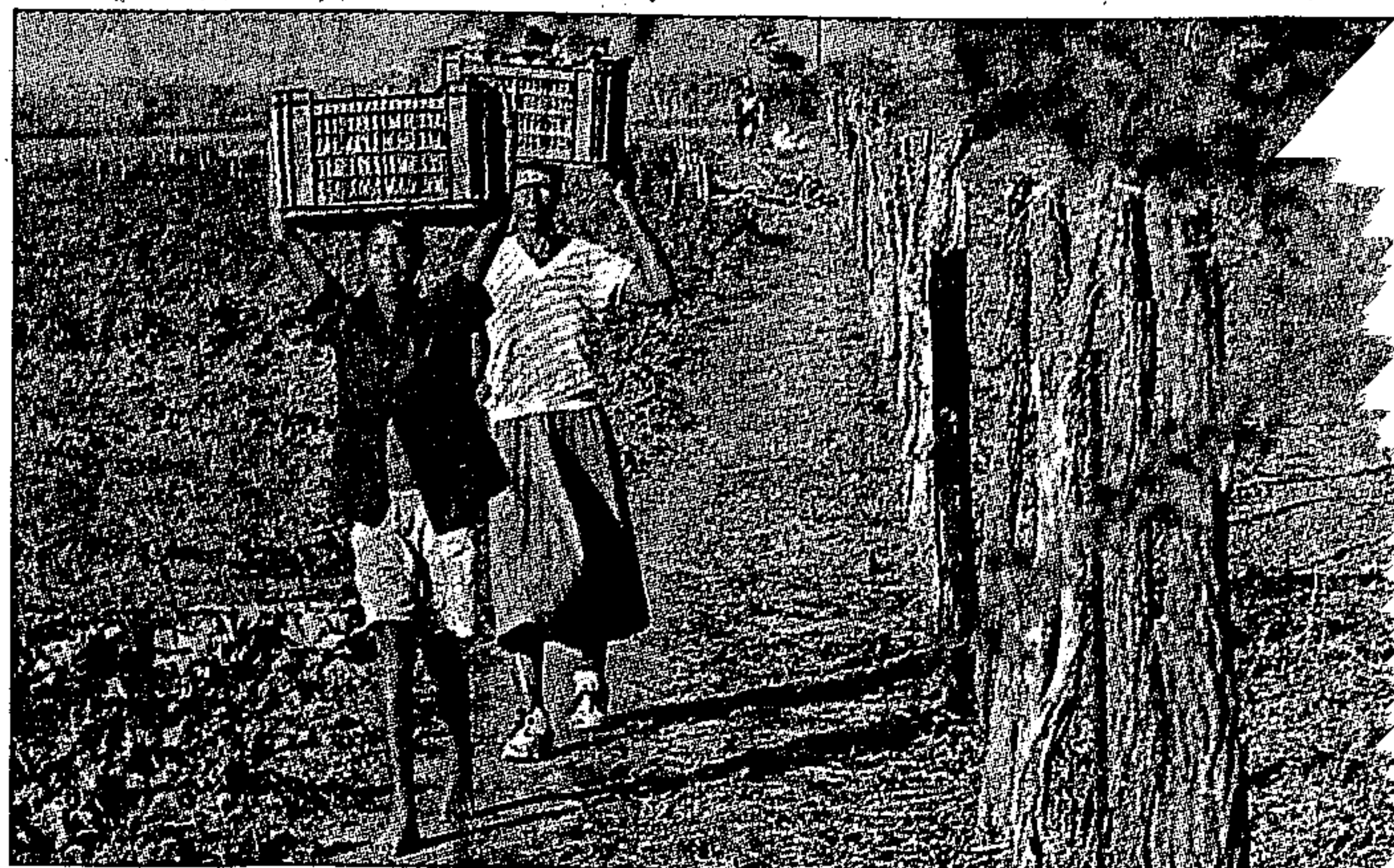
Each member is given a plot of 40 x 50m. One of the agricultural technicians for the area Shapo Mavimbela says: "We try to teach the women things like which crops grow best together," she says.

Nelani Mabuza who is assistant director for Mpumalanga's agricultural home economics says that the technological information has been welcomed by the communities and adds that indigenous knowledge has comfortably merged with the introduction of modern methods. "We improve what they have, rather than try to change it," Mabuza says.

There are plans to reintroduce indigenous crops such as marog, millets and n-jugo beans. Mopani worm and locust farming are also on the cards and so is the production of sorghum beer, honeybush tea and prickly pear beverages.

Permaculture methods could also be introduced in the next five years. Human says though that this is a gradual process and will only become a practical option once the vegetable projects are properly established.

On smaller farms such as the Intokozo vegetable project,



Bringing home the dinner ... crates of vegetables grown by members of the Masihlali vegetable project are sold to local consumers.



All round praise ... community leader Pauline Khumalo shows her appreciation for the work done by local agriculture technicians.

the 17 members have transformed the dusty, dry land into a thriving vegetable garden which they hope will take top honours in an annual vegetable garden competition run in the region. Mabuza says the competition has huge motivational capacity.

Sylvia Masoka who is the field extension officer for the Masihlalisane vegetable project which started out in 1994 says: "For many people this serves as a job." She adds that money made from sales of the vegetables has been able to help send children to universities and to build homes.

Human feels the food security project will be an ongoing commitment even past the Year

of Science and Technology. He says the next series of cartoons will introduce better technology for animal farming as well as methods to process the harvests. This includes mini-canneries operations and turning beeswax into candles and other byproducts.

"All of this is part of the African Renaissance," Human says and stresses the need to find indigenous solutions to food security on the continent. ■ Next stop for the roadshow is in the Northern Cape and food security exhibition is currently being held in Kimberley. For more information contact Dr Nico Human on (012) 427-9904 or visit the ARC website at www.arc.agric.za

USAid, govt clear the air

John Dlodlu

MD 7/8/98

AN INVESTIGATION of the US aid programme in SA has cleared the air in bilateral relations, says a US diplomat in Pretoria.

A key part of the findings of the inquiry was an undertaking by the US Agency for International Development (USAid) to improve its communication with the SA government on USAid's support of non-governmental organisations (NGOs) in SA, the diplomat said yesterday.

The inquiry was conducted jointly with USAid and the SA government. The investigation was requested by SA after government became concerned that the US agency was giving its support to SA anti-government organisations.

The US official said this was a misunderstanding. All NGO backing had been given to programmes in support of Pretoria's policies.

However, he admitted the US agency would have done better by communicating effectively with government officials.

In future the SA government, through its foreign

affairs department, would be kept fully informed of USAid operations in the country.

However, the NGOs to be supported would still be chosen by USAid.

When government first voiced its concern about NGOs receiving foreign donor support, fears were heightened that Pretoria wanted to undermine the independence of NGOs — a crucial feature of these organisations.

Thanks to the review, USAid could soon expand its activities to the agricultural sector — an area it does not fund now.

Government suggested that USAid support be extended to the farming sector. "We are (currently) considering this," the official said. This would not mean more funds.

No comment was received from the SA foreign affairs department.

The US government has maintained that its programme in SA is guided by the needs of the Pretoria authorities as articulated in the reconstruction and development programme and the growth, employment and redistribution strategy.

Single traffic officers' command

Boesak impasse over

AYESHA ISMAIL

ST (cm) 9/8/98 (297)

funding for an accountant, junior advocate and attorney.

Boesak's lawyers took the board to court in an attempt to have the legal aid reinstated.

Senior counsel J C Gerber said this week that Boesak's donor had decided to waive his condition that the money be used only to pay a senior counsel's fees.

"The money will now be used for Boesak's entire team and once this has been used up, he can apply again for legal aid."

However, the trial will not proceed on August 17 as planned, but on August 24.

THE mystery US donor who gave Dr Allan Boesak R1-million solely to pay for a senior defence counsel in his trial, has waived this condition.

This means Boesak's trial on charges of fraud and theft involving R1,1-million from foreign donors can get under way.

The trial has been delayed since the disclosure that Boesak had a donor as this prompted the Legal Aid Board to withdraw its

Star 10/8/98
State welfare policy slammed
(297)

By **FIKILE-NTSIKELELO MOYA**

South African welfare associations could fold, forcing children to live in desperate conditions, unless the Government changes its funding and policies, said Andre Kalis, director of the SA National Council for Child and Family Welfare.

Kalis said the council represented 179 associations and about 800 000 people across the country. The Government therefore had a responsibility to provide enough money to ensure they performed their responsibilities adequately.

He said that despite the associations' employees doing most of the work, social workers employed by the council

were paid less than their government counterparts.

"There could soon be no volunteer welfare movement," Kalis added. He said creches in poorer areas would have to close down, sometimes depriving children of their only facility for a balanced meal.

His comments followed reports that the welfare department had uncovered about 240 000 cases where retired officials were being paid civil and old-age pensions simultaneously which cost the state about R11,5-million monthly.

Welfare department spokesperson Anton Fisher and Minister Geraldine Fraser-Moleketi's private secretary Oscar Lewendal declined to comment.

Welfare groups may fold unless state shapes up

(297)
ARGUS CORRESPONDENT
ARG 11/8/98

Johannesburg - South African welfare associations could fold unless the Government changes its funding and policies, South Africa National Council for Child and Family Welfare director André Kalis has said.

He said the council, which represented 179 associations and about 800 000 people across the country, used the Child Care Act and other welfare legislation to intervene, on behalf of the state, in cases of child abuse or neglect.

"The non-governmental organisation sector faces decline to the point of extinction. There could soon be no volunteer welfare movement."

Mr Kalis said the child welfare movement had a yearly budget of R106-million, of which the Government contributed between 50% and 60%, with the rest being raised from donor agencies.

"Children are exposed to unnecessary hardship due to theft, fraud and administrative inefficiency in the social security system," he said.

Welfare under fire for funds

CT 13/8/98

JOVIAL RANTAO

(297)

A CATALOGUE of financial mismanagement in the national Department of Welfare, involving at least R500 000, was unveiled yesterday before Parliament's Joint Standing Committee on Public Accounts.

It emerged at a committee hearing yesterday that the department had used taxpayers' money to pay for accommodation for non-staff members who had attended an international women's conference in Beijing, China. The department paid R36 786 for a trade unionist from Cosatu and one from the National Council of Trade Unions.

In a reply to questions from the committee, the department said it had failed to recover the funds from the two because they could not be traced.

The department said it paid the advances to non-civil servants following a directive from the secretariat for the Beijing Platform of Action, which was established by the department.

The department said it had implemented a system where no advances would be allowed and issued to any person who was not an official of the department without prior approval of the Department of State Expenditure.

The committee also questioned why tender regulations were not adhered to when the department spent R29 200 for the production of simplified version of the Beijing conference material. The department said officials were under the impression that donor funds, which were supposed to be used for the purpose, were not part of government funds.

The situation was further complicated because the officials involved were inexperienced and not trained in all the financial regulations as well as the prescribed procurement procedures, the department said.

A BAROMETER OF GOVERNANCE AND DEVELOPMENT

Busy Bee puts poverty to flight

Evidence wa ka Ngobeni

It's a chilly Friday morning in Bekkersdal, Gauteng. Inside a wooden shack, Comisa Lefakane dishes up plates up of warm food for waiting children.

Forty-year-old Lefakane is a member of Busy Bee, a pilot project of the Department of Welfare's national programme aimed at helping women with young children.

For six years Lefakane, a mother of three, was unemployed. But her luck, as well as that of many women in Bekkersdal, changed with the

introduction of the project.

"We used to stay at home with nothing to do, but the Busy Bee project has changed the lives of many women who were suffering in this poor community," says Lefakane.

Busy Bee is an income-based project, run by women, with the long-term goal of breaking the cycle of vulnerability and poverty in the community.

The project involves the running of a restaurant, vegetable garden, child-minding/recreation centre, overnight facility, beauty salon and a car wash.

The Busy Bee project won the Masakhane President's Award in Gauteng in November 1997.

The first project of the welfare department's national programme was launched in the Northern Province in 1996. Projects have since been launched in seven of the nine provinces.

The department funds the projects for three years, after which they have to sustain themselves.

Since its inception, the programme has provided employment for 279 women in Gauteng, 79 in the Northern Province, 130 in the North-West

27 in the Western Cape, 70 in Free State and 40 in the Northern Cape. KwaZulu-Natal is in the process of implementing two projects.

Welfare minister Geraldine Fraser-Moleketi says the programme is targeted towards poverty alleviation.

"Our people will never die of diseases caused by malnutrition. We will fight together with women to ensure total eradication of poverty in the society," she says.

Speaking at the launch of a film, *The Break of the Day*, which traces the lives of four unemployed black women, Moleketi said: "One of our major aims as welfare is to change the kind of income that reflects poverty in the society."

The launch was also geared at honouring the progress made by the women involved in the projects.

Moleketi said the film served as an inspiration and example of what has been done to improve the lives of women and their young dependants.

Among the women featured in the film is Neliswa Falein, who lives in a shack at Crossroads in the Western Cape, and participates in a vegetable project.

"I used to work in the vineyards. My brother never believed I could get a decent job. He knew me as a slave on the vineyards.

"Besides a good working environment, the project provides a good salary," she said.

Participating women at the Busy Bee project say it is successful because they earn much more than they would have received from social security grants.

297
MHC 14-20/2/98

Bills seek to improve welfare

(297) Sowetan 17/8/98

By Morgan Naidu

GAUTENG MEC for welfare and population development Mr Ignatius Jacobs unveiled six draft Bills yesterday designed to improve welfare services.

The Social Welfare Bills will go a long way to creating structures for the protection and advancement of those in need of assistance, while the draft Bill on attaining self-reliance via a social development fund, will enable communities to set up self-help schemes.

Such a fund, the MEC explained, had already been created in other countries with much success.

The welfare department would establish the fund and various groups and organisations would be able to apply for loans, grants or subsidies.

Under the draft Bill for the Erection and Administration of Streetchildren's Shelters, the department is seeking to ensure that shelters housing children are safe.

The department will crack down on badly run shelters, with shelter operators having to obtain registration certificates.

Shelters will be monitored and evaluated every year while unscrupulous shelter operators face hefty fines or even jail terms.

The Barrier-Free Environment for Persons with Disabilities Bill has been drawn up to make it easier for disabled people to move around, Jacobs said.

Jacobs said his department, together with the standing committee for social welfare in Gauteng's legislature, had done a lot of research in drafting the Bill.

Under the draft, all old buildings in the province are to be changed to allow easy access for disabled people.

New buildings must include, from the start, plans for accommodating the disabled.

Cancellation

The Bill also calls for grab bars in toilets and braille numbering in lifts.

In the draft Bill on the elderly, old age homes are to be regulated, while the emphasis will move away from institutionalisation, except for the frail elderly. Welfare subsidies for old age homes will in future be performance-related with a subsidy being subject to cancellation if certain standards are not maintained.

The Regional Social Welfare Institutes Bill will set up structures for the coordinating of funding to welfare groups and will ensure the distribution of funds to where they are needed most.

Committee makes tough demands

Linda Ensor

(297) BD 20/8/98

CAPE TOWN — Parliament's finance committee has made tough demands for financial accountability and the proper management of the operations of the newly created organisations such as the proposed National Development Agency.

The aim of the agency will be to disburse government and donor funds to nongovernment organisations involved in development and the alleviation of poverty.

While broadly supportive of the proposal yesterday, committee members

from all political parties were concerned that steps be taken to ensure that yet another cash-absorbing bureaucracy was not created.

They were aware also that their attempts to closely define its objectives and functioning had to be balanced by a need to preserve the flexibility and creativity of the new institution.

African National Congress MP Ben Turok suggested that the agency fall under the Development Bank of Southern Africa, which had the expertise to control its affairs "in a hands-on manner". Being accountable to the finance ministry, which was overloaded with

other responsibilities, might not provide sufficient control.

"I do not like the idea of a free-floating, arm's-length organisation set up de novo with a new board, new staff, new premises, new vehicles, and a new little empire," Turok said.

Government officials briefing the committee noted that it had been a political decision to make the agency accountable directly to the finance ministry.

Development agency bill vague, say MPs

(297) CT(PR) 20/8/98

LYNDA LOXTON

PARLIAMENTARY CORRESPONDENT

Cape Town — Members of the portfolio committee on finance expressed concern yesterday about the "fuzziness" of the National Development Agency Bill and the fact that the new agency could end up as another example of bungled state funding.

The committee had been briefed on the proposed new agency by Shahied Rajie, a chief director in the department of finance. Members said that in theory it seemed a good idea to have an agency to channel government and donor funds to civil society, but there did not appear to be enough checks and balances in the bill to ensure sound financial management.

It was also not too clear who or what the agency would specifically target. Committee members were concerned that the bill would allow the agency to take out loans. Rajie admitted that

Trevor Manuel, the finance minister, had ruled out giving the agency borrowing powers.

Ben Turok, an ANC MP, said the agency should not fall under the supervision of the finance ministry, which was "too busy" with other tasks to oversee a development agency. The agency should rather be linked to the Development Bank of Southern Africa, which had experience in development issues.

Turok said although he accepted that the wording of the bill should not be too rigid to encourage innovation in a difficult field, it should not be too "vague and airy-fairy".

He would prefer specifying that the agency would fund activities not normally carried out by government departments.

Ken Andrew, a Democratic Party MP, said the bill should ensure that all key staff members had appropriate financial qualifications to ensure good financial management and accountability.

NGOs ponder global issues

21/8/98 (297)

PHINDILE NGUBANE

DURBAN: Globalisation is making it difficult for member states of the Non-Aligned Movement (NAM) to implement the declarations made at its three-yearly summits.

This is the view of Dr Alejandro Bendana, director of the Centre for International Studies in Nicaragua, who was speaking at a non-government organisation (NGO) conference at the University of Durban-Westville yesterday.

The NGO conference is traditionally held immediately before the NAM summit, which is due to take place from August 29 to September 3 at the Durban Interna-

tional Centre.

Bendana, whose address was entitled Shaping the Global Agenda: Civil Society as an Emerging Actor, said he had misgivings about NAM leaders' ability to implement the movement's declarations because they had their own governments with their own financial policies.

These policies usually clashed with NGOs' vision of how governments' economic policies should operate, which was essentially that these should be driven to alleviate poverty and unemployment, among other socio-economic problems.

He argued that governments'

hands had become tied by globalisation and were becoming increasingly paralysed.

He said NGOs therefore had a duty to ensure they were heard by the NAM member states and given a role to play in the implementation of decisions taken by the movement.

Delegates agreed there was a need to look at alternative development agendas and for NGOs to have a closer working relationship with the NAM.

Issues to be discussed by delegates today, which is the last day of the conference, include the role of the NAM in global security challenges.

Boesak pleads not guilty

Trial on R1,1-m APJ fraud under way at last

AR6 24/8/98

(297)



LEONIE OLIVER
STAFF REPORTER

Allan Boesak has pleaded not guilty in the Cape High Court to 32 charges of fraud and theft totalling R1,1-million.

Dr Boesak is alleged to have misappropriated the money from his Foundation for Peace and Justice. The money was intended for use by victims of apartheid.

A crowd of supporters gathered on the steps of the court this morning, and a woman held a placard which read: "Boesak, we will stand by you".

The courtroom was filled with Boesak supporters and members of the media. A smiling, relaxed Dr Boesak entered the courtroom with his wife Elna.

The couple were dressed elegantly - she in a navy blue outfit and he in a double-breasted suit. Dr Boesak embraced supporters as well as his sister, three daughters and his son from his first marriage.

After Dr Boesak pleaded to the 32 charges, State advocate J C Gerber started reading out the lengthy charge sheet to Mr Justice John Foxcroft.

The high-profile case has been postponed five times because of a wrangle over legal aid and financial problems relating to the payment of his defence. The Legal Aid Board withdrew Dr Boesak's funding when it learnt he had received R1-million from an anonymous donor to pay for counsel. The donor eventually agreed his money could be used to fund legal fees and a forensic audit.

The case is expected to run for three or four months. Dr Boesak's lawyer, Chris Petty, said funding could dry up midway through proceedings.

Fellow clerics and the Western Cape ANC have rallied behind Dr Boesak. Since his first court appearance, his lifestyle has



Fans: supporters show Dr Boesak they care

changed dramatically. He lost his diplomatic appointment to the United Nations, his Constantia home and his luxury car. He now lives in a Sea Point flat with his family and survives on gifts from friends.

Dr Boesak's former colleague and foundation bookkeeper Freddie Steenkamp was jailed for six years last year. He was convicted of five charges of fraud and one of theft involving R3,7-million belonging to the foundation and The Childrens Trust.

He will testify against Dr Boesak.

On trial: Alan Boesak, with his wife Elna and daughter Belén, at the office of the Attorney-General of the Western Cape today before his court appearance

LEON MULLER

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AR6 24/8/98 (297)



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LEON MULLER

CASE MAY RUN INTO 1999

Boesak trial on fraud, theft charges begins

CT 24/8/98 (297)

THE FORMER anti-apartheid campaigner may face up to 167 state witnesses. Justice Writer **RONALD MORRIS** reports.

ALLAN BOESAK, a leader of the anti-apartheid struggle, will take his place in the dock in the Cape High Court this morning on charges of theft and fraud.

This is the sequel to an investigation by the Office for Serious Economic Offences (OSEO) which lasted several months after Scandinavian aid agencies alleged that Boesak and Freddie Steenkamp, his former bookkeeper, had stolen money channelled to the now-defunct Foundation for Peace and Justice (FPJ).

Steenkamp was tried separately and convicted on five counts of fraud and one of theft involving R3,7 million in FPJ funds. He was sentenced to six years in jail.

Boesak, 52, will face 32 counts of fraud and theft involving about R1,1 million in donor funds.

The state has subpoenaed 167



HAS SUPPORT: Allan Boesak

witnesses, many of them prominent anti-apartheid campaigners.

They include Desmond Tutu, Beyers Naude, truth commissioner Mary Burton, Boesak's former attorney Essa Moosa, Masakhane chief, Chris Nissen and several trustees of the FPJ.

In what must be a bitter pill to swallow, Boesak may not meet any of his old friends, even for tea, because when the magistrate freed

Boesak on his own recognisances, strict conditions were imposed that forbade him from communicating with state witnesses.

He was also required to surrender his passport and may not leave the country without the written permission of the attorney-general.

Boesak has received wide support, including that of the ANC in the Western Cape, Justice Minister Dullah Omar and ministers of the United Reformed Church.

Boesak was earlier this year involved in a dispute with the Legal Aid Board which cut off his funding when a mystery donor pledged R1m for legal assistance. Chris Petty, Boesak's attorney, said on Friday he was not aware how much of the R1m was left as some had already been spent on legal fees.

J C Gerber, a deputy attorney-general who will lead the state case, has said that the trial, which has been set down for three months, may run into next year. The first three weeks will be taken up with accounting evidence.

Boesak has consistently maintained his innocence.

State to call 167 witnesses for Boesak trial, beginning today

Star 24/8/98 (297)

Cape Town – Allan Boesak, an icon of the anti-apartheid struggle, will this morning take his place in the dock in the Cape High Court on charges of theft and fraud.

This is the sequel to an investigation by the Office for Serious Economic Offences, which lasted several months, after Scandinavian aid agencies alleged that Boesak and Freddie Steenkamp, his former bookkeeper, had stolen money channelled to the now defunct Foundation for Peace and Justice (FPJ).

The trials of Boesak and Steenkamp were separated. Steenkamp was convicted on five counts of fraud and one of theft involving R3,7-million in FPJ funds, and was jailed for six years.

Boesak (52) will face 32 counts of fraud and theft involving about R1,1-million in donor funds, according to a 58-page High Court indictment.

The State has subpoenaed 167 witnesses, many of them prominent during the anti-apartheid struggle.

They included Archbishop Desmond Tutu, Dr Beyers Naudé, former Black Sash president Mary Burton, Boesak's former attorney Essa Moosa, Masakhane chief the Rev Chris Nissen, and the trustees of the FPJ – the Rev Jan de Waal, the Rev Lionel Louw and Professor Charles Villa-Vicencio.

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Boesak pleads innocent to 32 counts of fraud

(A97) 8pm 25/8/98
RICHARD SHOREY / REUTERS

Former activist

listens stonefaced to litany of accusations

SABA
Cape Town

Former anti-apartheid activist and cleric Dr Allan Boesak yesterday pleaded not guilty in the Cape Town High Court to a long list of fraud and theft charges relating to his alleged misuse of foreign donor funds.

Boesak's trial on 32 counts of fraud and theft involving about R1.1-million finally began yesterday after months of delays caused by legal procedures.

The charges relate to funds allegedly channelled from the now defunct Foundation for Peace and Justice (FPJ), which Boesak set up during the apartheid years to raise overseas funds for upliftment programmes.

Boesak (52) pleaded not guilty before Mr Justice John Foxcroft to all the charges.

Forensic accountant Dawn King gave comprehensive details of the financial transactions between the FPJ and the numerous trusts and donor agencies used to raise funds. He started giving the court an account of Boesak's dealings in fine detail, but Foxcroft said ways would be sought to speed up the evidence of the accounting details.

Details of the long list of charges were given to the court by Western Cape Deputy Attorney-General J C Gerber, who said Boesak switched his overseas fundraising efforts when the ANC and the PAC were unbanned in 1990.

He said Boesak approached overseas donors to invest in upliftment projects in rural communities. He had approached



In court ... Dr Allan Boesak, former anti-apartheid cleric, accompanied by his wife Elina, (centre) and daughter Bulani arrives at court to answer charges of theft and misappropriation yesterday. The charges relate to funds allocated to the Foundation for Peace and Justice, which Boesak headed.

the Coca-Cola Foundation for \$50 000 to assist a project called Caravans for Carnarvon in the Northern Cape.

When the aid was granted, Boesak allegedly used the money to repay costs incurred in trying to get another overseas project off the ground.

Boesak is also accused of withholding R259 161.21 of a donation of \$350 000 to the Children's Trust by US singer Paul Simon.

The trust was set up in June

1988 and an amount of R423 000 was later paid into its bank account. The balance of R259 161 was never paid to the trust, Gerber told the court.

Gerber said even the balance of R423 000 that was paid into the account by Boesak was never used for projects. He is accused of later using these funds to shore up the FPJ, which was in dire financial straits at the time.

Boesak is accused of using donor funds to set up his wife,

former radio and television reporter Elina Boesak, in her own communications business, Camelot Communications.

Gerber said that after his divorce from his wife Dorothy in 1990, and his subsequent marriage to Elina, Boesak was eager to set up a radio station in the Western Cape. In 1993 he approached the Swedish International Development Agency for assistance, persuading the organisation to donate R762 521.81, which he claimed would be used

to record cassettes for rural voter education.

No tapes were produced by the time of the election, and the funds were used to rent premises and set up a radio broadcast studio, Gerber said.

He added that during overseas trips, Boesak always travelled first class, which he paid for from FPJ funds. Even if he received a free economy class air ticket from donor countries, he used FPJ funds to upgrade to first class.

Boesak is also accused of failing to use funds for the specific purposes for which they were intended by the donors. Gerber said that in many cases Boesak used funds intended for upliftment programmes in rural towns for his own purposes.

Boesak sat quietly in the dock as Gerber gave details of the charges against him. His wife sat in the row behind him. More than 160 witnesses have been subpoenaed to testify. The trial continues.

Boesak

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(297) Star 25/8/98

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Boesak denies guilt on 32 fraud charges

Linda Ensor

CAPE TOWN — The much-delayed trial of former African National Congress leader Allan Boesak got under way in the Cape High Court yesterday, with a forensic investigator presenting evidence of how donor funds intended for anti-apartheid victims were allegedly misappropriated.

Boesak, supported in court by his wife Elina and their daughter, pleaded not guilty to 32 charges of fraud and theft while he was director of the Foundation for Peace and Justice between 1988 and 1994.

His personal enrichment allegedly amounted to R1m, while many of the fraud charges related to the use of donor funds for running the founda-

tion, for projects not agreed to by donors and for setting up an audiovisual studio for his wife.

In his opening remarks, state prosecutor JC Gerber alleged that most of the foundation's funds which Boesak used for himself were taken from a secret foundation account called the Urban Discretionary Fund.

Gerber said substantial amounts of donor funds were used for foundation salaries, personal loans to staff, travel and administration costs.

"The salaries and transport costs of the foundation were always much higher than that allowed by donors.

The accused was personally responsible for a large part of the foundation's transport expenditures. One of the most important reasons for the high

transport expenditure of the foundation is the fact that the accused, whenever he travelled overseas, only travelled first class," Gerber said.

These high operational costs were allegedly not revealed in the financial statements sent to donors.

The foundation's bookkeeper, Freddie Steenkamp, was jailed for six years last year after he was convicted on five charges of fraud and theft.

KPMG forensic accountant investigator Dawn King detailed the inflow of donor funds into the World Alliance of Reformed Churches, of which Boesak was president, and their transfer to the foundation. When the World Alliance's books closed in July 1991, it had a R259 161 debt to the Children's Trust — the balance of the funds donated to

the foundation for the Children's Trust by singer Paul Simon but which were not transferred to it — while the foundation owed it R51 640.

The state has a list of 168 witnesses — several of them from Scandinavian aid organisations — who could be called during the lengthy trial expected to last up to six months.

Possible witnesses include representatives of the Swedish International Development Agency, the Olaf Palme International Centre, Church of Norway, DanChurch Aid, Norwegian Church Aid, the Coca Cola Foundation, the US Presbyterian Church and the Swedish government, as well as numerous bank officials and Archbishop Desmond Tutu, a trustee of the former Children's Trust.

BOESAK MAKES 'NO ADMISSIONS AT THIS STAGE'

Loans, costs 'concealed from donors'

THE TRIAL OF Allan Boesak finally got under way in the Cape High Court yesterday when he pleaded not guilty to 32 charges of theft and fraud. Justice Wriener **RONALD MORRIS** reports.

OVERSEAS donors had been influenced to make further donations to the now-defunct Foundation for Peace and Justice when high salary and transport costs and staff loans were "concealed" in its books as allocations to community projects.

This was said yesterday by J C Gerber, a deputy attorney-general, when the trial of Allan Boesak finally got under way in the Cape High Court yesterday.

World-renowned church leader and anti-apartheid fighter Boesak, 52, pleaded not guilty to 32 charges of theft and fraud and was not prepared to make any formal admissions "at this stage", his counsel, Marie Maritz, SC, said.

Before criminal proceedings started a few supporters held a placard demonstration on the steps of the High Court and softly sang *We Shall Overcome*.

Inside the courtroom 33 lever-arch files containing "source documents" and other annexures were stacked against the judge's podium.

A solitary unarmed policeman sat to one side. He may later be required to hand up exhibits to the judge and assessors. Yesterday he seemed bored.

Boesak was accompanied to court by his wife Elna and his four children from his first marriage, Leneke, Belén, Phulani and Allan Jun. They sat two rows behind their father, listening attentively as the charges were put to him.

After Boesak had pleaded, Gerber read his 13-page opening address into the record. It traced Boesak's rise as president of the World Alliance of Reformed Churches in 1982 and the establishment of the Foundation for Peace and

Justice (FJP) in 1985 as a separate ministry for his congregation at the NG Sendingkerk in Bellville South.

Several prominent community figures had been trustees of the foundation but had had little to do with the affairs of the FJP and little say in financial decision-making.

Boesak, because of his contacts, had been the ideal person to obtain donations locally and overseas, and through the years he had been able to obtain large sums from Scandinavian countries.

"Due to the accused's personality, he was the person around whom the foundation turned. It can rightly be said that he was the foundation. No important decisions were taken without consulting him. He is the one who exercised his discretion as to whom and to which projects financial support would be given," Gerber said.

He referred to the changing of the political climate with the unbanning of the ANC, PAC and SA Communist Party in 1990, and to how Boesak and his staff had reasoned that regular donors would probably no longer make donations to the FJP but would instead support the new ANC government.

In a move to survive, the FJP had decided to get involved in projects that could become profitable. To that end Boesak, his personal assistant Norman Michaels and former FJP bookkeeper Freddie Steenkamp had founded the Rural Ministries Development Trust.

Gerber said donors were always sensitive about high administration and operating costs and were anxious that funds reached the intended projects. The FJP's salary and transport costs



DAY IN COURT: Former leading anti-apartheid cleric Allan Boesak, his wife Elna and daughter Belén arrive at the High Court yesterday for the start of his trial on theft and fraud charges.

had always been higher than those the donors would have allowed. Boesak had been responsible for a large part of the foundation's travel expenses.

"One of the main reasons for the high transport expenses of the foundation was the fact that the accused, when travelling overseas, never travelled other than first-class."

It often happened that organisations that invited Boesak overseas paid for an economy air ticket and that the FJP paid

the difference.

Gerber said the staff loans in the "debtors loans" account had been unauthorised and also too high. Donors would not have allowed such loans, and the FJP's annual financial statements had not reflected the high salary and transport costs and the fact that staff loans had been given.

Several journal and other entries had been made through the year and these expenditures had been reallocated to

projects like "crisis relief" and "rural ministries", with the result that expenditures had been artificially decreased and the money spent on projects artificially increased.

This had been done to conceal high salary and transport expenditures and also to show that lots of money was spent on projects, so that donors could be influenced to make further donations, Gerber said.

The trial continues today.

(2997)

CT 25/8/98 PICTURE: ALAN TAYLOR

Boesak trusts in Good as trial begins

(297) Sowetan 25/8/98

By Ido Lekota

ALMOST two years after charges of fraud and theft were laid against him, the former anti-apartheid leader Reverend Allan Boesak's trial began in earnest in the Cape High Court yesterday.

The former World Alliance of Reformed Churches president, who was also the founder of the Foundation for Peace and Justice, is facing 32 charges of defrauding and stealing donor funds from the foundation amounting to R1 121 947 -- money intended to be used for victims of apartheid.

Boesak has pleaded not guilty to all charges.

Yesterday's appearance was relatively low key apart from the contingent of reporters hovering around the steps of the court and a small band of supporters, one of whom waved a placard that read: "Boesak, we will stand by you."

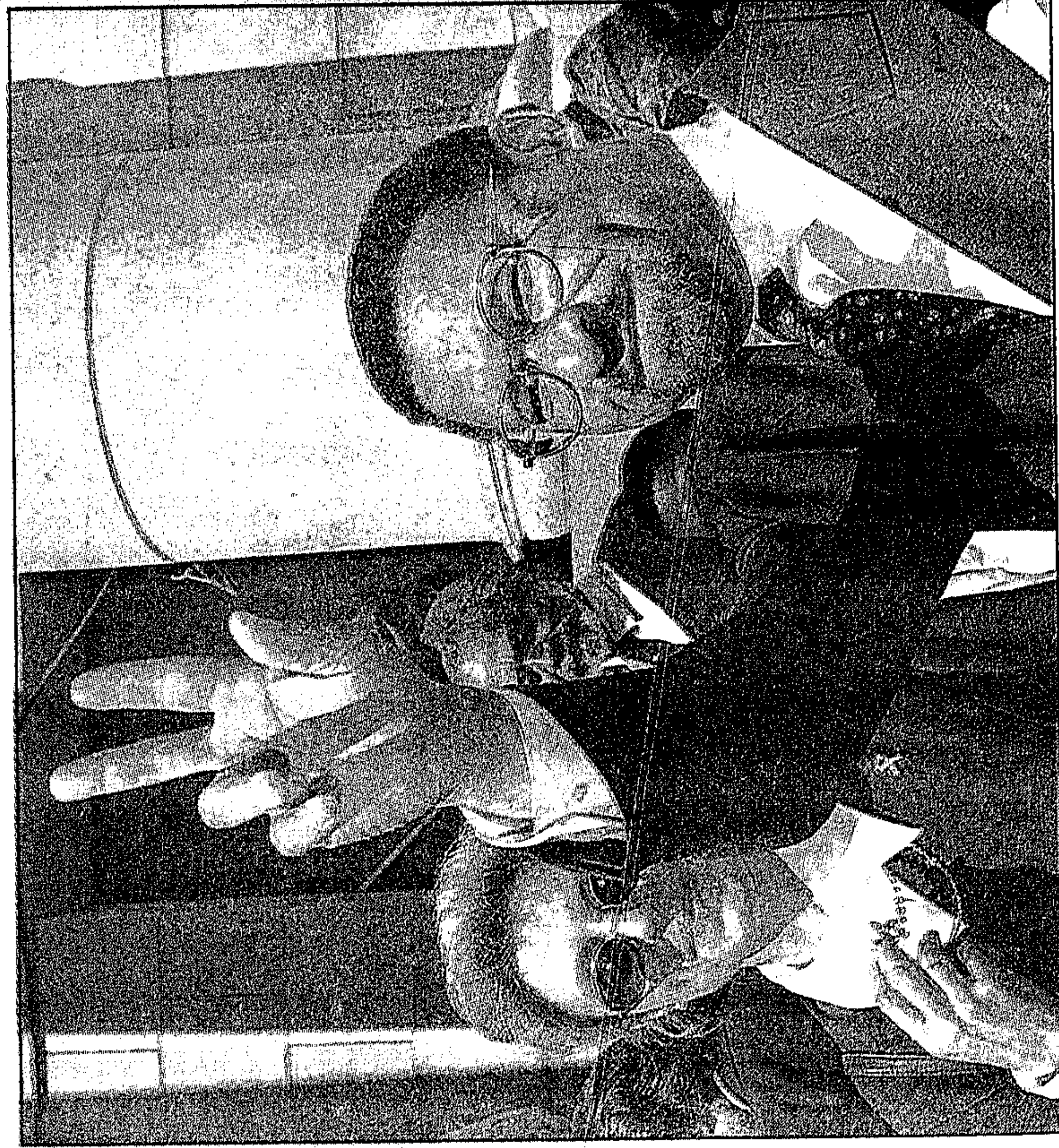
Also accompanying him was his wife Elna -- elegantly dressed in a navy blue slack suit -- and four of his children.

Dressed in a navy blue double-breasted suit and brown designer shoes, Boesak looked relaxed as he waved to and hugged some of his supporters outside the court building.

Boesak's appearance is a sequel to an investigation by the Office of Serious Economic Offences (OSEO) into his affairs.

The probe lasted several months after Scandinavian aid agencies alleged that Boesak and his now-jailed bookkeeper, Freddie Steenkamp, allegedly stole donor money channelled to the now-defunct Foundation for Peace and Justice.

Steenkamp stood trial separately



A sign of things to come? Victory or not, Reverend Allan Boesak certainly looked buoyant as he arrive at the Cape Town High Court yesterday to face a litany of fraud and theft charges. The former anti-apartheid activist pleaded not guilty to 32 charges of fraud and theft relating to his alleged misuse of overseas donations involving about R1,1 million.
PIC: AFP

and was convicted on five counts of fraud and one of theft amounting to R3,7 million. He is currently serving a six-year sentence.

The charge sheet shows a trail of transactions in which Boesak allegedly misappropriated funds between November 1988 and 1994 amounting to R1 121 947 from donors, including DanChurch Aid and the Church of Norway.

Some of the missing money allegedly includes R259 161 of the R682 262 donated by singer Paul Simon to the Children Trust Fund.

The missing sum of R762 521, which Boesak raised abroad -- ostensibly to produce videos for voter education in preparation for the 1994 election -- was also under question.

Financial records

The state alleges the money was used to set up his wife's video production company, Camelot Productions.

Yesterday Ms Dawn King, a forensic accountant, appeared as the first witness for the state. She gave a report on her investigations into the foundation's financial records which were commissioned by the office of the attorney general and the OSEO.

Also in line to testify are Truth and Reconciliation Commission (TRC) chairman Archbishop Desmond Tutu, TRC commissioner Ms Mary Burton (both trustees of the Children Trust Fund), Boesak's former attorney Eysa Moosa and new Masakhane project chief Mr Chris Nissen.

The trial is expected to last until next year.

When asked about how he thought the trial would go, Boesak said: "At the end of it all the world will be astounded by the faithfulness of God."

Boesak used funds for car and house, court told

(297)
Star 26/8/98

State alleges extravagant holidays were paid for with overseas grants destined for the needy

SAPA

Cape Town

Allan Boesak used a range of welfare projects as fronts to raise funds for his personal needs, including his house, car and extravagant overseas trips, the Cape Town High Court heard yesterday.

The former anti-apartheid activist and cleric has pleaded not guilty to 32 counts of fraud and theft involving about R1,1-million in foreign donor funds.

The charges relate to money allegedly channelled from the now defunct Foundation for Peace and Justice, which Boesak set up to raise funds for social upliftment programmes.

Yesterday, forensic accountant Dawn King gave the court comprehensive details of the intricate web of projects and trust funds set up to deal with Boesak's financial dealings.

She investigated apparent irregularities in the foundation's financial transactions and submitted reports to the attorney-general's office and to the Office for Serious Economic Offences.

She said the various funds were set up and run from the foundation, and some of the money raised was used to finance Boesak's private needs.

In two days of evidence, King has revealed a complex trail of inter-account transfers that were made during the foundation's operation.

She said money was transferred from one fund to another, especially at times when the foundation was in overdraft.

King referred to correspondence in which Boesak placed considerable pressure on the Swedish International

Development Agency for a grant at a time when the foundation was in dire financial straits.

King said accounts were juggled and amounts transferred in a way that expenditures were not reflected on annual financial statements.

She said the Western Cape Leadership Project was funded by Swedish donations but was used by Boesak to finance and maintain a BMW and to pay for security at his home.

Another fund, called the Lavender Hill Urban Foundation, which had its own bank account, was used to pay for a house used by Boesak in Vredehoek, Cape Town. The fund was set up to provide housing for poor communities.

King said Boesak's numerous overseas trips were funded mainly by transfers to the foundation from the Crisis Relief Fund. Between 1989 and 1995, travel expenses totalling hundreds of thousands of rands were incurred.

She cited 1991, when R402 000 was spent on travel expenses, of which Boesak personally incurred R177 000, while more than R50 000 was spent on his wife Elna and other family members.

King said the foundation's accounts reflected these figures as travel expenses, but records of the travel agent through which the trips were booked showed that some trips were holidays.

It was alleged in the charges put to Boesak yesterday that he travelled only first class on his numerous overseas trips, and even if he received a free economy-class ticket from overseas donors, he used foundation funds to upgrade to first class.

The hearing continues today.

Court is told of high-flying Boesak (297)

BD 26/8/98

CAPE TOWN — Allan Boesak's extravagant overseas trips were paid for out of a crisis relief fund set up to assist people in dire need, the Cape Town High Court heard yesterday.

The former anti-apartheid activist and cleric has pleaded not guilty to 32 counts of fraud and theft involving R1,1m in foreign donor funds. The charges relate to funds allegedly channelled from the now defunct Foundation for Peace and Justice that Boesak set up to raise overseas funds for upliftment programmes.

Boesak also used a range of welfare projects as fronts to raise funds for his house and motor vehicle, the court heard.

Yesterday forensic accountant Dawn King gave the court comprehensive details of the intricate web of funds and accounts in which Boesak's financial dealings were managed.

King investigated apparent irregularities in the foundation's financial dealings and submitted reports to the attorney-general's office and the Office for Serious Economic Offences.

King said between 1989 and 1995

travel expenses totalling hundreds of thousands of rands were incurred each year. In 1991 R402 000 was spent on travel expenses, of which Boesak personally incurred R177 000 while more than R50 000 was spent on his wife, Elna, and other family members.

King said the foundation accounts reflected these figures as travel expenses, but travel agency records showed that some of the trips were in fact holidays.

It is alleged Boesak travelled only first class on his numerous overseas trips, and even if he received a free economy class ticket from overseas donors, he used foundation funds to upgrade to first class.

King said the Western Cape Leadership Project was funded by Swedish donations but was used by Boesak to finance and maintain a BMW motor vehicle and to pay for security arrangements at his home.

Another fund called the Lavender Hill Urban Foundation, which had its own bank account, was used to pay for a house used by Boesak in Vredehoek, Cape Town. The fund was set up to pro-

vide housing for poor communities, but was allegedly used only for Boesak's private requirements.

King said large sums of cash were transferred to the Foundation for Peace and Justice from other trust funds set up by Boesak, including the Crisis Relief Fund for emergency relief to individuals or organisations.

King said that the transfer of funds was done to disguise the huge travel expenses that were incurred by the foundation.

King also produced accounts that showed Boesak and his accountant, Freddie Steenkamp, received additional payments from the foundation above the normal salary that he and other staff members received.

Steenkamp was convicted of fraud and theft last year and sentenced to six years in prison.

Boesak sat listening quietly to the long and detailed account of the trail of missing funds. His wife Elna sat alone behind him in the dock and listened attentively to the evidence. — Sapa.

Picture: Page 3

Boesak 'racked up huge travel bills'

ARG 26/8/98 (297)

LENORE OLIVER

STAFF REPORTER

Allan and Elna Boesak's travelling expenses in 1991 were more than R200 000, paid from the coffers of the Foundation for Peace and Justice, the Cape High Court heard.

Dr Boesak, a former president of the World Alliance of Reformed Churches and Western Cape leader of the African National Congress, has pleaded not guilty to 32 fraud and theft charges involving R1,1-million.

The State alleges he misappropriated money intended for victims of apartheid from the foundation, which he headed.

The foundation received large annual donations from Danchurch Aid in Denmark, the Church of Norway and the Olaf Palme International Centre in Sweden.

Auditor Dawn King told the court yesterday that during the 1991 financial year, Dr Boesak received R177 000 for travel expenses and Mrs Boesak R39 000. The foundation's total cost of travel for the year, including trips by other staff members, was R402 000.

An amount of R120 000 intended for use in a Lavender Hill project was used as part payment towards a house in Vredehoek and Dr Boesak also received cash payments.

Mrs King told the court that various transfers were made from staff expense accounts to projects and other expense accounts to create the impression that staff costs were low.

Money was transferred from the Children's Trust account and the Rural Ministries Development account into staff expense accounts so that these expenses appeared minimal.

In many instances, travel costs were much higher than reflected in the end-of-year financial statements. Mrs King said this meant funds were being transferred from the travel account into other accounts to understate travel costs.

Mrs King said money was put into the foundation's main account to decrease overdrafts.

Noticeably absent from yesterday's proceedings were the supporters who followed proceedings at the beginning of the week. None of Dr Boesak's children was present.

R50 000 trust fund to help people of Saldanha

Sowetan Business Reporter

RECENTLY established black-owned Daluxolo Construction and its joint venture partner, ABC Recruitment, have donated R50 000 to a trust fund for the community of Saldanha as part of their social responsibility programme.

The money will go towards income-generating projects in the community and will be administered by a trust set up by the community, said Daluxolo managing director Irvor Lee.

"Our vision as a company is to uplift our immediate community and we will do this by sharing part of our profits with it.

"The money is a much-needed contribution to a small community like ours.

with its very high rate of unemployment," he said.

The economy of Saldanha was boosted by the recently built Saldanha Steel project.

Part of the project's undertaking was to involve local entrepreneurs in meaningful ways. That was when a group of activists in the area grouped to form Daluxolo.

The company was established in September last year and one of its major clients is a contractor on the Saldanha Steel project.

The core business of Daluxolo is human resources development through job creation and the supply of contract workers to projects such as

Saldanha Steel.

Boesak trips 'paid for from relief funds'

(297)
Sowetan 26/8/98

REVEREND Allan Boesak's extravagant overseas trips were paid for out of a crisis relief fund set up to help people in dire need, the Cape Town High Court heard yesterday.

The former anti-apartheid activist and cleric has pleaded not guilty to 32 counts of fraud and theft involving about R1,1 million in foreign donor funds. The charges relate to funds allegedly channelled from the now defunct Foundation for Peace and Justice (FPJ), which Boesak had set up to raise overseas funds for upliftment programmes.

Forensic accountant Ms Dawn King gave the court comprehensive details yesterday of the intricate web of funds and accounts in which Boesak's financial dealings were managed.

King investigated apparent irregularities in the FPJ's financial dealings and submitted reports to the attorney general's office and to the Office of Serious Economic Offences.

She said between the years 1989 and 1995 travel expenses totalling hundreds of thousands of rands each year were incurred. She cited 1991 as an example. That year R402 000 was spent on FPJ travel expenses, with Boesak personally incurring R177 000 and more than R50 000 being spent on his wife Elna and other family members.

King said the FPJ accounts reflected these figures as travel expenses but records of the travel agent through which the trips were booked showed that some of the trips were in

fact holidays.

It was alleged in the charges put to Boesak on Monday that he travelled only first class on his numerous overseas trips. When he received a free economy class ticket from overseas donors, he used FPJ funds to upgrade it to first class.

King said large sums of cash were transferred to the FPJ from other trust funds set up by Boesak, including the Crisis Relief Fund for emergency relief to individuals or organisations. King said the transfer of funds was done to disguise the exorbitant travel expenses incurred by the FPJ.

Additional payments

King also produced accounts which showed that Boesak got additional payments from the FPJ above the normal salary that he and other staff members received. She said records showed that Boesak and his accountant, Freddie Steenkamp, received additional payments from the FPJ's salary account which did not pass through the organisation's salary account at First National Bank.

Steenkamp was convicted of fraud and theft last year and sentenced to six years' imprisonment for irregularities in the FPJ books.

Boesak sat quietly listening to the long and detailed account of the trail of missing funds from the various accounts used in the running of his financial affairs.

His wife Elna sat alone behind him in the dock and listened attentively to the evidence.

The hearing continues. — Sapa.

'New funding body will be accountable'

LYNDA LOXTON

PARLIAMENTARY CORRESPONDENT

CT (BR) 06/01/98
Cape Town — Gill Marcus, the deputy finance minister, moved to reassure the portfolio committee on finance yesterday that the planned National Development Agency would be financially accountable. (297)

Last week committee members complained that the wording of the bill covering the establishment of the agency was too "fuzzy" and there was no guarantee the funds allocated to it would be used wisely.

Marcus said the agency would take over from the Transitional National Development Trust, which had been established as an interim body to assume the duties of both the Independent Development Trust and the Kagiso Trust to provide funding to non-governmental organisations (NGOs).

"The purpose of the National Development Agency is to try to see that you have one coherent body dealing with this and the funds that were being used in different ways," she said.

The finance department would not be able to micromanage the funding of NGOs, so a chief executive for the agency would be appointed to see that funds were spent correctly, she added.

Detailed guidelines on funding criteria have already been established by the Transitional National Development Trust. The way in which funds will be transferred has also been set up. There were also strict criteria on judging the effectiveness of funding to ensure projects were sustainable, Marcus said.

"I would have a difficulty in legislating that because you will be tying down too many specifics in the legislation rather than the parameters," she said.

But she said she was willing to consider specific amendments suggested by committee members, mainly aimed at firming up some of the wording. These would be finalised next week.

Boesak wedding paid from discretionary fund

Star 27/8/98

(297)

Accountant spells out how Norwegian donations to upliftment projects sometimes never reached the needy

SAPA
Cape Town

Alan Boesak paid for a wide range of personal expenses, including the cost of his wedding reception, out of foreign donor funds earmarked for the needy, the Cape Town High Court heard yesterday.

The former anti-apartheid activist and cleric has pleaded not guilty to 32 counts of fraud and theft involving about R1.1-million in foreign funds.

The charges relate to funds allegedly channelled from the

now defunct Foundation for Peace and Justice, which Boesak set up to raise overseas funds for social upliftment.

Evidence concerning Boesak's financial dealings continued yesterday with detailed accounts of amounts that were donated for specific projects but which allegedly never arrived at their destinations.

Forensic accountant Dawn King, who investigated the FPJ's books, has given the court detailed accounts of various transactions which, she said showed that many projects never received the donations as

intended by the donors.

King produced records which showed that R10 482 was paid to the Lord Neethlingshof restaurant at the Neethlingshof wine estate near Stellenbosch in February 1991.

According to the accounts, the bill was for the celebration of Boesak's wedding to former SABC radio and television reporter Elina Botha.

King said the funds were paid from the Urban Discretionary Fund, to which money was allegedly channelled from the FPJ and then used to finance Boesak's personal

requirements, including cash.

King also told the court that in the same month an amount of R100 000 was paid from the Urban Discretionary Fund as a downpayment on a house in Constantia, Cape Town.

Earlier she told the court how large sums of money paid to the FPJ by foreign donors and earmarked for specific rural upliftment programmes never reached the people for whom they were intended.

She cited as an example an amount of R328 458 paid to the FPJ by the Church of Norway, intended for a range of projects

to benefit rural communities in the Western Cape.

King said the donor had stipulated that R245 000 should be made available for the projects while the balance should be used by the FPJ for administration costs.

However, according to the accounts, only 27% of the amount reached the people for whom it was intended.

Projects such as Marienhal Food Aid, Rosemead Farm Stall, and Child Protection Services received nothing of the funds earmarked for them by the Church of Norway.

King also produced a long list of transactions which she said showed that Boesak and his former bookkeeper Freddie Steenkamp benefited from funds transferred from FPJ accounts.

She also produced accounts which showed that Boesak received additional payments from the FPJ above the normal salary that he and other staff members received.

Steenkamp was convicted of fraud and theft last year, and sentenced to six years in jail. The hearing continues today.

Boesak's wedding 'paid for by fund'

27/8/98

(297)

CAPE TOWN — Allan Boesak paid for a wide range of personal expenses, including the cost of his wedding reception, out of foreign donor funds earmarked for the needy, the Cape Town High Court heard yesterday.

The former anti-apartheid activist and cleric has pleaded not guilty to 32 counts of fraud and theft involving about R1,1m of funds allegedly channelled from the now defunct Foundation for Peace and Justice, which Boesak set up to raise funds for social upliftment programmes.

Evidence concerning Boesak's financial dealings continued yesterday.

Forensic accountant Dawn King, who investigated the foundation's books, produced records that showed R10 482 was paid to the Lord Neethlingshof restaurant at the Neethlingshof wine estate near Stellenbosch in February 1991.

According to the accounts, the bill was for the celebration of Boesak's wedding to former radio and television reporter Elna Botha.

King said the funds were paid from the Urban Discretionary Fund, to which money was allegedly channelled from the foundation and then used to finance Boesak's personal requirements, including cash disbursements.

King also said that in the same month R100 000 was paid from the Urban Discretionary Fund as a down payment on a house in the plush suburb of

Constantia, Cape Town.

King also told the court of an amount of R328 458 paid to the foundation by the Church of Norway, intended for a range of projects to benefit rural communities in the Western Cape. She said the donor had stipulated that R245 000 should be made available for the projects while the balance should be used for administration costs. However, according to the accounts, only 27% of the total amount reached the people for whom the money was intended.

One of these was the Western Cape Fishermen's Union, which received R19 999 in piecemeal payments over a six-month period, although R50 128 was designated for it by the church.

Other projects such as Marienthal Food Aid, Rosemead Farm Stall and Child Protection Services received none of the funds earmarked for them by the Church of Norway.

King also produced a long list of transactions she said showed that Boesak and his former bookkeeper, Freddie Steenkamp, benefited from funds transferred from foundation accounts. She showed that Boesak received additional payments from the foundation above his normal salary.

Steenkamp was convicted of fraud and theft last year and sentenced to six years in prison for irregularities in the keeping of the foundation's financial books. — Sapa.

Boesak 'used relief funds for banquet'

But no one pitched, court told

ART 27/8/98

(297)

LENORE OLIVER
STAFF REPORTER

Allan Boesak spent nearly R8 000 of Foundation for Peace and Justice funds on a banquet for American civil rights leader Jesse Jackson – but no one turned up.

This was the evidence of forensic auditor Dawn King, who is testifying in the Cape High Court trial of Dr Boesak, who has pleaded not guilty to 32 fraud and theft charges involving R1,1-million. The State alleges he misappropriated money intended for victims of apartheid.

Dr Boesak is a former president of the World Alliance of Reformed Churches and Western Cape leader of the African National Congress.

Yesterday Mrs King told the court documentation proved there had been several transactions from the foundation's accounts which benefited Dr Boesak.

In April 1990, R7 831 was paid to Claridges Hotel for a banquet in

honour of Mr Jackson.

"Everything was arranged – but no one pitched," said Mrs King.

"The money was taken from the foundation's crisis relief account – and this was clearly not a crisis."

Mrs King told the court that in 1989 the Church of Norway gave R111 656 to the weekly newspaper Vrye Weekblad.

"The foundation was approached by Vrye Weekblad to act as a conduit for the funds.

"This was agreed upon but the funds never reached the newspaper and were instead deposited into the foundation's travel costs account.

In September 1990 a cheque was made out to the furniture store Joshua Doore for R2 300 for Dr Boesak and another for R14 000 made out to Allied Bank for his wife Elna. These amounts were recovered from the debtors loan account.

Mrs King testified that amounts were often deposited in Dr Boe-

sak's personal bank account to decrease overdrafts.

Dr Boesak also regularly paid his car instalments at Wesbank and Bankfin with money belonging to the foundation. These amounts were never less than R2 000.

Evidence before the court was that from 1990 to 1993 Dr Boesak used foundation money to pay:

■ PG Glass R1 125.

■ Parow municipality R28 for electricity.

■ R3 255 to the Radio and Alarm Centre for work done to his car.

■ R4 805 for a gate and burglar bars at his Constantia home.

■ More than R50 000 towards his bond account.

During this period more than R130 000 was paid into Dr Boesak's personal account.

Other occasions on which Dr Boesak used the money included a birthday lunch and meals at various restaurants.

The case continues.

Tobacco giants tackle Zuma in court

LENORE OLIVER
STAFF REPORTER

ART 27/8/98

The tobacco industry has taken Health Minister Nkosazana Zuma to court in its first step towards challenging impending controls on smoking and tobacco advertising.

The Tobacco Institute of South-

ern Africa and three of the country's largest tobacco companies have applied to the Cape High Court for an urgent interdict ordering the minister to make available information she used in drafting proposed legislation published in the Government Gazette last week.

Yesterday advocate Schalk

Burger, for the tobacco industry, told the court that farmers, sporting bodies, the media and the tobacco industry would be affected by the proposed law.

He told the court that he was not aware of anywhere in the world where such restrictive legislation was in place.

Staff loans hidden in foundation's books

RONALD MORRIS
JUSTICE WRITER

THE R7 831 it cost to arrange a function that no one attended for Jesse Jackson at the Claridges Hotel in 1991 was written off as crisis relief, the High Court was told yesterday.

Dawn King, a forensic accountant, said this yesterday — her third day in the witness box — in the trial Allan Boesak, former World Alliance of Reformed Churches president and director of the now defunct Foundation for Peace and Justice (FPJ).

In the same year, more than R10 000 had been paid to the Lord Neethling Restaurant, in Stellenbosch, where the reception for Boesak's marriage to Elma had been held.

Boesak, 52, has pleaded not guilty to 32 charges of fraud and one of theft of R1,1 million from FPJ funds donated mainly by Scandinavian donors.

King gave a number of examples of how staff loans had been concealed in the FPJ's

books as debtors' loans, conflict management or other accounts by the bookkeeper, Freddie Steenkamp, who is serving a six-year sentence for theft and fraud.

King said that in the 1993 financial year a journal entry had credited debtors' loans with R95 000 and debited the conflict management account. Most payments made and credited to debtors' loans had been for FPJ staff members and appeared unrelated to conflict management.

During the 1993 financial year, R199 755 had been paid to the urban discretionary account and debited to the rural ministries account. The effect had been to overstate amounts paid to rural ministries and understate debtors' loans.

In 1994, a journal entry had been passed crediting staff costs and provision for bonuses and debiting education for Christian involvement with R36 400. The effect had been to overstate education for Christian involvement and understate staff costs. This journal entry was exactly the same as that passed the previous year.

Similarly, a journal entry had been passed that credited staff costs and provision for bonuses and debited political intervention with R34 125. This overstated the one expense and understated the other.

This journal entry was also the same as one passed the previous year.

King told the court the FPJ's main donors were the Olaf Palme Centre, which had donated R2,2m over five years; Danchurch Aid, which had donated R2,5m over six years; and the Church of Norway, which had donated R1,6m over five years.

In 1992 and 1993 Danchurch Aid and the Coca Cola Foundation had donated R190 831 for the Caravan Project (Carnarvon and Vanwyksvlei) but only R84 250 had been paid to it.

In 1992 Danchurch Aid had donated R475 039,64 to the Karoo Association for Pre-School Education, of which only R60 had been paid to the association.

In October 1994, Danchurch Aid had donated R71 275,17 to the Loxton project, but only R23 833,79 had been paid out.

On December 15, 1993 Danchurch Aid had donated R301 589,39 to the FPJ, of which R100 085, 63 had been earmarked for the local government education project. No payments for this project had been found, King said.

"From the information available to us we are able to conclude that of the R245 958 donated to the various projects identified by the Church of Norway, only 27% reached the projects," King said.

She then gave a detailed breakdown of payments from which Boesak, his wife or related parties had benefited between 1989 and 1994.

This included motor vehicle costs, bond repayments, security for Boesak's car and house amounting to R10 267,53 over five months.

The trial continues today.

Justice John Foxcroft is on the bench. J van Zyl and B Martin are the assessors. J G van Zyl and Thinus van der Vijver appear for the state. Mike Martin, SC, with Jaap Cilliers, instructed by Chris Petty, appears for Boesak.

Sekhukhune women defeat poverty

By Khathu Mamalla

SIX years ago 47 women in the remote area of Sekhukhune in Northern Province came together to fight a common and deadly enemy - hunger. They accomplished their mission and were joined by more women. The number of women involved in the Rural Women's Association has now risen to more than 1 200.

The chairwoman of the association, Ruth Raphela, says the project was started by a small group of women who were tired of seeing their children going without food for days.

"Hunger brought us together. We came together and talked about our problems. These were basically the same - we did not have food and clothes," she says.

"Most of us were too young to qualify for welfare grants. Our husbands were out of work and it dawned on us that we had to do something to change the situation.

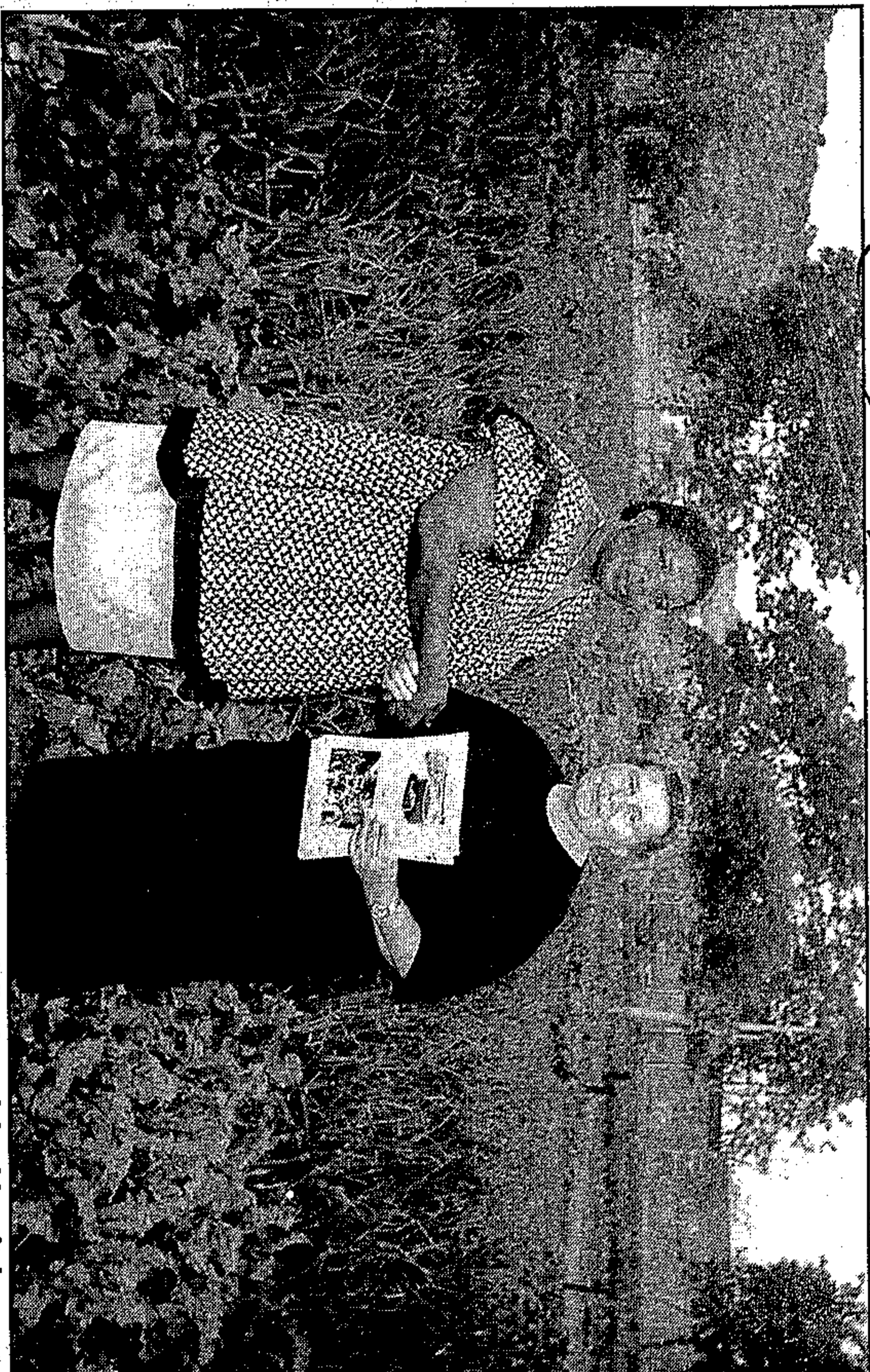
"Before we asked anybody to do anything for us, we first assessed our own strength. We realised that most of us were not educated but we all had the will to do something.

"Our only reliable assets were our hands. We then resolved to use our hands for our benefit."

To secure funding for their project, the women approached Sister Lydia Pardeller at the Catholic Mission at Apel, who secured funding from the Southern African Catholic Bishops Conference.

Women were trained to develop vegetable gardens. They produced various vegetables such as tomatoes, beetroot, spinach, onions, potatoes and lettuce.

Each woman was given a small plot to develop her own garden in order to promote efficiency. Boreholes were sunk to enable the women to water their plants, during



Rural Women's Association chairwoman Ruth Raphela and Sister Lydia Pardeller have joined hands in Sekhukhune to help rural women to provide for themselves.

PIC: KHATHU MAMALLA

Sekhukhune's dry conditions.

"When we started, we were few but other women realised that we were able to feed our children and even managed to sell some of the produce to local people," says Raphela.

"They showed an interest and we welcomed them. We even helped them to develop gardens in other areas when we felt this area could not accommodate all of them.

"We now have close to 20 projects scattered around Apel, Nkwana and Mashabela villages. As more than 1 250 families are working on these projects, we can proudly say we are

feeding more than 1 250 families."

Asked to comment on how the projects were impacting on the lives of local people, Raphela said: "I am a widow with six children and three grandchildren. I am the sole breadwinner at home.

"The project has provided food for my entire family and I have also been taught sewing. I designed and made the dress I am wearing. Now I can clothe my children and feed them as well."

Raphela says other projects of the Rural Women's Association include poultry and brick-making.

‘They should not use poverty as an excuse for self-pity but should confront it by starting self-help projects’

something. We have reduced malnutrition and other related diseases but we still need to do more to help these people."

Raphela says the projects need more sponsorship. The Government provides training to the women through the Rural Agricultural Development Project but it has not provided any direct funding.

Pardeller says: "Sometimes we struggle to find money for petrol and other basic needs. Our staff members do not get a salary, only pocket money. They often go up to three months without getting a cent and when they do finally get pocket money it is as little as R500."

She says they wanted to develop a fish project so that children could get some proteins. But, again, the problem, was funding.

"We do not necessarily want the Government to give us everything, but we do want it to make some contribution to people who are trying to help themselves," says Pardeller.

"The premier (Ngoako Ramatlhodi) visited our project some months ago and he was really impressed. He did have some nice words for us but he still has to give us something."

In a message to rural women in other parts of the country, Raphela says they should not use poverty as an excuse for self-pity but should confront it by starting self-help projects.

Boesak 'used (297) Seymour 27/8/98 funds for his wedding'

REVEREND Allan Boesak paid for a wide range of personal expenses, including the cost of his wedding reception, out of foreign donor funds earmarked for the needy, the Cape Town High Court heard yesterday.

The former anti-apartheid activist and cleric has pleaded not guilty to 32 counts of fraud and theft involving about R1.1 million in foreign donor funds.

The charges relate to funds allegedly channelled from the now defunct Foundation for Peace and Justice which Boesak set up to raise overseas funds for social upliftment programmes.

Evidence about Boesak's financial dealings continued yesterday with detailed accounts of amounts that were donated for specific projects but which allegedly were never used for these purposes.

Forensic accountant Ms Dawn King, who investigated the foundation's books, has given the court detailed accounts of various transactions which she said showed that many projects never received the funds as was intended by the donors.

King produced records which showed that R10 482 was paid to the Lord Neethlingshof restaurant at the Neethlingshof wine estate near Stellenbosch in February 1991.

According to the accounts, the bill was for the celebration of Boesak's wedding to former SABC radio and television reporter Elna Botha.

King said the funds were paid from the Urban Discretionary Fund, to which money was allegedly channelled from the foundation and then used to finance Boesak's personal requirements, including cash disbursements.

King also told the court that in the same month R100 000 was used from the Urban Discretionary Fund as a down payment on a house in the plush Cape Town suburb of Constantia.

She had earlier told the court how large sums of money paid to the foundation by foreign donors and earmarked for specific rural upliftment programmes had never reached the people for which they were intended.

She cited an amount of R328 458 paid to the foundation by the Church of Norway, intended for a range of projects to benefit rural communities in the Western Cape.

King said the donor stipulated that R245 000 should be made available for the projects while the balance should be used by the foundation for administration costs. However, according to the accounts, only 27 percent of the total amount reached the organisations for whom the money was intended.

One of these was the Western Cape Fisherman's Union, which received R19 999 in piecemeal payments over a six-month period, although R50 128 was set aside by the Church of Norway for the union.

Other projects such as Marienthal Food Aid, Rosmead Farm Stall and Child Protection Services received none of the funds earmarked for them by the Church of Norway.

King also produced a long list of transactions, which she said showed that Boesak and his former bookkeeper Freddie Steenkamp benefited from funds transferred from foundation accounts.

The hearing continues today. — Sapa.

Advocate suggests R6m was Boesak's own money

CAPE TOWN — The high court yesterday tried to trace the trail of overseas donor funds that flowed through Allan Boesak's Foundation for Peace and Justice.

The former anti-apartheid activist and cleric has pleaded not guilty to 32 counts of fraud and theft involving about R1.1m in foreign donor funds.

Dawn King, a forensic accountant who investigated Boesak's alleged misappropriation of donor funds, told the court that the Urban Discretionary Account was used to channel money from the foundation for Boesak's personal expenditure.

However, Mike Maritz, SC, who is appearing for Boesak, has suggested that a large part of the total in the account — more than R6m — was Boesak's own money sent to him from Sweden.

It was not clear from yesterday's evidence why the money was sent to Boesak in his private capacity, as the defence has not revealed what Boesak's reply to the state's case will be.

King, who has testified for four days, is expected to reply to these claims when the trial resumes on Monday.

Earlier she conceded that she had

wrongly attributed certain payments that had been made from the fund to Boesak, when they should have been charged to former foundation bookkeeper Freddie Steenkamp.

Steenkamp was convicted of fraud last year and sentenced to six years' imprisonment for irregularities in the keeping of the foundation's books.

King also conceded under cross-examination by Maritz that it could not be determined from some of the documents which she had presented in her report to the court, whether it had been Steenkamp or

Boesak who had benefited from some of the expenses incurred.

She said that it had been a mistake to blame Boesak for the cost of a home security system which had in fact been for the benefit of Steenkamp.

Earlier the state withdrew an account for the painting of a house from the indictment against Boesak because it was discovered that the bill was for Steenkamp's benefit and not Boesak's.

King also conceded that a cash book she used to compile her evidence of Boesak's alleged irregular spending from the Urban

Discretionary Account was a "reconstructed" document drawn up by Steenkamp years after the transactions it recorded.

Maritz said that he found it amazing that King had not told the court during her evidence-in-chief that the cash book had been reconstructed ex post facto.

"If we (the defence) had not picked this up, this court would have laboured under the impression that this had been an original document drawn up contemporaneously with the transactions," Maritz said.

King replied that it had been an oversight not to mention this to the court, but

said that she did not rely solely on the cash book in her investigations.

She had used it as a source document that led her to bank statements which provided further proof of irregular expenditure.

According to an earlier investigation which was done by accountants Bell, Dewar and Hall, the most of the records of the Urban Discretionary Account were lost or missing.

It was then agreed that Steenkamp would attempt to reconstruct the cash book from the records that remained. — Sapa.

sent from Sweden

Boesak's charge sheet 'flawed'

Auditor's report 'hearsay in different forms' PRG 28/8/98 (297)

LENORE OLIVER
STAFF REPORTER

Allan Boesak's legal team has retaliated to a week of evidence against him in the Cape High Court with a blistering attack on what it claims are fundamental flaws in the charge sheet.

Dr Boesak has pleaded not guilty to 32 fraud and theft charges involving R1,1-million.

Defence counsel Mike Maritz is disputing transactions that implicate Dr Boesak in the misappropriation of funds from his Foundation for Peace and Justice on the grounds that the source documents have been "reconstructed".

Mr Maritz said that auditor Dawn King's report about the alleged misappropriation was based on "hearsay in different forms", and he took her to task because she did not mention that former foundation bookkeeper Freddie Steenkamp had reconstructed the cash book.

Steenkamp is serving a six-year jail sentence.

Most of the foundation's cheques were signed by Mr Steenkamp and he supplied the auditors with the accounting information.

"Why did you not tell the court that the cash book on which you based your report had been reconstructed, because Mr Steenkamp lost or destroyed it?" Mr Maritz asked Mrs King.

He said it was "inconceivable" that at the time of giving evidence, Mrs King did not mention that the cash book had been reconstructed after "the bubble burst".

Mrs King also did not take account of cheque counterfoils. "A counterfoil is a contemporane-



LEON MULLER

Looking up: Allan and Elna Boesak outside the Cape High court where he is facing 32 charges of fraud and theft

ous document and serves as a record of the nature of the transaction. You've ignored all of that," Mr Maritz said.

Earlier this week the State withdrew a charge against Dr Boesak of using R7 980 of foundation money for paint. Yesterday Mr Maritz questioned this, and Mrs King admitted

that she could not trace the money to a specific bank account.

"Yet you were quite willing to let this court believe that Dr Boesak stole this money, even though Freddie Steenkamp's initials were on the back of the cheque," Mr Maritz said.

Mr Maritz highlighted another transaction from the foundation's

main account in 1993 in which Dr Boesak is accused of spending R960 at Radio and Alarm Centre.

Mr Maritz pointed out that an affidavit following the transaction identified Mr Steenkamp as the ultimate beneficiary of the R960.

"This was an error on my part," Mrs King answered.

In October, 1993, Dr Boesak is accused of spending R3 000 at Tygerberg BMW. Mr Maritz told the court that neither the accounting documents nor an affidavit could identify the beneficiary of the funds.

An amount of R15 000 Dr Boesak received under reimbursements in 1992 was also disputed.

"On the face of it, this is reimbursement and not misappropriation. Of course it would have gone to Dr Boesak's account, because a reimbursement is something you get," Mr Maritz said.

"The State, aided by yourself, has accused Dr Boesak of stealing this."

Mr Maritz said there was a debit of R15 000 in Dr Boesak's account the previous month.

"Did you ever check whether Dr Boesak had paid this amount into the foundation, or paid it on behalf of the foundation?" Mr Maritz asked.

In 1993 the State alleges Dr Boesak wrongfully received R49 024 for royalties and reimbursements.

Mrs King conceded that she had found that Dr Boesak had paid R23 000 the month before for staff salaries on behalf of the foundation.

"So the other amount could have been for royalties, because Dr Boesak wrote books. The foundation certainly didn't," Mr Maritz said.

Mrs King admitted there were amounts in the books the source of which could not be found.

Mr Maritz also told the court that the Urban Discretionary Account, from which Dr Boesak is also alleged to have taken money, was in fact his own personal account.

Witnesses at Mr Steenkamp's trial, and Mr Steenkamp himself, had testified to this effect.

The trial continues on Monday.

Auditor's evidence skewed, claims Boesak

CT. 28/8/98 (297)

JUSTICE WRITER

FORENSIC accountant conceded in the High Court yesterday that she only referred to evidence which incriminated Allan Boesak and ignored evidence which exonerated him.

Dawn King, a senior manager with KPMG, made this and other concessions under cross-examination in Boesak's trial on 32 charges of fraud and one of theft of R1.1 million from Scandinavian funds channelled into the now defunct Foundation for Peace and Justice of which he was director.

Boesak has pleaded not guilty.

Questioned by defence counsel Mike Maritz, King agreed that she had forgotten to inform the court that her source document, the FPJ's cash book, had been "reconstructed" years later "after the bubble had burst". It had not been her intention to conceal this.

She had accepted the cash book entries at face value and agreed that many of the payments where Boesak was listed as a beneficiary were based only on those entries.

Maritz put it to King that if the defence had not picked this up, the court would have been left with the impression that this had been an original document drawn up at the same time as the

transactions. King affirmed this.

Questioned about the R15 000 listed as a reimbursement to Boesak, King said she had not accused Boesak of misappropriating the money but merely noted he was the beneficiary.

Maritz then told her that Boesak should never have been charged with the theft of that R15 000.

Asked why she had not determined whether R23 795 listed as royalties was in fact due from the numerous books Boesak wrote, King said she had tried to determine the source of all amounts coming into Boesak's account.

Maritz revealed that the Swedish prime minister had personally donated

R300 000 to Boesak for his personal, home and office security. Of this, R130 000 was deposited into the account of Boesak's Bellville South congregation and R80 000 in turn deposited into the account of the Western Cape Development account.

The cash book of the NG Sending Kerk was never made available and the likely explanation was that Freddie Steenkamp, who was also the church's treasurer, stole R50 000 from the church and when it was needed, he in turn stole from the FPJ and transferred it to the Western Cape Leadership account, Maritz said.

Told that she only referred to the one

side of the coin that tended to incriminate Boesak and ignored evidence which might exonerate him, King said she understood the state would call other witnesses. She agreed that she had identified evidence which served the state's interest and ignored that which did not.

It was not her intention to present a skewed picture to the court, King said. Asked if she was aware that the Urban Discretionary account was not an FPJ account, but for the Boesak personally, King said funds flowed from the FPJ to the UDA and that the signatories to both accounts were the same people.

Maritz revealed that R4 800 credited to Elma Boesak was noted in the cash

counsel

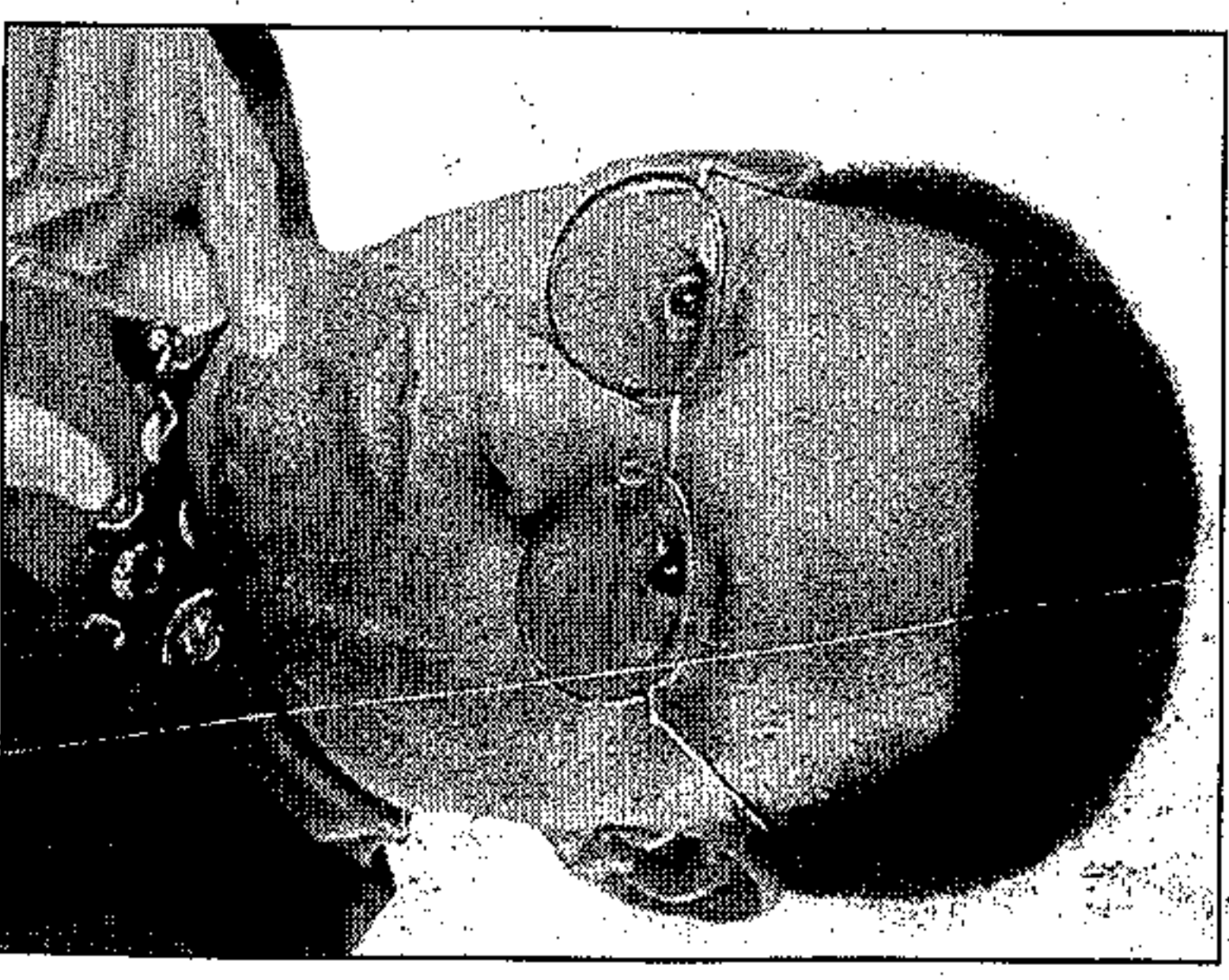
book as "FS" the initials of Freddie Steenkamp. The cash book contained various entries in pencil which appears to have been made later.

He also told King that the early redemption of a promissory note for R447 000 from money donated by Paul Simon, allegedly authorised by Boesak, was made in a paper which does not constitute a letter of authority. The words "Children's Trust" appear to have been added later.

The letter, which was purportedly signed by Boesak and Lucille Fester, his secretary, was not a valid letter of authorisation, Maritz said.

The trial continues on Monday.

18/98



BENEFICIARY: Allan Boesak was allegedly given R300 000 for security.

Irregular payments 'not all Boesak's'

Source: Sapa 28/8/98 (297)

SOME irregular payments blamed on Allan Boesak were made by his former accountant, a forensic accountant conceded in the Cape Town High Court yesterday.

The former anti-apartheid activist and cleric has pleaded not guilty to 32 counts of fraud and theft involving about R1,1 million in foreign donor funds.

Ms Dawn King, the forensic accountant who investigated Boesak's alleged misappropriation of funds donated to his Foundation for Peace and Justice (FPJ), told the court she had wrongly attributed payment for a home security system to Boesak.

Under cross-examination by Boesak's lawyer Mr Mike Maritz, SC, she conceded that Freddie Steenkamp, the FPJ accountant at

the time, had made the payment.

She also conceded that it was not possible to say from some of the documents she had presented in her court report whether it was Steenkamp or Boesak who had benefited from some of the expenses.

Steenkamp was convicted of fraud and theft last year and sentenced to six years' imprisonment for irregularities in the keeping of the FPJ's books.

King also conceded that a cash book she used to compile her evidence of Boesak's alleged irregular spending from the Urban Discretionary Fund was "reconstructed" by Steenkamp years after the transactions were made.

Maritz said he found it amazing that King had not told the court that

the cash book had been recreated afterwards.

"If we (the defence) had not picked this up, this court would have laboured under the impression that this had been an original document drawn up contemporaneously with the transactions," Maritz said.

King replied that it had been an oversight not to mention this to the court. She added that during her investigation she did not rely solely on the cash book but used it as a source document that led her to bank statements which provided further proof of irregular expenditures.

The state alleges that the Urban Discretionary Fund was used to channel money from the FPJ to finance Boesak's personal expenses. — Sapa.

'Costs hidden in crisis relief and rural ministries'

PIETER MALAN

Allan Boesak, former Western Cape ANC chairman, this week pleaded not guilty to 32 charges of fraud and theft totalling about R9-million.

Of this amount the prosecution said Dr Boesak stole R1,1-million for personal use. The charges against Dr Boesak are as follows:

■ Charges one to three relate to about R161 000 Dr Boesak received from the Coca-Cola Foundation in America for a community project in the Karoo town of Carnarvon in 1992. The money was never used for the project, but in an effort to secure overseas funding for the Kings Hotel project in East London.

■ Charges four to seven relate to about R680 000 that was donated by American singer Paul Simon for child victims of apartheid. The money was to be administered by the Children's Trust with Dr Boesak, Mary Burton and Archbishop Desmond Tutu as trustees.

The State alleges that only R423 000 of the total amount reached the trust. The rest was paid into the overdrawn account of the Foundation for Peace of Justice without informing the other trustees.

■ Charges eight and nine relate to a donation of R762 521,86 from the Swedish International Development Agency (Sida) for the production of audio and visual voter education

cassettes in the run-up to the 1994 election.

The State alleges that no such cassettes were ever made and that the money was instead used to build a radio and television studio for Dr Boesak's wife Elna, a former television journalist.

■ Charges 10 to 16 relate to several cases in which Dr Boesak allegedly tried to hide the FPJ's spiralling administration costs from its donors. Travel costs, salaries and loans to staff were often "hidden" in project accounts called "crisis relief" and "rural ministries", giving the impression that the money was spent on FPJ projects.

■ Charges 17 to 30 relate to dona-

tions for specific projects by the Scandinavian donors. The prosecution alleges that in most instances of donations for a specific project, not all the money reached that project. Of all the donations for specific projects since 1991, only one project, received all the money intended for it, the prosecution alleges.

■ Charge 31 relates to R1 121 947,69 Dr Boesak allegedly stole from the FPJ for personal use between November 1988 and August 1994.

■ Charge 32 relates to Dr Boesak's not conducting his work as FPJ director and trustee in the manner that one would expect of a person handling the affairs of others, and as stipulated by the Trust Act.

Auditor grilled by Boesak advocate

'Discretionary' bank account was for personal use

PIETER MALAN

Earlier this year eminent advocate Mike Maritz SC successfully represented Louis Luyt and the SA Rugby Football Union in their court battle with the Government, during which his cross-examination of President Mandela made world headlines.

This week Mr Maritz fired the first volley in the defence of Dr Allan Boesak in the Cape High Court where the former Western Cape ANC leader faces 32 charges of fraud and theft.

After three days of evidence from the prosecution's first witness, forensic auditor Dawn King, the proceedings took a dramatic turn when Mr Maritz rose for the first time in defence of his client.

Mr Maritz questioned the basis on which Mrs King argued that Dr Boesak stole R600 000 of donor money for personal use. He said this money actually came from an account which Dr Boesak could use at his own discretion.

Mr Maritz also questioned the credibility of the source documents she used in drawing up part of her report.

Earlier in the week Mrs King told the court that thousands of rands of

Foundation for Peace and Justice (FPJ) money was used to fund Dr Boesak's lavish lifestyle.

She said R7 831 was used to arrange a function for American civil rights leader Jesse Jackson - a function attended by no one. The cost was eventually written off as "crisis relief".

Mrs King also said only 27% of the R245 958 donated by the Church of Norway for various projects in the early 1990s actually reached the projects for which it was intended.

In rigorous cross-examination, Mr Maritz wrested a concession from Mrs King that she referred only to documentary evidence that would incriminate Dr Boesak and ignored those documents that would exonerate his client from any wrongdoing.

Many of Mr Maritz's questions revolved around the so-called Urban Discretionary Account (UDA), from which the State said Dr Boesak stole R623 763,84 for personal use.

Prosecutor J C Gerber earlier said the account was opened in 1990 and was funded by the FPJ and the World Alliance of Reformed Churches.

In his cross-examination of Mrs King, Mr Maritz said the use of the UDA money was at the "sole discretion" of Dr Boesak and that it was not an account administered by the

FPJ or its trustees. It was, in other words, "Dr Boesak's account", Mr Maritz said.

Turning to Mrs King he said: "Yet you presented to the court a picture that the UDA was a FPJ account."

She replied: "The reason why it is reflected (in my report) as one of the accounts of the FPJ was because funds flowed from the FPJ into the UDA."

It also emerged during the cross-examination of Mrs King that the source document for all the UDA transactions was a "reconstruction" of the account's original cashbook, which had gone missing.

The reconstructed cashbook was apparently drawn up by former FPJ bookkeeper Freddie Steenkamp from either cheques or cheque counter foils - which subsequently have also gone missing.

Steenkamp was jailed for six years last November on charges of fraud and theft of R3,7-million.

"Yet at no stage did you inform the court (during earlier testimony) that you based your report on a reconstructed cashbook," Mr Maritz said to Mrs King.

He added that it was "inconceivable" that she could have forgotten it was not the original document.

Mrs King responded: "It was not my intention to keep it from the

court."

This week the court heard that Dr Boesak, among others, paid for his 1991 wedding to former journalist Elna Botha out of the UDA. The reception, held at the upmarket Lord Neethling restaurant in Stellenbosch, cost more than R10 000.

Throughout most of the week's proceedings, Dr Boesak sat in the dock staring straight in front of him. At times he paged through documents.

Behind him sat his wife Elna, usually flanked by members of the Boesak family. Through most of the evidence earlier in the week she pored over a thick file of photostated documents, underlining sections with a marker pen.

During lunch and tea breaks the Boesaks were usually swamped by well-wishers and supporters, with lots of animated conversation taking place.

Speaking to Saturday Argus during one of the breaks, Dr Boesak said he was grateful that the trial was finally getting under way - "so that we can put this whole affair behind us".

He was keen to return to the United States, where he had been offered a teaching position at the American Baptist Seminary in Berkeley "as soon as the trial is over".

Auditor grilled by

Boesak advocate

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Auditor under close scrutiny in Boesak trial

(297)

By PIETER MALAN

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This week the court heard that Boesak paid for his 1991 wedding to former journalist Elna Botha out of the Urban Discretionary Account at the Foundation for Peace and Justice.

The reception at the upmarket Lord Neethling restaurant in Stellenbosch cost more than R10 000.



TURNAROUND: Boesak this week heard his counsel grilling a prime witness

Monitoring of EU aid to SA 'flawed'

Francois Misser

BRUSSELS — Inexperienced SA nongovernmental organisations, which implemented European Union (EU) aid, were getting "unfavourable exchange rates" from SA banks, a move that had significantly whittled down the value of the EU's funds, says a critical report on the EU programme.

In some cases the loss, incurred because of unfavourable rates offered by SA commercial banks, amounts to 7%.

The report, also critical of the way the commission, the EU's executive, monitored aid to SA, was compiled by the European Court of Auditors.

The report, reviewing EU aid during years of apartheid and during the post-apartheid era, said expensive European experts were used despite the sizeable number of skilled experts in SA who could be recruited at a lower cost.

European experts were used because the commission felt that regardless of the quality of SA experts, they lacked experience in running EU-funded projects. However, the EU had published a guide on the implementation of its projects and training programmes were planned.

The court said the commission's delegation in Pretoria lacked the staff to perform all the required tasks. In one case, the court said the nongovernmental bodies received R72,8m instead of R74,9m.

Crucially, although broadly critical of the inefficiency in administering both aid programmes, the report disclosed no cases of embezzlement.

The report was also critical of the way the scholarship programme was managed. Although the EU financed 34 000 scholarships to the tune of 45-million ecus since 1993, a further 8 700 could have been afforded if the management had been more efficient.

The supervision by the commission of projects effected by the SA Council of Churches and SA Catholic Bishops Conference was peculiarly "insufficient".

The court said the documents available at the commission's headquarters in Brussels did not provide enough information on the status of 14 projects, worth 7,66-million ecus. Also, by the time the court investigated that case, the commission was unable to tell if eight of these projects were still operational.

Planning for projects was not always satisfactory and vital details were missing from some projects.

The court said the EU and other donors should have been more realistic about their assessment of the SA administration's capacity to absorb donated funds as it was then undergoing important changes.

Yet, despite the criticism, the court concluded that all who took part in effecting the pre-1994 programme believed it had positive effects in the transition period. The EU was thus able to help facilitate improved political dialogue with the new SA leaders.

SOCIAL SECURITY - GENERAL

1998

SEPT. - DEC.

Accountant 'stole funds from Boesak'

CAPE TOWN — Allan Boesak's former accountant, Freddie Steenkamp, stole from the former cleric and anti-apartheid activist's personal bank accounts as well as from donor funds, the Cape Town High Court heard yesterday.

Mike Maritz, SC, for Boesak, told the court the defence would show that Steenkamp made large numbers of irregular loans from funds donated from overseas to the Foundation for Peace and Justice, as well as stealing Boesak's own funds.

Boesak has pleaded not guilty to 32 counts of fraud and theft involving about R1.1-million in foreign donor funds.

The State alleges Boesak set up the FPJ and used it to channel funds from overseas donors into accounts he used for his own purposes. Steenkamp was last year sentenced to six years after being convicted of fraud and theft.

Maritz, who is cross-examining forensic accountant Dawn King, read from a long list of transactions undertaken by Steenkamp when he worked at the FPJ.

He said there were numerous cases where Steenkamp arranged loans and later wrote them off. Maritz said there were also cases where transactions were conducted for the benefit of Steenkamp, but were attributed to Boesak.

He quoted two examples — when R8 000 was spent on Wondercoat treatment for a house, and when R2 200 was spent at Joshua Doore furniture dealer.

Maritz said in both cases these had been for Steenkamp's benefit, not Boesak's. He said Boesak had no recollection of any dealing with Joshua Doore. King admitted the Wondercoat transaction had been wrongly attributed to Boesak and the item was subsequently removed from the indictment. But she said the "Dr B" written on the back of the cheque to Joshua Doore suggested it had been for Boesak's benefit. — Sapa.

20 119198

Govt grant (247) helps welfare improve cash management

Percy Mthimkhulu and
Nomavenda Mathiane

ED 11/9/98

GOVERNMENT

had granted the welfare department R100m for the improvement of financial management in the social security system, Welfare Minister Geraldine Fraser-Moleketi said yesterday.

A new financial management system now in place had allowed the welfare department to improve its administration of grants.

It had allowed the department also to flush "ghost" beneficiaries out of the social security system, she said.

Fraser-Moleketi told a Johannesburg media briefing that her ministry had managed to meet the basic needs of the poor by adhering to the goals of the Reconstruction and Development Programme.

However, the department continued to grapple with the problem of pensioners who did not have new identity documents, she said.

This had resulted in officials using computer generated ID numbers to process grants. However, this was open to abuse and the numbers were often rejected by the computer.

She said her ministry had initiated bills that would be passed soon. Two of these were the Not for Profit Organisation Bill, which focuses on the status of non-governmental organisations, and the Adoption Matters Amendment Bill, which will allow fathers to adopt their children.

Fraser-Moleketi said the welfare department had solved the pension pay-out problems in the Eastern Cape and the province had become a model for other provinces in the handling of pay-outs.

Failed accountant accused of Steenkamp and secretary Fester 'signed cheques

LOWER
COURT

Boesak's defence team has in the Cape High Court under Foundation for Peace accountants Freddie and stole from Dr Boesak's personal bank account. Boesak has pleaded not guilty and theft charges involving million. Steenkamp was sentenced to six years in jail for theft.

Defence advocate Mike Maritz told the court yesterday that Steenkamp and Dr Boesak's secretary, Lucille Fester, were the signatories to all cheques the foundation issued. Mr Maritz had sought the help of an independent auditor, who found that several transactions attributed to Dr Boesak, in fact, had been Steenkamp's.

Mr Maritz said that from 1988 to 1994 Steenkamp and his wife received more than R930 000 in loans from the foundation's debtors' loan account, and Mrs Fester R173 000. The loans were never repaid. During 1994 alone, Steenkamp's debtors' loan account was R523 000. In some instances, the loans were re-allocated to other accounts to give the impression that the debtors' loan account was not that high.

Mr Maritz said that during this period Dr Boesak deposited a lot of his own money into this account and that at the end of 1994 he had a positive balance of R127 000. His personal funds in this account included the redemption value of an insurance policy and a donation from the Henry Kaizer Foundation.

The court heard that Steenkamp obtained several loans to pay for his four accounts at First National Bank, property transactions and general accounts. "There are cheques made out to Joshua Doore and Dr Boesak will say that he has no recollection of buying anything at the store."

"In fact, according to our records, Steenkamp made a purchase there the previous month," said Mr Maritz. "We will show that Steenkamp stole funds from Dr Boesak's account," he said. Steenkamp told the court during his trial that he had taken only one loan before 1990. However, the foundation's books showed that during 1988 and 1989 he had borrowed R12 200. He testified at his trial that he thought it was common practice to grant loans to the staff. Although he was not sure that

by foundation'

Dr Boesak had always authorised his loans, he went ahead with them anyway.

Several of Steenkamp's loans were for thousands of rands for cars, property transactions and to pay his bank accounts.

They included R25 000 to Tygerberg BMW, R36 000 to Durr Estates and R2 871 to Alton Timber. Mr Maritz also disputed a R1 000 cheque made out to an electrician, Mr Fisher.

He said: "An affidavit from Mr

Fisher will show that Steenkamp was the beneficiary."

"My submission is that the debtors' loan account was the recipient of the biggest diversion of funds from the foundation and Dr Boesak did not participate in this."

"The R447 000 from the Children's Trust, which was wrongly deposited into the debtors' loan account, benefited Steenkamp the most."

Mr Justice John Foxcroft is on the Bench, and the State advocate is J C Gerber, assisted by C van der Vijver.

Boesak robbing

issued

Boesak trial: High Court hears of loans to Steenkamp, wife

ET 11/9/98

(297)

CE WRITER

DIE Steenkamp, former book-er for the Foundation for and Justice (FPJ), did not dis- at his trial that he and his had received loans of more R200 000 before March 1991. The reason for this was that Steenkamp used loans obtained by Boesak, former FPJ director, as a cover for his activities. The application for him (Steenkamp) to apply for loans from the FPJ, High Court was told.

However, an investigation of the books shows that Steenkamp obtained his first loan from the FPJ in January 12, 1988, while he was still part-time bookkeeper.

The loan was for R6 200, Mike Maritz, SC, counsel for Boesak, said. Boesak has pleaded not guilty to 32 counts of fraud and theft involving about R1,1 million in foreign donor funds.

Maritz continued his cross-examination of Dawn King, a forensic auditor who assisted the Office

for Serious Economic Offences (Oseo) in its probe of the FPJ.

King agreed that amounts taken by Steenkamp over the years were used to buy properties and vehicles for himself and that the money was written off against the bank accounts opened by the FPJ for Chris Relief, Rural Ministries, Debtors Loans, and so on.

Maritz said R25 000 was paid to Tygerberg BMW and an invoice for this amount was found in the 56 volumes of Oseo files as

Steenkamp's payment towards a BMW 325i which cost R88 000.

The court heard that a payment of R9 980 reflected in the cash books as payment to Wondercoat was credited to Boesak's account, but the reverse side of the cheque was signed by Steenkamp.

Also, a payment of R2 300 to Joshua Doore was part of the indictment against Boesak and the cheque was signed by Steenkamp, and Lucille Fester, Boesak's secretary. Maritz said Boesak had no rec-

ollection of having bought anything from Joshua Doore.

He also revealed that Steenkamp made various cheques out to FNB and received counter cheques in the same amounts.

The first loan of R14 000 was taken in 1990 by Boesak at a time when he had credits of R160 000 in his name.

Told by Maritz that Steenkamp's evidence at his trial that everyone had taken loans in considerable amounts before he did

could not be true, King replied that there were many amounts in the debtors loans account which she had been unable to identify.

In February 1993 Boesak paid R25 229 in salaries on behalf of the FPJ. This money, along with royalties from books he had written, were transferred to his account and should never have been debited to Debtors Loans, Maritz said.

Maritz revealed that Steenkamp and his wife received loans of R931 000 in the years he

(Steenkamp) was bookkeeper for the FPJ. Fester had received R173 000. During that period Boesak was in credit with R127 000.

Asked about Steenkamp's claim that he had played open cards with foreign donors, the Johannesburg law firm which started the investigation, Oseo and the attorney-general's office, King said she had followed up information provided by Steenkamp.

Maritz said what intrigued him was that having looked at the

Debtors Loans account, substantial amounts were taken by Steenkamp before 1990 while he admitted to having taken loans only after 1991. Had Steenkamp admitted to loans before 1990, his story of having followed Boesak's example would "not hold water", he said.

The trial continues.

Justice John Foxcroft presided and J van Zyl and B Martin were the assessors. JC Gether and Thins van der Vyver appeared for the state. Maritz with Jaap Cilliers, instructed by Chris Pethy, appeared for Boesak.

before March 1991

Search 1/9/98 (297)

The state alleges that Boesak set up the foundation and used it to channel funds from overseas donors.

● When R8 000 was spent on paint for a house; and

The hearing continues. — Sapa.

Steenkamp stole money from Boesak, says lawyer

(297) Star 11/9/98

Allan Boesak's former accountant Freddie Steenkamp stole money from his boss and falsely attributed irregular transactions to him, the Cape Town High Court was told yesterday.

Steenkamp, who was the bookkeeper for Boesak's Foundation for Peace and Justice, has already been convicted on counts of fraud and theft and is serving a six-year prison sentence.

Mike Maritz SC, who is appearing for Boesak, told the court that the defence would show that Steenkamp made irregular loans from funds donated to the FPJ by foreign aid agencies and stole Boesak's money.

Boesak has pleaded not guilty to 32 counts of fraud and theft involving about R1,1-million in foreign donor funds.

The State alleges that Boesak set up the FPJ and used it to channel funds from overseas donors into accounts he used for his own purposes.

Maritz, cross-examining forensic accountant Dawn King, said there were numerous cases where Steenkamp arranged loans and later wrote them off.

Maritz said there were also cases where transactions were conducted for Steenkamp's benefit, but were attributed to Boesak. He quoted two such examples - one where R8 000 was spent on painting a house and the other where R2 200 was spent at Joshua Doore furniture dealer.

Maritz said both transactions benefited Steenkamp, not Boesak. He said Boesak had no recollection of any dealing with Joshua Doore.

King admitted that the paint job had been wrongly attributed to Boesak, and the item was subsequently removed from the indictment. However, the initials "Dr B" on the back of the cheque to Joshua Doore suggested it had been for Boesak's benefit.

When told that Steenkamp stole money from Boesak's personal accounts, King said she was not aware of this.

Maritz has not yet indicated what the defence's case will be, but from the cross-examination so far, the defence will apparently try to prove large amounts of money from abroad were donated to Boesak for his personal use.

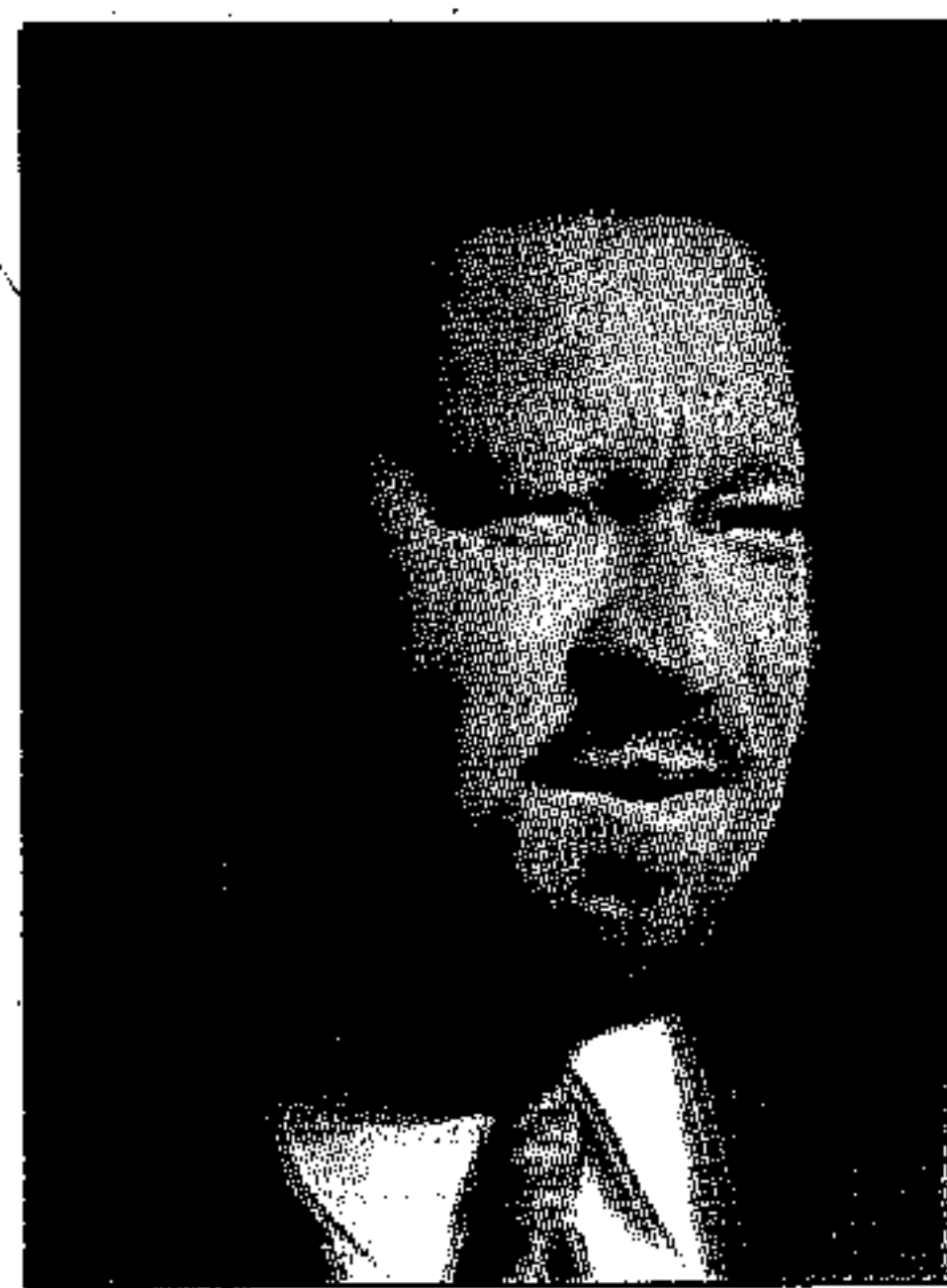
The hearing continues today. - Sapa

'Cannot trace all Steenkamp stole'

RONALD MORRIS
JUSTICE WRITER

FOREIGN donors to the Foundation for Peace and Justice (FPJ) could have been forgiven for thinking its staff were a bunch of heavy tea drinkers when they saw the FPJ's books, because its former bookkeeper, Freddie Steenkamp, had allocated money he stole to office tea.

Steenkamp had also stolen FPJ



'KNEW NOTHING': Allan Boesak

money to buy properties and pay his First National Bank credit card accounts at the branch where his second wife, Amanda van Dyk, worked.

And he had also bought expensive sound equipment for his BMW 325i and credited this to Allan Boesak, former FPJ director.

But Boesak had not known about this, because when he bought a new BMW it came with a radio and alarm system, said his counsel, Mike Maritz, SC.

Boesak has pleaded not guilty to 32 charges of fraud and theft relating to R1,1 million of FPJ money.

Evidence emerged in the cross-examination of Dawn King, a forensic accountant, that Steenkamp had paid pharmacies, doctors and lawyers and had recorded these as fees, staff costs, vehicle maintenance, public relations, office refreshments, office equipment and travelling allowances.

Steenkamp had also credited the FPJ-linked accounts Crisis Relief, Rural Ministries and Political Intervention with stolen funds.

et 2/9/98
Maritz told King a R4 000 cheque, signed by both Steenkamp and Lucille Fester, Boesak's personal secretary, had been made out to a J Issel but deposited in Steenkamp's FNB card account and the amount allocated to Crisis Relief.

"This would indicate that he (Steenkamp) would write out cheques to other people and get the benefit of it," Maritz said.

He asked King if it was clear from looking at the transactions that cheques had been made out to outside entities and that there would be no way of tracing all the funds that Steenkamp had stolen.

King said forensic accounting staff had given the investigating officers lists of beneficiaries, but they had reached a stage where they could not carry on, owing to the volume of the work.

She conceded that investigators had been unable to trace the beneficiaries of many such transactions.

Maritz also put it to King that sometimes additional entries in the FPJ's Cash Book had been made with ink of a different colour and sometimes in a differ-

ent handwriting, and that Steenkamp's "FS" initials had been added in pencil.

King said she would not vouch for the authenticity of the Cash Book, which had been reconstructed by Steenkamp.

Later, in dealing with the Urban Discretionary Fund (UDA) — which was for Boesak's personal use — Maritz said Steenkamp had pleaded guilty to stealing R662 071 but had not admitted stealing another R325 248.

A further R356 249 had been identified as having gone to Steenkamp, Maritz said.

King agreed that all the methods used by Steenkamp to steal and then conceal thefts involved wrong and false bookkeeping entries that had eventually been reflected in the annual financial statements.

The trial continues today. Justice John Foxcroft is presiding and J van Zyl and B Martin are the assessors. Maritz, with Jaap Cilliers, instructed by Chris Petty, is appearing for Boesak. J C Gerber and Tinus van der Vijver are appearing for the state.

Steenkamp 'stole from every possible source'

Boesak bookkeeper, secretary blamed

ARG 3/9/98 (297)

LENORE OLIVER
STAFF REPORTER

Freddie Steenkamp, bookkeeper at Allan Boesak's Foundation for Peace and Justice, misappropriated money from "every possible source that he could lay his hands on", the Cape High Court has heard.

Dr Boesak is on trial on 32 charges of fraud and theft involving R1,1-million of foundation funds. He has pleaded not guilty.

Yesterday, Dr Boesak's counsel, Mike Maritz, told the court that Steenkamp stole from the foundation's main account, the urban discretionary account - which the defence claims was Dr Boesak's personal account - and the children's trust account.

He said Steenkamp and Lucille Fester, Dr Boesak's secretary, stole R1,9-million from the foundation in debtors' loans. He said Steenkamp reallocated the loans to other accounts to make the debtors' loan account seem minimal.

"He is hardly a model bookkeeper," said Mr Maritz, referring to the foundation's reconstructed cashbook, movement of funds to other accounts and pencil entries entered at later dates.

Dr Boesak signed several blank cheques when he went overseas and the defence claims Steenkamp used these cheques to benefit himself. "On one such occasion during 1993 Mr Steenkamp made out one of Dr Boesak's cheques of R1 500 to himself," Mr Maritz said.

The same year, Steenkamp took R6 386 from the founda-

tion's projects account and deposited this in his wife's bank account. "A deposit slip will show that this transaction took place and we will say that Mr Steenkamp stole this money."

According to evidence before the court, Dr Boesak paid foundation staff salaries twice.

"In September 1992 and January 1993, he paid staff salaries of R14 000 and R15 000 respectively. Yet, these two amounts form part of the State's case against Dr Boesak because he was reimbursed. Surely it was his right to be reimbursed?" said Mr Maritz.

Dr Boesak also paid R15 000 into the foundation's main account for which he was never reimbursed.

Dr Boesak was president of the World Alliance of Reformed Churches and had an account in this name.

"Dr Boesak will say this was a personal account and had nothing to do with the organisation. He will say that he used this name because of the political and security situation in the country," he said.

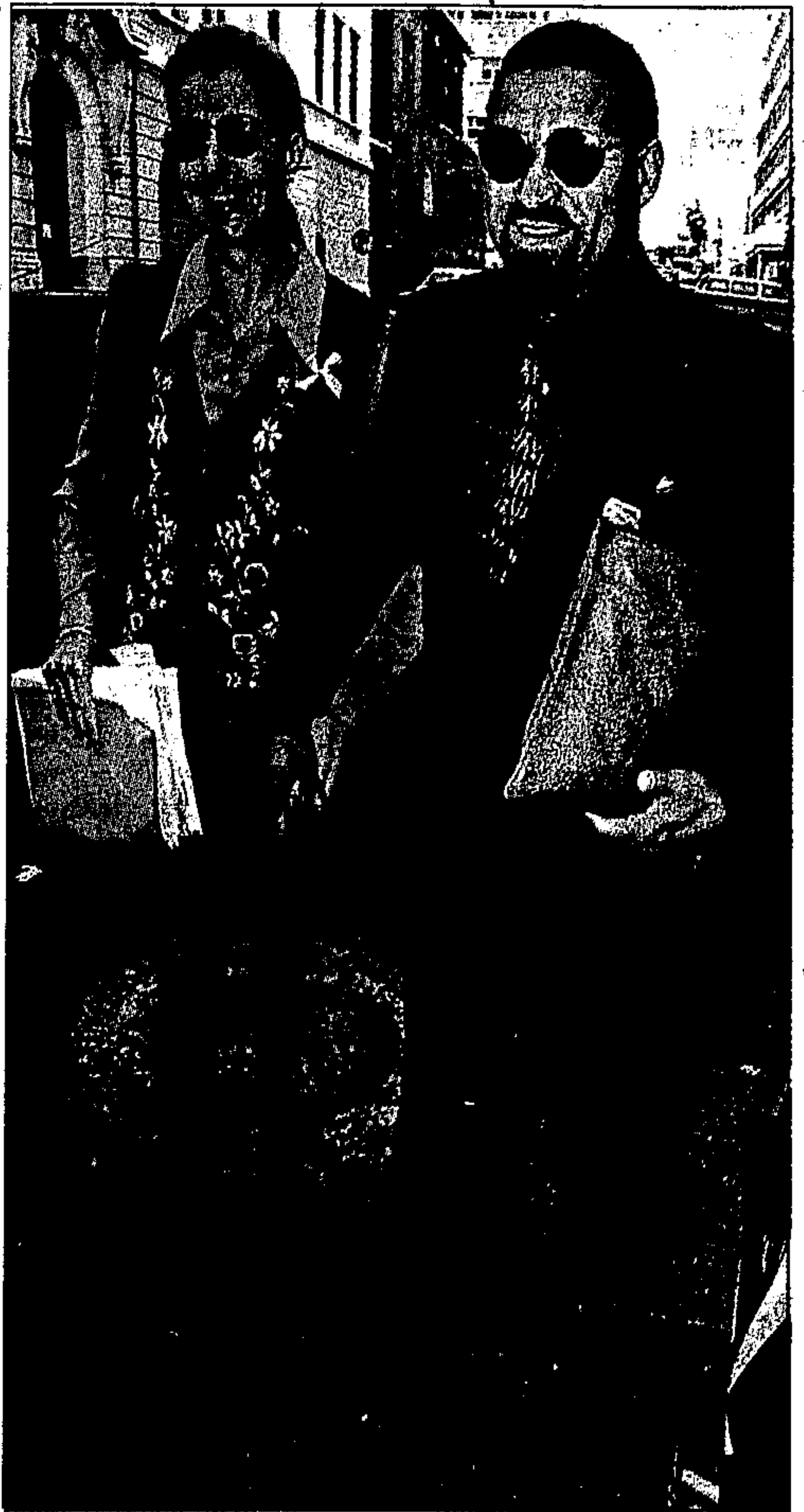
Dr Boesak made cash injections of more than R120 000 from this account into the foundation's main account, he said.

Mr Maritz questioned forensic auditor Dawn King about why she did not take these transactions into account when she made her report.

"You ignore this and, as you did with the foundation's cashbook, you concentrated on those entries which incriminated Dr Boesak. Those which exonerated him, you ignored," he said.

Mrs King denied this.

The case continues.



LEON MULLER

Two for the road: Elna and Allan Boesak leave court yesterday

Boesak 'entitled to allowances'

ET 3/9/98

(297)

RONALD MORRIS
JUSTICE WRITER

FORMER anti-apartheid activist and cleric Allan Boesak was entitled to have his house and car paid for out of Foundation for Peace and Justice (FPJ) funds, his lawyer told the Cape Town High Court yesterday.

Boesak is facing 32 counts of fraud and theft involving about R1,1 million in foreign donor funds he allegedly channelled from the FPJ for his own use. He has pleaded not guilty to all the charges.

Mike Maritz, SC, for Boesak, was cross-examining forensic accountant Dawn King, who investigated the alleged misappropriation of FPJ funds.

Maritz said Boesak would claim that R300 000 donated to Boesak by the Swedish government was for his own security requirements.

Maritz said in terms of the constitution of the FPJ, which was formed in 1991, Boesak as director was entitled to a housing and car allowance. Maritz said the payment of housing instalments for his house in Constantia and for his BMW vehicle were not irregular transfers of funds.

King agreed that if he was in fact entitled to the full payment of his instalments, the transfers were not irregular.

Maritz also quoted at length from the transactions conducted by Boesak's former bookkeeper, Freddie Steenkamp, who is now serving a six-year jail sentence for fraud and theft.

Maritz said it was clear from FPJ records that Steenkamp stole funds from any conceivable source, including the personal accounts of Boesak himself.

He said before going on overseas trips, Boesak often left signed blank cheques for Steenkamp to use to pay accounts.

However, Steenkamp had on occasion stolen these cheques and deposited them into his own accounts.

Maritz said between Steenkamp and a secretary who worked for the FPJ, Lucille Fester, they accounted for about R2 million in foreign donor funds that were taken from the FPJ. Fester has never been charged with any wrongdoing.

Maritz said Steenkamp had the sole responsibility for keeping accounts and issuing cheques and had gone to great lengths to conceal his fraudulent actions.



'ENTITLED TO BENEFITS': Allan Boesak

He said the defence would argue that King and the state had relied on Steenkamp's records to compile their case against Boesak.

He said they would argue that Steenkamp was not a reliable source of this type of information.

The hearing continues. — Sapa
The case is being heard by Judge John Foxcroft and two assessors. J C Gerber is prosecuting.

Boesak 'entitled to FPJ payments'

Seeuwan 31/9/98 (297)

FORMER anti-apartheid activist Reverend Allan Boesak was entitled to have his house and car paid for with Foundation for Peace and Justice (FPJ) funds, his counsel told the Cape Town High Court yesterday.

Boesak is facing 32 counts of fraud and theft involving about R1,1 million he allegedly channelled from FPJ donor funds for his own use. He has pleaded not guilty to all charges.

Mr Mike Maritz, SC, appearing for Boesak, was cross-examining forensic accountant Ms Dawn King, who investigated the alleged misappropriation of FPJ funds.

Maritz said in terms of the constitution of the FPJ, which was formed in 1991, Boesak, as director, was entitled

to a housing and car allowance.

Maritz contended that the payment of instalments for his house in Constantia in Cape Town and for his BMW were not irregular transfers of funds.

King agreed that if he was in fact entitled to the full payment of his instalments, the transfers were not irregular.

Fraud and theft

Maritz also quoted at length from the transactions conducted by Boesak's former bookkeeper, Freddie Steenkamp, who is currently serving a six-year jail sentence for fraud and theft.

Maritz said it was clear from FPJ records that Steenkamp stole funds from any conceivable source, including the personal accounts of Boesak.

He said before going on overseas trips, Boesak often left signed blank cheques for Steenkamp to use to pay accounts.

However, Steenkamp had on occasions stolen these cheques and deposited them into his own account.

Maritz said between Steenkamp and a secretary who worked for the FPJ, Lucille Fester, they accounted for about R2 million in foreign donor funds taken from the FPJ.

Maritz said Steenkamp had gone to great lengths to conceal his fraudulent actions. He said the defence would argue that King and the state had relied on Steenkamp's records to compile their case against Boesak.

The case is being heard by Judge John Foxcroft. — Sapa.

Boesak entitled to car, house perks, court told

Star 3/9/98

(297)

Defence says it will argue that case is based on records kept by foundation's convicted bookkeeper, and that he was an untrustworthy source of information

SAPA
Cape Town

Former anti-apartheid activist and cleric Dr Allan Boesak was entitled to have his house and car paid for out of Foundation for Peace and Justice funds, his lawyer told the Cape Town High Court yesterday.

Boesak is facing 32 counts of fraud and theft involving about R1,1-million in foreign donor funds. He has pleaded not guilty to all the charges.

Mike Maritz SC, appearing for Boesak, was cross-examining forensic accountant Dawn King, who investigated the alleged misappropriation of FPJ funds. Maritz said that in terms of the constitution of the FPJ, which was formed in 1991, Boesak, as director, was entitled to a housing and car allowance.

Maritz said the payment of housing instalments for his house in Constantia, Cape

Town, and for his BMW vehicle were not irregular transfers of funds. King agreed that if he was in fact entitled to the full payment of his instalments, the transfers were not irregular.

Maritz also quoted at length from the transactions conducted by Boesak's former bookkeeper, Freddie Steenkamp, who is serving a six-year jail

Signed cheques were stolen

sentence for fraud and theft.

Maritz said it was clear from FPJ records that Steenkamp stole funds from any conceivable source, including the personal accounts of Boesak himself. He said that before going on overseas trips, Boesak often left signed blank cheques for Steenkamp to use to pay accounts. However, Steenkamp

had on occasion deposited the cheques into his own accounts.

Maritz said that between Steenkamp and Lucille Fester, a secretary who worked for the FPJ, they accounted for about R2-million in foreign donor funds that were taken from the FPJ. Fester has never been charged with any wrongdoing.

Maritz said Steenkamp had the sole responsibility for keeping accounts and issuing cheques and had gone to great lengths to conceal his fraudulent actions.

He said the defence would argue that King and the State had relied on Steenkamp's records to compile their case against Boesak. He said they would argue that Steenkamp was not a reliable source of this type of information.

The case is being heard by Mr Justice John Foxcroft and two assessors, and J.C. Gerber is appearing for the State. The hearing continues.

Lift problems make departmental building a nightmare

By BUNTY WEST

Disabled people have to be carried up stairs to visit the Department of Health's Germiston offices because lifts in the building have been locked on several floors.

Two government departments, the other being the Department of Welfare, share the building. A welfare official made the decision to close down the lift service, cutting off direct access to the Department of Health's offices, which are on the third, fourth and fifth floors.

The building, which is divided into two wings but has only one secure entrance, has a working lift on the east side. Visitors must use this service to the second floor. Those wishing to go higher must leave the lift, walk along a corridor and climb a steep flight of stairs to the third floor before taking another lift, in the west wing, to the fourth and fifth floors.

The west wing's lift operates from the third floor but will not open at the first or second floors, going directly to ground level but in a different area, where the exit is barred and locked for security reasons.

Department of Health officials, who did not wish to be named, said more than 10 disabled people visited the offices each day. Those in wheelchairs often gave up because of the difficulties involved in getting to the offices.

On investigation, The Star



THEMBA HADEBE

Battling ... Basie Nhlapo, has to climb stairs daily because the lifts do not go to all the floors at Germiston's Department of Health.

found several disabled Department of Health employees who battle to get to work each day.

Basie Nhlapo, a polio victim who uses crutches, said it was only during the past month that

the lifts did not stop at his floor.

"Going up and down the stairs is a nightmare, and if there is anyone around to help, I hitch a ride on his back so as not to risk falling. Last week I

fell but luckily I wasn't injured.

I have even sent a letter to the director of welfare asking for the lift to be reinstated on our floors," Nhlapo said.

Department of Welfare

spokesperson Lebelo Maloka said the matter was receiving attention and would be resolved by the weekend.

"We apologise for any inconvenience," he said.

Auditor admits to errors in case against Boesak

Report labelled 'partial' and 'selective'

LENORE OLIVER
STAFF REPORTER

An auditor's report implicating Allan Boesak in fraud and theft has been attacked by his counsel for being "partial" or "selective" and containing inaccuracies.

Dr Boesak has pleaded not guilty in the Cape High Court to 32 charges of fraud and theft involving R1,1-million in foreign donor funds from the Foundation for Peace and Justice, which he headed.

Defence counsel Mike Maritz yesterday accused forensic auditor Dawn King of making a par-

tial or selective report, and not keeping abreast of developments and further evidence while she was working on it.

Mr Maritz named several projects in the indictment which the State claims did not receive the full amounts given by overseas funders.

"Your arithmetic has failed you," he told Mrs King.

One was the Caravan project, which received cash donations of more than R140 000. "Your report states that this project received only R84 250, when in fact if one adds up the totals it equals R94 250," said Mr Maritz.

"You also had no regard for

fieldworker Magriet Knapp's salary, which should be included in this figure. Therefore, we can't conclude that only R94 250 found its way to the project. The amount could be substantially higher.

"The prosecution has based its indictment on your figures," he told Mrs King.

"Vrye Weekblad received a donation and the foundation acted as a conduit. It forms part of the indictment because, according to you, they did not receive all the money from the foundation," said Mr Maritz.

Mrs King admitted to the court that she had subsequently

heard that the newspaper had received R100 000 from the foundation.

"It is this type of further evidence that you ignored and, therefore, the amounts in your report are wrong.

"You brought this court under the impression that these were the true amounts spent on the projects," said Mr Maritz.

Mrs King said it was an omission on her part not to have mentioned these facts to the court.

"It was brought to my attention that further amounts were paid into the projects and I should have told the court," she said.

(297)

ARL 4/9/98

Bounced cheque led to Boesak's theft charge

RONALD MORRIS

JUSTICE WRITER

CT 4/9/98

ALLAN BOESAK, former director of the Foundation for Peace and Justice, was charged with theft when a loan from a private individual was repaid with a cheque that bounced.

This emerged in the High Court yesterday during the cross-examination of Dawn King, a forensic auditor, in Boesak's trial on 32 counts of theft and fraud amounting to R1,1 million.

Boesak has pleaded not guilty.

Asked about a cash book entry of R2 000 that was noted as being for Boesak's house, Mike Maritz, SC, counsel for Boesak, said this was reflected in the FPJ's books as a return debit. However, a deposit slip that had the name of an S Majiedt showed a R2 000 deposit of cheques that bounced.

"All of a sudden that's credited to Dr Boesak as if he had paid Majiedt," Maritz said.

Majiedt had said in an affidavit, he had borrowed R4 000 from the FPJ which he was supposed to repay in installments.

King replied that it was not her decision to put that amount in the indictment. She had this information available before she prepared a schedule to her report to the attorney-general, she said.

Dealing with several payments of more than R7 000 that the FPJ paid Boesak and allocated to salaries, Maritz said he was entitled to that as a housing allowance.

In further cross-examination, King conceded that her report to the attorney-general, which claimed only R84 250 out of R90 831 donor funds had reached the Carnarvon-Van Wyksvlei (Caravan) Project, was understated by R10 000 and that the salary of the field worker there had not been added on.

Empowerment bill's rush curbed by Cosatu, SAIRR

CT(BR) 15/9/98 (297) (22)

LYNDA LOXTON

PARLIAMENTARY CORRESPONDENT

Cape Town — Strong opposition to efforts to rush the National Empowerment Fund Bill through parliament this week emerged yesterday.

Cosatu, the largest union grouping, and the South African Institute of Race Relations (SAIRR) said they feared the bill would simply benefit a small black elite. Cosatu also objected to the fact that it had not yet been discussed under the National Framework Agreement.

The portfolio committee on trade and industry agreed to hold back on any decision about the bill until later this week, after it had been discussed by Cosatu's executive committee.

But it was clear that committee members were unhappy about many aspects of the bill, which they said was very loosely worded and imprecise about several issues.

Neil Coleman, of the Cosatu parliamentary office, said in a letter to the committee that it was a "significant shortcoming" that the bill had not been tabled at "the relevant consultative structures provided for in terms of the National Framework Agreement in the restructuring of state assets".

He said this was important because it would ensure priority to wider social issues such as job creation and equitable service delivery, "rather than benefiting a small elite who already own businesses and shares in enterprises".

Jean Redpath, the SAIRR's parliamentary analyst, said the institute was opposed to any legislation that "apportions the benevolence of the state on the basis of race alone".

She said shares in state assets should be made available to those "below a defined income or asset level, irrespective of their race". It was unlikely the fund would benefit the very poor, she said.

Deafsa makes its demands

By Saint P Molakeng

GOVERNMENT at national and provincial levels has been called upon to revise labour-related bills to protect the interests of hearing-impaired people in South Africa. (29/7)

Scores of hearing-impaired people marched to the office of Gauteng Premier Mathole Motsheng on Friday, where they presented a memorandum calling for equality and protection of their human rights.

The march was organised by the Deaf Federation of South Africa (Deafsa) as one of nationwide activities to mark the National Deaf Awareness Week that started last Monday and ends today.

The memorandum, drafted by Deafsa provincial director Mr Jabu Blose, took issue with the national Employment Equity Bill (EEB) and provincial Barrier-Free Environment for Persons with Disabilities Bill (BEPDB).

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Funds dried up, Boesak case hears

JUSTICE WRITER

(297)

CT 8/9/98

SEVERAL projects of the impoverished Loxton community in the Northern Cape could not be continued because overseas donor funds paid to the now-defunct Foundation for Peace and Justice (FPJ) did not arrive, the High Court heard yesterday.

This was the evidence of Jan Riegert, chairperson of the Loxton Community Project, in the trial of Allan Boesak, former FPJ director who is appearing on 32 counts of theft and fraud.

Boesak has pleaded not guilty.

Riegert said the impoverished community depended on food parcels, but it was stopped because the project wanted the community to do something for itself and to create job opportunities.

After a local shop closed down, people were forced to travel 80km to neighbouring towns to buy groceries or visit a doctor. Because of the added travelling expense, it was decided to start a shop in Loxton called Ons Winkel (Our Shop).

The Loxton Community Project also started a pre-school, a community garden project so that the community could grow its own vegetables and a community taxi service.

The building housing the shop was for sale and the community had to find the money from somewhere. On the advice of Magriet Knapp, a FPJ fieldworker, the foundation was approached for help.

Freddie Steenkamp, former FPJ bookkeeper, came to Loxton to see for himself. Shortly afterwards the community received R15 000 which it used for the pre-school and the construction of Ons Winkel.



ON TRIAL: Allan Boesak

The building had reached window height when a second cheque of R25 000 was received from the FPJ. However, the cheque bounced because there was no money in the FPJ bank account, the court heard.

Told by state advocate J Gerber that Danchurch had paid the FPJ R71 440 for the Loxton projects, Riegert said had they got that money, they would have been able to finish the building of the shop, stock it and fund other projects.

Cross-examined by Jaap Cilliers, one of Boesak's advocates, Riegert agreed a house had been bought in Loxton for R8 000 and had been registered in Knapp's name because of the Group Areas Act.

The trial continues today.

● Brian Duddy, a senior home loans manager at Standard Bank who died of his injuries suffered in the recent Planet Hollywood bombing, was scheduled to testify for the state in Boesak's trial.

He was witness No 48 on the state's list of witnesses.

8/9/98
Projects for
poor halted'
(297)

Cape Town - Several projects for the impoverished Loxton community in the Northern Cape could not be continued because overseas donor funds paid to the now defunct Foundation for Peace and Justice did not arrive, the Cape High Court heard.

Community worker Jan Riegert gave evidence in the trial of Alan Boesak, former FPJ director and erstwhile president of the World Alliance of Reformed Churches, on 32 counts of theft and fraud. Boesak has pleaded not guilty.

Riegert said the impoverished community depended on food parcels but these were stopped because the project wanted the community to do something for itself.

After a shop closed down, people were forced to travel 80km to buy groceries or visit a doctor, Riegert said.

Under cross-examination, Riegert agreed that a house had been bought in Loxton for R8 000 and had been registered in FPJ field-worker Magriet Knapp's name because of the Group Areas Act in force at the time.

The trial continues today. - Sapa

(297) Slash your witnesses, pleads Boesak judge

Only three out of 169 seen so far

ARG 9/9/98

LENORE OLIVER
STAFF REPORTER

The judge in the Allan Boesak trial has questioned the need for 169 witnesses, and suggested the list be shortened.

The trial is in its third week and only three witnesses have taken the stand so far.

Dr Boesak has pleaded not guilty to 32 charges of fraud and theft involving R1,1-million in funds from foreign donors for the victims of apartheid.

The witnesses are due to come from all over the world and include Truth Commission chairman Desmond Tutu, who is now in the United States.

Yesterday, Mr Justice John Foxcroft told State advocate J C Gerber and defence counsel Mike Maritz: "It is not necessary for all these people to

come to court."

And Mr Maritz said he "could not see the need for 90%" of yesterday's evidence.

Over the past two days representatives of rural community projects have testified that they did not receive all funds donated by foreign aid organisations through Dr Boesak's Foundation for Justice and Peace.

"We accept that all projects did not receive all the money, but to what extent we do not know," said Mr Maritz.

Koos Gouws of the Caravan community organisation in Carnarvon said he had been unaware of large donations from the Coca-Cola Foundation and Danchurch Aid, which were intended for the organisation.

He heard about them - R44 540 from Danchurch Aid and R140 000

from the Coca-Cola Foundation - only when investigations began against Dr Boesak..

Mr Gouws said the organisation was told R150 000 had been approved for its projects, each of which Dr Boesak wanted evaluated.

Foundation for Justice and Peace worker Norman Michaels wrote to Caravan about the evaluation process, saying Dr Boesak was concerned about certain aspects.

"He said Dr Boesak said there were serious structural problems, which had to be fixed before the foundation would provide the R150 000," said Mr Gouws.

"We wrote back saying the lack of financial support would restrict our efforts and provide the National Party with an opportunity to take over the area because they used rural community projects to win hearts."

ARG 9/9/98

SA makes middling progress

(297)

Geneva - South Africa comes 89th (of 163) on the UNDP index of human development, which uses longevity, knowledge and a decent standard of living as the criteria.

This is among the figures emerging from its annual report published today.

And African countries make up most of the bottom 10 of developing countries indexed under the Human Poverty Indicator (HPI).

This is calculated according to the percentage of individuals with a life expectancy of under 40 and children of insufficient body weight, adult illiteracy, and access to health care and drinking water.

At the top comes Trinidad & Tobago, followed by Chile, Uruguay, Singapore, Costa Rica, Jordan, Mexico, Colombia, Panama, Jamaica and Thailand.

Among those at the bottom are Mozambique, Senegal, Yemen, Guinea, Burundi, Mali, Ethiopia, Sierra Leone, Burkina Faso and Niger.

Around 19% of Americans fall below the poverty line, compared with 13.5% in Britain, 11% in Ireland, Japan and Canada, 7.5% in France and 6% in Finland and Germany.

Under the Human Development Indicator, the bottom 10 are The Gambia, Mozambique, Guinea, Eritrea, Ethiopia, Burundi, Mali, Burkina Faso, Niger and Sierra Leone. Sapa-AFP

Donor funds never reached FPJ projects'

(297)

JUSTICE WRITER

CT 9/9/98

EVIDENCE led by the prosecution yesterday in the trial of former World Alliance of Reformed Churches president Allan Boesak did not appear necessary, the presiding judge remarked yesterday.

Judge John Foxcroft said this at the conclusion of the evidence of Jan Gouws, of the Carnavon Community Project, in which he told of the closure of several projects when donor funds — including that of World Vision — dried up.

Mike Maritz, SC, Boesak's counsel, told the court that while it was accepted that most of the projects did not receive all the funds promised, he could not see the need for 90% of yesterday's evidence. Boesak has pleaded not guilty to 32 counts of fraud and theft involving about R1,1m.

Gouws said the Caravan Project comprised a pre-school, a mortuary and a knitting project which used to get about R5 000 from World Vision each year.

At the end of 1990, a Louise Boesak, who is related to Allan Boesak, told the project committee to approach the Foundation for Peace and Justice (FPJ) to pay the salary of Magriet Knaap, a World Vision field worker, to work for the Caravan Project.

The FPJ then paid her salary and a car allowance and assisted her with buying a house.

At a later stage, Freddie Steenkamp — former FPJ bookkeeper jailed for six years following his conviction on charges of theft and fraud — told Gouws that Danchurchaid had donated R150 000 but that he must not tell the rest of the committee until Boesak had familiarised himself with the projects.

Boesak did visit Carnavon and asked for an evaluation of each project before money could be allocated.

In a subsequent letter, Norman Michaels, Boesak's assistant, said Boesak was concerned about certain aspects of the projects and asked that serious structural shortcomings be addressed before funding could be provided.

Gouws said that the project committee responded and stressed the lack of funding would stunt growth and could lead to the closure of the pre-school and the retrenchment of 18 people.

Shortly after that, the FPJ donated R10 000 and other amounts followed. The projects were also visited by a Danchurchaid representative who was both impressed and excited, Gouws said.

He testified further that a hailstorm had caused considerable damage, especially in a local squatter camp and because they were in a crisis situation, they had repeatedly tried to get hold of Boesak to ask about the R150 000 Danchurchaid donation.

A meeting was arranged at the FPJ offices but Boesak, contrary to an undertaking, did not attend.

Gouws said the community only heard later that other donations of R44 000 and R140 000 made by the Coca Cola Foundation never reached the Caravan Projects.

Municipalities' development planning 'not reaching poor'

By **CECILIA RUSSELL**
Political Staff

Municipalities' economic development programmes are not reaching the poor for whom they are intended, a study by the Constitutional Development Department has found.

The integrated development planning (IDP) manual, launched by Provincial Affairs and Constitutional Development Minister Mohammed Valli Moosa, says the apartheid landscape has remained unchanged and "outdated and separatist planning is being implemented by local councils".

The study, based on 10 case histories of development programmes in rural and urban councils has found local government, which should make the biggest impact on the life quality of citizens, lacks a fo-

cus on poverty eradication.

"Nobody has been able to unblock the grip of Verwoerdian planning because it is driven by local municipalities," the Department of Development's Brian Marrian said.

The IDP manual, which fills a box file and looks like heavy reading, is clearly and simply written. It takes town planners and councillors through the minefield of planning principles and proliferation of national and provincial legislation regulating municipal planning.

It simplifies the 19 national acts, bills and policy papers which municipal planners have to contend with. In addition to the manual the department has set up a web page at www.local-gov.za for planners where they can post comments or appeals for assistance.

Stan 9/9/98

while driving a motor vehicle — unless a hands-free device is used.

Responding to a question in Parliament yesterday, Transport Minister Mac Maharaj said he expected such legislation to form part of the National Road Traffic Regulations, to be promulgated under the National Road Traffic Act of 1996.

It was hoped the legislation would come into force before the end of the year, Maharaj said.

Bill changes statistical service

THE cabinet approved a new Statistics Bill which sought to improve the planning, production, analysis and use of official and other statistics, government spokesman Joel Netshitenzhe said yesterday.

The bill detailed the powers of the finance minister and officials of the statistical service, which will be known as Statistics SA.

Welfare director-general appointed

THE welfare and population development department, which has experienced the departure of one director-general and two acting directors-general while under Welfare Minister Geraldine Fraser-Moleketi, now has a new director-general — Lucienne Abrahams.

Her appointment was approved by the cabinet at its meeting in Cape Town yesterday, government spokesman Joel Netshitenzhe said.

The cabinet also approved the appointment of Patrick Fitzgerald as the new director-general of the department of environmental affairs.

REPORTS: Business Day Reporters, Sapa.

Parliamentary welfare committee has reservations about bill

David Greybe (297)

CAPE TOWN — Parliament's welfare portfolio committee expressed serious reservations yesterday about draft legislation to regulate SA's social service professions, in particular its workers. The committee also proposed major amendments.

The African National Congress, backed by opposition parties, led the criticism of the draft Social Work Amendment bill in discussions with Welfare

Minister Geraldine Fraser-Moleketi. Their criticism echoed sectoral submissions received by the committee.

The minister said in response she had "noted" the comments and, with her staff, would "go back and discuss and consider (them)".

However, she said some of the criticism appeared to be "based on intuition" and suggested the committee provide "something more concrete".

The cabinet has approved

Police anti-corruption drive has 'some success'

Linda Ensor

CAPE TOWN — The anti-corruption drive within the SA Police Service (SAPS) was meeting with some success, police commissioner George Fivaz told Parliament's public accounts committee yesterday.

He conceded that levels of corruption within the force were "unacceptable" and said management had adopted a "zero tolerance" approach to it. Officers found guilty of corruption would be dismissed or suspended without hesitation, Fivaz said.

Ten anti-corruption units had been established — one at national level and nine in the provinces — and all officers had signed a code of conduct.

Regarding ineffective management of forces in the provinces, Fivaz said the SAPS's approach was to devolve authority and decentralise functions. However, to succeed, managerial capacity was required and intensive training was underway to achieve this.

The loss of skills and expertise from the force was a matter of concern. SAPS CE Meyer Kahn provided de-

tails of the new all-embracing strategy to create a more effective police force.

Instead of focusing on too many problems at the same time, it had been decided to focus on policing operations, staff commitment, the role of SAPS in the criminal justice system and finances in the first year. The second year of the program would be dedicated to logistics, restructuring of reservists, succession planning.

The program had been running for four months and was showing "significant achievements", Kahn said.

Attention had also been given to addressing a lack of discipline in the force and initial indications were that absenteeism rates had fallen.

High priority would be given to reducing human resource expenditure from 84% of total budget to its former level of 75%. The rising staff costs meant less was spent on items such as vehicles, equipment and radios with the effect that the SAPS was about R2bn short of resources.

If the 84% expenditure level was maintained for the next two years, the shortfall would reach about R3bn.

the draft bill, but time is running out for it to be adopted during the current parliamentary session. The main object of the bill is to make provision for the establishment of an "umbrella council", known as the SA Council for Social Service Professions, to regulate and protect all aspects of social services. It will report to the welfare minister, and replaces the SA Interim Council for Social Work (established in 1995 with a maximum three-year lifespan).

The bill provides also for setting up professional bodies — overseen by the council — to look after sectoral interests such as social workers and child and youth care workers.

Criticisms included:

- It did not adequately cater for the rights of SA's social service users; and
- Raised concern that social service professions could suffer because of an over-representation on the council of people not directly from the profession.

PD 10/9/98

UN report measures progress

BD 10/9/98

(297)

SA HAS been ranked 89th out of 174 countries in terms of human development — the highest in southern Africa — in a United Nations (UN) report released in The Netherlands yesterday.

The UN Human Development Report 1998 ranked Canada first in health, education levels and standard of living, followed by France, Norway, the US, Iceland, Finland, Netherlands, Japan, New Zealand and Sweden.

Canada's income per capita was only ranked 12th highest in the world, compared to the world's biggest earner, Brunei, which came in at 35th place in the human development ratings.

The Human Development Indicator (HDI) measures achievements in longevity, knowledge and a decent standard of living, taking into account life expectancy, educational attainment, and adjusted income.

Most African countries were ranked relatively low in the HDI statistics — the only African countries to beat SA were the Seychelles, ranked 56th in the world, Mauritius at 61st, then North Africa's Algeria (82nd).

Botswana came close behind SA at number 97, Namibia at 107, Zimbabwe at 130 and Lesotho at 134. Kenya took

137th placing, the strife-torn Democratic Republic of the Congo 143rd, Zambia 146th, Madagascar 153rd, Angola 156th and Malawi 161st.

The bottom 10 placings were assigned to mostly African countries: The Gambia, Mozambique, Guinea, Eritrea, Ethiopia, Burundi, Mali, Burkina Faso, Niger, and lastly, Sierra Leone, at 174th place.

Overall, the UN Development Programme-commissioned report showed people were generally living longer, healthier and more productive lives, but that the gap between rich and poor continued to widen.

The UNDP spokesman, Djibril Diallo, said some countries' human development improved over the past year, while others slipped due to forces such as war, AIDS and economic decline.

New statistics on poverty revealed the numbers of poor people were growing in some of the world's richest countries, Diallo said.

The report said life expectancy was dropping in many countries as the HIV/AIDS pandemic worsened. Of an estimated 16 000 people being infected daily worldwide, 90% came from developing countries. — Sapa.



TREVOR MANUEL

R817m earmarked for poverty relief, development

JOVIAL PANTAO
PARLIAMENTARY BUREAU

RURAL communities, single mothers and emerging farmers will be the major beneficiaries in an R817-million windfall earmarked by the government for poverty relief and infrastructure development.

Finance Minister Trevor

Manuel announced yesterday that the cabinet had approved the allocation of the funds, taken from this year's budget.

They would be used to finance labour-intensive job creation programmes, including the building of access roads in rural areas.

Manuel said the funds would also be used to success-

fully implement water projects, community-based public works programmes and nutrition programmes that are run by the Department of Health.

He said the government was committed to ensuring the financial viability of the project and that the department was willing to have the

projects monitored by the Ministry of Finance.

"There's a fairly tight range of criteria covering things such as commitment to areas where the poorest people live, human development, capacity building, stimulation of jobs and community involvement. One of the criteria is the sustainability of projects and integrated-

ness," he said.

The funds have been allocated to the following departments:

- Water Affairs and Forestry — R270 million (R120m for water projects and R150m for community projects).
- Health — R28m for inte-

grated nutrition projects, including community gardens.

- Agriculture — R25m to be spent on stimulating agriculture, especially giving assistance to emerging farmers.

- Welfare — R220m for projects focusing on poor households, particularly those

headed by single mothers.

- Public Works — R274m (R149m on poverty relief and R125m on infrastructure development).

"Large amounts of the public works allocation will be spent on access roads, as this is one area that needs major attention. Often this problem should have been

dealt with by provinces and it has not."

Manuel said he would hold meetings regularly with the relevant ministers to evaluate progress.

Meanwhile, the cabinet has declined to approve the draft White Paper on minerals and energy until further consultation has taken place.

Poverty relief central to R817-m windfall

By JOVIAL RANTAO
Political Correspondent

Cape Town - Rural communities, single mothers and emerging farmers will benefit most from a R817-million allocation approved by the Government yesterday for poverty relief and infrastructure development.

Finance Minister Trevor Manuel said the funds, from the present Budget, would

also finance labour-intensive job creation programmes, including the building of rural access roads.

The allocations were:

■ Water Affairs and Forestry - R270-million (R120-million for Working for Water projects and R150-million for community water projects).

■ Health - R28-million for integrated nutrition projects such as community gardens.

■ Agriculture - R25-million

to be spent on stimulating agriculture, especially assistance to emerging farmers.

■ Welfare - R220-million (focus on poor households, in particular those headed by single mothers).

■ Public Works - R274-million (R149-million on poverty relief and R125-million on infrastructure development)

The Cabinet declined to approve the draft white paper on minerals and energy.

Boesak admits funding lapse

(297) *Alan 10/9/98*
Allan Boesak, former director of the now-defunct Foundation for Peace and Justice, yesterday in the High Court admitted two projects did not receive donor funds intended for them.

No one from the projects had dealings with Boesak. They dealt with former FPJ bookkeeper Freddie Steenkamp.

Thinus van der Vijver, for the State, said that in 1992 the Worcester Ecumenical Com-

munity asked the FPJ for R75 000. Later the Church of Norway gave them R37 480, which they did not receive.

He said the Goldfield Community Services in 1992 asked the FPJ for R320 000 and was given R23 983 by the Church of Norway. Goldfield only received R13 000.

Boesak is on trial on 32 counts of fraud and theft. He has pleaded not guilty. — Own Correspondent

Positive spin-offs from democracy

MTG 11-17/9/98

(297)

In terms of human development, South Africa ranks third in sub-Saharan Africa, writes Ann Eveleth

South Africa jumped one point on the global development scale in the first year of democracy, according to a United Nations Development Programme (UNDP) report released this week.

The UNDP *Human Development Report 1998* ranks South Africa 89th out of 174 countries, according to the human development index, which measures average life expectancy, literacy and living standards of countries around the world. South Africa ranked 90th in last year's report.

South Africa's human development index ranks third in sub-Saharan Africa, after the Seychelles and Mauritius. The extensive report is based on three-year-old figures, so last year's report reflected South Africa's 1994 position, while the report released this week reflects the country's standing in 1995.

During that period, South Africa's life expectancy at birth climbed from 63,7 years to 64,1. This is significantly higher than the sub-Saharan average, which remained close to 50, but still below Asia, Latin America and the Caribbean, where life expectancy has climbed to almost 70 years.

South Africa's educational indicators reflected less improvement. The adult literacy rate climbed less than half a percentage point, from 81,4 in 1994 to 81,8 in 1995. The combined primary, secondary and tertiary gross enrolment ratio remained stagnant at 81%.

The report reflects South Africa's progression up the development ladder, with its overall human development index value rising from 0,716 in 1994 to 0,717 in 1995 — Canada tops the list with 0,960 and Sierra Leone tails behind the rest of the world with 0,185 — and a gross domestic product (GDP) per capita rise from \$4 291 to \$4 334 during the same period.

But the country ranks poorly on other indicators.

The new report lists South Africa as one of 74 countries with a lower human development index ranking than its GDP per capita ranking. This comparison, says the report, suggests the countries have "failed to translate economic prosperity into corresponding better lives for their people".

The poorest 20% of South Africans earned a GDP per capita of only \$516, compared to the richest 20%, who earned \$9 897. At least 13% of South Africans are not expected to survive to the age of 40, while 35% of children would not reach grade five.

The gap between wealth and consumption levels of rich and poor formed a central theme of this year's report. It notes that the world's richest 225 people possess a combined wealth of more than \$1-trillion — equal to the combined annual income of the world's poorest 2,5-billion people, or 47% of the global population.

The 15 richest have assets exceeding the total GDP of sub-Saharan Africa. Only two of the world's 225 richest people are from Africa. Both of these — with a combined wealth of \$3,7-billion — are South African.

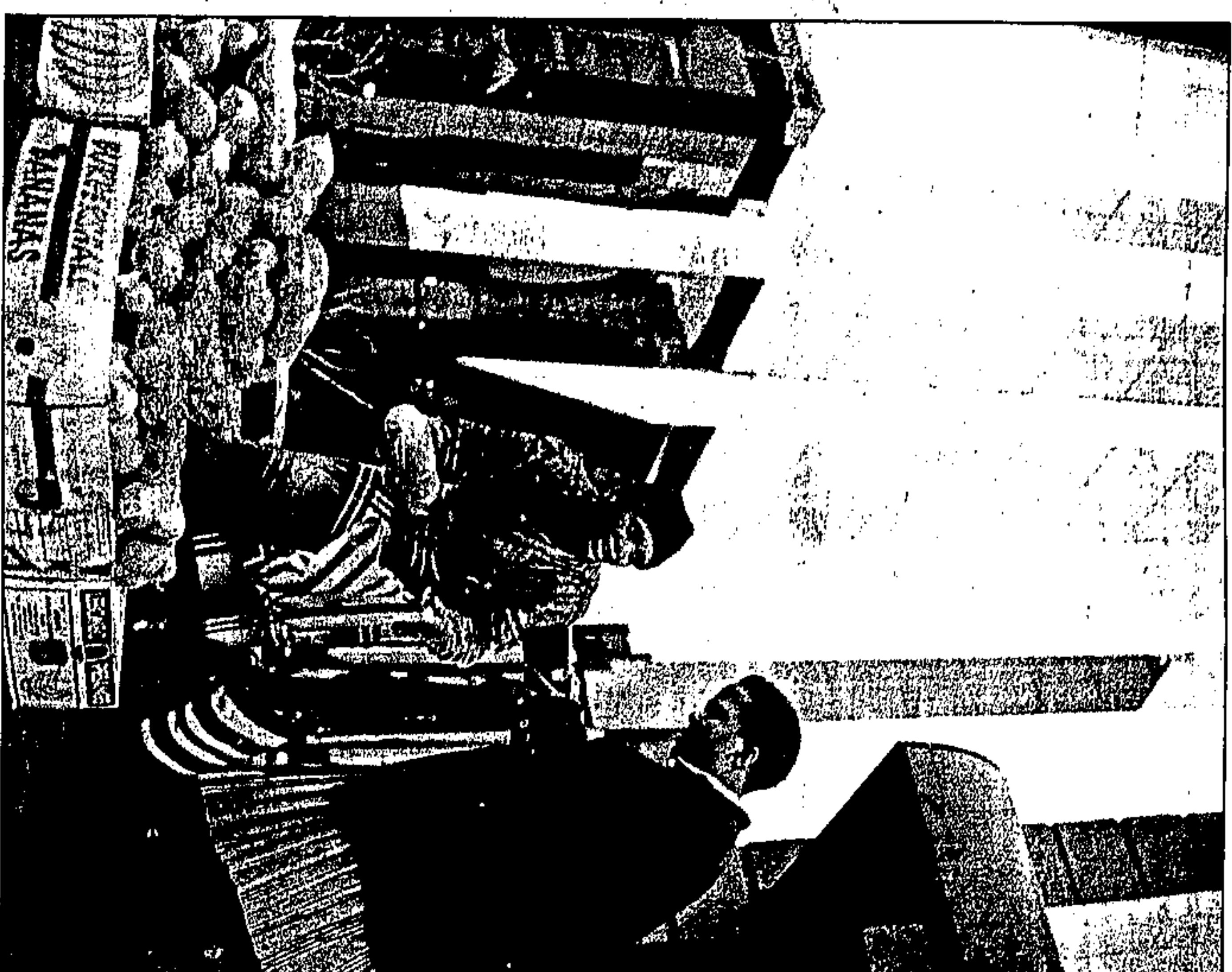
The report points out the limitations imposed by the "unequal distribution of income", unequal access to basic services and suppression of living standards" which characterised apartheid South Africa.

"In 1995 alone there was a marked increase in access to services among black households: the share with electricity increased from 37% to 51%, those with a telephone increased from 12% to 14%, those with piped water [increased] from 27% to 33%, those with a flush toilet or latrine from 46% to 51%, and those with refuse removal by the local authority from 37% to 43%."

But the report adds that progress in service delivery had been "much slower than targeted. And where electricity has been brought to households, the consumption is low, as households are not equipped with — or do not shift to — electric appliances.

"In one survey, however, pensioners said electricity might consume up to a quarter of their income, yet they could no longer imagine living without it. And because other spending could not be cut, they sought credit."

South Africa did score points for the improvement of gender equality. Ranked number 74 out of 163 countries surveyed according to a separate gender-related development index, South Africa's higher gender ranking (15 places above its human development index ranking) "indicates that it performs relatively better on gender equality than on av-



Women's world in the United Nations's Human Development Report 1998, South Africa scored points for the improvement of gender equality. PHOTO: MADINE HUTTON

erage achievements", the report says. This is true for only 83 of the countries where the UNDP calculated a gender-related development index this year.

"The gender-related development index neglects the same dimensions as the human development index and uses the same variables, but measures these for women only. It aims to demonstrate inequalities in achievement between women and men.

South Africa's female life expectancy at birth in 1995 was 67,2 years, compared to 61,2 years for men. Adult literacy rates for women were slightly lower at 81,7%, compared to 81,9% for men, but combined school enrolment stood at 82,9% of females, compared to 75,4% of males. And women occupied 23,7% of parlia-

mentary seats, an estimated 46,6% of professional and technical posts, and an estimated 17,4% of administrative and management posts.

However, the UNDP estimates the female non-agricultural workers' share of income earned 69,1% of the income.

South Africa also scored poor marks for pollution control, ranking fifth in an eight-country comparison of 1995 per capita carbon dioxide emissions.

South Africa followed Japan's nine metric tons per capita level, at 7,4 metric tons annually. This placed the country well above Mexico, a country known for its pollution, which emits only 3,9 metric tons annually.



HANNES THART

Money line: hundreds of Mitchell's Plain grant beneficiaries patiently queue round the Post Office building while officials try to resolve an administrative bungle

Grant fiasco after red-tape mix-up

2 500 wait for hours as post office sorts vouchers

LYNNE RIPPENMAAR
STAFF REPORTER

About 2 500 people queued for hours for maintenance grants at Mitchell's Plain Post Office while staff dealt with an administrative hitch.

The vouchers used as proof of payment and issued by the national Department of Welfare in Pretoria had not been sorted, causing long delays in payments yesterday.

People crowded the steps and pavement in front of the building, trying to get inside.

The doors were closed and controlled by a security official, who allowed 10 to 15 people in at a time.

Thelma October said she had been queuing for five hours and was disgusted, while Elizabeth Davids, a 60-year-old grandmother, was let in just as a fight broke out.

Her grandchildren with her, one only seven years old, were squashed against the doors as adults pushed their way to the front.

"For grown-up people to act like this is disgraceful," said Mrs Davids.

The fight broke out when a policeman accused Yassiem Mohammad, who was waiting for his disability grant, of attempting to steal his gun.

"I went to the front to complain because my wife had been waiting in the queue since 6am," said Mr Mohammad, who was beaten and kicked during the scuffle.

His wife and their three young children were upset by the attack.

"How do my children feel seeing their father lying there on the ground," asked Mrs Mohammad, holding her sobbing one-year-old daughter.

Captain Desmond Laing of Mitchell's Plain police station condemned the attack, and said: "If an officer thinks his life is in danger, only then can he use the necessary force to stop the attack."

Some people blamed the closure of Morgenster Post Office for the longer queues, but this was not the problem, said post office spokeswoman Rima Tshishonga.

It had been closed because it served a community of only about 100 people, and it was not economically viable.

Waldie Terblanche, director of social security for the Department of Social Services in the Western Cape, said post offices throughout the country had been told about the voucher problem, but too late for anything to be corrected before pay day.



Confusion all round: bewildered Post Office officials and grant beneficiaries try to make sense of the mix-up

Indispensable to Society

As the South African NGO Coalition kicks off 'NGO Week' celebrations with a variety of events around the country today, **Edwin Naidu** tracks the changes in the sector since 1994

Star 14/9/98

(297)
GISELE WULFSOHN/VAPL PHOTO LIBRARY



Four years ago NGOs faced extinction as many experienced staff members left grass-roots organisations to serve the nation in more lucrative posts. At the same time foreign funding dried up and was instead channelled to the Government.

The South African NGO Coalition (Sangoco), an umbrella body for several thousand NGOs in the country, has an established administrative base in only three provinces – the Eastern Cape, Western Cape and Northern Province.

While these provinces have been able to focus their efforts on developing provincial projects and consolidating membership services, the remaining six have had to focus on fund-raising in a bid to establish administrative bases and employ staff.

The leadership of these provincial structures all have full-time jobs which makes it difficult for them to allocate resources and time to implement programmes.

Mindful of these problems, Sangoco appointed Sarah Mashego as national organiser in March this year to help provincial affiliates set up structures.

Today, the NGO movement in South Africa is enjoying a resurgence. One of the most successful campaigns led by the NGO movement was the nation-wide "war on poverty hearings" where over 10 000 people voiced their hopes and dreams of how they would escape from their poor backgrounds.

Sangoco executive director Kumi Naidoo said the movement faced an identity crisis after the transition to democratic rule.

"Some argued we did not need NGOs but now everyone agrees that we are an indispensable part of civil society," he said.

Last December at the ANC's Matikeng conference President Nelson Mandela launched a scathing attack on NGOs, accusing

However, the trust is set to be replaced by the National Development Agency (NDA), which has been promised R200-million when it starts running. Government and the European union will each give R50-million, and there will be a one-off R100-million flip-flop from the independent development trust. A bill spelling out the aims of the NDA was passed in Parliament last week. It has to be ratified by the National Council of Provinces before being signed into law by Mandela.

Naidoo said the gloom which permeated the NGO movement after 1994 was fast disappearing and that the movement was on a much more solid footing. "The fact that we are getting the NDA and also exploring innovative ways of fund-raising, indicates we are in better shape."

Sangoco president Rams Ramashia said the establishment of NDA would help soften the impact of the reduction in foreign donations but it will not solve all the problems. "Sangoco will therefore seek other creative ways of ensuring the financial sustainability of the NGO sector."

Sangoco also believes the best way to promote giving is to provide greater opportunities for tax deductible donations. "The framework for tax deductible donations is possibly the most restrictive in the world. It is not surprising that we have not developed a culture of corporate and individual philanthropy, as is common in other countries. This places an unnecessary burden on the state," Ramashia said.

Sangoco programmes director Jacqui Boullie said there is little doubt that changes to tax laws would provide an immediate funding relief for NGOs. "But we must be aware that twice as much work will need to go into winning the tax issues as went into the NGO bill lobbying process."

Naidoo said it was apt that so

several thousand NGOs in the country, has an established administrative base in only three provinces - the Eastern Cape, Western Cape and Northern Province.

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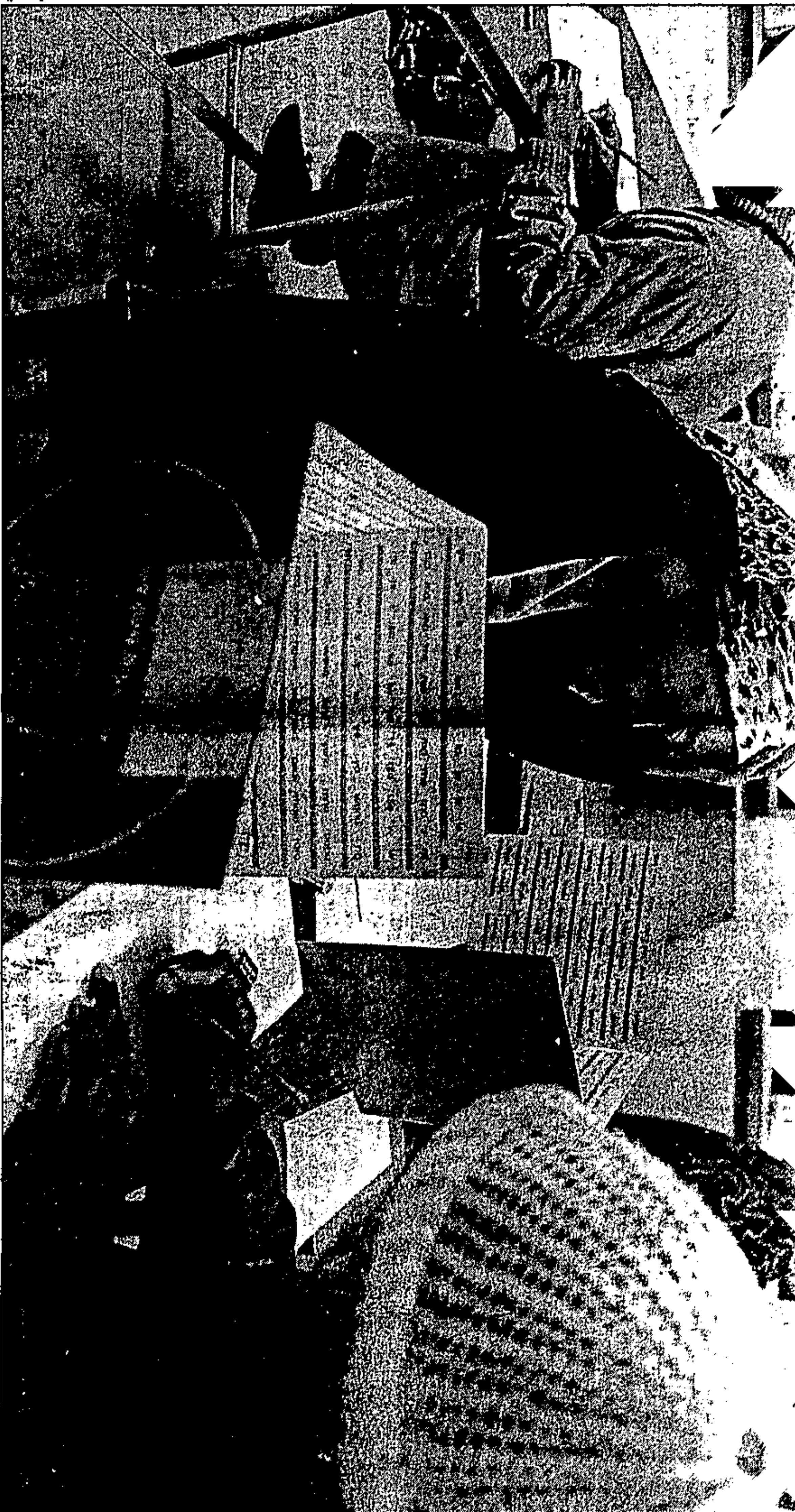
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"Some argued we did not need NGOs but now everyone agrees that we are an indispensable part of civil society," he said.

Last December at the ANC's fatikeng conference President Nelson Mandela launched a caustic attack on NGOs, accusing some organisations which received foreign funding of being influenced by outsiders.

However, development specialist Frank Meintjes said with NGOs adapting to a post-apartheid role and struggling to make a distinctive and dynamic contribution to transformation, retreating into a defensive mode would be unhelpful.

"A debate on transformation and NGOs' roles would also have to



Learning to read ... adult illiteracy is one of the crucial areas in which NGOs play an enormous role in enhancing the lives of those who have been underprivileged and held back.

consider whether some NGOs have moved so far into a delivery role that they have forgotten their responsibility to give insightful and rigorous input into, for example, rural, urban and municipal infrastructure policy frameworks," he said.

However, Naidoo said NGOs now

perceived themselves to be partners of government, adding that before the ANC came to power, they worked in isolation from the Nationalist government. "Being a partner does not mean we have to agree on everything, for example our opposition to Gear is well known."

He said NGOs have forged good working relations with trade unions, the churches and commissions, while maintaining healthy ties with government.

Pressure from NGOs led to the creation of the Transitional National Development Trust (TNDT), an interim development and finance

agency which works as part of a national strategy to alleviate poverty. Around 500 NGOs have received R74-million of the initial R120-million given to the trust by European governments. Presently the TNDT is disbursing an average of R5.1-million a month to a variety of projects.

Naidoo said it was apt that so many positive aspects and challenges relating to NGOs had come to the fore and that the successes and failures would be discussed at NGO-Week celebrations around the country from September 13 to 20.

"NGO Week is a celebration of what we have achieved so far. We are celebrating the fact that we are still here, we are also rejoicing at having put the plight of the poor on a higher platform under very difficult circumstances," he said.

By Shaun Macrae

Like the white rhino, non-governmental organisations (NGOs) in South Africa are fast becoming an endangered species.

The end of apartheid has resulted in donor funding drying up as the attentions of donor organisations has turned to other trouble spots around the world where they perceive the need to be greater.

And while many have stayed and continue to give generously, this sadly is not enough to sustain the vibrant NGO community that this country once had.

For the wider NGO community the problem with a central pot into which all foreign donor funding is

diverted, is that it can create gatekeepers who in turn carry the fear that they will dispense cash only to those organisations that conform to their agendas and toe an official line.

But we cannot force foreign donors to give their money directly to NGOs just because we fear a centralised fund won't be evenhanded.

What is to be done? Simply put, South Africans have to begin to reach into their own pockets. We need to build a tradition of giving to our NGOs because we cannot expect anybody else to.

South Africans must be prepared to "put their money where their mouths are" and sponsor the causes in which they believe. In this way

Need for new source of funds

American democracy is, arguably guaranteed more by the fact that NGOs such as the National Rifleowners' Association are guaranteed, for instance, the right to no-billise and lobby for the continued right of all Americans to bear arms.

This proliferation of NGOs that are financially supported by the American business sector and ordinary citizens act at once as watchdogs of government excesses or failures and articulators of the needs and concerns of their members and supporters.

But to be fair to South Africans, the United States has a tax regime which encourages individuals and

corporations to give to causes they believe in. Instead of paying over everything to the taxman the American taxpayer can choose to give an amount to a legitimate civil society organisation of his or her choice and then deduct this from tax.

The South African Government will do well to consider a similar tax regime, and increase tax-deductible contributions for both companies and individuals to the 10% or more being sought by the NGO sector.

It is true that the state needs all the money it can get to address the formidable social challenges that it faces, but such a tax break, despite it being so small, will encourage a

tradition of giving to NGOs which in turn will enable them to help deliver on the challenges faced by Government.

Besides, studies in the United States suggest that these breaks have encouraged contributions to NGOs normally four times higher than the tax that was diverted from government coffers.

While the majority of NGOs are run as tight, effective, lean and very often underpaid organisations, NGOs themselves are not without blame for their own plight.

It is true that not all NGOs were - or indeed are - scrupulously efficient, effective or even democratic. The history of the NGO movement

Ex-student activist with a mission plans rural revival

Former Nusas president Kate Philip is putting flesh on the bones of long-conceived plans for rural development, writes **Reneé Grawitzky**.

DD 14/9/98 (297)

WHILE business, labour, government and the community flounder in their attempts in drafting an agenda for the presidential jobs summit next month, Kate Philip, CEO of the Mineworkers Development Agency, has quietly developed a model for rural economic development.

The former National Union of SA Students president has come a long way from police harassment and delivering newspapers out of the boot of her car after the offices of the SA Student Press Union were bombed in the state of emergency.

Philip hit the headlines last week following Anglo-gold's pledge of close to R6m to finance the establishment of a regional development centre in the Eastern Cape town of Kokstad.

The setting up of the centre forms part of a larger R80m project which was unveiled by Philip last month.

This project — aimed at promoting job creation and rural economic development — will be funded by government, foreign donors and the private sector.

After the 1987 miners strike, which led to the dismissal of 40 000 miners, the National Union of Mineworkers (NUM) set up a development unit to initiate job creation programmes for these miners and communities that relied on income from the industry.

Philip joined the unit in 1988 where there was no clear model or formula to meet high expectations it would be able to deliver jobs.

Ten years down the line "her lonely work is finally beginning to bear fruit", a former NUM colleague said.

There is a general sense within the NUM that Philip is a true trade unionist without a self-serving bone in her body, who tends to shy away from the limelight. At the same time she is also viewed as being tough, persistent in reaching objectives, and stubborn.

Business is also positive about her work and praise her highly.

A unionist said "the saddest thing is the Mineworkers Investment Company gets all the glitz and glamour while the Mineworkers Development Agency does the real work behind the scenes".

The R80m project will entail



Kate Philip

Picture: TREVOR SAMSON

the setting up of a network of 15 regional development centres in the rural areas.

These centres provide a range of services to mining communities and retrenched mineworkers. The services include business and technical training and accessing to external markets and a range of economic services.

Among the latter is bulk supply of raw materials which will be facilitated by the establishment of a central buying agency, a poultry supply centre, and the sale and hire of technology.

The centres are based on the current model used by the agency, which led to the setting up of four centres around the country.

On joining the union, Philip began to explore the extent to which the co-operative model would work in fostering job creation.

However, by 1993 with rising retrenchments the union was forced to develop job creation strategy where the services provided are inclusive — so that no one was turned away.

Mass retrenchments at Arnot colliery marked the official shift away from co-operatives to strate-

gies of economic co-operation. This strategy does not stress the collective control of resources but rather collective co-operation.

These workers took the initiative, with the technical assistance from the union, and began projects to rebuild the local economy.

This initiative spearheaded the establishment of the agency's first development centre — Mhala in the Bushbuckridge area.

Philip could provide a few pointers for those embroiled in debate on job creation projects in the build-up to the jobs summit.

What is of real concern, she says, is that so many job creation strategies are developed in boardrooms but might never see the light of day. People fail to understand the real constraints of capacity to implement schemes, Philip says.

Her experience in the rural areas has taught her that "the key concept of any process should be local resources and local initiatives".

While rejecting any notion of "crossing the floor" to work for big business she is very supportive of the work done by the union.

Those in the labour movement critical of her initiatives — essentially aimed at fostering self employment and small enterprise development — argue she is a contradiction in terms.

They question how she can be critical of big business and yet also foster small enterprises.

Philip says "on the one hand it has become acceptable for trade unions to participate in the commanding heights of the economy yet the single mother selling vetkook at the factory gate is still a class enemy".

She believes an obvious alliance exists between trade unions and the self-employed. In reality, she says, small entrepreneurs, in their struggle to survive, "come up against monopoly capital".

Having begun to see her ideas finally being implemented, and achieving results, she is still committed to staying at the agency as "this just gets more exciting".



Scope of national fund too narrow, say critics

15/9/98

(297)

Linda Ensor

CAPE TOWN — The National Empowerment Fund (NEF), as presently conceptualised in draft legislation, would mainly benefit a small black elite, the Congress of SA Trade Unions (Cosatu) and the SA Institute of Race Relations said in Parliament yesterday.

The NEF Bill would create a state-financed trust which would give "historically disadvantaged" people the opportunity to acquire shares in restructured, state-owned enterprises. It would also support business ventures run by blacks.

The aim would be to promote ownership of income-generat-

ing assets by the historically disadvantaged, defined as those who had suffered unfair discrimination on the basis of their race under apartheid. Associations or companies controlled by black people would also benefit.

In a letter to the parliamentary portfolio committee on trade and industry, which is discussing the NEF bill, Cosatu parliamentary officer Neil Coleman suggested that the fund give priority to "wider social benefits, such as employment creation and equitable service delivery rather than simply benefiting a small elite who already own business and shares in enterprises".

Cosatu lobbied for the bill to

be presented before National Framework Agreement (NFA) structures before proceeding through Parliament.

Coleman said it was a "significant shortcoming" that the bill had not been through these structures.

"There should be greater consensus between labour and government about whether the mechanisms proposed in the bill will actually have the effect of advancing the objectives agreed in the NFA," Coleman said.

The committee agreed to have the bill submitted to Nedlac. The institute's parliamentary analyst, Jean Redpath, told the committee the institute opposed the bill in principle be-

cause the beneficiaries of the NEF were racially defined.

"In essence this means people previously classified as black, no matter what their individual circumstances, and companies run by black people.

"Legislation which allocates benefits on the basis of race alone is unconscionable. Shares in state assets should rather be made available for purchase by individuals who are below a defined income or asset level, irrespective of their race."

Democratic Party MP Colin Eglin objected to the racial definition of beneficiaries as he said there were other categories of people, such as women, who also suffered discrimination.

Halt in Boesak trial as funds run out (297)

CAPE TOWN — The Cape Town High Court yesterday postponed the fraud trial of former South African anti-apartheid cleric Allan Boesak after only three weeks because funds for his defence ran dry.

"If we do not get proper legal aid, we will bring an application to stop prosecution," Boesak's lawyer Chris Petty said after the court granted a postponement of the trial until next Monday.

"Without legal aid, Dr Boesak cannot get a fair trial."

20 15 1998
Petty said about R1m of funding from an anonymous overseas donor for the trial had been used up and Boesak's team would now appeal for legal aid.

Boesak (52) has pleaded not guilty to 32 charges of theft and fraud for allegedly embezzling over R1m donated by foreign donors to help the poor in the final years of apartheid.

The accusations were first made by a Danish aid agency before the national elections in 1994.

But the start of Boesak's case was postponed several times due to a row with the Legal Aid Board over funding his defence.

The former president of the World Alliance of Reformed Churches was originally granted legal aid for a small team but denied further funds to employ a top defence lawyer.

The mystery donor then came up with funds to pay for a senior counsel, prompting the Legal Aid Board to withdraw all funding. The case only started last month when the donor said the funds could be used to pay for the whole team.

The former cleric, who later became Western Cape leader of the African National Congress, says the delays have been agonising and he has been living in limbo off friends' charity.

Boesak's defence so far has concentrated on pointing the finger at his bookkeeper Freddie Steenkamp, who was jailed last year for six years after pleading guilty to similar charges. — Reuter.

at a memorandum to

Concern over welfare dept's underspending

ET 17/9/98
(297)

JOVIAL RANTAO

PARLIAMENT'S public accounts committee has expressed concern at serious shortcomings in financial management in the Department of Welfare, which could not spend 43% of its 1996/97 budget.

In a report to Parliament, the committee — chaired by Ken Andrew (DP) — said it was concerned at the extent of unspent funds — R52 million — surrendered by the department to the treasury.

"Many of the shortcomings identified were caused by the restructuring process the department underwent until mid-1996, the high rate of staff turnover in the department and a basic lack of experience in many key financial management positions," the committee said.

"The committee is also concerned that financial management appears to be of secondary importance to the department."

It recommended that the department, as a matter of urgency, appoint properly

qualified and experienced financial personnel, establish an internal audit section and appoint an audit committee.

The committee found that the department had in the same financial year spent R414 631 in unauthorised expenditure. After deliberations, which included questioning the department, the committee decided that the amount should be authorised.

The items it was spent on included:

- Payment for conference facilities, catering services and hotel accommodation — R149 487 without adherence to tender regulations.

- Payment to a consultant for development of programmes for unemployed women with children under the age of five — R108 896.

The committee said it was worried that senior management allowed crucial decisions, such as the awarding of government contracts, to be made by inexperienced and unqualified personnel.

Concern after Welfare Department fails to spend 43% of budget

(297)

Cape Town - Parliament's standing committee on public accounts has expressed concern at serious shortcomings in financial management in the Department of Welfare, which could not spend 43% of its 1996/97 budget because of incapacity.

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Andrew (DP) - said it was concerned at the extent of unspent funds - R52-million - surrendered by the department to the treasury.

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lack of experience in many key financial management positions," the committee said.

It recommended that the department, as a matter of urgency, appoint properly qualified and experienced financial personnel, establish an internal audit section and appoint an audit committee. - Political Correspondent

ATW 17/9/98

Too little, too late for NGOs?

Ann Eveleth

(297)

M+G 18-24/9/98

Many non-governmental organisations entered NGO Week this year on the precipice of financial uncertainty, with further delays predicted in the establishment of the long-awaited National Development Agency.

Parliament approved legislation last week paving the way for the agency, which will channel state and donor funds to struggling organisations, but NGO commentators said this week the new Bill may prove to be a case of "too little, too late".

The government is optimistic the agency could be up and running early next year.

However, Paul Jackson, general manager of the Transitional National Development Trust — set up in 1995 to fill the interim funding gap — told the *Mail & Guardian* this week it would be "optimistic to expect the agency to open its doors before July 1999".

Jackson warned the government was underestimating the time needed to get the agency up and running.

"The Bill went through Parliament last week, but it still has to go through the National Council of Provinces. Legislation was supposed to go through in June 1997.

"Once the Bill goes through, there still has to be an open process to appoint the board, then the board has to appoint a CEO, the institution has to be established, staff must be appointed and policy must be developed and debated. Then the agency will have to accept and scrutinise funding applications," said Jackson.

But Shaheed Rajie, the Department of Finance chief director in charge of piloting the legislation through Parliament, said much of the start-up work is already being completed by the transitional trust.

"We will have a public process to select the board. The members will

be chosen by a panel comprising development experts and government representatives, and it will be an open and transparent process," he said.

"However, the trust is already doing support work to get the National Development Agency up and running. It is considering [funding] applications on behalf of the agency," he said.

Rajie offered early 1999 as a "conservative" estimate for the opening of the agency.

In the meantime, many established NGOs are struggling to continue existing programmes, while "urgent poverty alleviation projects just can't be funded", said Jackson.

The trust's limited one-year funds have long since been allocated. It received R50-million from the government and R70-million from the European Union in mid-1996, but this was allocated to 500 projects approved by November 1996.

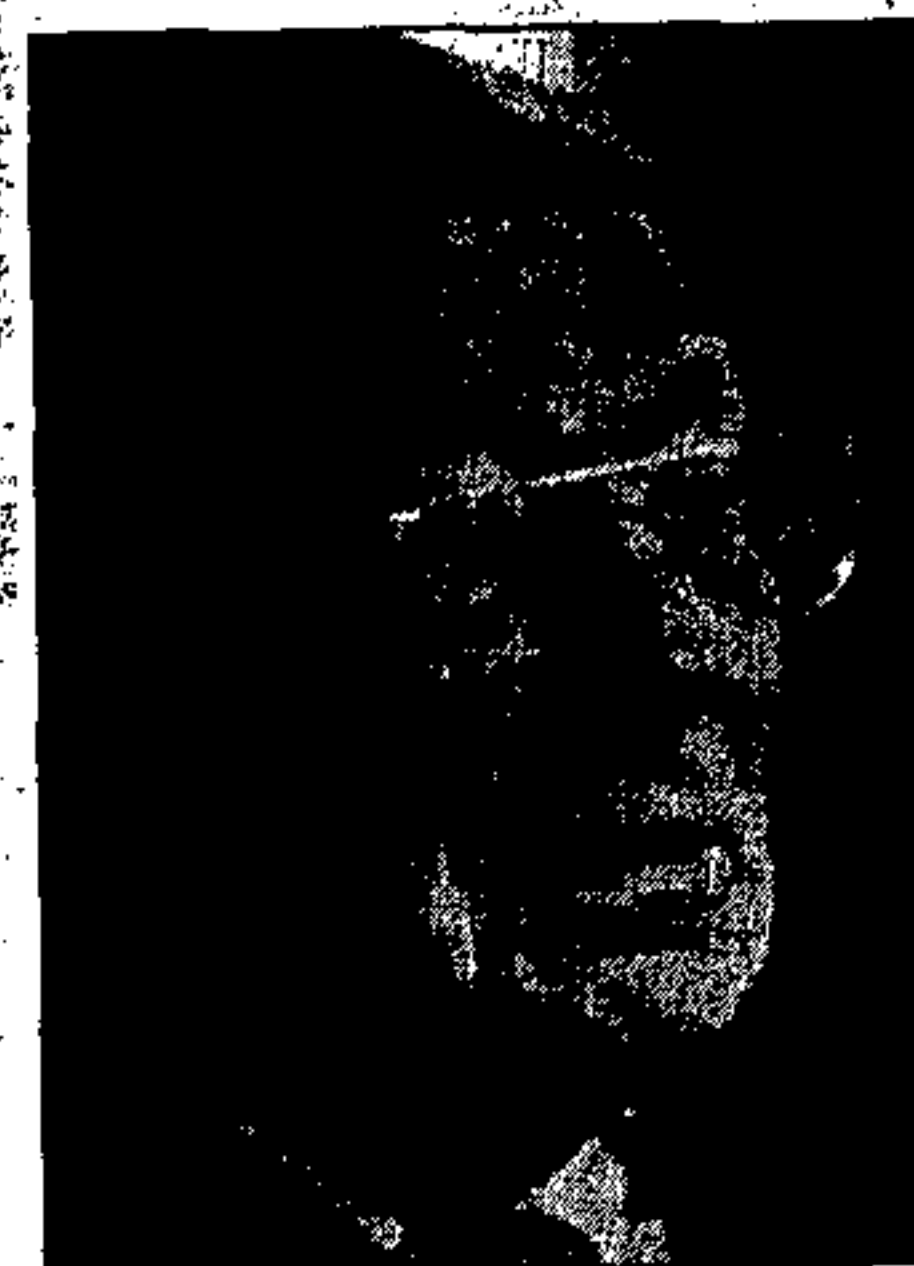
Although R30-million of this is still to be disbursed, the trust has no further resources to allocate. "Some NGOs have been forced to retrench staff; others are complaining they spend so much time fund-raising there is little time left for project work."

Adult training and education NGO Prolit is one of many NGOs feeling the funding gap.

CEO Andrew Miller says the R1,2-million training grant the organisation received from the trust last year ended last December. The grant provided more than one-third of its total training budget.

"We've curtailed our community-based training to the extent that now we say to community-based groups, 'Unless you pay for the training, we can't do it.' We've done very well with the shift to self-sufficiency, so that last year 60% of our R13-million budget was earned through government tenders and contracts with Eskom and Telkom.

"At the end of the day, if we can't get donor money, we can't work with poor people. That's the real tragedy



Spirits of Hope: Four people are being honoured at NGO Week for their 'outstanding contribution' to the sector. This year's recipients of the South African NGO Coalition's Spirit of Hope awards are (clockwise from top left) Environmental Development Agency health and women's development activist Tshepo Kumbane; veteran Black Sash activist Sheena Duncan; People's Dialogue on Land and Shelter founder 'Mama Iris' Namo; and former South African Council of Churches general secretary Beyers Naudé

of the funding gap," says Miller.

That gap has proved particularly difficult for education and training NGOs, with the sector's main funders cutting back or closing down over the past year.

Penny Smith of the maths promotion NGO Count says the R300 000 her organisation received from the trust amounted to 25% of its total budget. The money paid salaries and enabled the organisation to provide materials and services to train maths teachers and trainers.

Waiting for the National Development Agency, in addition to the closure of the World University Service last year and an abrupt end to USAid start-up funding, has forced Count to seek local funders. "We have been able to make ends meet,

but it hasn't been easy," says Smith.

Other NGOs are still crossing their fingers in the hope alternative funders will rescue their projects.

Minister of Finance Trevor Manuel told Parliament the government will contribute R160-million to the National Development Agency in the 1999/2000 financial year, followed by R265-million the next year. "In addition, a financing proposal is under consideration by the EU for ... about R210-million over a period of three years," he said.

This budget is, however, contested by the NGO sector. The South African NGO Coalition lobbied for R1,5-billion, a sum equivalent to the amount the previous government channelled into the Independent Development Trust at its inception.

NGO WEEK

APPEARING IN THE STAR AND THE PRETORIA NEWS

Star 18/9/98 (247)

Ending poverty is the top priority right now

The South African NGO Coalition, the umbrella body for several thousand of non-governmental organisations, is committed to eliminating poverty.

The theme for NGO Week, being celebrated nationwide from September 13-20, is 'The Economics of Poverty and Inequality'.

"We are committed to working with our democratically elected government to reverse the huge social backlogs created by apartheid," said outgoing Sangoco executive director Kumi Naidoo. However, he adds that a healthy democracy requires the space for criticism

and difference of opinion. "The NGO sector has a responsibility, while being supportive of government when it is appropriate, to also be critical when it is necessary," he said.

As the millennium draws near, Naidoo said accelerating the war against poverty and inequality should rank as the key challenge for NGOs.

In a Sangoco briefing paper on "Poverty and Economics in South Africa", James Heintz and Conrad Jarline of the National Labour and Economic Development Institute (Naledi), said it was clear that high levels of both absolute and relative poverty exists in the country.

The likelihood of being poor is much greater for women, non-urban households, individuals living in rural provinces and African families, said the report. "The high level of poverty is linked to a vastly unequal access to economic resources, making it impossible to speak of eliminating poverty without examining how the economic flows which sustains households are determined."

The report said if poverty is to be addressed in South Africa, an alternative approach to economics must be developed. It suggested asset redistribution through an effective housing

policy, land reform, expansion of credit availability, competition policy and policies to expand community and worker ownership, as one of the ways to start dealing with economic transformation.

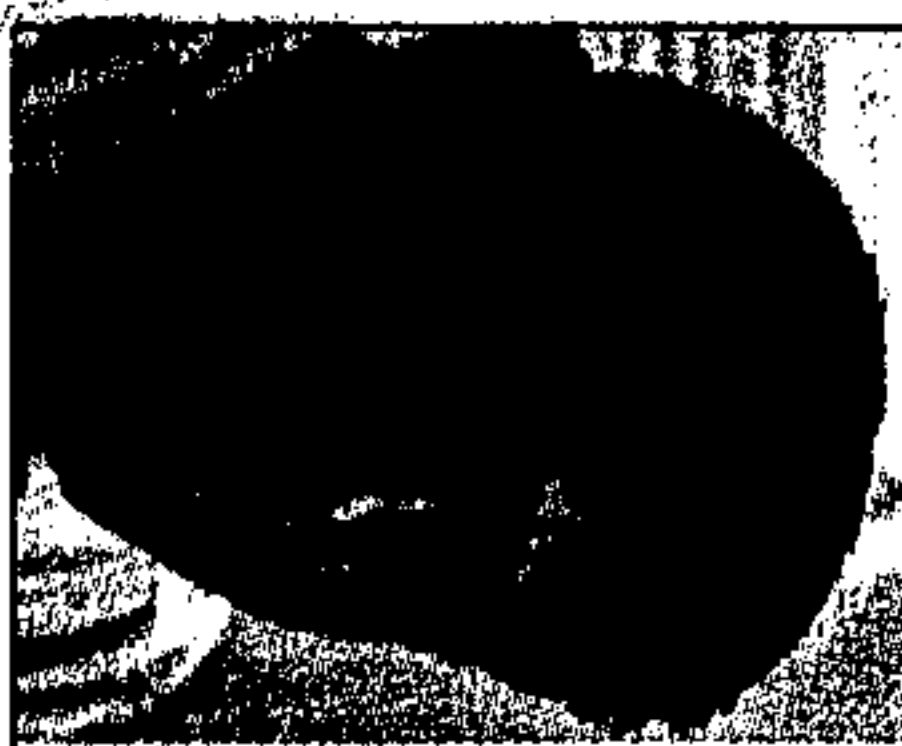
Access to employment, getting rid of gender discrimination in the workplace and developing strategies for the informal sector were other solutions raised in the study.

The pressure from NGOs led to the creation of the Transitional National Development Trust (TNDT), an interim development and finance agency which works as part of a national strategy to alleviate

poverty. The trust is set to be replaced by the National Development Agency, which has been promised R200-million when it starts running.

A bill spelling out the aims of the NDA was passed in Parliament last week. It has to be passed by the National Council on Provinces before it is signed into law by President Mandela.

Sangoco President Rams Ramasha said the establishment of the NDA would help soften the impact of the reduction in foreign donations but it will not solve all the problems. "Sangoco will therefore seek other creative ways of ensuring the



Outgoing director Kumi Naidoo

financial sustainability of the NGO sector.

"If the needs of the poor are to be addressed, it is important for government to meet the needs of NGOs," he said.

New laws, poverty hearings, TRC session: quite a year

The past year has seen the South African NGO Coalition score several victories.

These include the successful Speak Out on Poverty Hearings, the historic Men's March to Protest Violence Against Women and Children, and a submission on apartheid debt to the Truth and Reconciliation Commission.

In order to stabilise the working environment for NGOs, Sangoco and its partners received a boost when Government passed the Non-Profit Organisations Act last December.

The movement was also in-

volved in the formulation of the National Development Agency Bill and launched a programme to reform the tax laws governing donations to NGOs.

A Non-Profit Partnership, launched in April, was another step towards ensuring the financial sustainability of the sector.

Plans are under way to set up a pension and medical aid scheme for NGOs, in addition to securing reduced rates on goods and services consumed by those in the sector. Sangoco has over 4 000 members working in nine provinces.

The South African NGO Coalition celebrates NGO Week with events throughout the country, confident that the organisation has a key role to play in eliminating poverty.
EDITORIAL: Edwin Naidoo
ADVERTISING: Gabbie Gildea

Tax relief for NGO donations on the cards

AKG 18/9/98
BLACKMAN NGORO

STAFF REPORTER

Tax reforms for businesses which contribute to non-government organisations are on the cards through proposed new legislation on corporate philanthropy, says Rams Ramshiya, president of the SA Non-Governmental Coalition.

NGOs were struggling to carry out their work because funds from foreign donors had dried up, he said.

About 145 non-government organisations are gathered in Cape Town to decide on how to bring about meaningful development among the impoverished.

Less should be said and more done, said Mr Ramshiya at the opening press conference yesterday.

"The organisations will map out strategies for poverty eradication in the areas of environment, land, children and women.

"The coalition will also find ways of relating to the World Bank as some of its thinking influences Government policy decisions."

However, there was no interventionist mechanism for NGOs to influence decisions or the reversal of policies adversely affecting the rural poor or the urban impoverished. The coalition would deliberate on poverty eradication and come up with recommendations for the Government.

98
'SA has potential to be economic hub of Africa but lacks poverty eradication plan'

Cape Town - It is clear that South Africa has no national poverty eradication plan, with the social deficit remaining enormous four years after the 1994 general election, the chairperson of the South African National Non-Governmental Organisation Coalition said yesterday.

Delivering his keynote address at Sangoco's third annual

conference in Cape Town, Rams Ramashia said the country had the potential to be the economic hub of Africa, but competed instead with Brazil, which had the highest level of inequality and poverty in the world.

"We have malnourished, emaciated children on our streets trembling under cover of newspapers, while other

children are driven to schools in luxury cars.

"We have teenage girls getting cars for their birthdays, co-existing with others who have to sell their bodies to support their parents," he said.

Ramashia said the national debt inherited from the apartheid government seriously affected the Government's capacity to spend more money on

poverty eradication efforts.

He warned that the globalisation of world markets would result in the globalisation of poverty.

Public Works Minister Jeff Radebe said the Government hoped to increase funds for poverty relief from this year's allocated R817-million to R1-billion in the next few years. - African Eye News Service

997 (997) 18/9/98

AT RAYENFELD
AUCTION ROOMS

Process Palace

NGOs badly cash strapped

(297)

18/9/98

The overall reduction in foreign funding and the shift by donors towards bilateral government programmes has hit non-governmental organisations hard.

Sangoco chief Kumi Naidoo said many NGOs were forced to close or cut back on programmes as funding dried up. NGOs were heavily supported during the struggle against apartheid but democracy brought with it a shift in funding by foreign donors.

Andrew Miller, director of Project Literacy, said the reluctance of donors to fund core costs had a negative impact on NGOs. Part of the problem, he said, stemmed from the fact that, increasingly, donors wanted recognition for their support.

"Their board of directors finds it easier to understand that their money has made 2500 people literate than congratulating themselves on enabling a NGO to purchase a top-class

MIS system or to pay the salary of a good accountant to manage other people's funds," he said.

The closure of the National Literacy Co-operation earlier this year offered several lessons. "When you fund an organisation to the tune of R20-million without first ensuring that proper management and infrastructure exists, the programme is bound to fail."

He said NGOs, which have to compete with the private and public sector in attracting staff, have to ensure that sensible allocations of money are made for the positions such as the financial manager. "To offer a financial manager a salary of R7 000 to administer funds of R20-million is patently silly. And no one can win in this situation," he said.

If proper allocations of resources had been agreed to at the beginning, a very different scenario would have unfolded.

NGO Week focuses on ways to end poverty

By ZOLILE NQAYI
STRATEGIES to eradicate poverty was the main topic of discussion at NGO Week which ends in Cape Town today.

The conference, which started on Thursday brought together trade unionists, government officials, politicians, NGO and church leaders.

President Nelson Mandela pledged his support for the conference which brought together all the Non-Governmental Organisations (NGOs) in the country. He said the conference's focus on inequality and poverty should be "given as much support as possible". The country needed such organisations that work to improve quality of life in South Africa, Mandela said.

Kumi Naidoo the outgoing Executive

Director of the South African National NGO Coalition (SANGOCO) said: "NGOs believe that we cannot address the issue of poverty and inequality in South Africa without applying ourselves to the economic realities that confront South Africa."

Delegates said there was an urgent need for tax reforms to encourage business and individuals to give more to NGOs. Other issues discussed included NGOs' relations with regard to government and political parties during the next elections.

"The conference is also an opportunity to celebrate the achievements of the NGO sector, reflect on the challenge it faces and set goals for the next couple of years," said Rams Ramashia, president of SANGOCO.

Speed up my million-rand fraud trial, Boesak begs Mandela

Allan Boesak today appealed to President Mandela to help speed up his fraud trial after funds for his defence ran dry and his legal team walked out.

"Apart from my faith in God, my hope is now centred upon our president," he told reporters outside the Cape Town High Court. "He is a fair and just man, who himself has felt the sharp tooth of injustice."

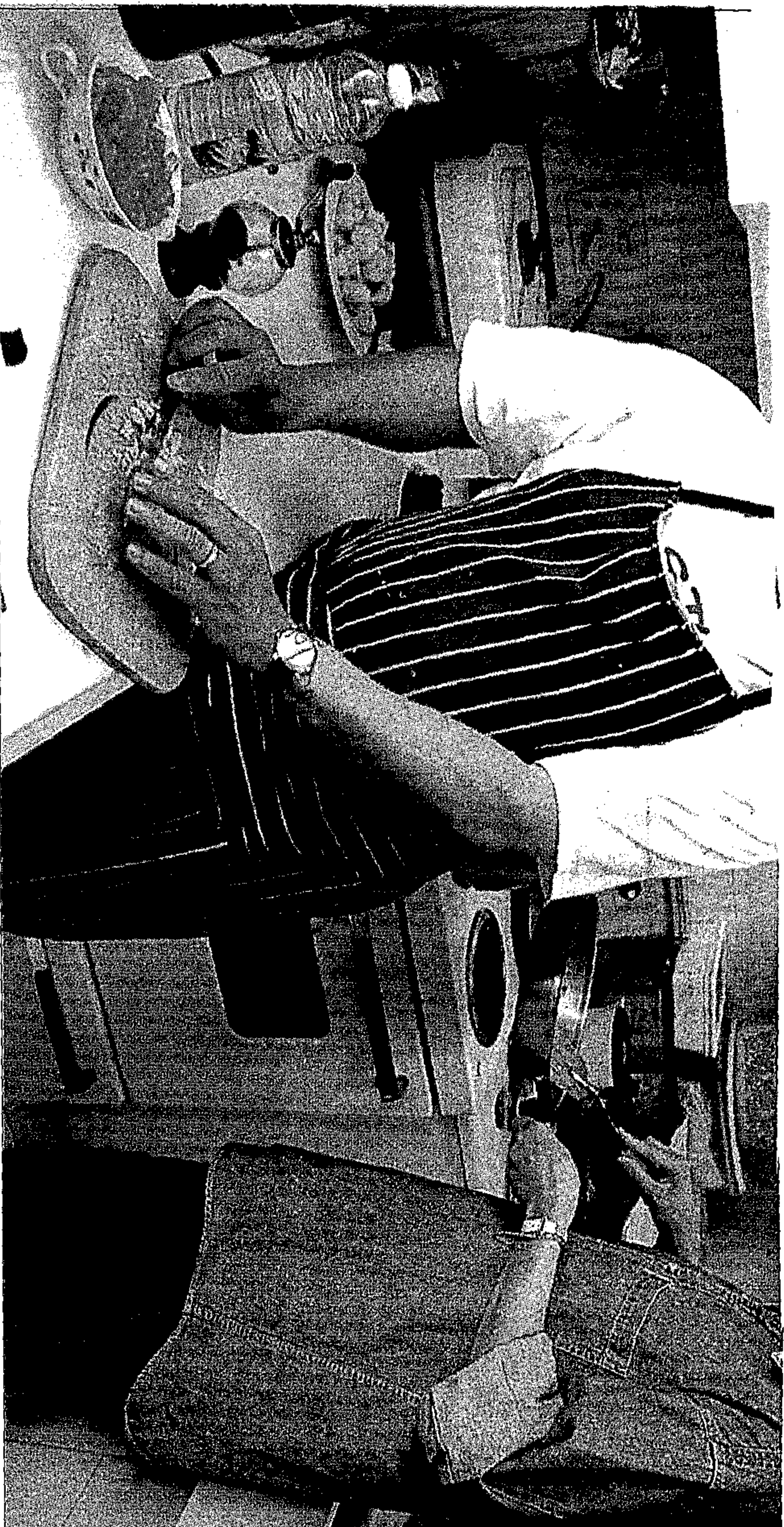
Judge John Foxcroft earlier postponed the much-delayed trial until October 17 after Mr Boesak's senior counsel, Mike Maritz, said he and his assistant were stepping down because the Legal Aid Board would not pay them enough.

Mr Maritz said it had taken six months to become acquainted with the details of the case — and said any new team would also need six months to prepare before the trial could be resumed.

Mr Boesak, 52, has pleaded not guilty to 32 charges of theft and fraud for embezzling

over a million rand donated by foreign donors to help the poor in the final years of apartheid. "My life has been placed on hold for more than four years. My family and I have lived under the enormous strain of having been accused and found guilty long before this trial started," he said.

Reuters
APLS 21/9/98



Domestic calm: Allan and Elna Boesak cook supper after his court case was postponed in the Cape High Court yesterday. 'It is a daily battle to fight the inertia,' says Dr Boesak

Boesak 'regrets' his part in struggle

AKG 22/9/98 (297)

LENDRE OLIVER
COURT REPORTER

In the 1980s, Allan Boesak was at the forefront of the struggle, leading marches and speaking out against the government. Now, he says he regrets it.

"I regret standing up for justice, I regret leading marches. If I had not done any of those things, this would not have happened," he said. "This" is a reference to the delays

in his fraud and theft trial in the Cape High Court.

He has pleaded not guilty to misappropriating R1,1-million in donor funds from his Foundation for Peace and Justice. The case has been adjourned to October 19.

The trial and a shortage of money means Dr Boesak is forced to stay at home - and he's bored.

"I've always been a hard-working person and it's frustrating for me to sit at home without anything to do. It

is a daily battle to fight the inertia which sets in."

After a lengthy dispute over the financing of his legal costs, the Legal Aid Board has now offered "30% less than what they offered 18 months ago", according to Dr Boesak.

Among other things, his lawyers want:

- R6 000 a day and R600 an hour consultation fees for senior counsel Mike Maritz.
- A full day's pay, even if the court

sits for only 15 minutes.

■ Payment for a full day on Fridays, even though the court does not sit on Fridays.

■ Travel expenses to and from Pretoria every weekend.

The Legal Aid Board is offering:

- R3 000 a day for Mr Maritz and R1 800 a day for advocate Jaap Cilliers and attorney Chris Petty.
- No pay for Fridays.
- Travel costs to and from Pretoria every second weekend.

Boesak asks Mandela for help

CAPE TOWN — Former anti-apartheid cleric Allan Boesak appealed to President Nelson Mandela yesterday to help speed up his fraud trial after funds for his defence ran dry and his legal team walked out.

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donors to help the poor in the final years of apartheid.

The accusations were first made by a Danish aid agency before all-race elections in 1994.

The start of Boesak's case was postponed several times due to a row with the Legal Aid Board over funding his defence. The former president of the World Alliance of Reformed Churches was originally granted legal aid for a small team, but denied further funds to employ a top defence lawyer.

A mystery donor then came up with R1m to pay for a senior counsel, prompting the board to withdraw all funding. The case only started last month when the donor said the funds could be used to pay for the whole team.

The defence team had to go back to the Legal Aid Board last week after only three weeks of proceedings to ask for more funds when the anonymous donation ran out.

Boesak's defence so far had concentrated on pointing the finger at his book-keeper Freddie Steenkamp, who was

jailed last year for six years after pleading guilty to similar charges.

Boesak said that the state had spent more money on the prosecution in his case than any other criminal case in SA history. He also said that apartheid-era defence minister Magnus Malan had been granted legal aid to pay for a senior counsel in his trial dismissed in 1996 for lack of evidence.

"All the persons involved with this case ... are remnants of the old apartheid regime who have been lusting after my blood for more than 20 years," he said.

Boesak, who became Western Cape leader of the African National Congress after entering party politics, says that the delays have been agonising and that he has been living in limbo off the charity of friends.

"My life has been placed on hold for more than four years. My family and I have lived under the enormous strain of having been accused and found guilty long before this trial started," Boesak said. "I want this humiliation to end." —
Reuter.

Real power is economic

Land Bank gives people a 'step up'

By Isaac Moledi

SIX months after it had been identified as the development finance institution for the agricultural sector, the Land Bank is succeeding in giving rural people access to credit, thanks to its innovative micro-credit programme, Step Up.

Introduced early this year, the programme has, according to Land Bank managing director Dr Helena Dolny, helped increase the number of rural people taking loans with the bank from a few hundred to more than 2 000.

Even more encouraging are loan repayment rates, which have improved from around 50 percent to more than 80 percent.

According Dolny, more than 6 000 people are already benefiting from access to credit and the money is being used for purposes ranging from emergencies and school fees to small-scale agricultural production.

It is expected that this number will increase once the programme

moves out of the present pilot phase to full national implementation.

Dolny believes that the decision by Government to transform and restructure the bank has had far-reaching implications for the Land Bank, which until recently, was one of the most conservative, white male-dominated banking institutions in the country.

"Central to the Land Bank's mandate is the expansion of its scope to develop its innovative products to meet the needs of emerging farmers and rural people. People mostly considered unbankable in the past."

Opening the door

Dolny argues that the success of the Step Up programme, an alliance between the Land Bank and a Cape-based micro credit agency Start Up, lies in it abandoning traditional approaches to screening clients and "opening the door to anyone with an ID, a bank account and a 20 percent deposit".

"A major issue here was the high

cost of delivery relative to small loan sizes and the consequent pressure on margin," she says.

This "mass minimal approach - mass access, minimal conditions", she says, is based on accepting some losses and setting them off against the amount saved on screening.

The Start Up agency has also developed very efficient, automated systems to process loans and make repayments.

"Using this approach the agency has had considerable success.

"The Land Bank saw an opportunity to build on this successful formula to give rural people access to credit through the Step Up programme," says Dolny.

"Armed with their ID, bank accounts and deposit, clients can get an initial loan of up to R250. Once this is repaid they can step up to R500 and continue to the limit of R5 000," she says.

She adds that the aim of the present pilot phase is to identify potential problems and work on solutions.

Boesak in 'worst possible position' as lawyers quit

CARMEL RICKARD

ST 27/9/98

(297)

THE fraud and theft case against former Western Cape ANC leader Allan Boesak has been postponed in the Cape Town High Court following the decision by his legal team to pull out.

They withdrew after negotiations with the legal aid board failed to work out a compromise fee for the team, particularly its leader, Mike Maritz SC.

He wanted R6 000 a day, including for Fridays when the Cape Town High Court does not sit.

He also wanted R6 000 a month for travel so that he could return to Pretoria each weekend, and a further R7 000 a month for accommodation.

The board offered to pay him R3 000 a day, but drew the line at paying for days on which the court did not sit.

The board was also prepared to pay for him to return to Pretoria only once a fortnight.

Maritz was hired after Boesak received R1-million from an anonymous donor to use for his defence.

These funds have, however, run out, and Boesak must rely on the board to fund the rest of his defence.

Boesak said he planned to ask President Nelson Mandela to intervene in the dispute with the board.

Peter Hodes SC, chairman of the General Council of the Bar, which represents most of South Africa's advocates, said the board should never have agreed to fund a legal team from Pretoria to fight a case in Cape Town.

He said if the board had taken on a local advocate it would have saved costs and the stalemate would have been avoided.

"There are more than 300 advocates at the Cape Town Bar and any number of attorneys. We could have got absolutely top-class lawyers to handle the case... at legal-aid rates. That is part of the culture of the Bar."

Board officials said they were aware of their constitutional obligations to Boesak, but they had to assist all accused persons who were indigent and needed board funding for their defence. Moreover, the officials said, the board's funds were limited.

Lawyers said that the postponement of the trial put Boesak in the "worst possible position", because his team had done an enormous amount of work on the case. A new defence team would have to start from scratch.

US agency denies downgrading ties with non

20 18/4798

(297)

Alan Fine

CAPE TOWN — The US Agency for International Development has denied suggestions by nongovernmental organisations that it has downgraded relations with them following the attack on such organisations by President Nelson Mandela at the African National Congress's (ANC's) Matikeng congress in December.

The agency is the US government's aid funding body. Representatives of a number of nongovernmental organisations say they

have noted a shrinking share of funding from the agency going to them, with more going directly to government.

Particularly under the knife, some say, are groups which publish views critical of government. They fear the agency has yielded to government complaints.

They also complain of cumbersome bureaucratic procedures in the way of applications for funding from the US agency.

In his opening speech to the Matikeng congress, Mandela said nongovernmental organisations were "still being funded by

some from outside our country to promote their political agenda within our country".

Though no names were mentioned at the time, it became common cause in the sector that the ANC was annoyed by the US agency's "democracy and governance programme", and in particular its public policy information programme through which the Institute for a Democratic Alternative in SA (Idasa), the SA Institute of Race Relations, and the Institute for Multiparty Democracy were funded.

The party especially objected to an Idasa

survey which found widespread public unhappiness at perceived high levels of corruption in government.

New SA director for the agency, Stacey Rhodes, said on Friday that while there had been changes in the way it operated, these had occurred over the past "our years to bring the agency's SA operations in line with its international approach following the country's political normalisation. Most changes were not at all due to Mandela's congress attack.

He said the agency was, in any event,

unaware that Mandela's attack had been directed at it.

Rhodes said the only effect of the Matikeng speech was that the agency had held a meeting with the SA government in April to discuss what government saw as the country's developmental priorities, and that it had been decided that such a meeting should take place each year.

The speech, and its specific meaning, had not come up for discussion at the meeting. The agency had agreed to provide government with more detailed informa-

tion about its projects.

Rhodes said the agency's funding for nongovernmental organisations until 1994 had always been an exception. Elsewhere, funding was always channelled through host governments. The organisations now had to tender their services for specific projects, bringing SA procedures in line with international norms.

US Embassy spokesman Bruce Wharton said it had contributed \$600,000 to funding the recent SA nongovernmental organisation coalition conference in Cape Town.

government sector

ABOUT-FACE OR POLITICAL PLOY?

Boesak gets MEC's 'support'

ET 28/9/98 (297)

NP POLITICIAN Peter Marais says Allan Boesak is getting a raw deal from the legal system and promises to defend the former anti-apartheid activist. **CHRIS BATEMAN** reports.

CASH-STRAPPED former struggle hero Allan Boesak, now living under the shadow of allegedly misusing R1,1 million in donor funds, may have found an unlikely champion for his battle to mount an adequate legal defence — Health and Welfare MEC Peter Marais.

The maverick Marais — fresh from lunching with President Nelson Mandela and courting suspicion within his own National Party ranks of a leftward leap to the ANC — said at his party's provincial congress last week that he wants to come to the beleaguered Boesak's assistance.

"I believe he's getting a raw deal — he's been sucked dry like an orange and discarded when there's no more political juice," the vote-catching veteran of popular local political platforms said.

Marais, arguably the only local NP orator to come close to matching Boesak in campaign trail rhetoric, claimed he was motivated only by "Christian values and a desire for justice for everybody, regardless", and said he had telephoned Boesak and arranged a meeting for early this week.

He says he's concerned about Boesak's "legal aid situation".

"I cannot believe that the justice system for which Boesak fought so hard is now powerless to help him.

"He is innocent until proven guilty and deserves the best defence he can get.

"I'll raise it with Madiba and highlight the unfairness of a system which can free the killers of Amy Biehl yet spend millions prosecuting Boesak," Marais said.

Boesak has pleaded not guilty to misappropriating R1,1 million in overseas donor funds given to his Foundation for Peace and Justice during the height of the mid-1980s anti-apartheid struggle.

Last week his trial in the Cape High Court was adjourned to October 19 after the Legal Aid Board decided to offer only limited funds for his defence, causing Boesak's defence advocate Mike Maritz, SC, to withdraw from the case.

Marais said he would probe the full extent of Boesak's legal situation and if assistance was warranted, "I'll go all-out to support his cause".

"I'll make a political fight out of this at all levels with top intensity."

He described Boesak as "a man whose nutritional value to the liberation struggle can never be ques-



FRIEND IN NEED?: Allan Boesak

tioned ... I'm a minister today because of men like him".

Boesak has expressed bitterness at the withdrawal of adequate defence funding, saying he now "regrets having stood up for justice ... for having led marches", and implying that he is being unfairly persecuted for his sacrifices.

Marais' move comes a week after it emerged that he had taken up two lunch invitations from Mandela following a chance remark to the President that he liked spicy food.

Political pundits have been quick to remark that there's "no such thing as a free lunch", point-

ing instead to Marais' obvious disappointment at losing the premiership race to Gerald Morkel earlier this year — and his lack of outright public denial of any shift towards the ANC.

They believe the courting of Marais by Mandela may be a shrewd move aimed at getting him "on board" before the 1999 election.

Marais has no peer in local NP political circles when it comes to crowd-pleasing speeches and vote-pulling ability on the Cape Flats.

He told the NP regional congress that "Mandela belongs to all the people", and made no apology for dining with him, saying he had informed Morkel beforehand and that he would dine with Madiba once again this week.

Morkel scotched rumours that Marais was about to be offered an overseas diplomatic posting.

The potential legal aid life-line from Marais to Boesak is most likely to be an election ploy by the NP to portray the ANC as an uncaring party that has discarded one of its own.

Marais explained that he was not intending to spend provincial government money on Boesak but that he was campaigning for central government to "meet their obligation to fair play".

Attempts by deadline to contact Boesak for comment were unsuccessful.

'Gear can't help poor of country'

By Political Staff

THE Government's macro economic policy of Growth, Employment and Redistribution (Gear) was a departure from the Reconstruction and Development Programme (RDP) and could thus not help in the redistribution of wealth in the country.

This view was expressed at the annual general meeting of the Institute of Contextual Theology (ICT) in Johannesburg at the weekend by Mr Mzwandile Nunn, a religious worker who teaches industrial ministry in Pietermaritzburg.

The conference was attended by about 60 delegates.

Nunn, who was speaking on the theme "Globalisation and human dignity" said where in the past people made money from selling their products, "today people get rich by selling money".

He said Gear was a policy that was devised to derail the RDP.

"Indeed if the RDP had been allowed to continue we would have been in a better position to redistribute

the wealth of this country. However, it has been stopped," he added.

In its place, he said, was Gear, which was a policy of a structural adjustment programme designed to dovetail with the dictates of the International Monetary Fund (IMF) and its insistence that social spending should be reduced or stopped.

He said there were reports that pensions might be phased out from 2003 as part of the IMF stipulations.

"We know that many families depend on the old age pensions to survive and that many leaders today grew up on those pensions. What will happen to these families when the crunch comes?" Nunn said.

He said the human dignity of people was trampled on under globalisation as people's needs came second to profit.

Reducing benefits

Jobs were shrinking as companies outsourced their work, thus reducing pension and other benefits that they would otherwise be expected to pay if they had put workers on their payrolls.

Nunn said a number of institutions were involved in efforts to find alternatives to the effects of globalisation.

He urged non-governmental organisations to join the debate around the economic future of the country, as it was clear that Gear would not help the poor.

Reverend Charity Majiza, general secretary of the South African Council of Churches, said her organisation held a meeting with members of the Cabinet on Friday over the crisis in Lesotho.

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Mandela vows fight for Boesak

'No case proven so far' (297)

POLITICAL STAFF AND SAPA

ARG 29/9/98

President Mandela said today he and Allan Boesak's other friends would do everything in their power to ensure Dr Boesak had enough funds to prove his innocence on charges of fraud and theft.

Speaking at his Cape Town home Genadendal, Mr Mandela said he hoped news that he had helped raise funds for Dr Boesak's defence would not result in the Legal Aid Board withdrawing its funding.

Reports that Dr Boesak had received donor funding had once before prompted the board to withdraw financial support, and he did not want this to happen again.

Dr Boesak's trial on charges of fraud and theft involving R1,1-million was adjourned to October 19 in the Cape High Court after he ran out of funds to pay his senior counsel, Mike Maritz.

Saying he was not prejudging the trial, Mr Mandela said Mr Maritz had been able to prove so far that there was no case against Dr Boesak.

His cross-examination of prosecution witnesses had been "absolutely devastating".

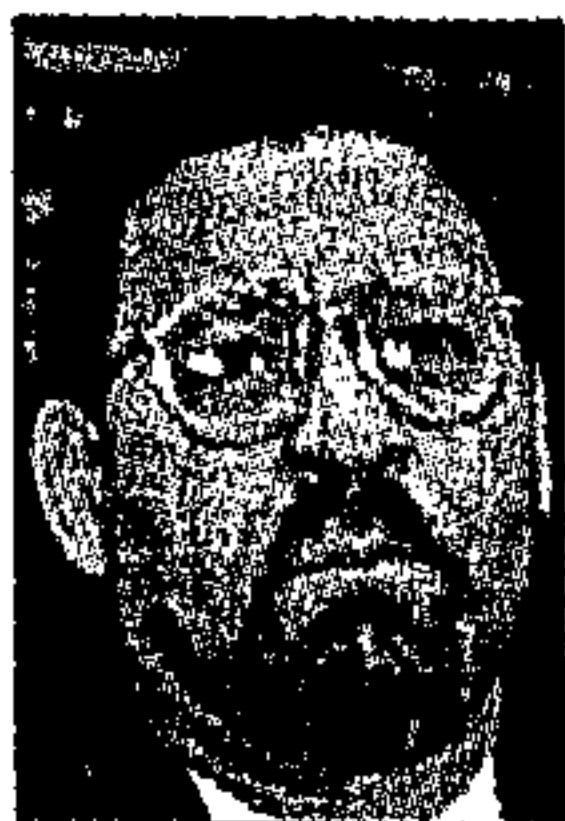
"It is quite clear that they (the prosecution) have not been able to establish even a prima facie case against Dr Boesak.

"All of us who are the friends of Dr Boesak will do everything in our power to ensure that he has the resources to be defended to establish his innocence."

Later Mr Mandela made an indirect appeal for people to donate money to Dr Boesak's defence fund.

"I do hope that all the friend of Dr Boesak, including the president, will do their best to ensure that he has the resources."

Mr Mandela did not say whether he had personally donated money.



Boesak: 'so happy'



Mandela: intervention

An elated Dr Boesak said his faith in God had been reinforced after hearing that an anonymous donor, secured by Mr Mandela, had bailed him out of his problems in finding funds for his defence.

His lawyer telephoned him yesterday to confirm that a mystery donor had indicated, through counsel, that money had been made available for his fraud and theft trial to continue.

"I honestly don't know who the donor is ... I'm too happy to ask those questions but I assume there are enough funds available so I can pay for the rest of the legal fees in this case," he said.

He said the first mystery donor was an institution and he was obliged not to name it.

"This time I can honestly say I don't know who the donor is but I suspect it is an individual."

Behind the scenes unlikely co-operation between political foes has paved the way for Dr Boesak's

case to be fought as he wishes. When news came that his trial had been adjourned when he could no longer afford to pay his senior

Mandela steps into Boesak trial

From page 1

counsel, in stepped Peter Marais, the National Party provincial Minister of Health and Welfare.

He contacted Mr Mandela to say it was a disgrace that Dr Boesak did not have enough money to battle for his constitutional right to a fair trial.

In the end Mr Marais got a call back from the president's office confirming he had intervened and secured additional funds through the mystery donor.

Mr Marais's spokesman, Johan Smit, said his minister telephoned Dr Boesak and confirmed that his financial problems had been resolved.

Dr Boesak said he had spoken to the president, whom he felt called out of concern, but that the matter of his legal fees had not been raised.

"It was only when my lawyer called and gave me the news that I heard of the president's involvement.

"I'm also grateful to Mr Marais who took a very public and strong stand on the matter."

He said he suspected the LAB would again attempt to stop funding some of his legal costs, but he imagined there would be enough money to complete the trial.

To page 2

TRIAL FUNDS 'CRISIS'

Mandela comes to Boesak's aid

CT 29/9/98

(297)

A RELIEVED Allan Boesak said he was grateful that a donor had been found who would help cover the legal expenses in his case. Political Writer **CHRIS BATEMAN** reports.

INTervention by President Nelson Mandela has ended the financial woes of Allan Boesak in mounting an "adequate" defence in his protracted R1,1-million fraud and theft trial.

This follows a call by Boesak to Mandela's entourage during its overseas tour last week and a subsequent meeting with the President upon his return to South Africa.

A mystery donor emerged suddenly yesterday to assure the cash-strapped Boesak that he will "make good" the shortfall in legal aid which has prevented him (Boesak) from the continued engagement of senior counsel in the criminal case against him.

The move also comes hours after NP politician, Health and Welfare MEC Peter Marais contacted Mandela yesterday to ensure his former ANC foe's constitutional rights were respected in terms of a "fair trial".

Marais, speaking after the NP's regional congress last week, vowed to back Boesak's battle for constitutional rights, promising to "go to the very top".

The injection of new funds after cash from a previous mystery donor had dried up, forcing senior counsel Mike Maritz to withdraw from the case, could ensure that Boesak's trial goes ahead on October 19, the provisional date agreed upon at his last appearance.

The *Cape Times* learnt of the latest development when Marais called yesterday to say he had just



GLAD: Allan Boesak's case will go on after Mandela intervened.

received assurances "at the highest level" that the funding problem was being ironed out.

Marais added: "I think Boesak's problem will be resolved by the end of the month."

Contacted at home last night, Boesak confirmed the news, saying: "I can't even begin to say how grateful and relieved I am."

"My faith in God has been vindicated so often, but never more so than now," Boesak said.

He said he had "raised the matter with and explained the situation to" Mandela.

"I shared my disappointment and frustration with him," he said.

Boesak confirmed that his attorney had contacted him yesterday to say he had been approached by a colleague on behalf of an anonymous

donor with the necessary legal funds.

Marais had called him shortly afterwards with the same news.

"I'm very grateful because it's important to get support when things get very difficult," Boesak said of Marais' public intervention.

He was grateful that Marais had raised the issue publicly (in the *Cape Times*) and had "put it into historical context".

Marais cited the Constitution which gives every accused person the right to a fair trial, including the right to have a legal practitioner assigned to them by the state, if "substantial injustice would otherwise result".

Speaking on the High Court steps in Cape Town when his case was provisionally postponed through lack of funds last week, Boesak expressed bitterness at being treated unequally by a justice system "still filled with the remnants of the old apartheid regime".

He said these elements had been "lusting after my blood for more than 20 years".

"No logic under the sun can explain why the ANC government, my government, would give legal aid to the likes of General Magnus Malan, assuring that in his trial he received the services of a senior (counsel), but for me, despite the opinions of two High Court judges, the services of a senior advocate are denied," he said.

Marais said continual postponement of the case would cost "very much more than just giving him the money and getting it over with in two or three weeks".

"It doesn't matter what it costs to preserve the sanctity of the Con-

□ Turn to Page 3

Gerwel said he was contacted by Boesak during the presidential tour overseas.

"We indicated that we'd be in touch when we got back."

Gerwel emphasised that the President's intervention was "totally independent" of Marais' interest, "although we appreciate it".

Mandela had "managed to mobilise some funds for Allan Boesak in the interests of ensuring he gets a fair trial".

He said the President was, however, concerned that "publication of this fact not prejudice Boesak's further application to the Legal Aid Board".

but rather defending him and the country's Constitution.

Some political observers claim Marais' timing is a shrewd political tactic aimed at embarrassing the ANC.

Jakes Gerwel, director-general in the Office of the President, confirmed last night that Man-

Aid for Boesak

□ from Page 1

situation — if they want the world to respect our Constitution, then we must first learn to respect it," he added.

Marais emphasised that he was not speaking on behalf of Boesak,

(297)

ET 29/9/98

Mandela to raise cash for Boesak case

SAW 29/9/98

President to help former anti-apartheid activist, facing charges of theft and fraud and whose legal bill will top R1-million

BY CHRIS BATEMAN
AND TERO MOTHEBELI

President Nelson Mandela has intervened to raise funds for Allan Boesak's legal costs in the fraud and theft case that is costing the former anti-apartheid cleric an estimated R1.1-million.

Mandela's offer to Boesak, a former leader of the ANC in the Western Cape, follows a call from Boesak to Mandela's entourage during the president's overseas tour last week, and a subsequent meeting with Mandela upon his return home.

Presidential aide Parks Mankahlana said last night Mandela had stepped in to help Boesak because he believed everyone was entitled to a fair legal hearing.

Contacted at home last night, Boesak confirmed the news, saying: "I can't even begin to say how grateful and relieved I am."

But the offer is likely to further arouse controversy in the case, given that senior government figures, among them Justice Minister Dullah Omar, have openly sympathised with Boesak.

Boesak is facing 12 charges of fraudulently spending R5.7-million which had been given to his Foundation for Peace and Justice by a Danish charity in the 1980s. Another R3.3-million was allegedly stolen, for which Boesak faces 20 charges.

Mankahlana said: "I would not be surprised if the president had personally gone out of his way to help mobilise resources for Dr Boesak because of his strong belief in the maxim that a person is innocent until proved guilty."

He said Mandela had intervened in his "private capacity" and not as head of state.

The cash-strapped Boesak was assured that a "private mystery donor" had emerged to "make good" the shortfall in legal aid which has prevented Boesak from engaging senior counsel.

The move came hours after National Party politician and Western Cape Health and Welfare MEC Peter Marais contacted Mandela to ensure that Boesak's constitutional rights were respected.

Marais, speaking after the NP's congress last week, vowed to back Boesak's battle for constitutional rights, promising to "go to the very top".

Cash from a previous mystery donor had dried up, forcing senior counsel Mike Maritz to withdraw from the case, but the injection of new funds could ensure that Boesak's trial goes ahead on October 19 - the provisional date agreed upon at his last appearance.

The case has been postponed pending the outcome of a dispute between Boesak and the Legal Aid Board over the funding of his defence.

(297) The board initially agreed to pay for the services of a junior advocate, an attorney and a forensic auditor, but refused a request for additional funds for a senior advocate.

An anonymous R1-million donation from the US enabled Boesak to appoint Maritz, but the board then halted its assistance as a result of the donation, which has since dried up.

The director-general in the office of the president, Jakes Gervel, said Mandela was concerned that "publication of this fact not prejudice ... Boesak's further application to the Legal Aid Board".

Gervel said he had been contacted by Boesak during the presidential overseas tour. "We indicated that we'd be in touch when we got back."

He emphasised that Mandela's intervention was "totally independent" of Marais' interest, "although we appreciate it". Boesak said his attorney had contacted him to say he had been approached by a colleague on behalf of an anonymous donor with the necessary legal funds.

"My faith in God has been vindicated so often, but never more so than now," Boesak said.

Last week, after his case was provisionally postponed for lack of funds, Boesak expressed bitterness at being treated unfairly by a justice system "still filled with the remnants of the old apartheid regime".



Bailout ... president's help will ensure that Allan Boesak, seen here with his wife Elna, will be able to afford a top legal team.

Loyalty leads Mandela into legal no man's land

Intervention in the Boesak case is seen as putting party before country



POLITICAL ANALYSIS

MICHAEL MORRIS AND LENORE OLIVER

Allan Boesak could not have wished for more – not just anointment by the hand of Matiba and help in paying for a top-drawer legal team, but a blunt declaration of the failure so far of the prosecution to prove the charges against him.

Under a shining constitution that entrenches the independence of the courts, can there be any doubt, many are wondering, that President Mandela has exceeded himself?

Lawyers were disbelieving yesterday when told of Mr Mandela's remarks about the trial, especially his assertion that it was "quite clear that they (the prosecution) have not been able to establish even a prima facie case against Dr Boesak".

A measure of the disgust in the legal fraternity was the reluctance of senior lawyers to speak openly on the matter. Privately, they expressed dismay, saying Mr Mandela's statements clearly prejudged the trial and surely amounted to contempt of court. The usually outspoken Cape Attorney-General, Frank Kahn, declined to comment.

Opposition parties lost no time in tackling the president for being what the National Party called "a real softie" on the beleaguered former Western Cape leader of the African National Congress. While political commentators find the extraordinary course of events troubling, they see in it the same elements of an almost praiseworthy misjudgment Mr Mandela has displayed in the past.

His weakness, they say, is a defiant loyalty to old comrades and friends of the ANC, just as gestures of unimaginable, even politically costly,

PRESIDENT NELSON MANDELA HAS ASTOUNDED THE LEGAL FRATERNITY BY HIS INTERVENTION IN THE ALLAN BOESAK TRIAL, AN ACT OF PARTY LOYALTY COMMENTATORS SAY REFLECTS A DEEP-SEATED, AND UNFORTUNATE, TRAIT IN SOUTH AFRICA'S OTHERWISE DESERVEDLY PETED LEADER

reconciliation have marked the Matiba years, so has an inclination on his part to place the interests of the ANC first and to honour or repay the loyalty of friends at all costs.

His dogged support for such controversial Cabinet ministers as Nkosazana Zuma (especially after the *Sartofina* 2 scandal) and Alfred Nzo reflect this. So, too, his defence of South Africa's warm and often anachronistic relations with the regimes of Cuba and Libya.

Even his attacks on media criticism of the ANC as nothing but the ravings of the "privileged minority" illustrate it. In the case of Allan Boesak, what started out as a politically sensitive assent to a request for financial help turned into a full-blown, and premature, declaration of the accused's innocence.

As Sipho Maseko, senior lecturer in political studies at the University of the Western Cape, put it: "Mandela is a man who has always been willing to reward people loyal to him, and – this is part of the tension within him – sometimes he can be blinded by his quest to reward loyalty."

"Nobody can say Boesak is innocent – that would mean he does not need to go to trial."

"The purpose of the trial is to determine whether the allegations are true or untrue."

"Clearly, the trial must take its course and the court's judgment must be upheld without fear of political fall-out."

Steven Friedman, director of the Centre for Policy Studies in Gauteng, warns: "For the president, or any leading politician, to pronounce in the middle of the trial on what he



OSRED ZUMA

Mandela: 'in whose interests is he acting when he supports Boesak?'

thinks of the prosecution sends unfortunate signals. I am sure he is not trying to subvert the ends of justice. It is one of his character traits.

"The Boesak case is an extreme example and the effects are potentially malevolent, even if the intent is not."

Willmot James, executive director of the Institute for Democracy in South Africa, believes that Mr Mandela's comments on the prosecution's



LEON MULLER

Boesak: 'irrespective of one's standing in the past, one should not be above the law'

important as the facts of it, and the public perception might be that this is a case where the president should have stayed well away."

Mr Friedman says that while, "in theory, Mandela is entitled to collect money for people if he wants to, to comment on the prosecution's case in the midst of a trial is clearly inappropriate."

"What we are dealing with here is a president who has an unbreakable

seemed to have more to do with political gain than with a fair or unfair trial "and when I heard that Mandela had responded, I felt he, too, was responding to the issue of political gain, by being seen to be supporting Boesak, especially in the Western Cape, where the votes of people whom he was previously classified as important."

Mr Maseko believes that from the start, the ANC wanted the Boesak trial to be seen as a political one.

"Clearly, it is not a political trial but a criminal one, and I do not think the issue was the risk of Boesak being found guilty before trial. The issue that arises is this: if I was accused of embezzling funds from an employer, and I chose a very expensive lawyer, would I be given the same treatment?"

He adds that it would be "very unfortunate if it emerges that those who have direct lines of access to Mandela, or have Boesak's political ties to him, are able to get legal representation beyond affordable limits."

"A key principle to be defended, that, irrespective of one's standing in the past, one should not be above the law," says Mr Maseko.

Dr James notes: "Upholding a constitutional right to a fair trial is a thing."

"But if it (the intervention) is arranged financing in order to maintain an accused survive, that's a trick issue, both in terms of how the public see it – as Mandela helping Boesak – because that's how it will be seen – and in terms of whether there is a transgression of the president's duty to serve the national interest, whose interests is he acting when he supports Boesak? If he is acting in the interests of the ANC and not the country, then it is clearly the old doubtful problem."

"Acting for the ANC could be construed as acting in a private interest. Mr Friedman comments that it is striking that 'the president, together with a lot of the ANC leadership, have been exemplary since 1994 in respecting the independence of the courts.'"

"Even in the *Sartofina* case, Mandela did not like the outcome, but the was never any talk of throwing the judge."

Then, again, loyalty to an comrade was not at stake.

Mandela under attack from opposition for

Linda Ensor

CAPE TOWN — President Nelson Mandela came under strong attack from opposition parties yesterday for coming to the aid of Allan Boesak, who has run out of funds to pay for his defence in his Cape High Court fraud trial. Boesak stands accused of misappropriating R1,1m in donor funds.

Boesak's trial was adjourned earlier this month to October 19 after he ran out of money to pay the fees of his senior counsel, Mike Martz, and attorneys.

Mandela was reported yesterday to have intervened on Boesak's behalf, at the request of Western Cape health and welfare MEC Peter

Marais, to secure a mystery donor.

Democratic Party justice spokesman Douglas Gibson said Mandela's involvement in an individual legal case laid him open to allegations of "applying political pressure" within the legal system.

"The fact that President Mandela is becoming personally involved compromises his constitutional role in terms of which he has the right to pardon criminals," Gibson said.

"While Mr Mandela is entitled to use the money at his disposal for whatever purpose he deems fit, including helping his friends in trouble, it seems odd that Dr Boesak, who has already received R1m from a donor to aid his defence and substantial amounts from the Legal

Aid Board should be regarded as a deserving charity case," Gibson said.

National Party justice spokesman Sheila Camerer also criticised Mandela's inability to separate his private from his public persona, saying this type of public act was particularly questionable, especially when viewed against the background of the levels of crime and corruption in the country.

Meanwhile, **Wynndham Hartley** reports that an undeterred Mandela stuck to his guns.

Speaking at a news conference at his Genadendal residence after a meeting with Lesotho's King Letsie III, Mandela said: "I hope all friends of Boesak, including the president, will do everything to ensure that he has the

resources to establish his innocence."

Stressing that he was not prejudging the trial, Mandela said Martz had so far been able to prove that there was no case against his client and had conducted an "absolutely devastating" cross-examination of prosecution witnesses. The state had so far failed to prove a prima facie case against Boesak, the president said.

He said he hoped the Legal Aid Board would not withdraw its funding now that Boesak had access to other sources of finance.

Mandela's spokesman, Parks Mankahlana, said the president was under no obligation to reveal the identity of the donor as this was a private matter.

Meanwhile, Boesak's attorney, Chris Petty,

said negotiations were under way with a Johannesburg attorney acting on behalf of the secret donor about the size and terms of the donation. These details would only become known towards the end of the week. Acceptance of the funds would be conditional on Boesak being able to re-engage his defence team.

The original donation of R1m to Boesak covered four months of preparation by three legal experts and one accountant and five weeks of trial. Petty did not believe the trial would take six months as originally anticipated as Boesak's admissions would drastically reduce the number of state witnesses required. These admissions related to projects which did not receive donor funds intended for them.

aiding Boesak

studies.

before December 31.

Black Sash blasts SA's social security system

BLACK Sash Trust chairwoman Ms Sheena Duncan said yesterday that there was little difference between the old and the new South Africa in the delivery of welfare to the poor. Inefficient and corrupt administration of social security left many of the poor people without access to one of the most important poverty alleviation mechanisms.

Duncan said it was inexcusable that four years after the new Government came into power, things were still dragging along as they used to. "Nor do we understand why it is taking so long to eliminate the corruption in the system and to make the administration efficient and honest."

She was reacting to Welfare and Population Development Minister Ms Geraldine Fraser-Moleketi's declaration of October as welfare month. "There is not a whole lot of difference between the old South Africa, when the government shed its responsibilities for welfare to self-governing or independent homelands ... and the new South Africa, where the buck is tossed between national Government and provincial administrations," she said.

Duncan said this was a public relations exercise in the face of a crisis in the delivery of welfare to the poor. "Our clients come to us in their thousands, complaining about arbitrary suspension of grants, administrative chaos, long waiting times for the processing of grants and the lack of grants at all for many not reached by development projects," she said.

The Black Sash noted that according to an auditor-general's report, the department was unable to spend its budget allocation for the 1996-97 financial year, and as a result had forfeited R52 million. — Sapa.

Mandela comes under fire for comments on Boesak trial

Star 2/10/98 (297)

President's remarks 'obviously inappropriate', says attorney-general

By GYNNIS UNDERHILL
Cape Town

Western Cape Attorney-General Frank Kahn has criticised Nelson Mandela regarding the State's prosecution of Allan Boesak, calling the president's remarks "inappropriate".

"Remarks attributed to the president are obviously inappropriate, coming during the trial. The president, however, stated he does not wish to pre-judge the issue and I am looking into the matter."

Kahn's declined an interview to elaborate his planned course of action.

A legal expert, who asked not to be named, said yesterday that Mandela's comments could be construed as sub judice.



Nelson Mandela

"Because he has such a high-profile person whose every word is publicly aired, and such due regard is given to him, he should have been more careful."

To cite Mandela for contempt of court, although legally pos-



Frank Kahn

sible, was unlikely, he added.

"It is one thing for a person to be outspoken about a court case, but quite another when it comes from the president. He is a man of such integrity generally that the tendency might be

to disregard this tiny boob in a whole basket of saintliness. The fact is, however, that he is a lawyer and an admitted attorney who knows the system."

Mandela's remarks, especially his assertions "that it was quite clear that 'the prosecution' haven't even been able to establish a prima facie case against Boesak", were unfortunate, but would not get the case thrown out, the expert said.

As the comments prejudiced the State rather than Boesak, it would not be in the judge's interest to dismiss the case.

Boesak is charged with fraud and theft of foreign funds channelled through the Foundation for Peace and Justice, an organisation he headed during the struggle against the apartheid government.

Welfare month: Who needs a circus?

October is welfare month, with activities planned around the country. But do we need it, asks Black Sash pension campaigner Rosemary Smith

When the Roman authorities wanted to appease the populace, they laid on bread and circuses. The Department of Welfare's planned activities for welfare month in October smack of circuses.

Is it the right time to be putting on a show when so much is still rotten in the delivery of social security?

Our experience in the Eastern Cape reveals welfare administration to be in a sorry state. Research conducted by the Grahamstown Black Sash advice office in 1994/95 over a five-month period showed the waiting period after application for pensions was on average 15 months. In 1998 it rocketed to two to three years.

At the end of August, East London had 4 000 old applications still to process. Of the 43 court orders issued this year against the MEC on individual pension cases, only 15 have been complied with.

In May, 800 grant application forms were dumped outside the Zwelitsha pension offices. Some were dated 1996, and some had been used as toilet paper — an illustration of the contempt in which officials apparently hold applicants.

The recent poverty hearings in the Eastern Cape illustrated clearly how people are left desperate and confused by their attempts at applying for social security.

One testified: "Officials arrive late, at about 11am or noon, anytime they choose. The officials take out two chairs. Then the computer dies. They tell people to go home. The same thing the next day. At some point they announce that the money is finished."

Said another: "The clerks always tell us the problem is in Bisho, and we don't even know where Bisho is from here."

Communication between official and pensioner is poor, yet in the White Paper on transforming public service delivery, the eight principles of *batho pele* (people first) state that citizens should be treated with courtesy and consideration; if the promised standard of service is not delivered, citizens should be offered an apology, a full explanation and a speedy and effective remedy; and when complaints are made, citizens should receive a sympathetic and positive response.

Our Constitution states that everyone is entitled to just administrative action, giving citizens the right to be treated fairly and given written reasons if treated unfairly.

Putting inserts in newspapers is not going to deal with this problem.

In August 1997, when a moratorium on processing new grants was put in place, circulars were placed in Eastern Cape newspapers in accessible language, but they did not help the ordinary citizen understand why the grants were not coming through.

For NGOs battling with a lack of information from the welfare department, the situation is difficult. In the three Black Sash advice offices in the Eastern Cape, the waiting rooms are daily filled with people asking for help in gaining access to information on their applications.

Officials are seldom available to respond to queries. Telephones and letters remain unanswered. A crisis toll-free hotline has been suggested, but nothing has come of this idea. The office of the pensioners' friend, which was



Please sir, can I have some more? Nearly half the poor are totally dependent on social security grants. PHOTOGRAPH: HADINE HUTTON

Why we still need grants and handouts

Jacqui Boule

Since 1994 there has been much talk about developmental social welfare and the need to move away from grants and handouts to more sustainable programmes.

While this approach — which underpins the Department of Welfare's campaign during welfare month — has had some success, its impact is limited: nearly half the poor in South Africa are still totally dependent on social security payments.

For instance, when Christina Momoza of Umtata was asked at the recent Speak Out on Poverty hearings what would happen if she did not receive her pension, she responded: "I would die of hunger. My daughters have children out of wedlock, so they are my burden. I need money for food and school. The pension feeds us."

Research by the Department of Welfare shows that social grants, and the old age pension in particular, are essential in poverty alleviation.

Quite how one is to complete a move from assistance based on grants to developmental welfare is difficult to comprehend.

Even this vital umbilical cord ensuring the survival of so many is plagued with problems. People arrived at the poverty hearings by the

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thousands to discuss their problems accessing grants.

It is puzzling how such a situation is going to be moved in the direction the government is proposing, at least without acknowledging there is going to be a serious downside for those who need the current welfare system.

In the light of the very real plight of its citizens and dependants, the welfare department needs to think very carefully about where its emphasis should lie.

A good place to start would be a look into the department's decision to limit backpay on grants to three months. The South African NGO Coalition and its members believe this measure is retrogressive, and have called for its review.

Over and above addressing the administrative problems in the system, a more comprehensive social security system is needed. The poverty hearings were confronted with examples of how many of the poor fall between the cracks in the welfare system.

Protection against unemployment is essential if we are to tackle crime. Youths and their parents spoke about crime as the only option in the absence of work or social security.

Instead of trying to develop new methods in a country where the need is too great, the hear-

ings resulted in a call for resources to be prioritised to meet these needs.

The recent NGO week conference fleshed out this call. It called for the welfare department to convene a national forum to discuss concrete strategies for the delivery of a comprehensive social security system.

Some members even went so far as to call for a citizen grant to be provided to all South Africans. Such a grant, they said, would be non-discriminatory.

It would not be a disincentive to work as citizens would not lose the grant if they went to work. The allowance could be clawed back from the rich through taxes.

Such steps, whether imposed or not, reflect NGO thinking in regard to the needs of the poor, and the magnitude of those needs. To consider this will require a commitment from not just the welfare department but from the Cabinet, in the form of an increased budget vote to welfare.

This welfare month provides an opportunity for many of these problems to be addressed and discussed.

Jacqui Boule is programmes and communications director of the South African NGO Coalition

useful in tracking difficult cases and complaints, has been closed.

Personnel are very thin on the ground. In Grahamstown the pension office has to be closed for inquiries for two weeks every month while the pension payouts are being done. There is an urgent need for more personnel and vigorous training of personnel from provincial to district level.

Given the history of the Eastern Cape during the apartheid years, it is perhaps not surprising that one very large poor province without significant revenue from industry and

agriculture is faltering now.

Having to amalgamate the two previous homelands of the Ciskei and Transkei has not helped. The problems with the poor administration, non-delivery of pensions, fraud and corruption go back a long way.

But, as the records of the advice office show, after devolution of power and provincial autonomy, matters have become considerably worse.

Papering up the cracks by putting on a circus is not helping. Money would be better spent in addressing the problems of staffing,

training and communication.

Are there answers? Rescheduling the provincial budget is difficult because of the huge salary bill for civil servants. Are there departments not using their allocated budgets? Should pensions be a provincial concern? Would central government manage any better?

There are many questions which bread and circuses will not address.

By all means let us join hands and fight poverty, but let the welfare department get its house in order first before an expensive public relations exercise is undertaken.

Development Act to be replaced by more even-handed one

By THEMBA SEPOTOKELE

The Black Community Development Act – which perpetuated imbalances between black townships and suburbs – will be abolished, paving a way for an interim system which will improve development of all, not just a few of the areas in Greater Johannesburg.

According to council's develop-

ment planning executive officer, Melissa Whitehead, the system would foster development irrespective of whether people were living in Soweto or Sandton.

She said the legislation, for instance, prevented people in Soweto and Alexandra from buying and selling property because it was state-owned.

"The (interim) system manages

rather than controls development of the city, and will also improve our transport system as it will be managed by local authorities.

"Unlike the previous legislation, which created a gap between historically black townships and the white suburbs in terms of development and resulted in backlogs in terms of land issues, the system will fos-

ter development of all areas."

The new system would also speed up the process for people who want to operate businesses in their residential areas and there will be a uniform fee structure for all people living in Johannesburg.

"There were various fee structures applicable which were racially based. For instance, people living in Ennerdale used to be

charged R2 700 for a rezoning application fee, while those in Sandton used to pay R1 700," she added.

"The fee is now R2 000 irrespective of whether one is staying in Orange Farm, Sandton or Soweto.

"In the interim, we are trying to streamline fees allowing for a 10% increase because there has not been an increase over the last three to four years."

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Straw

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Private donor to help Boesak, but will Legal Aid?

LENORE OLIVER

The Legal Aid Board is expected to decide soon on whether to continue paying for beleaguered Allan Boesak's court battle following the news that a private donor would help pay his legal costs.

Dr Boesak is standing trial in the Cape High Court for theft and fraud charges totalling R1-million.

His trial has been marked by several delays because of funding problems.

Initially, the board withdrew funding because Dr Boesak received an anonymous donation of R1-million

to pay for the costs of his counsel.

Two weeks ago, the funding dried up and Dr Boesak's senior advocate, Mike Maritz, withdrew and the trial was postponed to allow Dr Boesak to look for other legal counsel.

Another anonymous donor has come forward, but the board is yet to take a stand on whether it will renew funding for Dr Boesak.

During the apartheid years, Allan Boesak's personal life was dogged by controversy and scandal. Now, although on trial to have his name cleared on charges of theft and fraud, he faces the same fate.

The former Western Cape African

National Congress leader has been unable to avoid controversy since his name was first linked to the misappropriation of funds from the Foundation of Peace and Justice, (FPJ) which he headed.

Firstly, there was public outrage at the support shown by the ANC, especially by Justice Minister Dullah Omar, when Dr Boesak returned from the United States to face the music after the alleged mismanagement of funds from the FPJ came to light. Mr Omar and a large gathering of ANC supporters gathered at Cape Town International Airport to welcome Dr Boesak at the time in a

widespread public show of support.

This was seen by many as an unprecedented show of support from Mr Omar, who as Justice Minister should have shown some restraint in his support of his old friend and comrade.

Then Deputy President Thabo Mbeki's office released an independent report exonerating Dr Boesak from any wrongdoing. The report was compiled by Mr Mbeki's legal adviser, advocate Mojanku Gumbi, who vigorously refuted claims that her report had been "slipshod or superficial".

The National Party branded the

report as an ANC whitewash. Later, the the Office of Serious Economic Offences (Oseo) conducted an investigation into the financial statements of the FPJ, which found that money had been misappropriated.

This report led to the attorney-general's office charging Dr Boesak with fraud and theft.

More recently, Nelson Mandela caused further public dissatisfaction when he said that Dr Boesak's senior defence counsel, Mike Maritz, had been able to prove so far that there was no case against Dr Boesak.

The court case is set to resume on October 19.



BOESAK: decision pending

(297) ARG 3/10/98

Developing knowledge

THE challenges of the information gap and the lack of knowledge in developing countries have been highlighted in a new report that details how the information revolution can be used to alleviate the plight of the poor.

Knowledge for Development, the 21st Annual World Development Report of the World Bank, was launched yesterday.

It suggests the problems of development be looked at from the perspective of knowledge.

"Poor countries and poor people differ from rich ones not only because they have less capital but because they have less knowledge. Knowledge is often costly to create, and that is why much of it is created in industrial countries," the report says.

Two areas, knowledge about technology or "how-to" knowledge such as nutrition, birth control, engineering or accounting, and knowledge about attributes, such as the quality of a product, diligence of a worker or creditworthiness of a firm, are critical for developing countries, it says.

The report describes the latter as "information problems" and argues that this in turn leads to market failures, such as lenders' refusal to offer loans to poor people because of the difficulty in assessing their ability to pay.

A comparison was made between Ghana and South Korea, which both had the same per capita income 40 years ago.

By the early 1990s, Korea's per capita income was six times higher than Ghana's, with some development experts claiming that at least half the disparity could be explained "by South Korea's greater success in acquiring and using knowledge".

While the report's premise is well-known - that informed societies are able to progress more easily and that educating women will help to bring about profound changes among the poor - for the first time there is a detailed argument on how the information gap can be narrowed.

It says that developing countries are pursuing "a moving target" as the industrial countries "constantly push the knowledge frontier outward", but that poor countries do have the option of acquiring and adapting vast quantities of knowledge already available.

"Developing countries need not reinvent the wheel or the computer or the treatment for malaria," it urges.

Developing countries could also take advantage of the low costs of communication, which are steadily falling.

In order to be able to narrow the knowledge gap, three "critical" steps have to be taken. It suggests:

A World Bank report on the information gap and lack of knowledge in developing countries suggests ways to acquire this vital information, reports **Sharon Chetty**

‘The power of knowledge goes beyond the impact of specific techniques, such as how to treat illnesses or improve crops’

● Acquiring knowledge by tapping into and adapting what's already available elsewhere in the world. That could be done through open trade, foreign investment and licensing agreements, while at the same time creating knowledge locally through research and development, and building on existing indigenous knowledge;

● In order for knowledge to be absorbed, governments will have to ensure, among other things, universal basic education, and that special attention be given to girls and other traditionally disadvantaged groups. Opportunities also have to be created for lifelong learning and tertiary education, especially in science and education, and have to be supported; and

● Knowledge could be communicated by taking advantage of the new information and communications technology available. Governments have to ensure that there is increased competition, private sector involvement, appropriate regulation and that the poor also have access.

It also warns that just as there is a huge knowledge gap between developing and industrialised countries, similar divides exist within countries (such as South Africa), and suggests that the same strategies can be used to narrow both.

Besides placing a priority on technical education, governments also need to ensure that there is a competitive telecommunications sector.

Also, poor countries have fewer public institutions to safeguard "the quality and truth of the

information people need to lead healthy, more affluent lives".

"Often there is no capacity to certify the quality of goods and services, enforce standards and performance and gather and disseminate key information needed for business transactions," it says.

Public-private partnerships will help reduce information failures in all markets, the report suggests, and adds that there is also a need for "participatory development, greater transparency in political decision making, attention to local voice and openness to learning and change".

Once governments commit themselves to narrowing the knowledge gap and to working in partnership with multilateral organisations to do this, they still have to acknowledge that problems with knowledge will persist.

"But by recognising that knowledge is at the core of all our development efforts, unexpected solutions to seemingly intractable problems will be discovered," the report says.

The power of knowledge goes beyond the impact of specific techniques, such as how to treat illnesses or improve crops, the report says.

"As people grasp the ways in which knowledge can improve their lives, they are encouraged to seek out new knowledge and become agents of change themselves."

While the final verdict on the current global markets crisis is still not known, the report suggests that a lack of knowledge exacerbates the situation.

"In East Asia, the inability of investors to distinguish good firms, banks and countries from bad ones prompted them to abandon all investments."

In keeping with its call for the information and knowledge gap to be closed, the World Bank will now become a key part of the global exchange of information.

In addition to lending money for development projects it will improve on its information-gathering and will share data with governments and non-governmental organisations.

Attention will also be paid to "information imperfections" and the "limitations of markets in fulfilling development objectives" through a newly-created Public Sector Department which will be dedicated to promoting institutions and good governance, it says.

'Developing countries need knowledge, trade'

Greta Steyn

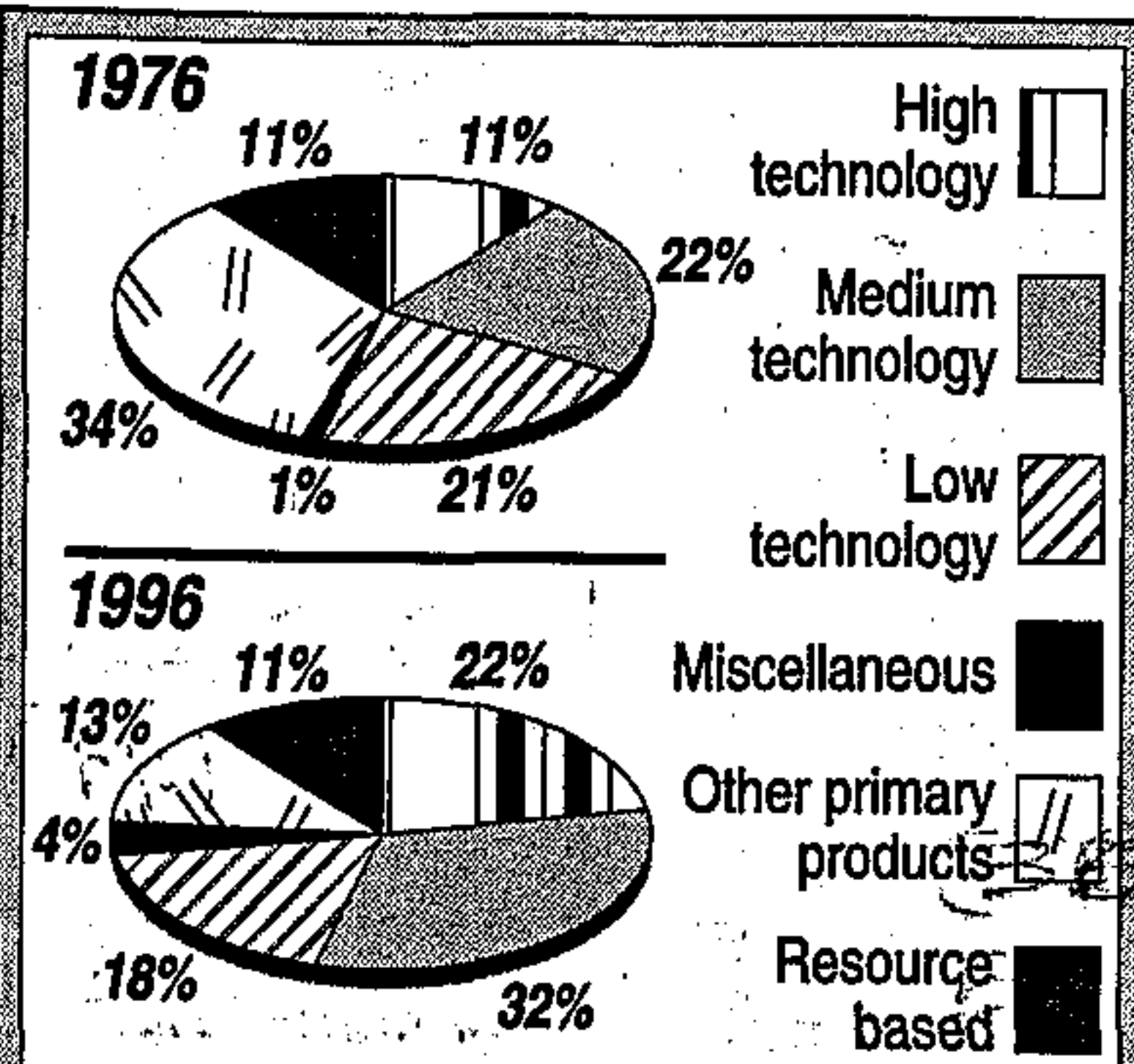
SA HAD played an important role in transforming the World Bank into a "knowledge bank" that made available expertise to countries that were not necessarily big borrowers, the bank's deputy representative in SA, Junaid Ahmad, said at the weekend.

Ahmad told delegates at the launch of the bank's annual World Development Report in Johannesburg that the African National Congress' (ANC's) drive to emphasise the role of knowledge had helped change the bank's vision.

The report, entitled Knowledge for Development, calls for a narrowing of the "knowledge gap" between rich and poor. Ahmad said SA had an important regional role to play as it could be the springboard for capacity building in the rest of Africa. He urged SA policy makers to incorporate lessons from the report in its development agenda.

The bank, like its sister organisation the International Monetary Fund, is redefining itself amidst much criticism of its role in the international financial system. With countries like SA shying away from foreign loans that come with strings attached, the bank is emphasising its role as the world's clearing house for development knowledge.

Technology goods expanding their share of global trade



Note: Medium and high technology goods are those requiring intensive research and development as measured by R&D expenditure

Graphic: KAREN MOOLMAN

Source: WORLD BANK COMTRADE DATABASE

The report said low incomes were not the only reason why poor countries were less prosperous than richer ones — knowledge could also make a difference to living standards and could be acquired through trade.

Trade brought greater awareness of new and better ways of producing goods and services and allowed people to learn about the business practices of other societies. The knowledge related benefits of trade came in addition to the traditional, well-established

gains from international trade.

"As trade becomes ever more driven by knowledge, the opportunities for acquiring technical knowledge will expand," the report said.

Since the 1970s, the structure of international trade had changed significantly, from being dominated by primary products to being concentrated on technologically intensive goods.

Aside from trade, foreign direct investment was another way in which developing countries could expand their knowledge base.

The knowledge in multinational companies spilled over through learning by their workers and domestic suppliers and through technology sales such as patent rights. Developing countries benefited more from foreign direct investment

if they had open trade policies.

As an example of the difference that improved knowledge could make to living standards, the report cited a comparison between Ghana and Korea. Forty years ago, Ghana had the same per capita income as South Korea. By the early 1990s, Korea's per capita income was six times higher than Ghana's. Some development experts claimed that at least half of that disparity could be explained by South Korea's greater success in acquiring and using knowledge.



Arrive alive: train carriage upgrades will make commuting more comfortable for Ruth Davids

Metrorail gears up for disabled commuters

SHARKEY ISAACS
TRANSPORT REPORTER

ARG 5/10/98

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Relief is in sight for a disabled Kensington woman and thousands of other disabled people who are unable to use public transport.

Plans are moving from the drawing board to the Salt River railway workshops to answer the prayers of wheelchair-bound people.

When she was two Ms Ruth Davids, 44, was struck down by polio which left her with limited use of her limbs.

After intensive therapy she has become a mobile paraplegic and earns her living today as a contributing editor to a weekly journal for the physically challenged. She also works as a telephone switchboard operator.

But despite her capabilities, she has been unable to catch a train - until now.

Passenger carriages are being sent to the workshops in Salt River to be fitted with wheelchair hoist ramps, spacious doors, hand rails and wheelchair clamps.

The hoist outside the coach will be activated when Ms Davids swipes her special ticket, fitted with an electromagnetic strip, through an access strip alongside the coach.

Maintenance engineering manager Mike Paterson said the strip would simultaneously lower a wheelchair ramp and prevent the train from moving until the wheelchair commuter was aboard.

At present people in wheelchairs have a problem with the fact that train doors are some way above platforms, and with the pole that divides train doorways.

The only coach they are able to board, with difficulty and with help, is the guards van attached to the driver's cab at the front or back of the train.

Ms Davids describes her life as "one big uphill struggle".

She said: "But I had wonderful support from my parents who ensured that I had a mainstream education just like any other child. Although I am bussed to work every day, I have occasionally commuted by train and would like to do so regularly."

The engineering step by Metrorail comes close on the heels of a "dial-a-ride" pilot bus service for disabled people introduced by the Cape Metropolitan Council with the help of the private sector and welfare organisations.

The bus project is a joint one between the CMC, the Association for the Disabled, the council's transport agency Modalink and the Golden Arrow Bus Company.

A telephone call to the toll-free number 0800 600 895 will send a bus to the doorstep of either a physically disabled or visually impaired person at no more than a normal bus fare.

The bus project, operating in Mitchell's Plain and Khayelitsha since the end of May, is helping 1 000 people a month.

Millions of rands in violence aid missing

(297) Sowetan 6/10/98



KwaZulu-Natal
director-general
Professor Otty
Nxumalo.

By Mbulelo Baloyi

SEVERAL million rands from the KwaZulu-Natal Discretionary Fund, earmarked to assist thousands of victims of violence, remains unaccounted for almost three years after the inception of the fund.

At the beginning of the fiscal year 1996-97 the province was allocated R14 million to be used in funding community development projects.

However, only a trickle of the money has reached the intended beneficiaries, while the bulk of the money could not be traced to various bank accounts in which it had allegedly been deposited during the last two years.

The R14 million was part of the R100 million from the Reconstruction and Development Programme Fund given to KwaZulu-Natal by then Minister Without Portfolio Mr Jay Naidoo in 1995 to fund the rebuilding of the lives and infrastructure of communities that had been ravaged by violence in the late 1980s and early 1990s.

In a submission to the provincial public accounts portfolio committee last Friday, provincial director-general Professor Otty Nxumalo could not account for more than R5 million which had been given to several community organisations. In his report, Nxumalo said of the R14 million allocated, R8,5 million had been used, while the remaining R5,5 million had been allotted as an expenditure for the remainder of the financial year.

However, half of the allocated funds could not be traced as the accounts into which funds had been deposited were not known.

In addition, in terms of the auditor-general's report for the

1995-96 financial year, a resolution of the KwaZulu-Natal Peace Fund required the provincial director-general to furnish a report to the Legislature on steps taken to ensure that the RDP Discretionary Fund guidelines were complied with. Among the guidelines to be followed is the furnishing of progress reports on each project or from each recipient benefiting from the fund.

However, the schedule of progress report, submitted by Nxumalo, for the RDP Discretionary Fund in the year under review (1995-96) indicated that more than 17 beneficiaries, who between them received R6 million, had failed to provide progress reports on projects.

Keeping track

A further R1,5 million could not be traced to banks where the money had supposedly been deposited while more than R14 million was given to community development organisations which had no traceable bank accounts.

In his report the provincial director-general said there were problems keeping track of the amount given to community organisations.

"Most of project beneficiary communities are in deep rural areas and have low literacy levels. This makes it difficult to assemble a community structure that has 100 percent membership of people who can read and write without difficulty," said Nxumalo.

He added that many projects are located in areas that were relatively inaccessible by car or telephone and it took time to arrange meetings because officials had to visit the areas in person.



On the march against privatisation

Thousands of South African Municipal Workers Union members march on the Greater Pretoria Metropolitan Council to hand over a memorandum against privatisation yesterday. The memorandum said 149 municipalities had already privatised some of their services, including refuse removal and meter reading. Senior council official Andries Schutte received the memorandum.

PIC: PAT SEBOKO

NGOs debate whether to get off the bus

Patrick Bond

Last week, while global bureaucratic financial elites had trouble even pretending they possessed the tools to fix the world economy's cracked engine, some passengers at the back of the bus debated whether to hijack the stalled vehicle or set out on foot.

Urgent strategic planning for progressive resistance to globalised finance occurred at two meetings of NGOs and social movements that ran parallel to the Commonwealth finance ministers meetings and the annual conference of the World Bank and International Monetary Fund (IMF), in Ottawa and Washington DC, respectively.

Exuberant spirits characterised the several hundred international social movement representatives who came from high-profile sites of resistance like Chiapas, Haiti, India, Nigeria, Thailand and Indonesia.

Church campaigners in the "Jubilee 2000" campaign against Third World debt also met. A joint demonstration at IMF headquarters at the outset of the conference had a militant flavour, and drew worried looks from money mandarins pulling up in limousines nearby.

The primary strategic question for the movements was how to think globally about economic problems while acting locally, nationally and globally. The question has gained urgency in the face of the current operating provided by the inability of elites to solve the current financial crises. This has been augmented by splits in the elite camp and a series of financial disasters over the past month — all of which suggest that the neoliberal project has overreached.

Amidst the turmoil, do forces in civil society make any difference? Potentially yes, for the possibility of Congress preventing the IMF from expanding was the result of United States consumer and ecological activists joining forces with the populist right wing. The blocking manoeuvre pleased leaders like Ralph Nader of Public Citizen and Brent Blackwelder of Friends of the Earth, the most important left-wing US lobby groups.



Taking a stand: Demonstrators outside IMF headquarters before the start of the conference drew worried looks from money mandarins pulling up in limousines. PHOTOGRAPH: AP

Resistance to IMF funding followed similar left-right efforts on two other recent attempts to codify US commercial domination of the world economy. President Bill Clinton's unsuccessful request that Congress cede him "fast-track" free trade negotiating authority and the now-tabled multilateral agreement on investment which is known as the Multinational Corporate Bill of Rights.

Says Nader's associate Rob Weissman of *Multinational Monitor*: "We're so far away from actually moving from blockage of neoliberal bailouts into proactive mode that the benefits of this temporary alliance far outweigh the risks."

But at what level to foster renewed activism, and with what alternative visions? Marcia Andrews, vice president of the South African NGO Coalition, was cheered by other social movement representatives when she called for a return to building the local social organisations and trade unions that have tended to wilt during the periodic shake-outs as-

sociated with currency crashes and austerity-ridden economic policies. As shown this year, the "IMF riot" may threaten a Robert Mugabe here or even rid a wretched country of a Suharto there, but is no substitute for mass democratic mobilisation.

Whatever degree of organisation is achieved, the social movements must also make more coherent demands, with clarity as to priorities, global or national level campaigns. Such debate was advanced in Ottawa, led by a Canadian citizens' coalition which made a pitch to Commonwealth finance ministers to, among other re-

forms, impose a global "tobin tax" on financial transactions that would both throw sand in the wheels of hot money movements and raise funds for global redistribution of wealth.

In addition, debt cancellation was forcefully promoted by a-

bliss 2000, which recently mobilised 70 000 protesters at the Birmingham economic summit.

Again, the elites' solution — the World Bank/IMF "highly indebted poor country debt initiative" (which this year left Mozambique's debt repayments at status quo levels) — was ridiculed as a "cruel hoax".

But growing opposition to global financial bailouts — which necessarily will be paid for by northern hemisphere taxpayers and more vicious cuts in southern living standards, not by the New York bankers which it will benefit the most — did

not obscure the thorny strategic problem of what is being called "scale politics".

Should, in other words, the various popular movements link arms across borders and continents to try democratising the embryonic global economic-management state (the existing IMF, World Bank, World Trade Organisation), or should their objective be to limit the power of such organisations as a matter of principle (as the key US groups were doing)?

It boils down to the question of whether struggles for economic justice are best carried out in venues like a new Bretton Woods conference of the type South Africa's Minister of Trade and Industry, Alec Erwin, suggested at the Non-Aligned Movement meeting, with a potentially token place at the table for civil society. Or whether it might not be better to use the globalisation of social struggles to persuade national political leaders to restore state sovereignty, impose controls on global capital and return to a developmental project at home.

This debate may only ultimately be resolved in practice, and may be determined simply by the balance of forces prevailing at global and at national scales.

Meanwhile, as the IMF/World Bank conference showed, the fate of the world economy cannot be favourably resolved by those — Clinton, Robert Rubin, Alan Greenspan, Michael Camdessus, Tony Blair — with their hands at the wheel. Whether civil society should stay aboard the global bus or rather wander off in national directions remains an open question.

(297) MtG-16-22/10/98

Lack of skills hamper delivery

MD 6/10/98

(297)

THE lack of skilled personnel in the public service and of effective systems to enable the wise investment of taxpayers' money was the major factor inhibiting the efficient delivery of social services, Labour Minister Shepherd Mdladlana said yesterday.

He believed that was the root cause of the problem, rather than financial cutbacks and constraints.

"It seems that our world is only beginning to understand just how central knowledge and skills are to economic and social performance." A university graduate was four-and-a-half times more likely to find a job than a person with matric, he said.

There was increasingly strong empirical evidence supporting the productivity-improving effects of a well-educated and trained workforce.

The SA economy had been shedding unskilled jobs for decades. From 1973 to 1993, the proportion of highly skilled jobs had risen from 10% to nearly 18% and that of skilled jobs from 29% to

34%. The proportion of semiskilled and unskilled jobs declined from 61% to 48%. Of SA's economically active population only about 20% was highly skilled or skilled, while the rest was semiskilled, unskilled or unemployed.

SA's professionals constituted fewer than 4% of its labour force, compared to 8% in middle-income and 10,5% in advanced industrial countries.

Numeracy and literacy were the most important requirements in terms of workplace competence. A radical improvement in maths and science attainment in schools was important, as well as the development of more technically competent people.

Adult basic education and training programmes and further education and training had to create closer links with commerce, industry and social development. Apprenticeship training in SA declined 85% between 1975 and 1995, resulting in a steady decline in education and training directly linked to the workplace. — Sapa.

Bank's role is to act as a catalyst to spur development

DBSA's mandate is to enhance infrastructure

UT (HR) 7/10/98 (297)

The Development Bank of Southern Africa is a local development finance institution, very different from the homeland bank it was set up as in 1983. To ensure the bank met the needs of the new South Africa and the Southern African Development Community (SADC) as a whole, it started a fundamental transformation in 1995.

Its mandate is to enhance delivery on regional infrastructure financing and job creation.

The bank's role within national and regional policy is to act as a catalyst to spur development.

This it does through enhancing the gearing of the RDP; boosting the evolution of SADC and implementing policy initiatives as set out in the series of government papers. In this vein the DBSA seeks to be a leading agent for socio-economic development in Southern Africa.

It finances sustainable development in partnership with the public and private sectors; focuses on investments especially in infrastructure; responds to development demands and acts as a catalyst for investments.

It operates primarily through its leveraging effect. This works according to the principle that the bank spurs the amount of money involved in the banks' developments spread far beyond the actual amount put forward by it.

The bank operates in Angola, Namibia, Botswana, South Africa, Lesotho, Swaziland, Malawi, Tanzania, Mauritius, Zambia, Mozambique, Zimbabwe, Seychelles, and the Democratic Republic of Congo. The products the bank is involved in at regional and municipal level include:

- ☐ water resources and sanitation schemes
- ☐ energy generation, transmission and distribution

☐ transport including roads, rails and airports

☐ telecommunications and information

☐ fire services and passenger transport systems

☐ reticulation services

☐ municipal facilities such as buildings, civic centres and waste disposal.

In addition, the bank is involved in socially orientated projects such as clinics and health centres as well as education facilities and commu-

The DBSA's policy aims to optimise development impact, positive economic outcomes, address socio-economic development backlogs and maximise the effect of projects in respect of gender, racial equity, sustainable job creation, appropriate technology, community participation and environmental sustainability.

The core business is the support of the creation of infrastructure to serve South Africa's needs. Its mandate is evolving, along with the entire development finance system. As such, the bank attends to the short and medium-term rural finance requirements.

The DBSA is a wholesale development finance institution mainly focused on infrastructure. To achieve its public and developmental mission, it follows three guiding principles: the work it follows is additional; it has a development impact and it follows sound banking practices.

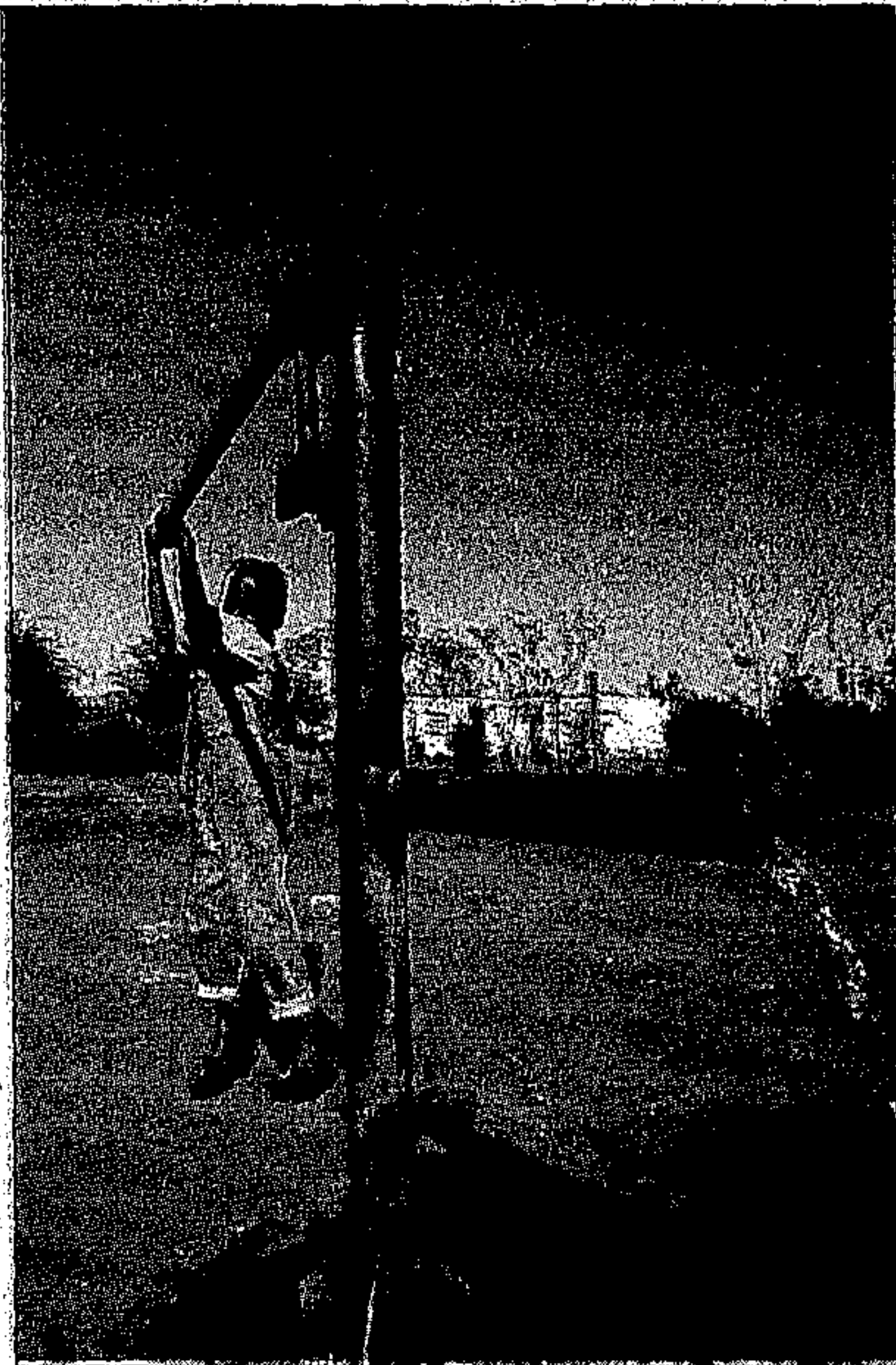
The bank has a dichotomous role in that it is banking orientated as well as development orientated. The government has said it would like to see the development emphasis maintained within a banking environment.

The bank's brief is to maximise private sector involvement and not to compete with the private sector.

It is expected to support projects with higher levels of risk as the private sector is risk

averse and will not veer towards projects where the perception of risk is too high.

According to the DBSA, it can support infrastructure development by making direct loans available at appropriate interest rates; take up an equity stake where appropriate; provide guarantees where appropriate and act as a merchant bank to package risk appropriately.



GROWTH This water tap in Modderfontein is an example of the DBSA's infrastructural development programme

nity learning centres. Eco-tourism related infrastructure include infrastructure for green spaces.

Entrepreneurial type infrastructure include concession investments like tollroads and market stalls. To spur development, the bank focuses on supplementing the government's budget resources by acting as a catalyst to maximise private sector and other infrastructure investments.

BANK OF SOUTHERN AFRICA REVIEW

Editorial: Adele Shevel
Advertising: Lee Roelofse

Strong results point to capacity to sustain projects

Its strong financial results for the past financial year proved the Development Bank of Southern Africa's capacity to sustain its development effects.

Productivity improved dramatically through a refocus on business activities.

For example, the average total staff days required to approve R1 million for loans decreased by 82 percent to 21 days.

With nearly 8 percent less staff than the previous year, output more than doubled and productivity per staff member, in respect of approvals, rose by 368 percent compared with the previous year.

Delivery received a boost during the year. The bank almost doubled its lending to expand spending on infrastructure and exceeded forecasts. Last year the bank approved a record R2,2 billion and approved new loan commitments of R4,3 billion, up 87 percent from R2,3 billion a year ago.

Employees have been given more responsibility within their work domains. Individual managers have the authority to approve projects of up to R7,5 million with only the chief executive's, Ian Goldin's approval needed for projects of up to R25 million.

Larger projects require the approval of the board. The bank has grown in fi-

financial strength and operational efficiency and has also launched one of the most aggressive affirmative action campaigns among SA employees.

In fact the bank has doubled productivity on almost every measure. It cut management positions to 27 from 57 since October 1996, and the number of management positions filled by blacks and women surged 83 percent to make up three-quarters of management.

Goldin says the bank's success should be measured by the impact it has on the communities it serves. Over the past year 987 000 households in 72 urban areas benefited from DBSA projects including upgrading water supply and sanitation, roads, electrical reticulation and institutional and social services.

Public-private sector partnerships to



Ian Goldin, the chief executive of DBSA

develop infrastructure were pioneered. Developmental financing criteria were improved and innovative measures put in place to put clients and projects on a sound financial footing. This resulted in write-offs falling to barely 0,04 percent of loans, despite a doubling of the number of loans.

According to Goldin, the growth in disbursements is likely to be maintained at an average of at least 10 percent a year in the medium term.

Several new trends emerged over the past year:

- Rapid growth in investment in urban bulk infrastructure and internal municipal services. This involved relatively higher lending to local authorities and public utilities.

- There was greater investment in other SADC countries. The DBSA approved in-

vestment loans of R1,96 billion during the 1997/8 financial year to finance infrastructure and other development projects in the rest of the SADC region.

Goldin says there will be significant growth in this investment portfolio with projects in seven other SADC countries under consideration.

This includes loans of R420 million for the next phase of the Lesotho Highlands Water programme and R438 million for the construction of the Maguga Dam and related works in Swaziland.

In addition, a loan of R329 million was recently approved for the Mozal aluminium smelter in Mozambique.

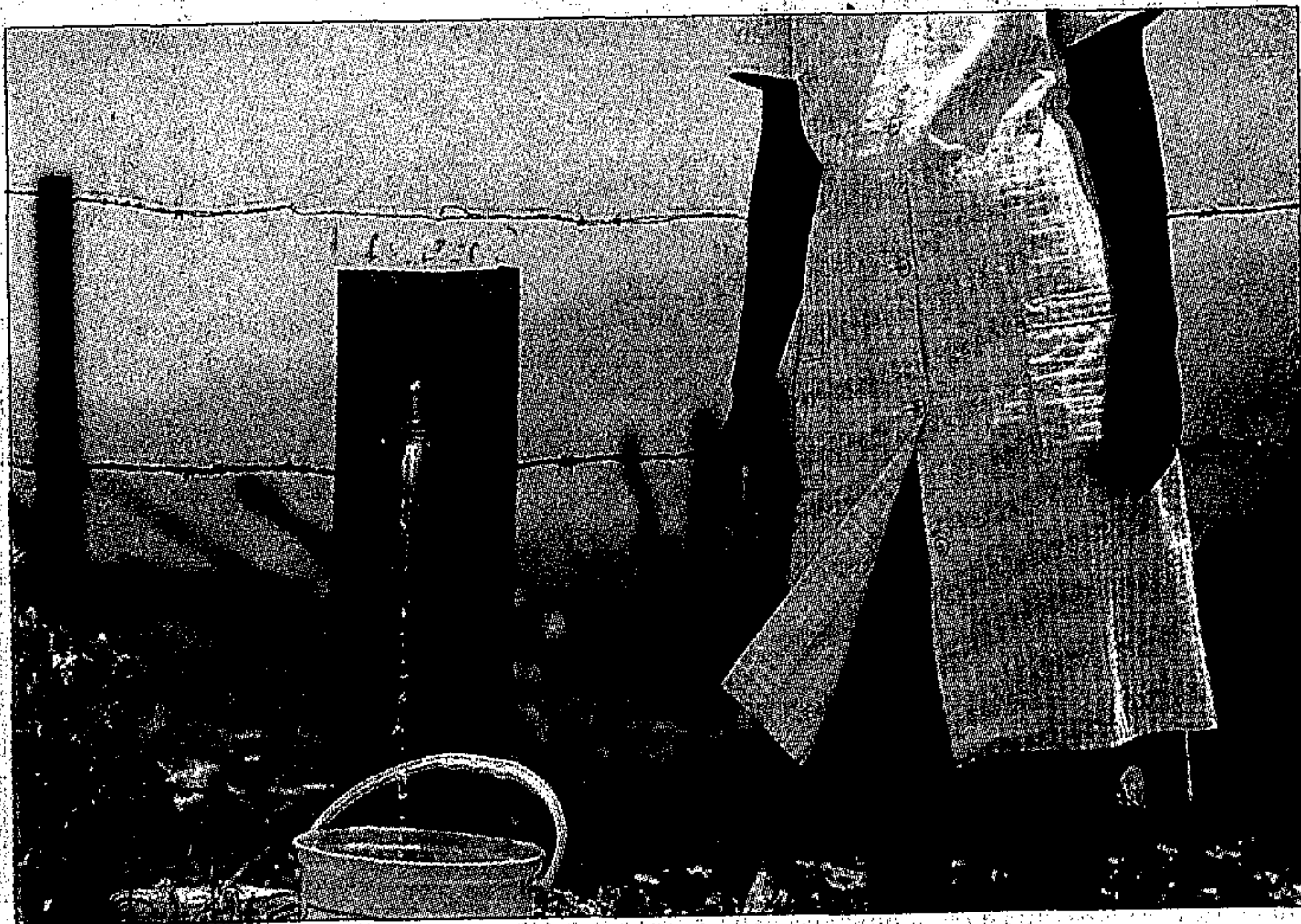
- Entrepreneurial support:

Investments in this sector remain under 10 percent of the bank's new loan approvals and are confined to SADC states outside South Africa.

One of Goldin's key emphases is the creation of jobs.

He says that as a direct result of the DBSA's disbursements approximately 20 000 new and sustainable jobs were created in South Africa alone with an estimated 34 000 additional jobs anticipated through the projects approved last year.

N AFRICA REVIEW



TAPPING PRIVATE FUNDS Residents of Mars in Pietersburg are no longer forced to walk far to fetch water now that taps have been installed around villages in one of the DBSA's water projects.

Targeting the private sector

CT (PR) 7/10/98

(297)

Private Provision of Infrastructure (PPI) typically involves the construction, operation and maintenance of infrastructure services by the private sector. It has become accepted internationally as an effective means of delivering infrastructure services.

The DBSA's operating philosophy recognises the need to mobilise private sector resources for the development of infrastructure. The DBSA has provided support for PPI initiatives through technical and financial support.

To satisfy South Africa's growing need for infrastructural support, the private sector has been targeted to supplement the lagging fiscal and managerial resources of the government. This can be done through several mechanisms.

One mechanism is a management agreement through which an agreement to operate and maintain a service is contracted to a private company for a predetermined period, without the private company or consortium financing the asset.

Another is a lease agreement, which enables the private company to lease, operate and maintain the state-owned asset for a certain amount of time.

A concession agreement enables the private operator to develop or rehabilitate and operate a state-owned asset or service.

Through privatisation, state-owned assets are sold to a private company or consortium. The bank also advises on financing and structuring projects. It assists with regard to legal, financial and other advice but will never be the adjudicator of tenders or proposals, as well as a potential financier.

"Private sector lending is growing, especially in the SADC region," says John Barton-Bridges, the manager of private sector investment in DBSA.

The manner in which projects are approached by the private sector as opposed to the public sector is different. Increasing lending to the private sector to fund growth and development re-

duces the burden of the budgets of the government.

"It also enables the projects to take advantage of the efficiencies found within the private sector," says Barton-Bridges, "as well as allowing the private sector to take some of the risks."

Subsequent to the release of the annual report, several new loans have been announced. The bank has approved two telecommunications projects: a \$4.5 million project in Zambia and a \$12.5 million project in Tanzania.

The unit focuses on the 14 countries found within the SADC at the moment as these countries are within the bank's mandate. Another project recently launched is the private equity fund with the Commonwealth Development Corporation (CDC). It is a 10-year closed end capital fund administered by the CDC to which DBSA loaned \$10 million.

The unit is assessing other telecommunication, port and toll road projects and supporting Spatial Development Initiatives.

DEVELOPMENT BANK OF SOUTHERN

More than 420 urban areas benefit from bank's investments

Investments made by the DBSA and its co-financiers in bulk infrastructure cover over 420 urban areas and focus on upgrading water supply, sanitation, electrical works, roads and storm-water drainage and institutional and social services.

According to the DBSA, about 987 000 households will benefit through what amounts to an investment of R2 100 a

household or about R480 a person. The bank assesses its development impact by assessing whether projects are economically justifiable, financially viable, technically appropriate, institutionally manageable, environmentally sustainable and conducive to social equity and empowerment.

In the 1997-98 financial year, the DBSA financed 148 projects, which include:

- The Botswana north-south carrier water project and Gaborone interface works. The bank provided finance to construct 239km of raw water pipeline at an estimated cost of R242 million between Lesibogo Dam and the outskirts of Botswana's capital, Gaborone.
- The Witbank-Maputo toll road. The Maputo Development
- Jouberton electrical retribution project in which the DBSA disbursed financing for the electrification of 4 500 houses in Jouberton in the North West Province.
- White River urban infrastructure upgrading to help with infrastructure and services backlog created after the merging of the low-income area, Kabokweni and White River.
- 5. Duiwelskloof/Ga-Kgapane urban development in which the bank lent R7,4 million, mainly for water reticulation, sewerage, internal gravel roads and storm-water drainage on 457 residential stands.

Striking the balance between financial institution and development agency

CT (BR) 7/10/98 (297)

The bank's financing is preceded by rigorous project and client appraisals. These assess the likely effects of the project, the financial and institutional capacity of the client and the actions needed to make the project viable and sustainable.

All potential projects have to balance the policies and implementation programmes of the bank, the government and the client, with the institutional and financial capacity of borrowers.

The economic, environmental, technical and social effects of the project are also analysed during appraisals. The bank also provides technical assistance to enable clients to become viable borrowers.

Ian Goldin, the bank's chief executive, emphasises the fact that the DBSA is first and foremost a bank. Viability is ensured through risk analysis and management as well as through stakeholder participation at country, client, project and internal organisational level.

Mandla Gantsho, the bank's ex-

ecutive manager for finance, says that as a development finance institution there are constant tensions between the two images of the bank. "How much of a financial institution or pure development agency should we be?" he asks.

The bank has had to redefine itself since it was formed in 1983 by the apartheid government to provide an integrated regional focus to the policy of separate development. It used to receive grants (its sole shareholder is the government) to promote homeland development, but this was stopped in 1994 so the bank had to become self-sustaining. Gantsho says the government now wanted to see a return on its assets.

Gantsho says whether this is a financial return to the government or one that makes its impact through sociological or environmental change is part of an ongoing debate. And if returns are financial then is it in terms of dividends paid or through a required rate of return.

The DBSA was talking to top government officials about the possibility of paying tax and dividends to ensure its financial independence. The bank has not received a state subsidy over the past three years.

One of the bank's prime tasks is to ensure it has the most financially effective borrowing rates. Over the past two years, Fitch Ipeca, the international rating agency, has granted the DBSA premier status with a AAA long-term and A1+ short-term credit rating which enables the bank to borrow at the lowest cost.

The DBSA has had three successful bond issues. In 1992, the first bond issue took place in Deutschemark; a second zero-coupon Euro-rand bond of R7 billion was issued. This was a world first in that the DBSA was the first institution to issue a 30-year Euro-rand coupon bond in the world. The most recent was a R1 billion coupon-rand-denominated bond issued in February this year.

Many are at risk as donations, grants to charities dwindle

Themba Hlangani

DD 8/10/98 (297)
MOST SA charity organisations are struggling to make ends meet and are faced with the prospect of closing shop because of the poor state of the country's economy.

The Johannesburg Society for the Blind yesterday made known its intentions to close down two of its packaging divisions at the beginning of next month.

The closure, if it goes ahead, will result in more than 60% of the blind and visually impaired workers employed there losing their jobs.

The society's GM, Marius Claasen, said the general poor state of the economy, outstanding augmentation grants from the labour department and a decline in donations from companies and the public contributed to the situation.

"Many of these people will find it hard to find employment elsewhere.

"Some of them might even lose their homes if we can't find sponsors to help with their already overdue rent payments," Claasen said.

"It is tragic that many people will be affected by this closure, but the future of the whole society hangs in the balance," he said.

The Salvation Army is another casualty of the economic decline and closed the Allister Smith Eventide Home in Durban in July.

Most other charities also raised concerns that if the economic situation persisted much longer they would be forced to shut some services or close shop altogether.

The economic situation has led to many big companies and individuals holding back on their donations. Exacerbating the situation, charity organisations that received government aid said the subsidy was being reduced every year.

Salvation Army spokesman Ingrid Andersen said there were cases where individual donors had cancelled their credit card contributions.

Charity organisation such as Wits Hospice, which caters for people with terminal illness, do not receive government subsidies, only small grants from the Gauteng health department.

Hospice director Peter Buckland said the grants covered about 2% of the organisation's needs. "The 2% figure from the grants is not enough as we have patient case load growth at 20% a year.

"That means we have to stop employing people," said Buckland.

He said the economic decline led to a decline in corporate sector funding, and made it difficult for organisations to prepare fundraising proposals considering the low profit margins registered by donors.

NGOs look to generate income from special accounts

Nonavenda Mathlane

CASH-strapped nongovernmental organisations (NGOs) have approached banks to ask for special high interest savings accounts in a bid to create income.

The NonProfit Partnership — made up of the SA NGO Coalition, the SA Grantmakers Association and the UK-based Charities Aid Foundation — has approached several banks with its requests.

The partnership was formed primarily to strengthen the financial strength of the NGO sector, which has come under increasing pressure because of dwindling support from governments and the private sector.

Sources close to the partnership said four banks had responded favourably to the idea. The partnership is currently looking at innovative ways to generate new revenue sources. The move comes after an-

PD 9/10/98 (297)
nouncements by many donors that they will divert funds from SA to other parts of the world with more pressing needs after next year's elections.

It is believed that funders of the NGO sector support the concept of getting banks to offer high interest rates to welfare organisations as this will increase the NGOs' resources and assist them to become financially independent. This scheme, if introduced,

will be available to all members of the NGO coalition and should allow for overdraft facilities, short-term loans and financial training for the NGOs.

Charities Aid Foundation director Eugene Saldanha confirmed the NonProfit Partnership had met with banks, with talks at an advanced stage.

Some banks had already started drawing up special packages for the NGO sector, Saldanha said.



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A-G CALLS PRESIDENT'S OFFICE

Mandela's support for Boesak rattles Kahn

ET 12/10/98

(297)

CAPE ATTORNEY-GENERAL Frank Kahn has been sent a detailed account of the President's comments about Allan Boesak's case, Senior Writer **CHRIS BATEMAN** reports.

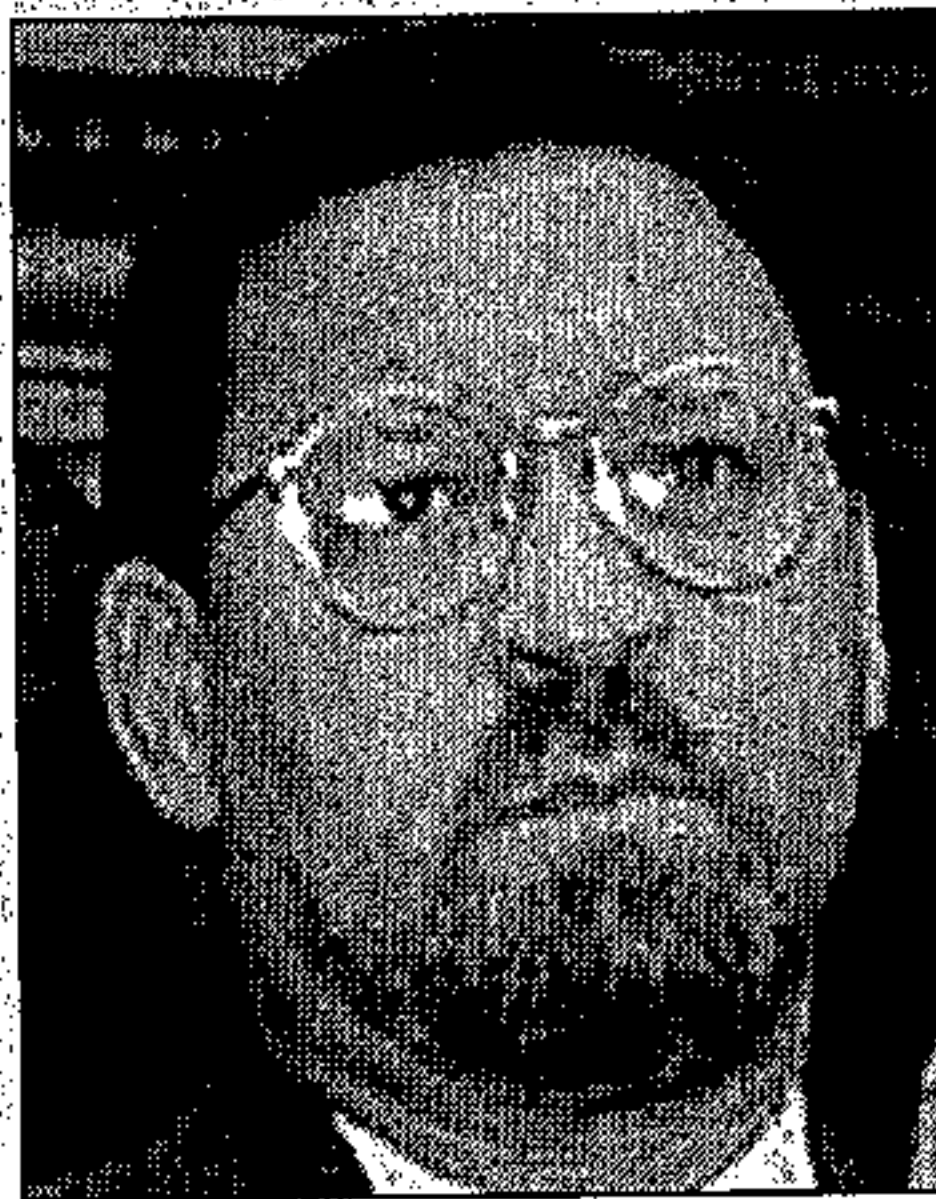
PRESIDENT Nelson Mandela's public support for Allan Boesak and assistance in raising funds for his High Court trial has ruffled the feathers of Cape attorney-general Frank Kahn.

The President's gestures have also upset the Democratic Party, whose spokesperson on justice, Douglas Gibson, says he intends asking — when Parliament resumes sitting next month — for a snap debate on the constitutional implications of Mandela's becoming involved.

Kahn — who had taken exception to Mandela's expressing doubt about whether there was a prima facie case against the former struggle hero — called the President's legal office last week to query his comments. Mandela had also cited defence counsel Mike Maritz's questioning of key elements of the prosecution's case.

The director-general of the President's office, Jakes Gerwel, said yesterday that Mandela wanted to ensure Boesak kept his defence team. Mandela had merely "defended his action as a private citizen".

"What he said was that a man is innocent until proven guilty and that this has been a celebrated and long case in which Boesak has been judged guilty long before its conclusion."



FALLOUT: Allan Boesak's legal aid problem is still causing waves.

Mandela had praised Maritz's defence of Boesak and had said that for Boesak to lose his services now would "not be a celebration of justice and ensure a fair trial, but undermine Boesak's defence", Gerwel said.

Mandela had emphasised that he did not want to prejudge the matter.

Gerwel confirmed, however, that Mandela had "raised doubt about whether a prima facie case existed".

He said the President's legal office had compiled a detailed reply, "giving the full context" of Mandela's comments, for Kahn.

Gibson said Mandela's actions had seriously compromised his constitutional role "in terms of granting amnesty, presidential pardons and so on".

"Is the President above the law?" Gibson said.

"Anyone else's saying what he has said would lead to a charge of contempt of court.

"He should know better — he's an attorney — and it's not up to the high standard of personal conduct we've come to expect of him.

"On reflection, I'm sure he's quite ashamed."

To which Gerwel replied: "You would expect Douglas or his party to say those things and I'd be disappointed if they didn't. That's why they're there."

Mandela's integrity was "unsailable and Douglas can rest in great comfort in his bed".

Gibson questioned Boesak's having told the High Court, during his action against the Legal Aid Board, that his first anonymous defence donor had been "his church organisation in the US".

He claimed Boesak had not appeared before the Legal Aid Board because he wanted to avoid explaining "certain conditions attached to that donation".

Gerwel said he did not know "and nor would I want to know" whom Mandela had contacted for funds for Boesak's defence once the first donation had been exhausted.

Attempts to reach Boesak and Kahn for comment yesterday were unsuccessful.

Moves on Mandela over Boesak comments

Star 12/10/98

(297)

OWN CORRESPONDENT

Cape Town – President Nelson Mandela's public defence of Allan Boesak, and assistance in raising funds for his fraud-and-theft trial, have ruffled the feathers of Cape Attorney-General Frank Kahn.

Mandela's moves have also upset the Democratic Party, whose justice spokesperson, Douglas Gibson, says he intends asking for a snap debate, when Parliament resumes next month, on the constitutional implications of the president's involvement.

Kahn called the presi-

dent's legal office last week to query Mandela's comments, which apparently prejudice the outcome of Boesak's trial.

Kahn took exception to Mandela expressing doubt as to whether a prima facie case existed against Boesak.

Professor Jakes Gerwel, director-general in the president's office, responded yesterday that Mandela wanted to ensure Boesak retained his legal defence team and had merely "defended his action as a private citizen".

Gerwel said Mandela had emphasised that he

did not want to prejudge the matter, adding that the president's legal office had compiled a detailed reply for Kahn "giving the full context" of Mandela's comments.

He confirmed, however, that Mandela had "even raised doubt as to whether a prima facie case existed".

Gibson said Mandela's actions seriously compromised the president's constitutional role "in terms of granting amnesty, presidential pardons and so on".

"Is the president above the law? Anyone else saying what he said would

lead to a contempt of court charge – he should know better, he's an attorney, and it's not up to the high standard of personal conduct we've come to expect of him.

Gibson also questioned Boesak's claim, during his action against the Legal Aid Board, that his first anonymous donor had been "his church organisation in the USA".

He claimed Boesak's notable absence before the Legal Aid Board was because Boesak wanted to avoid explaining "certain conditions attached to that donation".

Capetown pensioners cracked down Medical checks as all forced to re-register

ARC 12/10/98

GLYNIS UNDERHILL
SPECIAL CORRESPONDENT

About 320 000 pensioners and beneficiaries of disability and other social grants in the Western Cape will have to re-register as the authorities move to crack down on fraud.

More than 497 cases of social grant fraud in the Western Cape have been reported to police for prosecution in the past two years and disciplinary hearings involving six officials are under way.

The process to re-register social grant beneficiaries in the region was started two years ago, but never completed, said Jacob Boonzaaier, provincial deputy director of social security.

Those who went through the process then would have to register again to meet the national criteria for grants and for authorities to check whether they qualified for benefits, he said.

"During the previous process, two years ago, we concentrated on updating our information, but now we also will be determining whether people qualify for their grants."

Those receiving social disability grants would be required to have medical examinations, which would be paid for by the Department of Welfare, said Mr Boonzaaier.

Re-registration will take place over the next 18 months.

A pilot re-registration project starts today in Atlantis. More than 14 000 social grant beneficiaries from the Swartland and West Coast have been notified they must take part in the process. Social grant beneficiaries would be notified in writing when the re-registration process moved to their area, said Mr Boonzaaier.

Information on all social grant beneficiaries is being checked again and an internal inspectorate has been established to investigate fraud and irregularities.

Pensioners in Khayelitsha and other townships have complained about long

To page 3

Pension fraud

From page 1

(297)

delays in the processing of their pension applications.

Some desperate pensioners had collapsed at pay points when told their pensions were unavailable or could not be processed, said the chairman of the Western Cape Pensioners' Forum, Bennett Mpofo.

When pension officials were asked to a meeting at Nyanga community centre to enable pensioners to air their grievances, they failed to arrive, said Mr Mpofo.

But Waldie Terblanche, director of social security in the Western Cape, claimed Mr Mpofo had failed to turn up at two scheduled meetings with his department to discuss the issue.

Mr Mpofo described the situation

as a crisis, while Dr Terblanche said he could not find any flaws in the system. There was no shortage of funds to pay the pensions and there were no obvious delays in processing, he said.

The Department of Welfare is responsible for paying the 320 000 social grant beneficiaries in the Western Cape.

"The payment amounts to R155-million each month. On average, the Department of Welfare receives 4 000 new applications every month. Some applicants do provide the department with false information to secure social grants," said deputy director of social services Henry Degraas.

Most of the fraud occurred with maintenance and disability grants, he said.

ARC 12/10/98

Weeding-out under way today

All those receiving social grants will be sent letters notifying them when re-registration will take place in their areas.

Pensioners will have to supply documentation, and those on disability grants will also have to have medical examinations to ensure they qualify for grants.

A pilot re-registration project

begins today in the Swartland and West Coast. The process then moves to other areas.

Social grant beneficiaries will have the right to appeal if their grants are withdrawn.

Re-registration has been ordered by the Department of Welfare to bring all beneficiaries in line with national criteria.

Madiba apologises to Kahn for comments on Boesak

CHRIS BATEMAN

PRESIDENT Nelson Mandela has apologised formally to Cape attorney-general Frank Kahn about his publicly questioning whether there is a "prima facie" case against former struggle hero Allan Boesak, who is being tried on fraud and theft charges.

Mandela's expression of doubt followed his intervention to ensure that the cash-strapped Boesak — whose large gift of money from an anonymous donor had been exhausted — found another benefactor to enable him to keep his top-flight defence team.

Kahn angrily called Mandela's legal advisers last week to ask for an explanation of the president's comments. He has since received a response from Mandela's lawyers, part of which he released yesterday.

In writing to Kahn, the lawyers said that if Mandela's comments had the "unintended consequence of compromising" the ideal of an independent judiciary, "it is regretted".

Mandela's lawyers also placed on record that the president had "had no intention of interfering with the prosecution in this or any other case".

"He has on numerous occasions made clear his commitment to the independence of the judiciary," they wrote.

(297) CT 13/10/98
"If his response may have had the unintended consequence of compromising this ideal, it is regretted."

Kahn said yesterday that it was out of concern for the judicial process that he had queried the president's comments.

"An atmosphere should never be created whereby witnesses might feel they are crossing swords with the gods," he said.

"I have received a full explanation from the president's office, which I accept and, as far as this office is concerned, the whole unfortunate incident is regarded as closed."

The director-general of the president's office, Jakes Gerwel, noted at the weekend that Mandela's comments had been made in response to reporters' questions about his role in securing funding to ensure Boesak kept his defence team. The president had merely "defended his action as a private citizen".

"What he said was that a man is innocent until proven guilty and that it's been a celebrated and lengthy case in which Boesak has been judged guilty long before its conclusion," Gerwel said.

He confirmed that the president had "raised doubt about whether a prima facie case existed".

Boesak's Cape High Court trial is scheduled to resume on Monday.

Mandela says sorry to A-G over Boesak

(297)

Lawyers say it is regretted if president's comments compromised the judiciary

Star 13/10/98

By CHRIS BATEMAN
Cape Town

President Nelson Mandela has formally apologised to Western Cape Attorney-general Frank Kahn for publicly questioning whether a prima facie fraud and theft case existed against former anti-apartheid hero Allan Boesak.

After a hefty donation from Boesak's first anonymous benefactor had dried up, Mandela intervened to ensure that a cash-strapped Boesak found another benefactor to sponsor his top-grade defence team.

Kahn, who last week angrily called Mandela's legal advisers to ask for an explanation of the president's comments, yesterday released a portion of Mandela's response.

In the press release, Mandela's lawyers told Kahn that if the president's comments had the "unintended consequence of compromising" the ideal of an independent judiciary, his (Mandela's) statement is regretted.

Kahn said he had queried Mandela's comments out of concern for the judicial process.

Kahn added: "An atmosphere should never be created whereby witnesses might feel they are crossing swords with the gods. I have received a full explanation from the President's Office ... which I accept, and as far as this office is concerned, the whole unfortunate incident is regarded as closed."

Mandela's explanation in-

cluded that he had no intention of interfering with the prosecution in this or any other case; that he had on numerous occasions made clear his commitment to the independence of the judiciary, and that if his response might have had the unintended consequence of compromising this ideal, it was regretted.

Mandela's comments on the Boesak case also upset the Democratic Party.

The DP's justice spokesperson, Douglas Gibson, intended requesting a snap debate on the constitutional implications of presidential involvement once Parliament resumes early next month.

The director-general in the President's Office, Professor Jakes Gerwel, said at the weekend that Mandela had merely "defended his action as a private citizen" in answering reporters' questions about his role in securing funding for Boesak's legal defence team.

"What he said was that a man is innocent until proved guilty and that ... Boesak had been judged guilty long before the case's conclusion," Gerwel said.

Gerwel confirmed that Mandela had "raised doubt as to whether a prima facie case existed".

Gibson said that if anyone else had said what Mandela had said, it would have led to a contempt of court charge.

"He should know better, he's an attorney, and it's not up to the high standard of personal conduct we've come to expect of him," Gibson said.

Bank focusing more on regional project funding

Linda Ensor

(297)

CAPE TOWN — The World Bank was increasingly moving to funding of regional projects, in contrast with country-targeted funding of the past, the bank's external affairs vice-president Mark Malloch Brown said yesterday.

Malloch Brown is attending a conference on the reconstruction of post-conflict societies in southern Africa, organised by the World Bank and the University of Cape Town's Centre for Conflict Resolution.

"As a partner-based organisation, the World Bank had been constrained in terms of lending to nongovernmental and regional organisations. I believe we may be failing on the regional front by concentrating on countries," he told delegates.

"Increasingly, as our country clients start to think regionally, we will have to organise ourselves to ensure we think the same way," Malloch Brown said. A precondition, though, was that governments within a region take the lead and present the bank with solid, common regional plans.

Earlier, Sam Kutesa, Uganda's finance, planning and economic development minister, said the benefit of uniting countries in common regional projects and giving them stakes in the

stability of each others' economies was that it made it less likely they would interfere in one another's affairs. An example was the East African hydroelectric project which united Uganda, Kenya and Tanzania.

Kutesa's view was endorsed by senior Organisation of African Unity official John Tesha.

SA-based World Bank economist Kam Chetty cited the Maputo and the Lebombo corridors as examples of regional projects with bank involvement.

World Bank research director Paul Collier stressed the importance of Africa marketing itself abroad to alter investors' misperceptions of the continent. While risk ratings of African nations reflected, to an extent, their poor fundamentals, in many cases countries got a worse rating than justified due to the "bad neighbourhood effect".

Contrary to popular belief, ethnically diverse countries were relatively safer from the risk of conflict, Collier said. Yet this was conditional on the existence of democracy, limited poverty and respect for political rights.

Kutesa highlighted the dangers of forcing African nations, which lacked supporting institutional infrastructure, to adopt multiparty democracy. Yet, just as dangerous, was for them to forgo the ideal of this system.

I didn't mean to prejudice Boesak trial, says Mandela

GLYNIS UNDERHILL
Special Correspondent

President Mandela has assured Cape Attorney-General Frank Kahn he had no intention of interfering with the prosecution of Allan Boesak, despite his outspoken comments on the case.

Although Mr Mandela publicly expressed doubt whether there was a prima facie case against the former Western Cape African National Congress leader, his office has now written to Mr Kahn to explain that he had not meant to prejudice the trial. The official explanation conveyed

the president's own concerns about the independence of the judiciary.

"The president had no intention of interfering with the prosecution in this or any other case. He has on numerous occasions made clear his commitment to the independence of the judiciary and if his response may have had the unintended consequence of compromising this ideal, it is regretted," the letter said.

Mr Kahn said yesterday he had queried the president's comments about the case out of concern for the judicial process.

"An atmosphere should never be created whereby witnesses would feel

they are crossing swords with the gods.

"I have received a full explanation from the president's office and the president has placed on record that he had no intention of interfering with the prosecution in this or any other case," he said.

Legal sources said it could have been possible to cite Mr Mandela for contempt of court over his comments, but the matter now appeared to have been resolved.

Mr Kahn said the "unfortunate incident" was now behind them.

"I accept this explanation and as far as this office is concerned, the

whole unfortunate incident is regarded as closed," he said.

Dr Boesak is charged with fraud and theft of foreign funding intended for victims of apartheid.

A former ambassador designate to the United Nations in Geneva, Dr Boesak was forced to resign this position when he was accused of misappropriating funds four years ago, but he has always maintained his innocence.

The president's comments about the once high-profile struggle politician is one of the many instances where the Government has come out in support of him.

Mr Kahn took Justice Minister Dullah Omar to task for giving Dr Boesak a hero's welcome at Cape Town airport shortly before his trial was due to start in the Cape High Court.

Dr Boesak's trial has been repeatedly adjourned as a result of a wrangle over his funding for his defence with the Legal Aid Board, which demanded to know the identity of a mystery donor who was funding his senior counsel.

When funding from the anonymous donor ran out, Mr Mandela stepped in with another unnamed donor to assist with legal costs.

Mandela regrets comments on Boesak trial

(297) 8D 14/10/98

CAPE TOWN — SA President Nelson Mandela apologised for questioning the state's case in the fraud trial of anti-apartheid cleric Allan Boesak, an explanation prosecutors said yesterday they had accepted.

Mandela had earlier questioned whether the state had a prima facie case against Boesak, who is on trial in the much-delayed case for allegedly defrauding a Danish aid agency of millions of rand.

Western Cape attorney-general Frank Kahn said he had questioned Mandela's motives in commenting on the case against Boesak, who is seen as close to the ruling African National Congress.

An atmosphere should never be created whereby witnesses might feel they are crossing swords with the gods," Kahn said.

He said he had received a full explanation from Mandela stating he had no intention of interfering with the prosecution in this or any other case and expressing regret if his comments had been interpreted as compromising judicial independence.

"I accept this explanation and as far as this office is concerned the whole unfortunate incident is regarded as closed," Kahn said.

Boesak, 52, has pleaded not guilty to 32 charges of theft and fraud for siphoning off

more than R1m donated by foreign donors to help the poor in the last years of apartheid.

The accusations were first made by a Danish aid agency before SA's election in 1994.

However, the start of Boesak's case was postponed several times due to a row with the Legal Aid Board over the funding of his defence and stalled after only three weeks of proceedings when funds from a mystery donor to pay his lawyers ran dry.

Mandela last month promised to help Boesak fund his defence so he could establish his innocence. — Reuter.

'RDP Funds paid to private organisation'

By CHRIS HLONGWA (297)

KWAZULU-NATAL Premier Ben Ngubane (pictured) is alleged to have instructed officials to issue cheques amounting to more than R70 000 from provincial funds to African Library Association of SA (Alasa), a private organisation.

It is alleged he had no authority to use provincial education funds for this purpose. Alasa had requested R250 000 as sponsorship for their 1997 conference, and had told the KwaZulu-Natal government it was free to advertise at the conference.

Claims for expenses were not accompanied by valid receipts and included a sea cruise around Durban.

This is according to documents leaked to City Press.

Alasa had asked for a R250 000 sponsorship from the KZN director general, Professor Oty Nxumalo, for their annual conference to be held in Durban from September 28 to October 2, 1997.

In the documents three provincial officials claim they were instructed to sign cheques on behalf of KwaZulu-Natal amounting to more than R70 000.

They also say Nxumalo was one of the two people who put pressure on them to sign the apparently unauthorised payments.

Payment advices (form 1084) indicate that the signatories signed the payment forms on instructions from Ngubane and Nxumalo. The cheque numbers were 273436 and 273437 dated 29/9/97 for R49 537,05 and R21 500.

According to an internal government probe, Nxumalo was also asked for R250 000 by Alasa for a conference for teachers and



the education department, but the money benefited itself only.

Mike Sutcliffe, provincial ANC MP and member of the public accounts committee who had a look at the documents in the possession of City Press, yesterday said the allegations it contained were "extremely serious and the ANC demands an open, independent, public inquiry to investigate the role of the Premier in this matter."

He said the document confirmed "what a number of sources in the government have been telling us over the past few months".

Sutcliffe said the document appeared "absolutely genuine and I can recognise some of the signatures".

According to the document, the chairman of the School Governing Training Unit (SGTU), Dr M Lotter, said the amount of R71 037 "was paid on the instruction of both the Director General Nxumalo and the Premier Ngubane".

The total amount claimed by Alasa had been R110 052,72. In the document it is alleged that "all signatories say they were forced to sign this amount on instruction from Ngubane and Nxumalo".

Neither Ngubane nor Nxumalo had at the time of going to press responded to City Press's queries since Friday.

A source in the internal audit section alleges the internal probe into the funding of Alasa stopped when Ngubane and Nxumalo were said to be involved.

According to the document the director of financial control and internal audit, Patrick Mkhize, said in April this year that the matter should be referred to the director general "with a request that the department be re-

'RDP funds paid to private organisation'

From Page 1. Imbursed with the above amount (R71 037) as it was paid without any authority from the education department.

He also said: "This matter should be treated with care, seeing that the Director General and the Premier were as alleged involved in the authorisation of this sponsorship."

The acting deputy director-general (administration), according to the confidential document, agreed with the internal audit recommendation that the matter should be referred to Nxumalo for his final decision.

The secretary for the Education and Culture Department at the time, M Jarvis, also agreed with the recommendation.

Findings by Mkhize during the investigation into funding of Alasa include:

□ "This sponsorship of R250 000 to Alasa was never authorised or approved by the head of the Education De-

partment and the Treasury."

□ "The department of Education benefited very little, if at all, because according to information obtained, no teachers were invited to the conference."

□ "The only delegates present were Alasa members."

□ "The SGTU allocation from RDP funds is for a specific function and not to sponsor other organisations."

□ "The department is in critical financial constraints. While in this situation, I do not think it can afford to sponsor any organisation."

□ "The request for sponsorship by Alasa was not directed to the Education Department, therefore it is not understood why education funds are specifically SGTU monies are to be used in this sponsorship."

Questions have also been raised about RDP money allegedly paid to RTM Human Resources Consultancy for tasks done on behalf of the Kwa-

Zulu-Natal Government.

Trust cash 'never' reached children'

Boesak case's money trail

(297)
Afs 19/10/98

LENORE OLIVER
HIGH COURT REPORTER

Veteran human rights campaigner Mary Burton has told the Cape High Court that R205 000 donated by singer Paul Simon to the Children's Trust never reached its target.

Mrs Burton was testifying in the trial of Dr Allan Boesak who has pleaded not guilty to fraud and theft charges involving R1.1-million in foreign donor funds from the Foundation for Peace and Justice, which he headed.

Years later Mrs Burton found Simon had donated a total of R628 000 to the trust, but Dr Boesak told the trustees only R423 000 was available.

The Children's Trust was started in June 1988 and Mrs Burton, Dr Boesak and Archbishop Desmond Tutu were trustees. The aim of the Trust was to safeguard children who were victims of apartheid. The Trust would accept requests for donations by organisations which looked after the interests of children.

The Foundation for Peace and Justice would act as administrators.

"I never knew that the amount in fact donated by Paul Simon was R628 000," Mrs Burton said.

"In the early stages we were enthusiastic and were looking for projects to spend the money on.

"But 18 months after the Trust was started I became concerned that we had such a large sum of money and were not able to expend it," she said.

Mrs Burton said that in 1991 there was R530 645 in the Trust's accounts and the FPI notified the trustees they would charge a 10% administration fee. "My concern was that this was the Trust's largest expenditure. The money was not being used for the purpose for which it was intended."

She said the Trust only ever made two donations, of R10 000 each.

In 1995, after the Trust had spent about R73 000 (R53 000 for administration and R20 000 in donations) Mrs Burton found there was nothing left in the Trust. She said she found out the money had been transferred to the FPI four years previously.

Mrs Burton said after she found that the funds were no longer in the Trust's accounts she immediately went to the police.



Unity: Allan and Elna Boesak at the Cape High Court today to hear testimony on fraud charges.

LEON MULLER

BURTON TESTIFIES IN BOESAK CASE

Funds transferred, court told

ET 20/10/98 (297)

A TRUSTEE OF the Dutch Reformed Church in Bellville South testified yesterday that Allan Boesak refused to give a detailed disclosure of his spending.

FORMER Black Sash president Mary Burton went to the police when she learnt that over R431 000 meant for the Children's Trust had been transferred to Allan Boesak's Foundation for Peace and Justice (FPJ) without the knowledge of the trustees, the Cape High Court heard yesterday.

Burton was testifying for the state at the resumption of Boesak's theft and fraud trial.

Boesak has pleaded not guilty.

Burton said she, Archbishop Desmond Tutu and Boesak were the trustees of the trust.

She said she was distressed about the transfer of funds to the FPJ and was so concerned about it that she decided to report it to the archbishop.

The trust, established in June 1988, was set up for the benefit of children who were the victims of apartheid.

Burton told the court the transfer of R431 029 took place in April 1991.

However, she only found out about it in February 1995 when the FPJ informed her that the money she thought was in the account of the trust was not there.

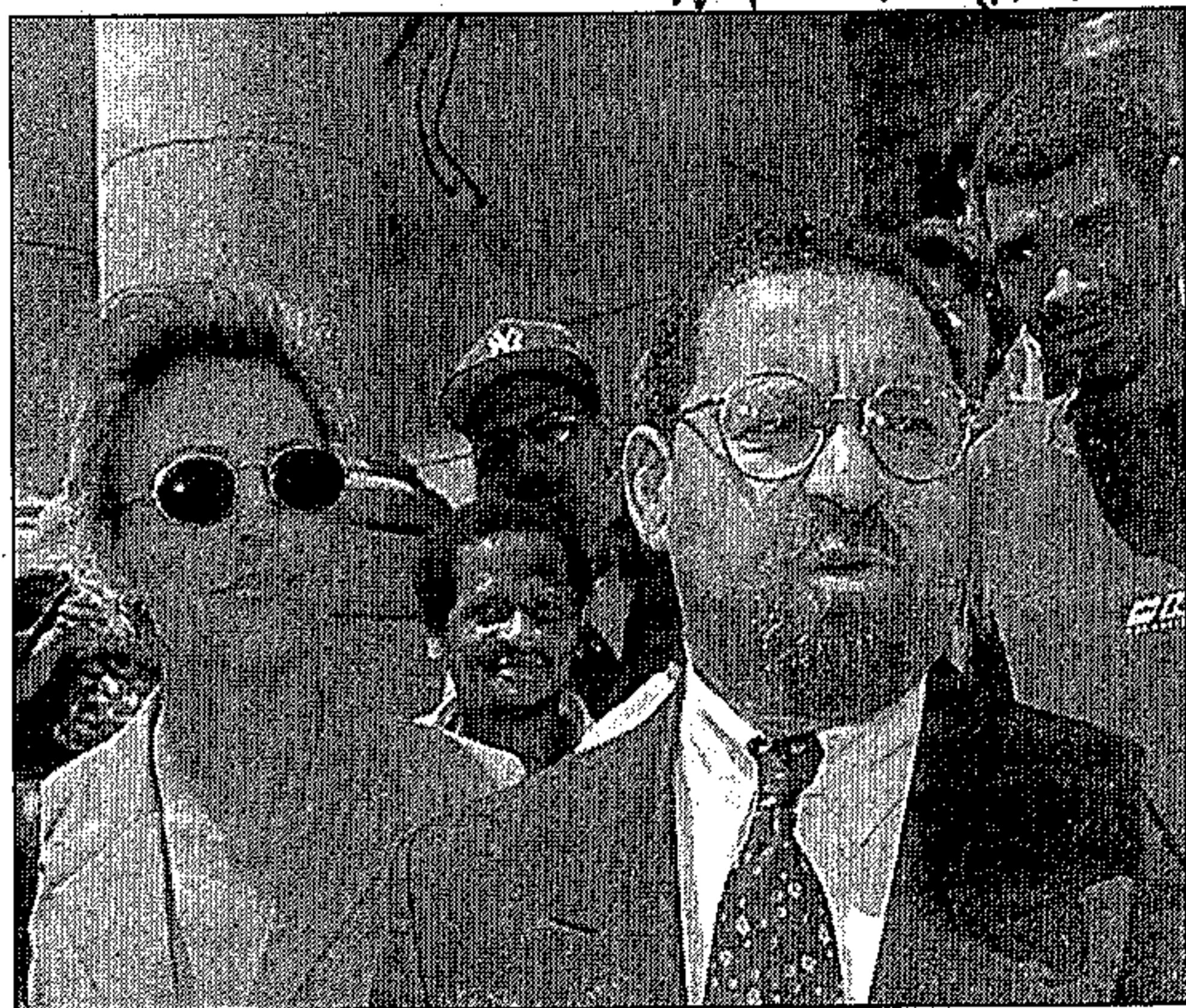
She testified about her increasing concern over the slow movement of funds to needy children.

Burton agreed with Boesak's advocate, Mike Maritz, that the fund had been launched in a period of political turmoil when Boesak's involvement with the United Democratic Front (UDF) caused him to travel extensively.

John Litman, trustee of the foundation and the Bellville South Dutch Reformed Church, also gave evidence for the state yesterday.

Litman said that the now defunct FPJ was set up to allow Allan Boesak to carry on with his role as a pastor and to participate in political activities.

The FPJ was aware of money being made available from the Swedish government to buy Boesak a car, said Litman.



CONFIDENT: Allan and Elna Boesak leave the Cape High Court yesterday after his case resumed.

PICTURE: ALAN TAYLOR

He added that the Bellville South Dutch Reformed Church had asked Boesak for a detailed disclosure of his spending, but he refused outright.

Maritz said his client may have had a good reason for refusing.

He said that it may have been

possible that someone on the church council may have been a member of the apartheid-era security police and disclosing fund information could have jeopardised Boesak's safety.

The trial continues today. — Staff Writer, Sapa

Boesak trial told of fund transfer

(297) Star 20/10/98

Cape Town - Mary Burton, former Black Sash president, said she informed the police when she learnt that R431 000 intended for the Children's Trust had been transferred to Alan Boesak's Foundation for Peace and Justice (FPJ) without the trustees' knowledge.

Burton told the Cape High Court yesterday that she, Archbishop Desmond Tutu and Boesak were the trustees of the Children's Trust.

She said she had been distressed about the transfer of funds to the FPJ and that she tried to report it to Tutu.

The Children's Trust was established in June 1988 to benefit children who were victims of

apartheid.

Burton told the court the transfer of R431 029 took place in April 1991, but she found out about it only in February 1995.

Burton agreed with Boesak's advocate Mike Maritz that the trust had been launched in a period of political turmoil when Boesak's involvement with the United Democratic Front required him to travel extensively.

Burton was giving evidence for the State at the resumption of Boesak's trial on theft and fraud charges.

Boesak has pleaded not guilty.

John Litman, trustee of the FPJ and councillor of the Bellville South NG Sendingkerk also gave evidence yesterday.

Litman said the FPJ was set up to allow Boesak to carry on with his role as a pastor and also to participate in political activities.

The FPJ was aware of money being made available from the Swedish government to buy Boesak a car, said Litman.

He added that the church had asked Boesak for a detailed disclosure of his spending, but he refused outright.

Maritz said Boesak may have feared someone on the church council was a member of the apartheid-era security police and disclosing the information could have jeopardised his safety.

The trial continues today. - Own Correspondent

Court probes Simon donations

BD 20/10/98 (297)

CAPE TOWN — A court trying the anti-apartheid cleric Allan Boesak on fraud charges probed yesterday the disappearance of part of a donation from US pop star Paul Simon.

Boesak, 52, has pleaded not guilty to 32 charges of theft and fraud over the disappearance of R1,1m of donated money.

This came mainly from Scandinavian charities, but also from Simon and the charitable arm of Coca-Cola. Boesak is the former leader of the African National Congress in the Western Cape.

Prosecutor JC Gerber said Simon had donated R682 000 to the Children's Trust set up by Boesak and others in 1988. The money was raised during Simon's Grace-land tour of SA.

Only R423 000 was deposited when the Children's Trust bank account was opened, Gerber said.

Former Black Sash president Mary Burton, who was chairman of the Children's Trust, was in the witness box yesterday.

She told the court the purpose of the

trust was the protection and advancement of children who were victims of apartheid.

The only two trustees were Boesak and Anglican Archbishop Desmond Tutu.

Burton said an amount of R682 000 was made available to the trust, but the trustees were only informed of R423 000.

Two projects to which funds were initially allocated were the Free The Children Alliance and the Detainees Parents' Support Committee.

Burton said although the trustees were never formally appointed, they were initially enthusiastic and held meetings fairly frequently. However, 18 months after the trust's establishment, little money had actually been allocated to projects and she felt concerned about this.

She said Boesak's foundation also was involved in the administration of the trust, and she was alarmed when the foundation demanded a 10% administration fee. More money was being spent on administration than on projects, she said.

Nevertheless, she was assured by others

who were involved that an administration fee was normal.

In 1995, seven years after the trust was set up, Burton said she was shocked to discover that its bank account was empty and more than R400 000 had been transferred to Boesak's Foundation for Peace and Justice charity.

"I was very distressed," she said. "We went to the police."

By this time, SA's Office for Serious Economic Offences was already conducting an investigation into Boesak's charity. Burton said she was given no explanation for the transfer of the money from the fund.

A Danish aid agency first made the accusations of fraud before SA's first democratic elections in 1994, but Boesak's case was postponed several times due to a row with the Legal Aid Board over funding for his defence. The trial began in August.

Freddie Steenkamp, the accountant for the Foundation for Peace and Justice, was jailed last year for six years after pleading guilty to similar charges. — Reuter, Sapa.

Why worry? - Steenkamp's answer to bank's query on FPI overdrafts

LEMORE OLIVER
HIGH COURT REPORTER

(297)

AKG 20/10/98

A former bank manager told the Cape High Court today that when he queried unauthorised overdrafts on the Foundation for Peace and Justice account, its bookkeeper Freddie Steenkamp would say: "Why worry?"

John Ettisch, formerly of First National Bank, was testifying in the trial of Allan Boesak, who has pleaded not guilty to theft and fraud involving R1,1-million of foreign donor funds to the foundation he headed.

"As a banker I found this a lackadaisical, casual attitude. I was not amused by it and it was not the answer I expected," said Mr Ettisch.

He said he had grouped Dr Boesak's personal account and the Foundation's accounts at his Kulls River branch of First National.

"Dr Boesak looked after his account very well and it was not overdrawn frequently.

"On occasion, when one of the accounts was overdrawn, I'd speak to Dr Boesak or his secretary, Lucille Fester, and an adjustment to the account would be made within days," he said.

Ms Fester or Dr Boesak would always advise him they were waiting for overseas funding and that the account would be rectified soon.

Mr Ettisch said he did not speak to Steenkamp often.

He said he had grouped Dr Boesak's personal account and the Foundation's accounts at his Kulls River branch of First National. "Dr Boesak looked after his account very well and it was not overdrawn frequently. "On occasion, when one of the accounts was overdrawn, I'd speak to Dr Boesak or his secretary, Lucille Fester, and an adjustment to the account would be made within days," he said. Ms Fester or Dr Boesak would always advise him they were waiting for overseas funding and that the account would be rectified soon. Mr Ettisch said he did not speak to Steenkamp often.

The court also heard that Mr Ettisch had suggested that Dr Boesak transfer money from the Children's Trust account to the foundation's account to save interest when the foundation's account was overdrawn by R131 000.

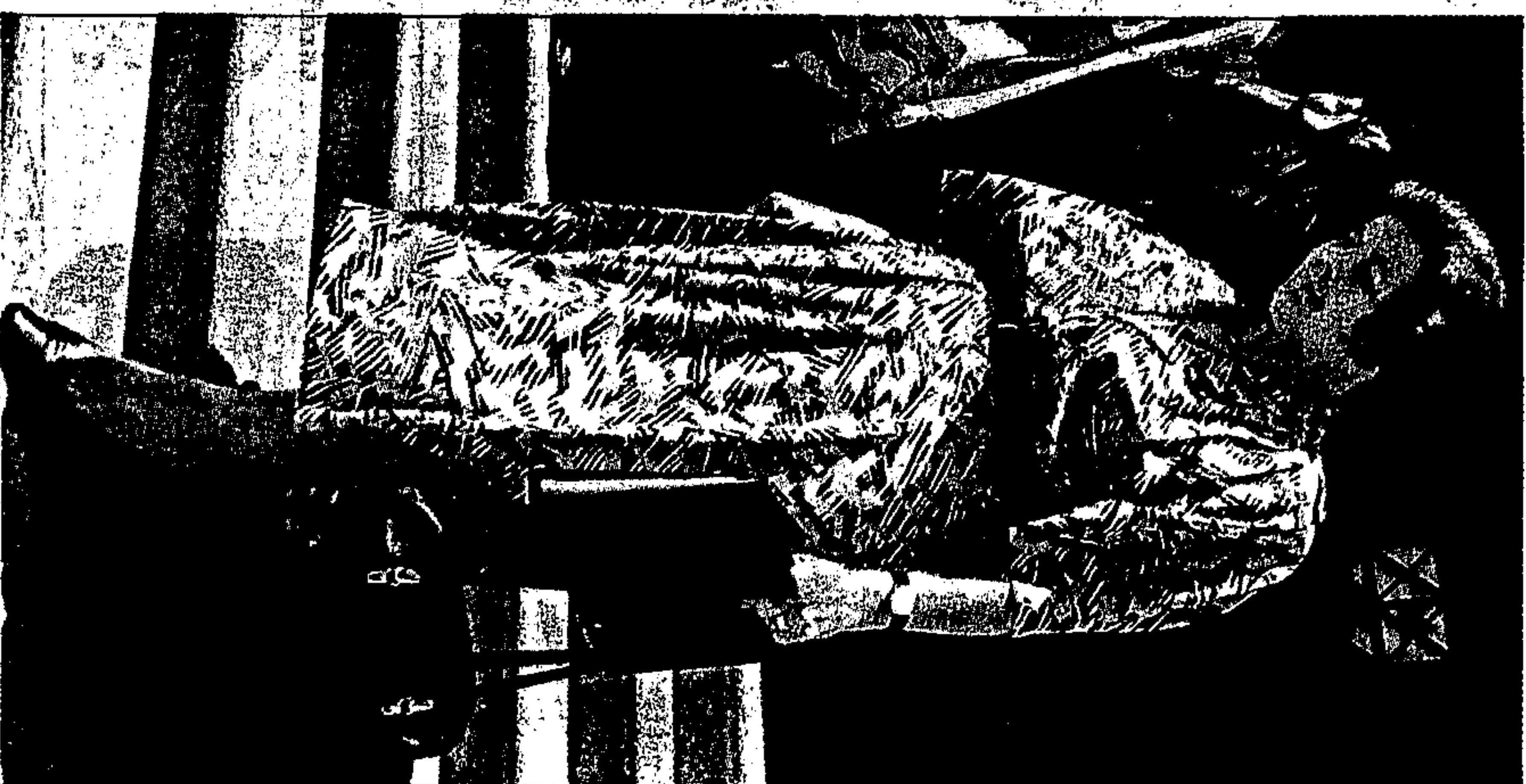
The Children's Trust was formed to assist child victims of apartheid.

It emerged earlier that Dr Boesak refused to give financial details of the Foundation for Peace and Justice to his church council.

Former church secretary John Rittmann told the court: "I can't remember what the reason was, but we never received the books."



In good voice: Allan and Elna Boesak, left, at the Cape Town High Court yesterday after hearing evidence from Mary Burton, right, about discrepancies in funds made available to the Children's Trust



LEON MULLER

Boesak's accounts well maintained, court told

(297) Gray 21/10/98

He was never overdrawn for long, ex-bank manager testifies

SAPA

Cape Town

Allan Boesak's former bank manager was questioned at length in the Cape High Court yesterday about a breach of bank procedures that led to the unauthorised transfer of funds from the Children's Fund to the Foundation for Peace and Justice.

Former First National Bank manager John Ettisch told the court that a bank manager was not concerned with general administration or clerical errors. He could therefore not explain why, contrary to written instructions, money intended for the Children's Fund ended up in the foundation's account.

He told Mr Justice John Foxcroft: "I am not an authority on forms and documents - the bank manager does not look at forms."



On trial ... Dr Allan Boesak.

Boesak has pleaded not guilty to fraud and theft charges involving R9-million.

Ettisch told the court he knew Boesak did a lot of charity work, including raising foreign donor funds. For this reason, Ettisch

had persuaded Boesak to move his personal and business accounts from Boland Bank to FNB.

As bank manager he had no problems with Boesak's accounts, as the former cleric always made prompt adjustments when his accounts became overdrawn.

Ettisch said Boesak's accounts were always well maintained and infrequently overdrawn. Whenever they were overdrawn, Ettisch was told that foreign funding would be coming in.

On the other hand, he told the court, he felt concerned about the "why-worry" attitude of former foundation bookkeeper Freddie Steenkamp when the FPJ account went into the red.

"I was not amused by Steenkamp's casual attitude and I often warned him to refrain from issuing cheques," Ettisch said.

The hearing continues today.

Court focuses on Boesak's banking

CAPE TOWN — Alan Boesak's former bank manager was questioned at length in the Cape High Court yesterday about a breach of bank procedures that led to the unauthorised transfer of funds from the Children's Fund to the Foundation for Peace and Justice.

Former First National Bank (FNB) manager John Ettisch told the court a bank manager was not concerned with general administration or clerical errors.

He could therefore not explain why, contrary to written instructions, money intended for the fund ended up in the foundation's account. He told Judge John Foxcroft: "I am not an authority on

forms and documents — the bank manager does not look at forms."

Boesak has pleaded not guilty to fraud and theft charges involving R9m.

Ettisch told the court he knew Boesak did a lot of charity work for the needy, including raising foreign donor funds. For this reason, Ettisch said, he had persuaded Boesak to move his personal and business accounts from Boland Bank to FNB.

As bank manager he had no problems with Boesak's accounts as the former cleric always made prompt adjustments when his accounts became overdrawn.

Ettisch said Boesak's accounts

were always well maintained and infrequently overdrawn. Whenever they were overdrawn Ettisch was told foreign funding would be coming in.

On the other hand, he told the court he felt concerned about the "why worry" attitude of former foundation bookkeeper Freddy Steenkamp when the foundation's account went into the red.

Ettisch said: "I considered it a lackadaisical attitude and not the kind of response I expected.

"I was not amused by Steenkamp's casual attitude and I often warned him to refrain from issuing cheques." The hearing continues today. — Sapa

DD 21/10/98

(294)

Boesak a man 'of integrity'

Trustee believed fund books were correct

LEMOND GUMER
HIGH COURT REPORTER

University of Cape Town professor Charles Villa Vincencio, a former trustee of Allan Boesak's Foundation for Peace and Justice, told the Cape High Court today he had trusted Dr Boesak and accepted his integrity.

Professor Villa Vincencio was giving evidence for the state in the trial in which Dr Boesak has pleaded not guilty to fraud and theft charges involving R1,1-million in foreign donor funds to the Foundation for Peace and Justice. Professor Villa Vincencio, head of

religious studies at UCT, said he had become concerned because the board of trustees was holding fewer meetings and trustees did not know what the foundation was doing.

"For a number of years it concerned me that the trustees did not have sufficient hands-on knowledge of the workings of the foundation and I felt that I needed this information as a trustee, and would rather resign."

But he said the board never had reason to question the foundation's annual financial statements as they were audited. "I believed fundamentally that the statements were correct because they

AGG 21/10/98 (297)

were audited by professional people whose integrity I respected.

"Dr Boesak was a highly-respected member of the the community and it was a privilege to work with him. I trusted him and accepted his integrity," Professor Villa Vincencio said.

In the early 1990s he suggested to Dr Boesak that the foundation be given "an honorable burial".

Professor Villa Vincencio told the court he resigned as a trustee of the foundation in 1993.

"I wondered whether the foundation should not be given an honorable burial or whether it would continue in perpetuity."

"I discussed this with Dr Boesak and he agreed that burial was an option that should be considered."

State Advocate J C Gerber asked Professor Villa Vincencio whether, according to the financial statements, expense amounts had ever been deflated because donors did not like big expenses.

"Certainly not," he replied.

The board had received complaints from organisations that they had not received full funding for their projects.

"This was discussed at board meetings and with Dr Boesak. He said he was concerned about this and said it was a matter which had to be addressed."

The case continues.



Two for the road: Allan and Elma Boesak leave the Cape High Court after hearing evidence on charges of fraud and theft.

LEON MULLER

Villa-Vicencio: Why I quit FPJ board

THE lack of opportunity to share in policy decisions of Allan Boesak's Foundation for Peace and Justice prompted the resignation of Charles Villa-Vicencio as a member of its board, the Cape High Court heard yesterday.

This emerged from a letter handed to the court during Boesak's trial on charges of fraud and theft involving R9 million. He has pleaded not guilty.

Questioned by Boesak's senior counsel Mike Maritz, Villa-Vicen-

cio agreed that the foundation was Boesak's "one-man show".

He also agreed that Boesak had taken a "hands-off" approach, leaving administration to others.

Villa-Vicencio declined to speculate about what would have been reasonable remuneration for Boesak as the foundation's director.

He said the board had not discussed Boesak's remuneration as it was considered a matter between Boesak, the donors and the foundation's bookkeeper.

Villa-Vicencio disagreed with a suggestion by Maritz that this amounted to the board allowing Boesak to decide his own salary.

He told the court that the board had had no reason to believe staff salaries were inflated or irresponsible.

Board meetings were initially frequent but dwindled with time, making it difficult to know details of what was going on, he said.

The hearing continues today.

—Sapa

'Foundation was Boesak's show'

Professor tells court he resigned from the FPJ because he had no say in policy

(297)

22/10/98

SAPA
Cape Town

The lack of opportunity to share in policy decisions of Dr Allan Boesak's Foundation for Peace and Justice caused the resignation of Professor Charles Villa-Vicencio as a member of the foundation's board of trustees.

This emerged from a letter handed to the Cape High Court yesterday during Boesak's trial on charges of fraud and theft involving R9-million. He has pleaded not guilty.

Questioned by Boesak's senior counsel Advocate Mike Maritz about the FPJ, Villa-Vi-

cencio agreed that the foundation was Boesak's show.

He also agreed that Boesak had a hands-off approach, leaving the daily administration to those involved with it.

Villa-Vicencio declined to speculate on what would have been reasonable remuneration for Boesak.

He said the board did not discuss Boesak's remuneration, as it was considered a matter between Boesak, the donors and the FPJ's bookkeeper.

Villa-Vicencio disagreed with a suggestion by Maritz that this amounted to the board tacitly allowing Boesak to decide his own salary.

The professor told the court that the board at no stage had reason to believe FPJ staff salaries were inflated or irresponsible.

He said FPJ board meetings were initially frequent, but dwindled with time, making it difficult for the trustees to know what was going on.

He said he made no secret of his concern about the board's hands-off approach to the affairs of the FPJ, especially the lack of important information needed by the board.

He said Boesak was extremely busy and constantly on the move in the political turmoil of the 1980s, but when this

improved in the new dispensation, the future of the FPJ was frequently raised.

Villa-Vicencio said he and Boesak were very close friends, and he considered it a good idea for Boesak to become active in secular politics.

He said the FPJ had theological and political legs, and he did not consider it a contradiction for Boesak to move to politics.

Questioned about Boesak's "urban discretionary account", he said it was Boesak's personal, private discretionary account, and had nothing to do with the FPJ.

The hearing continues today.

Boesak's mystery fan keeps lawyers waiting

GLYNNIS UNDERHILL
SPECIAL CORRESPONDENT

Lawyers representing penniless Allan Boesak in his fraud and theft trial are still waiting for the funds pledged by an anonymous donor to pay their mounting fees.

Dr Boesak's attorney, Chris Petty, said yesterday he had been contacted on Monday by an attorney representing the donor who said the funds would be coming next week.

Funds were pledged last month after President Nelson Mandela appealed to Dr Boesak's friends to do everything in their power to ensure he had the defence resources to establish his innocence.

"We were told by an attorney, who we believed to have been acting on what the President had said, that a person or body would make the funds available to us.

"We are acting on that promise in the meantime. If the funds don't become available, we will obviously have to think again," said Mr Petty.

The trial, in which Dr Boesak is accused of fraud and theft involving R1,1-million, had to be adjourned when he ran out of funds to pay senior counsel Mike Maritz. It

resumed this week.

The Legal Aid Board had offered to pay Mr Maritz R3 000 a day, not the R6 000 he requested.

Last week the director of the Legal Aid Board, Chris Pretorius, told the Cape Argus in a faxed statement that he would not review the fees but Mr Petty said there had been a new development.

Mr Petty said he met eight members of the board to discuss the funding crisis on Friday.

"Various members of the board came up with suggestions, some of which were not unacceptable. They said they would come back to me to tell me what they had decided, but they have not yet done so," he said.

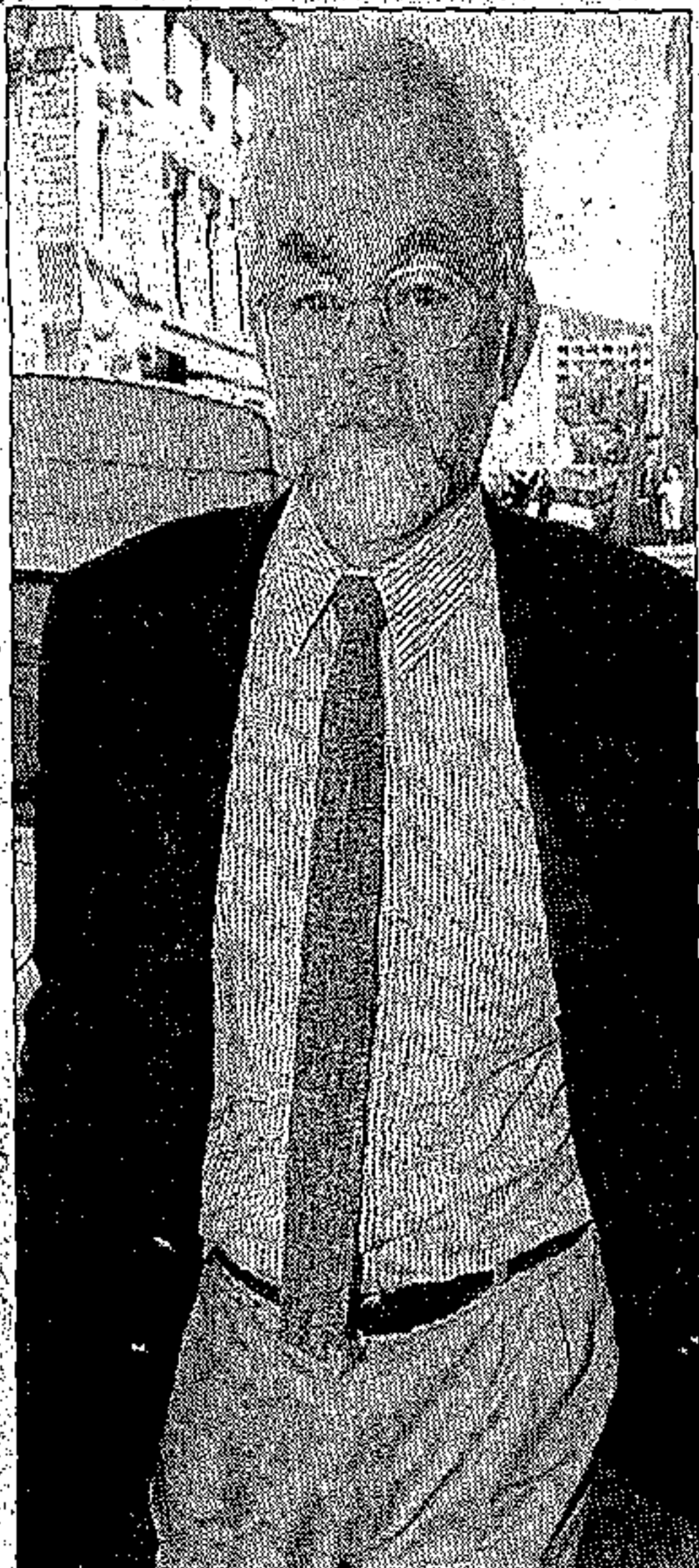
There has been a long-running dispute over legal aid for Dr Boesak since it became known that a mystery donor had given him R1-million for legal costs.

The board demanded to know the identity of the donor, which was never revealed.

The identity of the second donor is just as much a mystery. President Mandela has not said whether he personally has given money for Dr Boesak's defence.

More Boesak reports, page 7

Trustee quit over absence of detailed data on funds, donors



Witness: Charles Villa-Vicencio yesterday

(297) ARG 22/10/98
LENORE OLIVER
HIGH COURT REPORTER

A trustee of Allan Boesak's Foundation for Peace and Justice told the Cape High Court he resigned because the foundation could not give him a detailed report of their projects and annual financial statements.

Lionel Louw, a social work lecturer at the University of Cape Town, was testifying at the trial in which Dr Boesak has pleaded not guilty on fraud and theft charges involving R1.1-million in foreign donor funds to the foundation.

Mr Louw said the trustees did not know who the donors were, how many projects the foundation was involved in or how much money was being spent.

"I had to resign because I could not get this information. I could not do my job as a trustee," he said.

"I also told Dr Boesak I was not happy with the regularity of meetings because I felt the board could not function under such circum-

stances. I felt that the board had to be given a more detailed accounting report because the annual financial statements only had global amounts." The board was not involved in applications for donations nor did it determine how the money should be used.

"The board never discussed projects. These details were not made available to us," he said.

In a fax to Dr Boesak in April 1991, Mr Louw asked him to focus on the foundation's projects finances for the next board meeting scheduled a week later.

Dr Boesak replied by fax, saying the account books were with the auditors. He suggested an informal meeting to discuss the finances. This informal discussion never took place.

Yesterday, UCT religious studies professor Charles Villa-Vicencio testified that when he was a trustee he became worried that the trustees were not sufficiently informed about the workings of the foundation.

The case continues.

Steenkamp testifies in Boesak trial

CT 23/10/98 (297)

THE Foundation for Peace and Justice (FPJ) praised bank clerk Amanda Steenkamp for her help in organising overdraft facilities, the Cape High Court heard yesterday.

She is married to the defunct FPJ's former bookkeeper, Freddy Steenkamp, who is now serving a six-year sentence for the theft of foreign funding intended for the needy via FPJ.

Mrs Steenkamp told Judge John Foxcroft she arranged a meeting for the FPJ with First National Bank to secure an overdraft.

Former foundation director Allan Boesak has pleaded not guilty to 31 theft and fraud charges involving R9 million, of which he is alleged to have misappropriated R1,1m for himself.

Questioned by Boesak's senior counsel Mike Maritz, she denied that her husband was at home with her, and seemed taken aback by the suggestion. She said he had been booked out of prison into cells at the Table View police station to be available to the prosecution.

Steenkamp said she had not read prominent news reports about her husband, as she did not regard the reports as important.

Nor had she read recent reports concerning auditor Dawn King's testimony in Boesak's trial, nor reports of evidence that her husband had stolen far more FPJ funds than he had pleaded guilty to. She also denied having received any money from FPJ.

She told the court her husband had given her regular sums of money

for their household, but she could not remember specific amounts.

The first she knew about his involvement in alleged theft from the FPJ was what she had heard on news reports.

She told the court she was surprised at the amount involved, but her husband had insisted he had borrowed the money and not stolen it.

Her husband's attitude was that even if he were found by a court of law to have stolen the money, deep in his heart he knew he had merely borrowed it.

She said she and her husband had never discussed their respective salaries, and that he had owned a red BMW when they first met.

The trial continues on Monday. — Sapa

Boesak's bookkeeper let out of jail to testify

Star 23/10/98

As Steenkamp waits turn, trustee tells of irregularities at FPJ

(297)

BY LENORE OLIVER
Cape Town

Former bookkeeper of the defunct Foundation for Peace and Justice, Freddie Steenkamp, who was last year jailed for six years on charges similar to those now faced by Alan Boesak, has been booked out of prison to be readily available to the prosecution in Boesak's case.

This was revealed to the Cape High Court yesterday by Steenkamp's wife, Amanda. Mrs Steenkamp told Judge John Foxcroft she was allowed to see her husband on Wednesdays and Saturdays at the Table View police cells.

Mrs Steenkamp was called by the State to testify against Boesak, who has pleaded not guilty to theft and fraud charges involving R9-million.

Of the R9-million, Boesak is alleged to have stolen R1,1-million for himself.

Also yesterday, a former trustee of Boesak's foundation told the court he had resigned

because the foundation could not give him a detailed report of their projects and annual financial statements.

Lionel Louw, a social work lecturer at the University of Cape Town and a former reverend at the AME church in Bellville, said the foundation's trustees did not know who the donors were from year to year,

No details of projects or finances made available

how many projects the foundation was involved in, or how much money was being spent on each project.

"Ultimately I had to resign because I could not get this information. I could not do my job as a trustee," he said.

"I also told Dr Boesak I was not happy with the regularity of meetings because I felt the board could not function under

such circumstances.

"I felt that the board had to be given a more detailed accounting report because the annual financial statements only had global amounts."

The board was also not involved in applications for donations, nor did it determine policy guidelines on how the money should be used, Louw said.

"The board never discussed projects and was not aware of how many there were. These details were not made available to us," he said.

In a fax to Boesak in April 1991, Louw asked him to focus on the details of the foundation's project finances for the next board meeting scheduled for a week later.

Boesak replied by fax the following day, saying the account books were with the auditors. He suggested an informal meeting to discuss the finances.

This informal discussion never took place.

The trial has been postponed to Monday.

Steenkamp yet to go to jail, says wife

ARG 23/10/98 (297)

How R1-m was spent

LENORE OLIVER
HIGH COURT REPORTER

Freddie Steenkamp, bookkeeper of Allan Boesak's Foundation for Peace and Justice, has not spent a night in Pollsmoor Prison in the year since he was sentenced.

This was evidence by Steenkamp's wife, Amanda, in the Cape High Court trial of Dr Boesak, who has pleaded not guilty to fraud and theft involving R1,1-million in foreign donor funds to the foundation.

Steenkamp was jailed for six years last November for stealing nearly R1-million from the FPJ.

A smartly dressed Mrs Steenkamp told the court her husband was being kept in a holding cell at Table View police station so he could help the prosecution team prepare for the trial.

Defence counsel Mike Maritz asked Mrs Steenkamp why her husband was not in jail like "a normal prisoner" and she replied: "My understanding is that he is booked out under a certain code so that it is easier for Mr Gerber (of the State's legal team) to see him."

At his trial, Steenkamp said he would be willing to be a State witness at Dr Boesak's trial.

Mrs Steenkamp said her husband

had not been home since he was sentenced and she was allowed to see him only on Wednesday evenings and Saturdays.

Mr Maritz asked Mrs Steenkamp whether she had followed Dr Boesak's trial in the media, especially the evidence by forensic auditor Dawn King.

"I hardly read the newspaper articles, because the trial is not important to me. My husband has already been sentenced and therefore I have no reason to follow another court case."

She told the court that when she first met Steenkamp he owned several cars, a ski boat and properties. He also did part-time bookkeeping.

"He speculated with cars and properties. The profit he gained from these deals he would plough back into acquiring more properties."

"Freddie told me the money he took was loans and he never saw it as theft. He told me that according to the law it was theft but in his heart he believed it was just loans."

Mr Maritz asked whether she had asked her husband if he had spent stolen money on her.

"No ... we don't talk about the past, that's gone. We must go on with our lives," she said.

The case continues on Monday.

Cape Town's ladies of the night come out of hiding

Prostitutes are starting to advertise their services ahead of legalisation

(287) ARG 24/10/98

WILLEM STEENKAMP

'W'e like beans, we like sauce, we like sexual intercourse" - this is just one of many graphic advertisements distributed in Cape Town highlighting the new-found sexual freedom of sex workers, who can advertise their wares without fear of prosecution.

The advertisements are part a growing movement in South Africa to have prostitution legalised.

Paul Setsetse, of the Ministry of Justice spokesman, confirmed that officials were involved in a consultation process to decide how and whether to regulate the sex industry.

But while this process is still ongoing and no final decision has been taken, local sex workers are having a field day advertising their services. And they make no bones about what they are selling.

Prices for oral sex range from about R100 to R250, and full sexual intercourse can cost anything from R150.

Carly, a local prostitute, said the "girls" no longer feared the police. "We are going to be legalised and the police leave us alone. As long as we don't use or sell drugs on our premises, we are left alone."

Zoe, an escort, said she and her colleagues had never been harassed by the police. "In fact I am pretty sure that some of the guys who visit here in their free time are cops."

She said the general feeling was that the legalisation or decriminalisation of prostitution was imminent.

But Mr Setsetse said the legalisation of prostitution was a very complex and sensitive issue, and churches and religious organisations had strong feelings on the subject.

"We are consulting as widely as possible and only when we have compiled all the information on a fully inclusive basis, will we be able to assess the situation and come to a decision. This could still take several months."

Mr Setsetse said an important consideration was the protection of the prostitutes against assault and other abuse.

"These people are human beings and they have a right to be protected under the Constitution. This is an important aspect and these and other issues and proposals will be considered."

The Commission on Gender Equality (CGE) met in Johannesburg yesterday to debate the decriminalisation of sex work.

Cathy Albertyn, who heads the commission, said as far as the commission was aware, there had been very little movement by the Government on the legalisation of sex work.

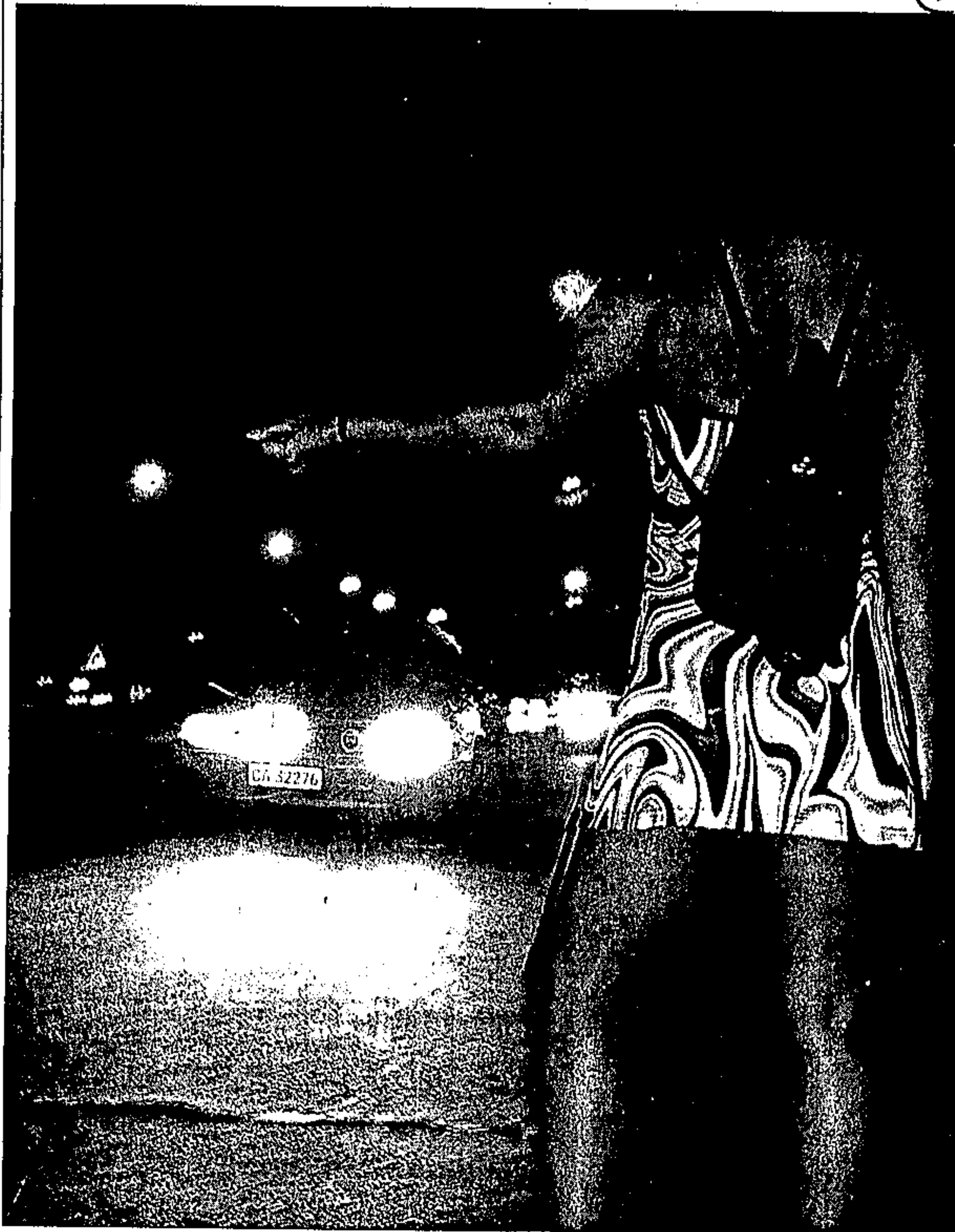
She said the commission strongly supported the decriminalisation of the industry. She said it was necessary to have the sex industry organised and regulated so that sex workers' rights were protected, not only under the Constitution but also under the labour laws.

She said the commission recognised the exploitation of female sex workers by men. It also recognised the socio-economic context that forced women to become sex workers and the need to protect the dignity of those women.

Liesl Gerntholtz, the head of the CGE's legal department, said research confirmed that women often became sex workers because of economic necessity and because they did not have access to jobs that paid well.

She said there was a significant amount of research indicating that sex workers were raped, beaten and abused by clients and pimps. They were also victimised and harassed by the police and deprived of the most basic fundamental rights.

"The lack of legal protection for sex workers makes them a particularly vulnerable group. Decriminalisation will put these issues on the table so that we can openly address the problems experienced by sex workers without moral condemnation," she said.



STREET TRADE: local sex workers are having a field day advertising their services Picture: OBED ZILWA

BOBBY JORDAN

TEN years ago, Dr Allan Boesak and his comrades marched side by side against apartheid. They dodged security police, attended illegal rallies, wore illegal T-shirts and spoke out in unison against the injustices of the National Party.

But this week, Boesak faced some of his oldest friends in court, separated by a witness box and a tangled web of allegations surrounding the now-defunct Foundation for Peace and Justice, of which he was director. He has pleaded not guilty to charges of theft and fraud involving about R1.1-million of international donor funds allegedly misappropriated from the foundation for his personal benefit.

Seated in front of his wife, Elna, and dressed in a neatly pressed suit and studiously taking notes, Boesak seemed a shadow of the fire-brand orator once renowned for being able to muster thousands of supporters.

He exchanged glances — and the odd smile — with his old colleagues and comrades, among them former Black Sash president Mary Burton and University of Cape Town lecturer Charles Villa-Vicencio.

State witness Villa-Vicencio said testifying had been "a deeply painful experience". "Allan has been a friend of 25 years' standing. It was the kind of situation that I hope never to be in again."

Burton said she, too, felt uncomfortable in the witness box. "My natural instinct would have been to go over and greet him, but the walls of the witness box stood in the way. I didn't know exactly what the legal position was."

Other former comrades on the list of 167 potential state witnesses include Archbishop Desmond Tutu

Old friends take the stand against Boesak

and the Rev Beyers Naude.

Former foundation chairman Lionel Louw, who testified on Thursday, said he had the "greatest respect" for Boesak despite the various allegations underpinning the High Court trial. "None of us in any way likes having to be involved in the case," he said.

Boesak, a portly 51-year-old, showed glimmers of his feisty character in court, cracking jokes with his lawyers and pumping hands with supporters in the gallery.

When asked how he felt about seeing his friends in the stand, he said: "Obviously this whole thing is difficult. In the broader scheme of things, friends in the witness stand are an extra hardship."

But Boesak can still count on the overwhelming support of some of those who worked with him in his struggle days.

President Nelson Mandela and Justice Minister Dullah Omar have both stirred controversy with statements perceived to support Boesak at the expense of the state's case. And a series of mystery donors have come forward to cover his legal costs.

In court, Elna, 38, occasionally hands him a scribbled note or wraps a comforting arm around Pulane, his daughter from his first marriage.

The couple are inseparable, usually arriving and leaving court hand-in-hand and sitting close together during the lunch break.

They married in 1991 after Allan divorced his first wife, Dorothy, and a year later had a daughter, Sarah-Len. Just 18 months later, divorce proceedings began, only to be abandoned, but not before details of their high life emerged.

The couple shared a plush home in Constantia, which was later auctioned along with Boesak's BMW after the fraud and theft charges surfaced. They packed up and went to the US for a year, where Boesak lectured at the American Baptist Seminary. They returned to South Africa last year after he was told he was going to stand trial.

This week Elna's name came up during evidence from a number of witnesses. One claimed she was the only member of a production house, Camelot Productions, that received a R730 000 donation to make 12 videos about democracy in South Africa in the build-up to the 1994 elections. Only one video was produced, the court heard.

The state alleges a large proportion of foreign donations went towards the Boesaks' private life, allowing them to entertain lavishly while those waiting for money lived on the breadline.

In court this week, Louw and Villa-Vicencio — both former Foundation for Peace and Justice trustees — said they had decided to resign from the foundation because they had felt unable to perform their duties. They said board meetings were virtually non-existent and agreed the foundation amounted to Boesak's "one-man show".

(297) ST 25/10/98

Boesak given free hand with aid cash, say Danes

His information the key, court told (297)
AKG 26/10/98

LENORE OLIVER
HIGH COURT REPORTER

The head of Danchurch Aid, which donated funds to Allan Boesak's Foundation for Peace and Justice, told the Cape High Court today that Dr Boesak had largely been able to decide for himself how to spend the money.

Christian Balslev-Oleson, general secretary of Danchurch Aid since 1985, was testifying at the trial of Dr Boesak, who has pleaded not guilty to fraud and theft charges involving R1,1-million in foreign donor funds to the foundation he headed.

Mr Balslev-Oleson said Danchurch Aid donated money to the foundation for crisis relief and rural ministries. "Whether this money was used for funeral costs, student bursaries, food packages, medical aid for the aged or school fees did not matter to us."

Danchurch Aid did not know what specific projects were or what amounts were being spent on them. Dr Boesak provided the Danish sponsors with all the information needed on which to base their application to the Danish government for funding.

Mr Balslev-Oleson said it had been difficult for the organisation or representatives of the Danish government to get into South Africa.

"At that time, we could not get visas and we relied on meetings and consultations between the Danish minister of foreign affairs, Dr Boesak and I.

"These meetings with Dr Boesak were important for us to decide how to make use



Free hand: Allan Boesak and his wife Elna arrive at the Cape High Court for his fraud trial today

of our resources to help victims of apartheid.

"Dr Boesak was providing us with information about the foundation's activities to assist us to prepare our applications to the government," said Mr Balslev-Oleson.

The main aim of Danchurch Aid was to help victims of disaster, conflict and oppression.

Mr Balslev-Oleson told the court Dr Boesak was especially important as a source of information, because he was a church leader with high credibility and integrity in Denmark and had been at the forefront of the

struggle in South Africa.

"Dr Boesak was high-profile and a well known anti-apartheid figure in Denmark."

Mr Balslev-Oleson later visited South Africa and Dr Boesak took him on a tour of the foundation's projects. "For me, it was a good thing to at last be able to see the activities that we had been funding."

Danchurch Aid began donating money in 1985 and in 1988 Dr Boesak sent the foundation's annual report and a financial statement to Denmark for the first time.

The case continues.

DANCHURCH CHIEF TESTIFIES

Boesak feared for his reputation, court told

CT 27/10/98

(297)

THE RELATIONSHIP between the Foundation for Peace and Justice and Danchurch Aid was terminated by Allan Boesak, the Cape High Court was told yesterday.

ALLAN Boesak feared his reputation would be ruined if a probe into his Foundation for Peace and Justice (FPJ), as demanded by the Danish non-governmental organisation Danchurch Aid, was carried out, the Cape High Court heard yesterday.

Boesak rejected the idea of such a probe and threatened to end the FPJ's association with Danchurch if it insisted on the investigation.

The intended probe was prompted by persistent rumours about financial mismanagement at the FPJ, but Boesak dismissed the rumours as political mischiefousness.

Boesak, a former director of the FPJ, is on trial for theft and fraud involving R9 million, of which he is alleged to have taken R1,1 million for himself.

He has pleaded not guilty before Judge John Foxcroft to 32 counts.

The history of the FPJ's Danchurch funding was detailed by the NGO's general secretary, Christian Balslev-Olesen. He told the court that Boesak's high profile, dignity and integrity were the reasons the FPJ was chosen as the

channel through which to fund assistance to the victims of apartheid.

Balslev-Olesen said because Danish access to South Africa in the '80s was impossible, Boesak was chosen as the conduit because he was an important church leader and had been at the forefront of the struggle.

When rumours started about financial mismanagement at the FPJ, Boesak dismissed them as a political game and assured Danchurch that investigations already undertaken had come to nothing.

Balslev-Olesen said the rumours persisted. One involved the Boesak home in Constantia, which Boesak assured him was privately funded.

He said Boesak expressed shock and surprise at Danchurch's suggestion of a formal investigation to finally clear both Boesak and the FPJ.

In a letter to Danchurch, Boesak said the suggestion left FPJ staff vulnerable and anxious, and he questioned whether Danchurch genuinely wanted to continue its funding.

When Danchurch insisted on a

probe, Boesak threatened to seek funding elsewhere.

Balslev-Olesen told the court: "I told him it was not our wish to terminate our association, but that the probe was the lesser of the two evils."

He said Boesak did in fact terminate the Danchurch-FPJ association, and the intended probe landed in the hands of the Office for Serious Economic Offences.

Earlier, Balslev-Olesen told the court the first Danchurch sum made available to the FPJ was R1 910 to help local pastors. The second amount was R19 000 and the third R239 900.

While strict accounting procedures were demanded, the Danish government, which provided the funds, accepted that the sensitive South African political situation at the time made it impossible to name specific individuals who had benefited.

The FPJ was allowed a 10% administrative fee, and Danchurch itself got a five percent fee, he said.

Balslev-Olesen told the court he managed to slip into South Africa as a tourist in 1988 and Boesak showed him around community centres funded by Danchurch in the various Western Cape townships.

The trial continues today.
— Sapa

Boesak rejected a probe into foundation, says Danish funder

BD 27/10/98

(297) (297)

CAPE TOWN — Allan Boesak feared his reputation would be ruined if a probe into his Foundation for Peace and Justice, demanded by the Danish nongovernmental organisation Danchurch Aid, was carried out, the Cape High Court heard yesterday.

Boesak rejected the idea of such a probe, and threatened to end the foundation's association with Danchurch Aid if it insisted on the investigation.

Boesak, a former director of the foundation, is on trial on charges of theft and fraud involving R9m, of which he is alleged to have taken R1,1m for himself. He has pleaded not guilty before Judge John Foxcroft to 32 counts.

The history of the foundation's Danchurch funding was detailed by the funder's general-secretary, the Rev Christian Balslev-Olesen. He told the court Boesak's high profile, dignity and integrity were the reasons the foundation was chosen as the channel through which to fund assistance for the

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In a letter to Danchurch, Boesak said the probe suggestion left foundation staff feeling vulnerable and anxious, and he queried whether Danchurch genuinely wanted to continue its funding.

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Balslev-Olesen said he managed to slip into SA as a tourist in 1988, when Boesak showed him around community centres funded by Danchurch in the various Western Cape townships. — Sapa.

'How Boesak tried to stop fund probe'

LENORE OLIVER
HIGH COURT REPORTER

Allan Boesak told Danish donors to his Foundation for Peace and Justice that an investigation into the foundation's finances would damage his political career, the Cape High Court has heard.

Christian Balslev-Olesen, general secretary of Danchurch Aid, was testifying at the trial of Dr Boesak, who has pleaded not guilty to fraud and theft involving R1.1 million in foreign donor funds to the foundation which he headed.

Danchurch Aid is a church organisation in Copenhagen which uses funds from the Danish government to help in countries where there are gross human rights violations. Between 1985 and 1994 it made regular donations to the Foundation for Peace and Justice.

Mr Balslev-Olesen told the court that in 1994 there were rumours about the foundation's lack of transparency and financial accountability.

Danchurch Aid was not satisfied with the financial information provided and a meeting was held where it was decided that Danchurch would assist in the proper closing down of the foundation.

He said his organisation had asked Dr

Boesak repeatedly for more specifics about the foundation's finances in 1993, but these were not forthcoming.

"We made numerous telephone calls and held meetings requesting the missing information but we did not get it," Mr Balslev-Olesen said.

Eventually the organisation received a report in October 1994, but a lot of information the donors had asked for was missing. This included specific projects and the amounts spent on each.

"This was when we discovered that money had been mismanaged," he said.

Danchurch Aid informed the foundation's board of trustees early in 1995 that an investigation would be carried out and the office for Serious Economic Offences was involved.

"Dr Boesak wrote to Danchurch Aid and expressed his dissatisfaction with the proposed investigation.

Alt 27/10/98 (297)
"In a telephone conversation with me he agreed that a solution had to be found," Mr Balslev-Olesen said.

"The purpose of our investigation was to get rid of rumours and to ensure future funding for the foundation.

"But Dr Boesak said he could not agree with such an investigation and Danchurch Aid could stop their funding if they agreed not to investigate the foundation."

Dr Boesak had told him the investigation would damage his political career and the media would not "rule" in his favour. Mr Balslev-Olesen said.

"According to policy, an organisation which received donations from Danchurch Aid could not decide on its own to change funding for a project. Our government must be consulted and they must approve any changes," he said.

The case continues.



Christian Balslev-Olesen

Boesak wanted more funding to 'combat' SADF plans

A CAMPAIGN eight years ago by the South African Defence Force to win the hearts of young people prompted Allan Boesak to ask for more foreign funding for his Foundation for Peace and Justice to "vigorously combat" the defence force project.

Boesak's letter to Danchurch Aid, about seminars and training camps launched for this purpose by the defence force, was handed

to Judge John Foxcroft in the Cape High Court yesterday, where Boesak stands accused of theft and fraud involving R9 million.

He allegedly used R1,1 million of the money for himself.

In the witness stand was Uffe Gjerding, of Danchurch's Southern African and European desks, who was responsible for collating information and preparing formal applications for funding from the

Danish government.

He told the court his work was to follow up groundwork done by Danchurch's general secretary, Christian Balslev-Olesen, who had direct contact with Boesak.

Earlier yesterday, Balslev-Olesen told the court transparency was of the utmost importance for the credibility of Danchurch Aid, and Boesak was expected to inform the non-governmental

organisation of any problems the FPJ faced.

Boesak's senior counsel, Mike Maritz, confronted Danchurch's chief about a breach of confidence in the NGO's dealings with the FPJ.

Balslev-Olesen replied: "Yes, we broke confidence because it was no longer a matter of closing the FPJ's books, but the theft of funds".

He said he recalled the difficulty caused by the way the media treated the issue.

Balslev-Olesen said: "Because of this, we agreed to stop talking to the press until the investigation had been completed."

He said the investigation that ensued was a joint probe by three Nordic donors.

The trial continues today.

Sapa

(297)

27 28/10/198

'Boesak asked for more cash'

(297)

Defence force campaign to win the hearts of young people

prompted cleric to call for more funding, court is told

Star 28/10/98

SAPA
Cape Town

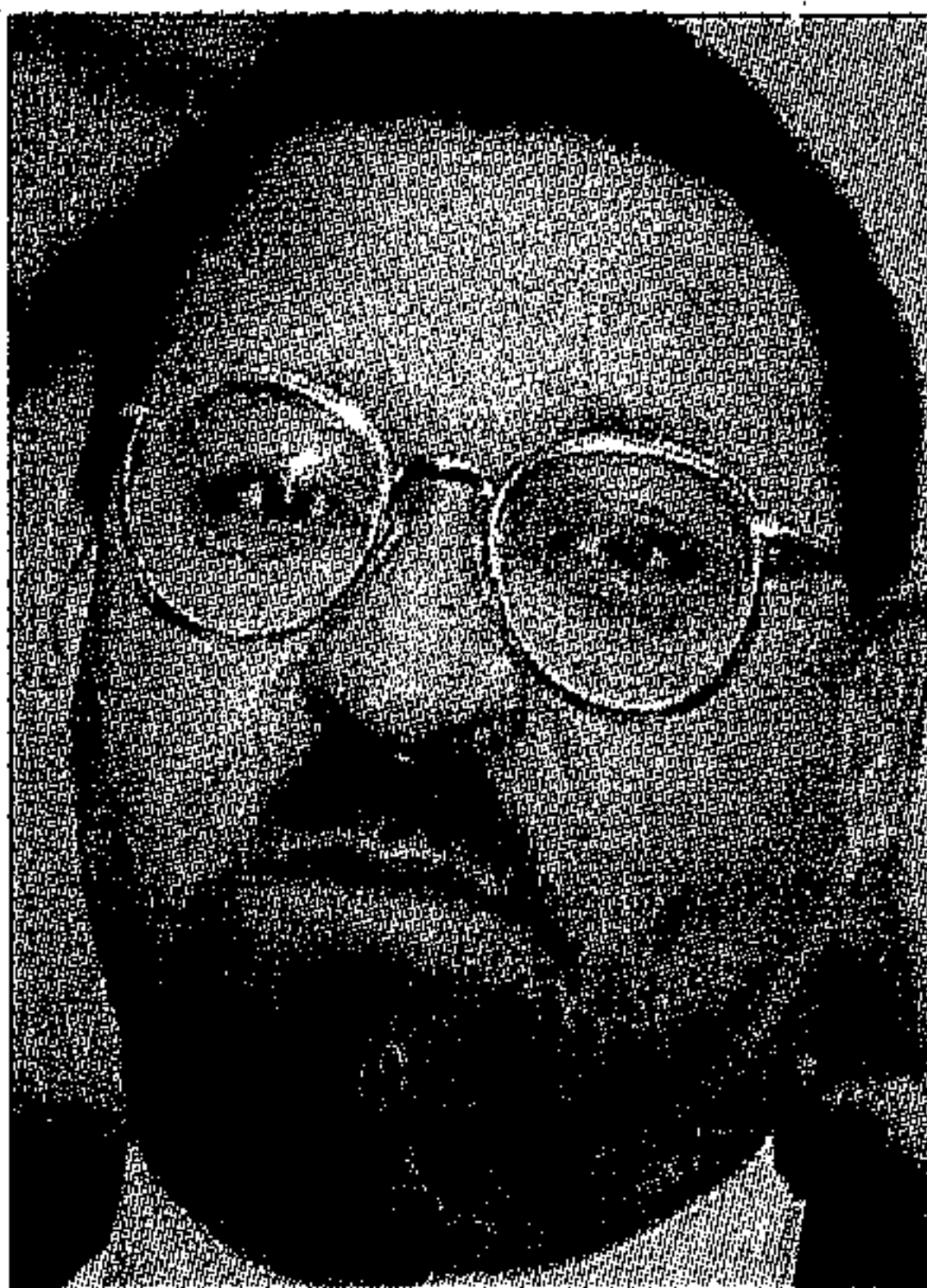
A campaign eight years ago by the then South African Defence Force to win the hearts of young people prompted Allan Boesak to request an increase in the foreign funding of his Foundation for Peace and Justice (FPJ) to "vigorously combat" the defence force project.

Boesak's letter to Danchurch Aid, about seminars and training camps launched for this purpose by the defence force, was handed yesterday to Mr Justice John Foxcroft in the Cape High Court, where Boesak is on trial for theft and fraud involving R9-million. He allegedly used R1,1-million of the money for himself.

In the witness stand was Uffe Gjerding, of Danchurch's southern African and European desks, who was responsible for collating information and preparing formal applications for Danish government funding.

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Allan Boesak ... counsel alleges a breach of confidence by aid organisation.

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The trial continues today.

Boesak asked for funds to resist defence force

0028/10/98 (297)

CAPE TOWN — A campaign conducted eight years ago by the then SA Defence Force to win the hearts of young people prompted Allan Boesak to request an increase in the foreign funding of his Foundation for Peace and Justice to "vigorously combat" the defence force project.

Y. Boesak's letter to Danchurch Aid, about seminars and training camps launched for this purpose by the defence force, was handed to Judge John Foxcroft in the Cape High Court yesterday, where Boesak is on trial for theft and fraud involving R9m.

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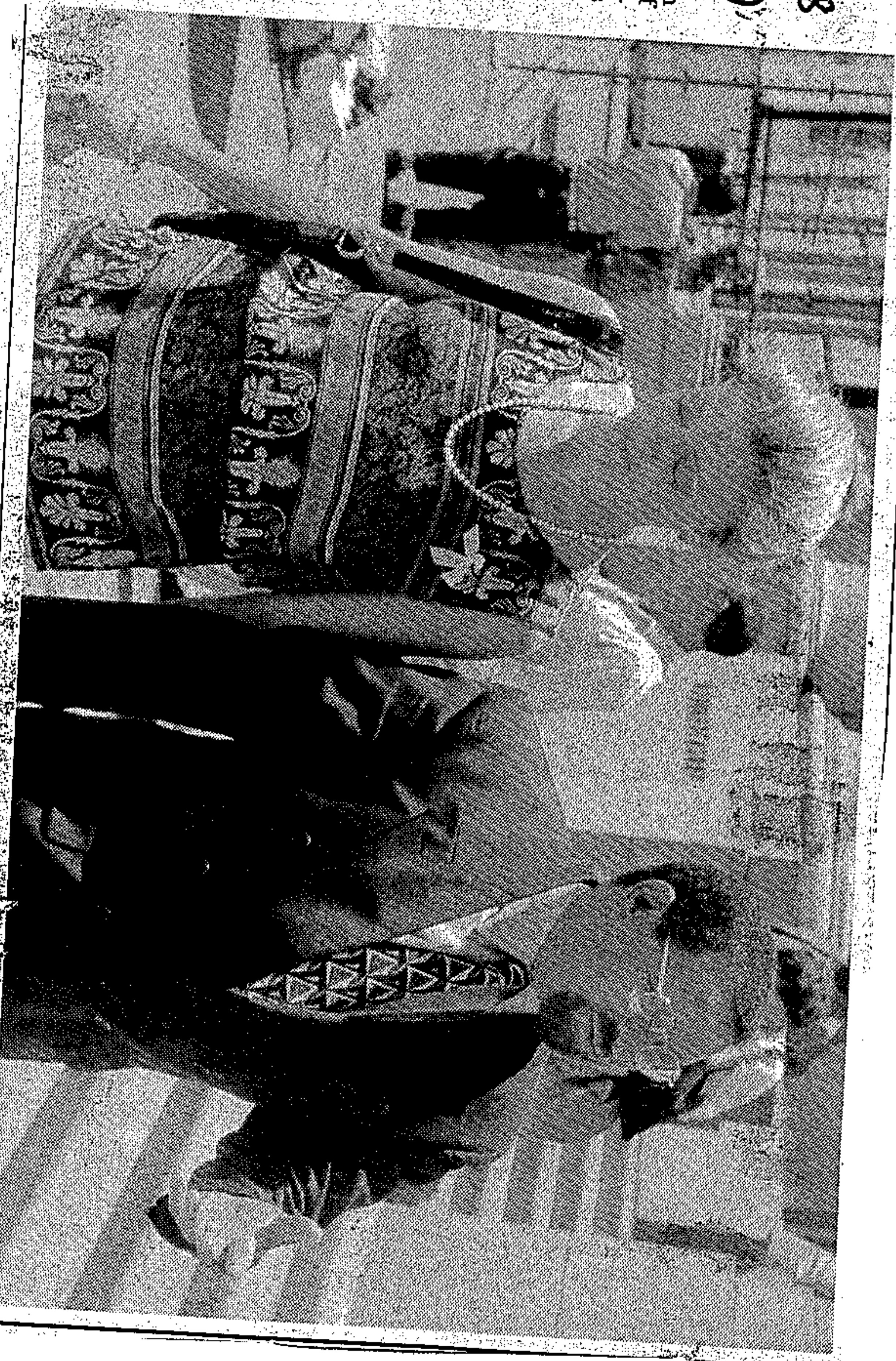
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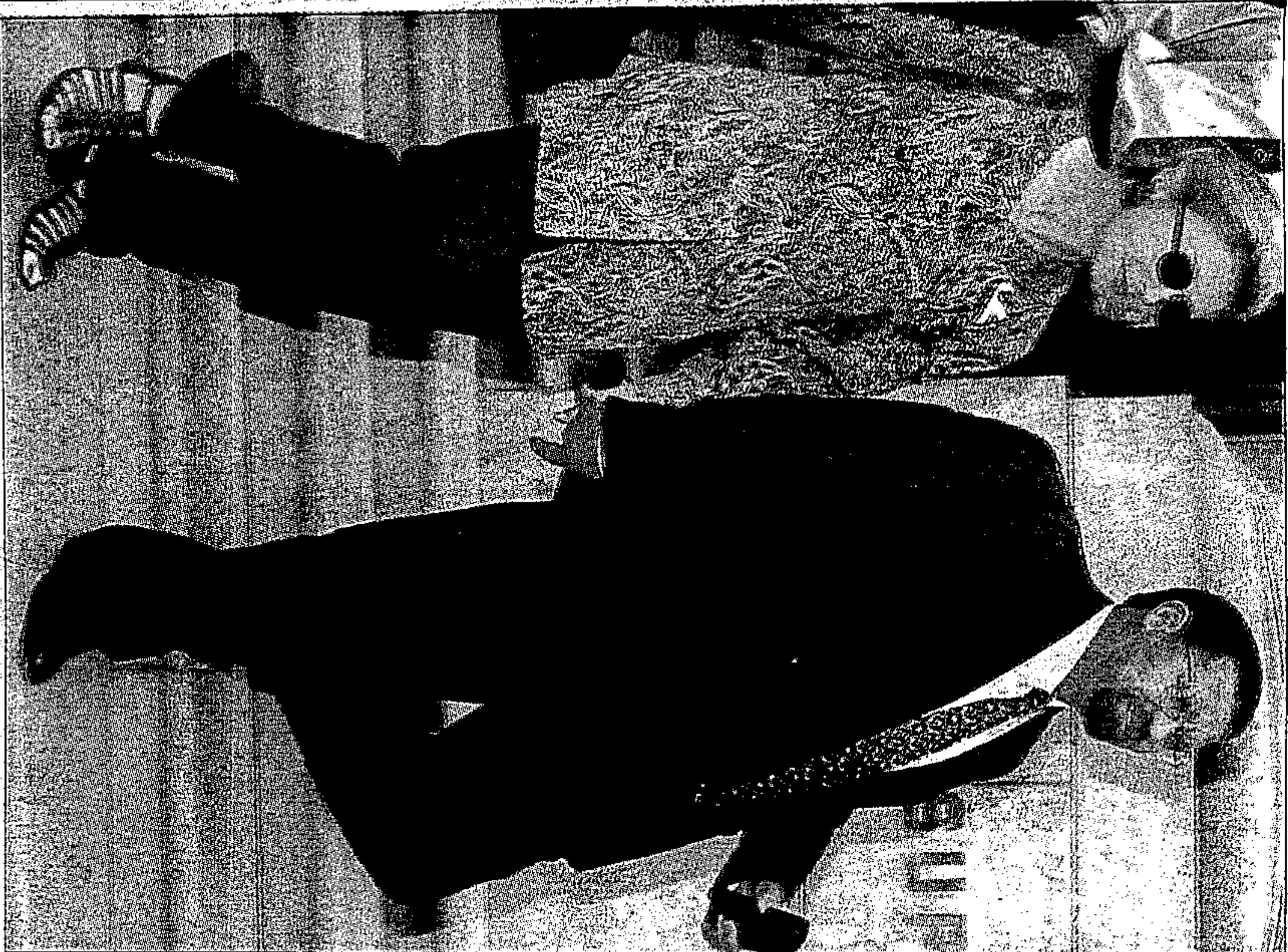
When Boesak's senior counsel, Mike Maritz, confronted the Danchurch chief about a breach of confidence in the organisation's dealings with the foundation, Balslev-Olesen replied: "Yes, we broke confidence because it was no longer a matter of closing the foundation's books, but the theft of funds." He said he recalled the difficulty caused by the way the media treated the issue.

Balslev-Olesen said: "Because of this, we agreed to stop talking to the press until the investigation had been completed." He said the investigation that ensued was a joint probe by three Nordic donors. The trial continues today. — Sapa.



Pictured outside the Cape Town High Court are Allan Boesak and his wife Elna. A campaign eight years ago by the SA Defence Force to win the hearts of young people prompted Boesak to request an increase in the foreign funding of his Foundation for Peace and Justice to "vigorously combat" the project.

Picture: IYRONE-ARTHUR.



Step lightly: Elna and Allan Boesak leave the Cape High Court yesterday

LEON MULLER

Boesak 'hid political spending in his reports'

(297)
APR 26/10/98

Trial told of security precautions

LENORE OLIVER
High Court Reporter

Spending on Allan Boesak's political work was not revealed in Foundation for Peace and Justice financial reports to Danish donors because disclosure would have put the activities at risk, Dr Boesak's trial has been told.

The explanation was offered by advocate Mike Maritz, SC, in the Cape High Court, where Dr Boesak has pleaded not guilty to theft and fraud involving R1,1-million in donor funds to the foundation he headed.

The State alleges a further R8-million was misappropriated from the foundation, whose main aim was to assist victims of apartheid.

Danchurch Aid was one of the organisations which funded the foundation from 1985.

Yesterday State advocate J C Gerber told the court that financial reports to Danchurch Aid were not a true reflection of the foundation's affairs and that travelling costs were substantially higher than indicated.

Mr Gerber said evidence would be led that from 1991 the foundation was engaged in profit-making projects



Evidence: Uffe Gjerding of Danchurch Aid

paid for with donated funds.

During cross-examination, Mr Maritz put it to Danchurch Aid's project officer, Uffe Gjerding, that this spending could have been concealed in the financial reports under other projects.

"Dr Boesak was involved in a wide range of political activities and they could have been concealed for security reasons and because Dr Boesak's

political activities were sensitive.

"These expenditures include travelling costs for overseas visits, such as when he addressed the United Nations to lobby for sanctions, the defiance campaign and assisting political fugitives.

"Therefore Dr Boesak could not reveal this in the foundation's report to you," Mr Maritz said.

Mr Maritz put it to Mr Gjerding that it would be difficult to argue that Dr Boesak could not include this spending under projects such as crisis relief or ministries.

"Surely his financial assistance to political fugitives could be put under the project crisis ministries?"

Mr Gjerding conceded that this could have been the case, but said that the foundation had been obliged to use funds for the specific project for which they had been donated.

"If we had known travelling costs were, in fact, higher than reported we would have found it unacceptable."

Regarding the profit-making projects on which the State alleged the foundation embarked, Mr Gjerding said: "We were not told of these activities."

The case continues.

Funds did not reach their target

297
ET 29/10/98
IT was a disgrace that Danish funding for a local government school project, through Allan Boesak's Foundation for Peace and Justice, had not reached its target at all, an official of Danchurch Aid told the Cape High Court yesterday.

It was also a disgrace that only a small portion of funds intended for another school project at Loxton in the Northern Cape had been used for its intended purpose, Rikke Nohrlind said.

She told the Cape High Court this was totally unacceptable and meant Danchurch Aid could no longer trust the FPJ's accounting procedures or information contained in its letters.

She told the court: "Before the discrepancies came to light, I thought we were dealing with people of high integrity at the FPJ, who were hardworking, competent and committed."

Boesak is charged with fraud and theft involving R9 million, of which he is alleged to have taken R1,1m for himself. He has pleaded not guilty to all charges.

As prosecutor J C Gerber led Nohrlind's evidence, she explained in detail the correspondence between Danchurch and the FPJ.

She told the court: "According to information we now have, not one of the activities that we funded was even started."

The trial continues today. — Sapa

Misuse of donor funds 'a shame'

Sowetan 29/10/98 (297)

IT WAS a disgrace that Danish funding for a local government school project, via Reverend Allan Boesak's Foundation for Peace and Justice, had not reached its target at all, an official of Danchurch Aid told the Cape High Court yesterday.

It was also a disgrace that only a small portion of funds intended for another school project at Loxton in the Northern Cape had been used for its intended purpose, Ms Rikke Nohrlind said.

She told the court that this was totally unacceptable and meant Danchurch Aid could no longer trust the FPJ's accounting procedures or information contained in its letters.

She told the court: "Before the discrepancies came to light, I thought we were dealing with people of high integrity at the FPJ, who were hard-working, competent and committed."

She testified at Boesak's trial on fraud and theft charges involving R9 million, of which he is alleged to have taken R1.1 million for himself. Boesak has pleaded not guilty to all counts.

As prosecutor JC Gerber led Nohrlind's evidence, she explained in detail the correspondence between Danchurch and the FPJ.

After detailing funds made available for the Loxton and local govern-

ment school projects, she told the court: "According to information we now have, not one of the activities that we funded was even started. This made us suspicious about whether we could rely on any further information from the FPJ."

In a letter to Boesak dated April 11 1994, she explained that the breach in communication with the FPJ, from Danchurch's side, was due to internal discussions on the future direction of the relationship between Danchurch and the FPJ.

The letter referred to persistent rumours on questions of accountability and programme efficiency.

Lack of transparency

The letter said: "It is in the strong interests of both organisations (Danchurch and the FPJ) to take the matter very seriously, and subsequently to take actions that once and for all could eliminate the rumours and allegations."

"The rumours are mainly focused on lack of transparency on financial transactions within the Foundation."

"We would therefore like to propose that a highly skilled professional of a well-renowned independent South African company be commissioned to do a check-up."

The trial continues today. - Sapa.

We thought we were dealing with honest people, Boesak trial told

Witness says none of the funded activities were even started

SAPA

Cape Town

It was a disgrace that Danish funding for a local government school project, via Allan Boesak's Foundation for Peace and Justice (FPJ), had not reached its target at all, Rikke Nohrlind, an official of Danchurch Aid, told the Cape High Court yesterday.

It was also a disgrace that only a small portion of funds intended for another school project at Loxton in the Northern Cape had been used.

Nohrlind told the court this had been totally unacceptable at the time and meant Danchurch Aid could no longer trust the FPJ's accounting procedures or information contained in its letters.

"Before the discrepancies came to light, I thought we were dealing with people of high integrity at the FPJ, who were hardworking,

competent and committed."

She was testifying at Boesak's trial on fraud and theft charges involving R9-million, of which he is alleged to have taken R1,1-million for himself. Boesak has pleaded not guilty to all counts.

As prosecutor JC Gerber led Nohrlind's evidence, she explained in detail the correspondence between Danchurch and the FPJ.

After detailing funds made available for the Loxton and local government school projects, she told the court that information showed that not one of the activities Danchurch Aid had funded was even started. "This made us suspicious about whether we could rely on any further information from the FPJ."

In a letter to Boesak dated April 11 1994, she explained, from Danchurch's side, the breach in communication with the FPJ.

The letter referred to persistent rumours on questions

of accountability and programme efficiency. The letter said: "It is in the strong interests of both organisations (Danchurch and the FPJ) to take the matter very seriously, and subsequently to take actions that once and for all could eliminate the rumours and allegations."

"The rumours are mainly focused on lack of transparency, on financial transactions within the foundation."

"We would therefore like to propose that a highly skilled professional of a well-renowned independent South African company be commissioned to do a checkup."

The letter added that Danchurch was deeply concerned about the developments that had necessitated this conclusion, and concluded that it was placing the foundation in a very difficult situation in terms of funding and immediate cashflow.

However, Danchurch expressed the hope that it would

be a limited exercise that would take place within a short period of time, and with a high degree of discretion, after which co-operation would resume.

The letter said the pledged contribution for the Loxton project would nevertheless continue without delay.

Also yesterday, Boesak's senior counsel Mike Maritz called Amanda Steenkamp, wife of Freddie Steenkamp, jailed bookkeeper of the FPJ, back to the witness stand.

She had last week been unable to remember details of bank transfers and deposits made at the First National Bank branch where she was a marketing executive and where the FPJ had its account.

Back in the witness box, she was still unable to recall details, and Maritz accused her of having a "selective memory" about these transactions.

The trial continues today.

Star 29/10/98

Diversion of Danish funds for schools a 'disgrace', court told

BD 29/10/98
(297)

CAPE TOWN — It was a disgrace that Danish funding for a local government school project via Allan Boesak's Foundation for Peace and Justice had not reached its target at all, an official of Danchurch Aid told the Cape High Court yesterday.

It was also a disgrace that only a small portion of funds intended for another school project at Loxton in the Northern Cape had been used for its intended purpose, Rikke Nohrlind said.

She told the court this was totally unacceptable and meant Danchurch Aid could no longer trust the foundation's accounting procedures or information contained in its letters. "Before the discrepancies came to light, I thought we were dealing with people of high integrity at the (foundation), who were hard-working, competent and committed," she said.

Nohrlind was testifying at Boesak's trial on fraud and theft charges involving R9m, of which he allegedly took R1,1m for himself. Boesak has pleaded not guilty to all counts.

As prosecutor J C Gerber led Nohrlind's evidence, she explained in detail the correspondence between Danchurch and the foundation.

After detailing funds made available for the Loxton and local government school projects, she told the court: "According to information we now have, not one of the activities we funded was even started. This made us suspicious about whether we could rely on any further information from (the foundation)".

In a letter to Boesak dated April 11 1994, she explained that the breach in communication with the foundation, from Danchurch's side, was because of internal discussions on the future direction of the relationship between Danchurch and the foundation.

The letter referred to persistent rumours on questions of accountability and programme efficiency.

The letter said: "It is in the strong interests of both organisations (Danchurch and the foundation) to take the matter very seriously, and subsequently to take actions that once and for all could eliminate the rumours and allegations."

"The rumours are mainly focused on lack of transparency in financial transactions within the foundation. We would (thus) like to propose that a highly skilled professional of a well-renowned independent SA company be commissioned to do a check up."

The letter also stated Danchurch was deeply concerned about the developments which necessitated this conclusion and reckoned that it was placing the foundation in a very difficult situation in terms of funding and immediate cashflow.

However Danchurch expressed the hope that it would be a limited exercise that would take place within a short period of time and with a high degree of discretion, after which co-operation would resume.

Boesak's senior counsel Mike Maritz later called back to the witness stand Amanda Steenkamp, wife of Freddie Steenkamp, jailed foundation bookkeeper.

Steenkamp was last week unable to remember details of bank transfers and deposits at the First National Bank branch where she was a marketing executive and where the foundation had its account. Yesterday, she still could not recall details. Maritz accused her of having a "selective memory" on these transactions. The trial continues today. — Sapa.

Steenkamp gave his wife

Boesak trial told R60 000 paid into personal

LEMORE OLIVER
HIGH COURT REPORTER

Foundation for Peace and Justice bookkeeper Freddie Steenkamp, since jailed, gave his wife more than R60 000 in seven months, the Cape High Court has heard.

Amanda Steenkamp admitted this in her testimony at the trial of Allan Boesak, the former head of the foun-

dation, who has pleaded not guilty to fraud and theft involving R1,1 million in donor funds.

The State alleges a further R8 million was misappropriated from the foundation.

Yesterday, defence advocate Mike Maritz SC questioned Mrs Steenkamp about large sums of money deposited in her personal bank account every month in 1993.

He said a few of the cheques deposited were foundation cheques.

Earlier Mrs Steenkamp testified that her husband had never given her the foundation's money.

Mr Maritz put it to Mrs Steenkamp that she should have known some of the money came from the foundation because Steenkamp gave her its cheques.

"Freddie often gave me money and

although I could see it was a foundation cheque I just accepted it, because Freddie gave it to me."

"I was used to taking money from him and did not blink when he gave me such a cheque."

She said she had not questioned any of the amounts because Steenkamp often gave her money for the household and to pay for renovations to their home.

Mr Maritz handed in to court one of Mrs Steenkamp's bank statements showing that she received R12 000 in one month. In other months amounts ranged between R2 000 and R5 000.

"I never added it up, I just took the money he gave me," she said.

Mrs Steenkamp said she could not remember whether she received the money before she and Steenkamp got married.

foundation cheques

account in seven months

"You can't remember things when it suits you. Your memory seems to be selective and you even told this court you don't remember when you divorced or when you got married to Steenkamp," Mr Maritz said.

Mrs Steenkamp replied that she was not good with dates.

Mr Maritz also questioned Mrs Steenkamp on her role in taking telephonic banking instructions from

her husband and Dr Boesak's secretary Lucille Fester.

"You were taking telephonic instructions from them since 1989. Not once, in any documentation, does it show that Dr Boesak gave any of these instructions. In other words Steenkamp or Ms Fester could instruct you to make transfers from one account to another."

The case continues.

R45 000 'spent on family trip'

REVEREND Allan Boesak took his family on a R45 000 trip to Disneyland in the United States on donor funding, it was claimed in the Cape High Court yesterday.

Boesak also wanted the books of the Foundation for Peace and Justice, of which he was the director, to conceal the fact that his travelling expenses exceeded amounts intended for the disadvantaged.

This testimony was given by former FPJ assistant Ms Thelma Sacco at Boesak's trial on charges of theft and fraud involving R9 million, of which he allegedly stole R1,1 million for himself.

He has pleaded not guilty before Judge John Foxcroft.

Sacco told the court Boesak travelled abroad extensively to lobby against apartheid, and for funds to fight the system.

She said FPJ rules required her to obtain authority from Boesak himself - or, in his absence on a trip, from any of the FPJ trustees - to expend large sums. On Boesak's return from a trip, she had to present him with details of all financial transactions that occurred in his absence.

Sacco said the FPJ also obtained

funding from Archbishop Makulu of Botswana. She once had to represent the FPJ at a meeting with Makulu when Boesak was in custody and unable to attend.

The purpose of this meeting had been to explain the FPJ's operations.

Because the FPJ was considered an extended ministry of the Dutch Reformed Mission Church, Boesak was remunerated by the church itself, and funding obtained for the FPJ was expressly for the struggle, and not for Boesak's personal use.

She said staff salaries were paid from the FPJ account, and from a World Alliance account before the launch of the FPJ.

Sacco said Boesak decided about the allocation of funds himself, and funds were used to finance funerals, to support advice offices, to finance student bursaries and to support released detainees and their families.

She told the court Dutch donors demanded strict accounting procedures and wanted full details of expenditures involving Dutch funds.

Boesak's attitude was that if the Dutch did not trust him, he would rather seek funding elsewhere.

The hearing continues on Monday.

-Sapa-

Sowetan 30/10/98

ANC 'alerted over Boesak'

ARG 30/10/98

(297)

Fired FPJ staffer grilled

JOSEPH ARANES

STAFF REPORTER

A sacked Foundation for Peace and Justice staff member has told the Allan Boesak trial she had been concerned about the way he was handling the foundation's money and spoke to African National Congress leaders about it.

But under cross-examination in the Cape High Court, administrative assistant Thelma Sacco conceded she was not always sure from which account the money Dr Boesak was using came from.

The foundation's office operated bank accounts for the World Alliance of Reformed Churches, of which Dr Boesak was elected president in 1982, the foundation's own account and a discretionary account.

She first said Dr Boesak used R45 000 from the foundation's account to take his family to Disney World in the United States. During cross-examination, it emerged that R31 500 from the reformed churches account was used for the trip and that the money was paid back into the account.

Ms Sacco said she spoke to Cheryl Carolus, now the South African High Commissioner in London, and Trevor Manuel, now Finance Minister, about her concerns while she was employed by the foundation.

She had also tried to speak to Archbishop Desmond Tutu and attempted to get an audience with President Mandela.

When Dr Boesak's advocate, Mike Maritz, put it to her that she had started a smear campaign against her former employer because he had fired her, Ms Sacco said: "It was not my intention to put Dr Boesak in a bad light. I was just telling the truth.

"I told people what I knew so they could decide for themselves. I felt these people, the leaders, would be able to speak to Dr Boesak and hopefully he would listen to them."

Dr Boesak has pleaded not guilty to fraud and theft charges involving R1.1-million in foreign donor funds to the foundation.

Ms Sacco also disputed Mr Maritz's submission on the way she and Dr Boesak parted ways.

Mr Maritz put it to her that she had been fired after she allegedly wrote out a R17 000 cheque to herself and Dr Boesak discovered it.

Ms Sacco said this was a lie and that Yusuf Surtee, the man who outfitted President Mandela, had given her the money for home improvements. Dr Boesak was present when the arrangements were made.

"In fact Dr Boesak co-signed the cheque," she said.

Asked why she had told detectives from the Office of Serious Economic Offences that Mr Surtee had deposited the money directly into her personal banking account, Ms Sacco said it had happened a long time ago and she could have made a mistake.

The trial continues on Monday.

'Uneasy' Norway cut Boesak's FPJ funds

Misuse rumours prompted move

LENORE OLIVER
HIGH COURT REPORTER

The Norwegian government cut off funds to Allan Boesak's Foundation for Peace and Justice because the foundation's feedback on its activities was not satisfactory, the Cape High Court heard today.

Roivd Bakkevig, general secretary of the Church of Norway, was testifying at the trial of Dr Boesak, who has pleaded not guilty to theft and fraud charges involving R1,1 million in foreign donor funds to the foundation.

The State alleges a further R8-million was misappropriated from the foundation, whose main aim was to help victims of apartheid. The Norwegian government channelled the donations to the foundation through the Church of Norway from 1986.

Mr Bakkevig said that in a letter in March 1992 the Norwegian department of foreign affairs said it felt uneasy about rumours that the foundation was misusing donor funds.

"The department of foreign affairs was also not satisfied about the foundation's feedback and linked this to the rumours," he said.

The Norwegian department had earlier asked for specifics on the foundation's work.

"The department felt the information provided by the foundation was too general," he told the court.

He emphasised that the funds could be used only for the foundation's work.

Earlier, a Swedish International



Lars-Olaf Hoök: 'I felt betrayed'

Development Agency official testified that with hindsight he should never have signed an agreement to donate R762 000 to the foundation.

The agency gave the money to the foundation for a project to produce 12 democracy and voter-education video cassettes in the run-up to the 1994 elections.

Lars-Olaf Hoök yesterday said that the cassettes were never produced.

He said he was very angry, upset and felt betrayed.

This was because the agency had donated money for a project which had not produced any results.

(297)
ARLT 3/11/98
"There should never have been an agreement. The money we donated had clearly been spent on something else," said Mr Hoök.

The foundation did not have the right to change the purpose for which the money had been donated without consulting the agency.

"When the foundation realised there was going to be a shift in policy, they should have returned the money and submitted a new application for funds," he said.

In a progress report to the agency in 1994, the foundation stated that the budget was no longer enough because the price of technical equipment had gone up, professional fees were more than expected and there had been a shift in policy.

In a revised budget the foundation asked for another R879 000.

Defence counsel Mike Maritz put it to Mr Hoök that the specific workings of the project were not clear when the money was donated.

Mr Hoök conceded that there were time constraints and the agency therefore had not investigated everything.

"But the understanding was that the money would be used for the production of video cassettes," said Mr Hoök.

The foundation was also told the agency would not provide the additional funding sought.

Mr Maritz put it to Mr Hoök that Dr Boesak would say he would never have said that the video cassettes would be completed before the elections. Mr Hoök denied this.

Elna's role 'unethical'

ET 3/11/98

(297)

ALLAN Boesak's Foundation for Peace and Justice used money given to it by a Swedish donor organisation, Sida, for purposes other than those Sida had intended it for, the Cape High Court heard yesterday.

The involvement of Boesak's wife, Elna, with an FPJ project funded by Sida was also contrary to Swedish ethics, said Sida official Lars-Olaf Hook during testimony at Boesak's trial.

The former FPJ director is charged with fraud and theft involving R9 million, of which he is alleged to have taken R1,1m for himself.

From letters handed to the court yesterday it emerged that nine months after the FPJ received R760 000 for its Education for Democracy project from Sida, the foundation asked for an additional R880 000 to maintain the project.

A letter from Sida official Johan Brisman claimed an essential feasibility test concerning the voter-educational project had been skipped due to its urgency, but that such an appraisal could not again be overlooked in respect of the additional money requested.

Hook told the court the Education for Democracy project had been about democracy and voter-

education for the 1994 election and had had to be completed before then.

The complexities of the video production made it impossible to meet the deadline, and the FPJ then aimed at completion by the end of that year — contrary to the Sida agreement.

When it became apparent later that the FPJ project was developing differently to the agreed plan, Elna Boesak, who was managing the video production, visited Sida's Swedish office with Steenkamp, to present a progress report.

Hook told the court: "We had given the FPJ money for a specific purpose, but it had been used for other purposes. I told them we would have to look into it very carefully"

He added it was against Swedish ethics to have close relatives or husbands and wives involved together in Swedish-sponsored projects.

The FPJ was told to produce what it had agreed to, or to refund the money to Sida.

By then, Hook said, there was much debate about it in Sweden, and when the three Nordic donors agreed to a joint investigation, Sida approached lawyers about it.

The hearing continues. — Sapa

Norway was uneasy over rumours

CAPE TOWN — The Norwegian government cut off funds to Allan Boesak's Foundation for Peace and Justice because feedback on activities was not satisfactory, the Cape High Court heard yesterday.

Rolv Bakkevig, the general-secretary of the Church of Norway, was testifying at the trial of Boesak, who has pleaded not guilty to theft and fraud charges involving R1,1m in foreign donor funds.

The state alleges a further R8m was misappropriated from the foundation.

The Norwegian government channelled the donations to the foundation through the Church of Norway from 1986.

Bakkevig said that in March 1992, the Norwegian foreign affairs department said it felt uneasy about rumours the foundation was misusing funds.

"The department felt the information provided by the foundation was too gen-

eral. The reports dealt with the general situation in SA and not with their specific projects," Bakkevig said.

He stressed that the funds could only be used for the foundation's work.

Meanwhile, a letter from Allan Boesak to the Church of Norway's council on foreign relations, which expressed shock and disappointment over the allocation of funds to the foundation, was handed to the Cape High Court yesterday.

Boesak had earlier submitted to the Church of Norway the foundation's budget for 1992, listing the number of projects, as required by the council.

However, while Boesak had expected the full funding requested, the council approved only some of the projects listed and allowed the foundation only a 10% administration fee instead the 25% which Boesak had hoped for. — Sapa.

Boesak 'tried to fob off Swedish worries'

(297) ARGT 4/11/98

LEMORE OLIVER
HIGH COURT REPORTER

Allan Boesak objected to the Swedish International Development Agency investigating his Foundation for Peace and Justice in 1994, saying the books were in order and there was nothing to investigate.

This was the testimony of the agency's programme manager, Johan Brisman, today at Dr Boesak's Cape High Court trial in which he has pleaded not guilty to fraud and theft charges involving R1,1-million in foreign donor funds to the foundation.

The State alleges that a further R8-million was misappropriated by the foundation, the main aim of which was to help victims of apartheid.

Evidence was that the agency gave R762 000 to the foundation to produce 12 video cassettes on democracy and voter education before the 1994 elections. The court heard that none of these cassettes was produced and that the foundation allegedly built an audio visual studio for Dr Boesak's wife, Elna, instead.

Mr Brisman said Dr Boesak told him the foundation's books were in order and had been inspected several times by the South African Government, which wanted a reason to close down the foundation.

"In July, 1994, a Swedish journalist reported that our funds had been used by the foundation to build a private studio," he said.

"Dr Boesak telephoned me and said he was considering taking legal action against the newspaper."

Later at a meeting at Mr Brisman's home, Dr Boesak expressed concern that the story would come out in the South African press. Mr Brisman then suggested that an independent person look into the foundation's affairs, but reports had already circulated in the South African press.

In response, Mr Brisman sent out a press release that the agency did not want to prejudge anybody, and did not have sufficient grounds to accuse anybody of using Swedish funds for their private use.

"The newspapers were carrying damaging stories about the foundation and our project. A press release was sent out to put things into perspective," he said.

The agency decided not to inject further funds into the project, Mr Brisman said.

(297)

FPJ allowance

'hurt' Boesak

ET 4/11/98

A LETTER from Allan Boesak to the Church of Norway's council on foreign relations, expressing shock and disappointment over the allocation of funds to the Foundation for Peace and Justice, was handed to the Cape High Court yesterday.

Boesak had prior to the letter submitted to the Church of Norway the FPJ's budget for 1992, listing all its projects as required by the council.

However, the council approved only some of the projects and allowed the FPJ only a 10% administration fee instead of the 25% for which Boesak had hoped.

Boesak, in his letter to the secretary-general of the council Trond Bakkevig, said: "I must express my shock and deep disappointment.

"What Norway has done is to make the FPJ merely a conduit for projects:

"It has in fact ensured that the foundation will not survive.

"It seems to be that this has been the plan all along. They could not, for some reason, simply cut off all the aid, as some undoubtedly wanted, but this gentler death is just as effective."

"I hope I do not sound bitter, because I am not," Boesak added. — Sapa

Boesak accused donor of lack of compassion

BO 5/11/98 (297)

CAPE TOWN — The lack of compassion of the Swedish International Development Agency took his breath away, Allan Boesak wrote in a letter to the organisation four years ago, the Cape High Court heard yesterday.

Boesak's exasperation with Sida's persistent probing of the Foundation for Peace and Justice's audio-visual project, including the involvement of his wife's video production company, Camelot, was reflected in a letter to Sida's then assistant director-general, Jan Bjerninger.

Boesak's letter was in response to one in which Bjerninger again expressed his concern about the foundation's use of Sida funds.

The two letters were among a number handed yesterday to the Cape High Court, where Boesak has pleaded not guilty to fraud and theft charges involving R9m, of which he is alleged to have taken R1,1m for himself.

Bjerninger's letter referred also to escalating rumours that had already reached the media about the misappropriation of funds, and requested Boesak to contact Sida official Johan Brisman at the Swedish embassy in Pretoria to arrange an urgent audit of the foundation's books. Boesak replied that he would "try to find time" to contact Brisman, but he said Bjerninger was "new to the situation" and that Boesak no longer had the energy or time to again discuss the foundation's audio-visual project, which had been talked through for two years.

Boesak signed a Boland Bank bond agreement without reading it, and therefore did not know or realise the contract bonded expensive audio-visual equipment to the bank. The equipment had been bought without authority partly with Sida funds, the court was told.

Johan Brisman, who is attached to Sida's regional secretariat for southern Africa, said he found out that the equipment had been ceded to the bank from an investigation by a Johannesburg firm of lawyers into the affairs of the foundation. Brisman said Boesak had not told him the equipment had been ceded to the bank, although he had the opportunity at an earlier meeting. When he confronted Boesak about it, Boesak said he did not know about it himself as he had not read the bond agreement he signed. — Sapa.

Boesak 'did not read bond papers'

(297)

FORMER anti-apartheid activist Reverend Allan Boesak signed a Boland Bank bond agreement without reading it, and therefore did not know or realise that the contract bonded expensive audio-visual equipment to the bank, the Cape High Court was told yesterday.

The equipment had been bought partly from Swedish funding, without authority, the court heard.

Boesak has pleaded not guilty before Judge John Foxcroft to fraud and theft charges involving R9 million, of which he is alleged to have taken R1,1 million for himself.

The charges relate to foreign donations to Boesak's Foundation for Peace and Justice (FPJ) during the apartheid era.

Testimony yesterday was given by Mr Johan Brisman, who is attached to the regional secretariat for Southern Africa of the Swedish International Development Agency (Sida).

Brisman said he found out from an investigation into the affairs of the FPJ by a Johannesburg firm of lawyers that the equipment had been ceded to the bank.

He told the court that Boesak had not informed him that the equipment had been ceded to the bank. Boesak had the opportunity to do so at an earlier meeting at the Swedish embassy in Pretoria.

When he confronted Boesak about it later, Boesak said he did not know about it himself because he had not read the bond agreement he had signed.

At the earlier embassy meeting, Boesak said Sida money used to purchase the equipment could not be refunded to the organisation.

However, he suggested instead that the equipment be given to a non-profit organisation that could continue the work of the FPJ.

The hearing is continuing. — Sapa

5/11/98
Sapa

NATIONAL

Clerk tells court of unpaid staff loans

(297) 20 6/11/98
Boesak wanted staffer to implicate accountant

CAPE TOWN — A former clerk in the employ of Allan Boesak's now defunct Foundation for Peace and Justice, Lucille Fester, told the Cape High Court yesterday about loans to staff members that were written off after the borrowers left their jobs with the foundation.

She told the court that Boesak, a former director of the foundation, wanted to blame the bookkeeper, Freddie Steenkamp, for the foundation's woes.

Boesak has pleaded not guilty before Judge John Foxcroft to fraud and theft charges involving R9m, of which he is alleged to have taken R1,1m for himself.

Fester told the court Boesak summoned her to his home one night and asked her to sign a statement which made Steenkamp the scapegoat for the foundation's troubles. She told the court she refused because she did not think it was fair to blame Steenkamp for everything.

Steenkamp is presently serving a prison sentence for his part in the embezzlement of foundation funds.

Fester told the court of Boesak's resignation in 1990 as reverend of the Dutch Reformed Missionary church. He also quit the presidency of the World Alliance of Reformed Churches. She said the alliance account was closed accordingly and a new one was opened called the Urban Discretionary Account. This account was not audited.

She said the Rev Jan de Waal, a senior

foundation official at the time, ruled that Boesak was not to sign discretionary account cheques as not having his signature on the cheques would prevent him becoming implicated.

Questioned by prosecutor JC Gerber about staff loans, Fester told the court of loans she was given personally from foundation funds. She repaid the loans in monthly instalments. When she left the foundation, she wrote to the foundation for details to enable her to continue paying off her loans, but received no answer.

Fester also told the court of a clothing allowance she was given as a perk to compensate for her poor salary, as well as entertainment and office maintenance allowances.

When she told the court of a holiday she had in Durban with Boesak's wife, Elna, at the foundation's expense, Boesak's counsel Mike Maritz SC objected, saying this was not included in the indictment.

His objection was overruled.

Fester said loans to two other staff members, Shaun Beyleveld and Thelma Sacco, were written off when they left.

She revealed that funds were used to pay for alterations to Boesak's home and that funds were drawn from the discretionary account to pay Elna Boesak's credit card account and bond instalments on her Johannesburg home.

The hearing continues on Monday. — Sapa.

Boesak secretary in tears

Defence accuses her of lying to court

LENORE OLIVER

HIGH COURT REPORTER

Allan Boesak's secretary at the Foundation for Peace and Justice, Lucille Fester, wept in the Cape High Court when the defence accused her of lying under oath.

Mrs Fester, who testified at Dr Boesak's fraud and theft trial yesterday, left the courtroom and was comforted by family and friends.

Dr Boesak has pleaded not guilty to misappropriating R1,1 million from the foundation in donor funds meant for the victims of apartheid.

Defence counsel Mike Maritz pointed out several discrepancies between Mrs Fester's evidence to the Office for Serious Economic Offences and to what she said yesterday.

She conceded that some of her testimony to the office had been wrong, and that she felt bad about it.

Mr Maritz: "Do you care about what you say under oath?"

Mrs Fester: "There are a lot of things I could not remember. I did not

deliberately lie."

She said she was angry with Dr Boesak because he had made false allegations about her stealing money from the foundation.

"He treated me unfairly and to hear these allegations hurt me and made me angry. Although I am angry, it does not mean I would give false evidence against him," she said.

Mr Maritz said the differences in her evidence had an impact on Dr Boesak's case.

"You decided to come and present a piece of testimony in this court to incriminate Dr Boesak," he said.

Mrs Fester denied this.

The court heard that, as Dr Boesak's secretary, Mrs Fester made his travel arrangements.

Dr Boesak was often invited to speak and lecture overseas by organisations that usually paid for his flights, in economy class.

"But Dr Boesak never flew economy class, it was always first class. The difference in price was paid by the foundation, or out of the World

Alliance of Reformed Churches account," Mrs Fester told the court.

At that time, Dr Boesak was the president of the World Alliance of Reformed Churches.

After Dr Boesak resigned as president of the alliance, foundation trustee Jan de Waal suggested he open another bank account to which Mrs Fester and bookkeeper Freddie Steenkamp had signing powers. The account was called the urban discretionary account.

"Mr De Waal said Freddie and I had to have signing powers so that if anything went wrong Dr Boesak would not be implicated," said Mrs Fester.

She also testified that staff loans were the order of the day and that she was sure Dr Boesak knew of loans that were written off when people left the foundation.

One employee, Thelma Sacco, had an outstanding loan of R39 000, which was written off.

Mrs Fester said the foundation's money was also used to buy an air

ticket to Johannesburg for a builder to renovate the home of Dr Boesak's wife, Elina, to pay for a security gate and renovations at Dr Boesak's home, cash payments to Mrs Boesak and payment of her credit card, mortgage and furniture removal, a holiday trip to Durban for Mrs Boesak, Mrs Fester and their children, and trips to London and Jakarta.

Mrs Fester said she was paid a clothing allowance by the foundation and had an extra telephone at her home for foundation business.

When investigations into the foundation's affairs began, Dr Boesak asked Mrs Fester and colleague Norman Michaels to sign a statement saying they supported Dr Boesak, and that Steenkamp was the culprit.

"I refused because I thought it was not fair that Freddie got the blame for everything," she said.

Mrs Fester said she never questioned anything Dr Boesak told her.

"Nobody in the office would go against him," she said.

The case continues on Monday.

MONEY FOR DEVELOPMENT

National lottery will squeeze out small fry

ET 6/11/98

(297)

THE Ubuntu National Welfare and Development Trust held a conference yesterday to discuss the soon-to-be-launched national lottery. **DAN SIMON** reports.

ALL "good cause" scratch cards, including Viva and Ithuba, must cease to run one week ahead of the launch of South Africa's first state lottery, which starts late next year.

But they may be reinstated later as the new Lotteries Act makes provision for smaller categories of lotteries, and society lotteries, to operate side-by-side with the national lottery if the prize money does not exceed R1 million.

Ajay Sooklal, director of gambling, lotteries and liquor in the Department of Trade and Industry, disclosed this yesterday during a national lottery conference hosted in the city by the Ubuntu National Welfare and Development Trust to discuss the theme "Where Will the Money Go?"

Ubuntu, made up of the Ithuba Trust, the Viva Trust, the Kagiso Trust, the National Sports Council, the World Wide Fund for Nature, the South African Red Cross Society and the United Community Chests of SA, is hoping to be chosen as the distributing agency of national lottery funds for charities when the appointment is announced early next year.

The national lottery is expected to generate between R2 billion and

R5bn annually, of which a minimum of R400m would be available for distribution to good causes.

The national lottery shareholding will be 5% to the National Empowerment Fund, 15% to the Post Office and 80% to the vendor.

The government, Sooklal said, had earmarked five areas to which funds would be distributed once the lottery was up and running.

These were the Reconstruction and Development Programme; charities; arts, culture and national heritage projects; sports and recreation, and a miscellaneous fund.

Payments will be overseen by the Minister of Trade and Industry in conjunction with other ministers whose portfolios are affected.

"Income generation is the primary objective of a national lottery and it is an important source of government income," Sooklal said.

"Apart from the tax that the government receives, substantial percentages of the income will be channelled to good causes, while operators are allowed a certain percentage of the income to defray expenses and ensure a certain profit," said Sooklal.

"The national lottery basically acknowledges the reality that the lottery is not only a form of enter-

tainment but also the generator of revenue.

"Such revenue can be used to fund many public and private projects. However, it should be pointed out that it will not be a panacea for the challenge involved in uplifting our people or for correcting the injustices of the past."

He said government was aware of the needs of provincial governments with regards to projects within their borders.

As such, the Lotteries Act made provision for the establishment of the National Lottery Distribution Trust Fund, which would be managed by the National Lotteries Board.

The revenue of the fund, he said, would consist of a licence fee to conduct a national lottery, interest and dividends derived from the investment of money credited to the fund and other money paid into the fund.

Regarding funds disbursements to charities, Sooklal said: "Money paid into the fund which is allocated for this cause shall be held in the fund for distribution by the distributing agency appointed by the minister in consultation with the minister responsible for welfare and population development.

"This agency must possess the required skills to distribute the allocated sum fairly and equitably among all persons who meet the prescribed requirements."

Boesak 'asked for bookkeeper to be framed'

297

Fraud trial told of holiday paid for by Foundation for Peace and Justice

SAPA

Cape Town

Lucille Fester, a former clerk in the employ of Allan Boesak's now defunct Foundation for Peace and Justice, told the Cape High Court yesterday about loans that were written off after the borrowers left their jobs with the FPJ.

She told the court that Boesak, a former director of the FPJ, wanted to blame the bookkeeper, Freddie Steenkamp, for the foundation's woes.

Boesak has pleaded not guilty before Mr Justice John Foxcroft to fraud and theft charges involving R9-million, of which he is alleged to have taken R1,1-million for himself.

Fester told the court that Boesak summoned her to his home one night and asked her to sign a statement which made Steenkamp the scapegoat for the FPJ's troubles. She told the court she refused because she did not think it was fair to blame Steenkamp for everything.

Steenkamp is currently serving a prison sentence for his part in the embezzlement of FPJ funds.

Fester told the court of Boesak's resignation in 1990 as dominee of the NG Missionary Church. He also quit the presidency of the World Alliance of Reformed Churches (Warc).

She said the Warc account was closed and a new one was

opened called the Urban Discretionary Account (UDA). This was not to be audited as the previous one had been.

Fester said the Rev Jan de Waal, a senior FPJ official at the time, ruled that Boesak was not to sign UDA cheques, so that Boesak would not become implicated if his signature was not on the cheques.

Questioned by prosecutor J C Gerber about staff loans, she told the court of loans she was given personally from FPJ funds. She repaid the loans in monthly instalments.

Fester told the court of a clothing allowance she was given as a perk to compensate for her poor salary, as well as entertainment and office-maintenance allowances.

She told the court of a holiday she had in Durban with Boesak's wife Elna at the FPJ's expense.

Fester said loans to two other staff members, Shaun Beyleveld and Thelma Sacco, were written off when they left the foundation's employ.

She revealed that funds were used to pay for alterations to Boesak's home and the installation of a gate at his home. Funds were drawn from the UDA to pay Mrs Boesak's credit card account and bond instalments on her Johannesburg home.

The hearing continues on Monday.

Star 6/11/98



WITNESS: Lorraine Fester leaves the Cape High Court after giving evidence in the trial of Allan Boesak.

PICTURE: ALAN TAYLOR

FPJ paid for holiday

A FORMER clerk in Allan Boesak's defunct Foundation for Peace and Justice, Lucille Fester, told the Cape High Court yesterday of a holiday she had in Durban with Boesak's wife, Elna, at the FPJ's expense.

Boesak has pleaded not guilty before Judge John Foxcroft to fraud and theft charges involving R9 million, of which he is alleged to have taken R1,1 million for himself.

Boesak's counsel Mike Maritz, SC, objected to Fester's statement about the Durban holiday, saying this was not included in the indictment. His objection was overruled.

Fester revealed that FPJ funds were used to pay for alterations to Boesak's home and to pay Mrs Boesak's credit card account and bond instalments on her Johannesburg home. The court heard that staff loans were written off after the borrowers left their jobs with the foundation.

She said Boesak, a former FPJ director, wanted to blame bookkeeper Freddie Steenkamp for the foundation's woes.

Fester told the court Boesak summoned

her to his home one night and asked her to sign a statement which made Steenkamp the scapegoat for the FPJ's troubles. She refused because she did not think it was fair to blame Steenkamp for everything.

Steenkamp is presently serving a prison sentence for his part in the embezzlement of FPJ funds.

Fester told the court of Boesak's resignation in 1990 as dominie of the NG Missionary Church. He also quit the presidency of the World Alliance of Reformed Churches (WARC).

She said the WARC account was closed and a new one called the Urban Discretionary Account (UDA) opened, for which Boesak was unable to sign cheques.

Questioned by prosecutor J C Gerber about staff loans, she told the court of loans she was given from FPJ funds. She repaid the loans in monthly instalments.

When she left the FPJ and wrote to the foundation about how to continue paying off her loans, she received no answer. The hearing continues on Monday. — Sapa

R20-m in welfare funds stolen

(297)
Sowetan 6/11/98

By McKeed Kotlolo

ABOUT R20 million destined for welfare payments was stolen countrywide in the past two years and about 53 officials were either suspended or charged with fraud while 26 others were dismissed from work.

This was revealed by the Welfare and Population Development Ministry in Pretoria yesterday.

The ministry expressed concern about safety at payout points and at the same time urged the community to see to the safety of beneficiaries once they left pay point.

Minister Geraldine Fraser-Moleketi said the stolen R20 million included cash lost during in-transit robberies and other criminal activities such as theft or fraud by officials.

She said the Government's decision to involve private companies in making payments had resulted in less direct cost from the theft of irrecoverable funds.

Regarding fraudulent officials, she said various measures had been instituted to ensure that an "excellent and fraud-free standard of service is delivered to beneficiaries".

As a result of the measures, officials allegedly involved in fraud were "investigated, suspended, arrested, charged with misconduct and dismissed".

The following cases were reported in the various provinces:

● Eastern Cape: R6 013 540 was stolen between 1996 and August 1998. R610 000 of the total was stolen during the in-transit robberies and R5 403 540 by other criminal means.

Two officials were in the process of being charged.

● R965 015 was stolen in the Northern Cape and two officials were arrested in August last year.

● In Western Cape 14 thefts were reported in which an amount of R2,85 million was stolen. The Post Office carried the loss as the payout contractor.

● In North West R3 265 840 was

stolen and R1 010 000 of the amount was a loss to the department, while the remainder was insured and replaced by the payout contractor. Five arrests were made and further investigations were pending;

● In Gauteng R422 559 was lost and 26 officials were dismissed, while 21 others were suspended pending the outcome of investigations;

● In Mpumalanga R165 000 was stolen but later recovered. One official has been suspended and allegations of fraud are being investigated against two others;

● In Northern Province R116 000 was stolen and five officials suspended from their duties pending internal disciplinary procedures;

● In the Free State R2 149 048 was stolen and three officials charged. Two of them were found guilty and sentenced to seven years imprisonment each; and

● In KwaZulu-Natal R4 118 837 22 was stolen of which R2,8 million was recovered from the insurance.

Launch of national lottery postponed again

ST(BT) 8/11/98

(297)

AFTER almost five years of strategising, the launch of SA's first national lottery has again been postponed, this time from March to August next year.

Joe Foster, newly appointed Lotteries Board chairman, attributes the delay to the shift in managing the process from the Department of Trade and Industry (DTI) to the board.

Final requests for proposals on the appointment of a lottery

EMPOWERMENT

By SHERILEE BRIDGE

operator will be issued by November 24. Consortia bidding must have bids in by January.

Foster says the winning bidder has to pay R1.5-million in licence fees and invest up to R1-billion in the next five to seven years in building a national network to reach more than 25-million adults. Jacques Verster, MD

of lobby group Spearhead, likens winning the bid to getting a "licence to print money".

The National Lottery could generate turnover of R2-billion to R10-billion for its operator. Building its infrastructure is seen as one of the biggest black empowerment opportunities.

Half the revenues raised by the lottery will go to prizes, 30% to "good causes" and 20% to cover running expenses.

The DTI says the successful bidder has three to six months to set up a scratch-card operation and six months to establish an online lottery.

Bids are expected from: Moribo Leisure-led Moraba; Hosken Consolidated Investment-led Lottoyethu; Virgin; Rainbow Entertainment with international group GTech; Pan Malaysian Pool Management; and International Growth Company.

NGOs face crises in (297) funding

RYAN CRESSWELL

CT 9/11/98
JOHANNESBURG: Cash-strapped NGOs around the country are desperately awaiting the establishment of the National Development Agency (NDA) to ensure their continued existence.

Hundreds of NGOs have already closed and many more will close or down-scale soon, according to South African National NGO Coalition programmes director Jacqui Boule.

"It is important that the NDA be established soon so that money can start coming through," she said.

The NDA, with R50 million allocated for the first year, has been due to be set up several times this year, and may now be postponed until next year.

Boule said many adult education and community media projects had closed and national advocacy groups had down-scaled due to corruption in fund-channelling organisations, and less money coming from donors.

According to Boule, many more NGOs which were coming to the end of transitional agreements set in 1994 would close next year as overseas donors were eager to send funds direct to the government instead.

Boule added that NGOs had been lobbying for more tax concessions on corporate funding and the Tax Commission would release a report on this soon.

Jo Rhodes of the National Foundation for Fundraising Training in Durban said it took about three years for NGOs to plan and establish local funding schemes, but many had not bothered, even though they knew the overseas money was drying up.

"Now they have left it too late," said Rhodes.

Cash-strapped NGOs to close

(297)

Star 9/11/98

Delays in setting up National Development Agency have stalled flow of donor funds

By RYAN CRESSWELL

Cash-strapped non-governmental organisations countrywide are desperate for the National Development Agency (NDA) to open soon so that millions of rands allocated to the new organisation can start trickling through.

Hundreds of NGOs have closed in the past few years and many more will close or down-scale soon, according to South African National NGO Coalition (Sangoco) programmes director Jacqui Boule.

The NDA, with R50-million for the first year and more to come later, was due to be set up several times this year, but may now be postponed until next year. There appeared to be no definite reasons for the delay, except that the setting up of

operations had simply taken longer than expected.

Boule said many adult education and community media projects had closed and national advocacy groups had down-scaled as a result of corruption in fund-channelling organisations and less money from local and overseas donors.

She said many more NGOs would close next year because they were coming to the end of transitional agreements made in 1994, and overseas donors were keen to send funds directly to the Government instead.

She also said NGOs had been lobbying for more tax concessions on corporate funding and the Tax Commission would release a report on this soon.

Stella Ndhlaizi, Gauteng secretary for Sangoco, said the smaller NGOs had suffered

most. But some of the larger NGOs, such as the Rural Advice Centre, the umbrella National Literacy Co-operation (NLC) and the World University Services (WUS-SA) had also gone to the wall. Both the NLC and WUS-SA were implicated in corruption.

Peter Esterhuysen, former chairperson of Training in English Language and Literacy (Tell), said the organisation had closed last month because of a cash-flow problem, even though it was due to get "serious" funding next year.

He said prevarication by the European Union and the Transitional National Development Trust, had dried up ready money.

Funda Community College in Soweto is to close soon, while Promat College in Pretoria could be forced to trim programmes.

Meanwhile, Jo Rhodes of the National Foundation for Fund-raising Training in Durban said it took about three years for NGOs to plan and set up local funding schemes, but many had not bothered, even though they knew overseas money was drying up. "Now they have left it too late," she said.

Rhodes said she consulted for McCord's Hospital and the Diakonia Council of Churches and both had new funding plans in operation.

She said staff at McCord's - which treats poor maternity patients and those with Aids - were giving up one to three days of their annual leave and donating the proceeds to the hospital. About R17 000 had already been collected this way. Diakonia had already collected R1-million from local donors.

Swedish funds used for defiance campaign

CAPE TOWN — Allan Boesak's defence team focused yesterday on the funding of the defiance campaign of the late 1980s, spearheaded by the now defunct Foundation for Peace and Justice.

Defence advocate Mike Maritz SC grilled Jan Hodann of the Olaf Palmer Centre in Sweden, who insisted that Swedish funding was intended for the foundation's programme and not for Boesak's political activities.

Boesak has pleaded not guilty before Judge John Foxcroft in the Cape High Court to fraud and theft charges involving R9m, of which he allegedly took R1,1m for himself.

Hodann was questioned about a budget letter he received from Boesak in April 1989 in which the latter said the effectiveness of his involvement in the processes of change in SA depended on the infrastructure and support systems provided by

the foundation.

This, Boesak said, ran through the entire foundation programme without being explicitly stated.

Questioned by the judge, Hodann said extra funding for political purposes would have been considered under a separate item. In a later letter to Hodann, Boesak said much of the foundation funding had gone into the defiance campaign.

The hearing continues. — Sapa.

(297) RD 10/11/98



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Cautionary announcement

R20-m welfare cash disappears in thefts

STAFF REPORTER

(297) ARG 10/11/98

A total of R20-million intended for welfare payments has been stolen this year.

This includes money stolen during in-transit robberies, theft and fraud.

Nomalanga Langa, a spokeswoman for the Department of Welfare, said that there had been 14 thefts of welfare cash in the Western Cape – in which R2,85-million was stolen.

This figure was the fourth highest in the country.

Worst was the Eastern Cape, with R6-million, while the Northern Province had suffered least from theft, clocking up only R116 000.

In most cases the thefts were still being investigated, she said.

Boesak's request for further funds was 'unusual'

DAN SIMON
CT 10/11/98

FORMER Swedish prime minister Ingvar Carlsson and Allan Boesak held talks around a special request for funds needed by the former head of the Foundation for Peace and Justice (FPJ) to step up security at both his office and home and to purchase a new BMW for his personal use.

This was evidence in Boesak's High Court trial yesterday by Margarita Grape, a director of the Swedish non-governmental organisation Olof Palme Centre (OPC), who said the discussions took place in Stockholm in 1987 and involved an amount of R130 000.

Boesak has pleaded not guilty before Judge John Foxcroft and two assessors to fraud and theft charges involving R9 million, of which he is alleged to have taken R1,1 million for himself.

Said Grape: "I received a request to process an application to step up security for a car, a house and an office. Since this was an application which did not fit in with the yearly budget, I applied for separate funds. This was seen as further funding."

She said R130 000 was the amount calculated to cover the security project's expenses, of which R90 000 was earmarked for a new BMW and the

installation of a security system. The remaining R40 000 was spent in equal amounts to beef up security at Boesak's house and office.

Asked if this request for funds was unusual, Grape said: "Since the situation in South Africa was extraordinary at the time we understood the urgency of the situation, but it was unusual funding."

Grape said she initially applied for the funds through the Swedish foreign ministry but withdrew the application and applied for the money instead from the solidarity fund of the International Labour Movement.

In earlier evidence, Jan Hodan, a

programme manager for the OPC, said funds earmarked by the OPC for the FPJ were intended specifically for projects for which the FPJ had applied for funds.

"If Boesak wanted money for ANC (African National Congress) or UDF (United Democratic Front) work we would have considered it. He didn't have to hide it in other programmes.

"We would have considered political work, including travel costs, as a separate item if he was forthcoming about it.

"He knew very well that if he wanted money for other purposes he could have asked for it," Hodan said.

The trial continues today.

Money 'not' for Boesak's politics

REVEREND Allan Boesak's defence team yesterday focused on the funding of the defiance campaign of the late 1980s, spearheaded by the now defunct Foundation for Peace and Justice.

Defence advocate Mr Mike Maritz, SC, grilled Mr Jan Hodann of the Olaf Palme Centre in Sweden, who insisted that Swedish FPI funding was intended for the foundation's programme and not for Boesak's political activities.

Boesak has pleaded not guilty before Judge John Foxcroft in the Cape High Court to fraud and theft charges involving R9 million, of which he is alleged to have taken R1,1 million for himself.

Hodann was questioned about a budget letter Boesak wrote to him in April 1989 in which Boesak said the effectiveness of his involvement in the processes of change in South Africa depended on the

infrastructure and support systems provided by the FPI.

This, Boesak said, ran through the entire FPI programme without being explicitly stated.

The letter added that preparations for the changing political climate was to begin that year, which increased the amount needed by the FPI from R150 000 to R250 000. Hodann said Boesak had to use Swedish funds for the purpose stated in the FPI application for financial support, and for nothing else.

Questioned by the judge, Hodann said extra funding for political purposes would have been considered under a separate item.

Asked by Maritz if he knew that Boesak's political activities were part of the FPI programme, he replied: "I believed our funding would have been used for the purposes listed in the budget."

In a later letter to Hodann,

Boesak said much of the FPI funding had gone into the defiance campaign, but more was needed due to strains on the budget.

Boesak added that the FPI was convinced that money spent on the campaign was money well invested in the future of the country.

The hearing continues.

● Virginia Tshabalala walked free yesterday when a charge of murdering her millionaire husband was withdrawn in the Cape Town High Court.

Tshabalala (40) was charged with conspiring with her lover Xolani Hobongwana to kill her husband, Bhhekizulu Tshabalala, whose body was found in the boot of his car in Cape Town on June 4 1996. Prosecutor Kevin Rossouw told the court two key witnesses had disappeared. The decision to withdraw the charges means that if the witnesses are found Tshabalala could be brought to trial again. — Sapa.

Boesak was my hero - Steenkamp

(297) ARG 11/11/98

LENORE OLIVER

HIGH COURT REPORTER

Jailed Freddie Steenkamp, former bookkeeper of the Foundation for Peace and Justice, told the Cape High Court today of his admiration for ex-boss Allan Boesak.

Opening his testimony, Steenkamp said: "I greatly admired Allan Boesak. Everyone did because he fearlessly took on the apartheid regime - and he was a strong leader."

Steenkamp was giving evidence for the state in Dr Boesak's fraud and theft trial in the High Court.

Dr Boesak has pleaded not guilty to the charges, involving a total of R1.1-million.

Steenkamp is serving a six-year sentence after being found guilty last year of stealing more than R900 000 from the foundation.

He has since been kept in Table View police cells after deciding to be a State witness against Dr Boesak.

He will go to Pollsmoor Prison once he has completed his evidence in court.

Steenkamp's appearance generated a lot of interest in the case today, with the public benches in court 19 filling rapidly.

His wife, Amanda, was not in court.

Steenkamp told Mr Justice John Foxcroft that during the 1980s Dr Boesak had gone from strength to strength.

Steenkamp testified that the foundation's urban discretionary account, from which the State alleged Dr Boesak stole, was Dr Boesak's own account, to use as he pleased. "Dr Boesak could use this account at his discretion and he made all the decisions. He was the boss and I did not question this."

Money from the foundation's account was often transferred into the urban discretionary account, he said.

Boesak 'not involved in daily finances', page 4

THOUSANDS BORROWED EVERY MONTH

Ex-FPJ clerk went on spree, Boesak trial told

CT 11/11/98

(297)

A FORMER CLERK who borrowed thousands from the FPJ paid back only a fraction of the money with monthly deductions of R150 from her salary, reports **DAN SIMON**.

THE defunct Foundation for Peace and Justice (FPJ) granted staff loans of more than R100 000 to one-time FPJ clerk Lucille Fester, who has yet to account for the money, the High Court heard yesterday.

Fester, a state witness in the fraud and theft trial of her former boss, former FPJ director Allan Boesak, furnished astonishing details last week of the financial state of affairs of the FPJ when she testified that she and Boesak's wife, Elna, enjoyed a holiday together in Durban at the FPJ's expense.

She also testified that FPJ funds were used to pay for alterations to Boesak's home and to pay Elna's credit-card account and bond instalments on her Johannesburg home.

The court also heard that staff loans, in some instances running

into tens of thousands of rand, were written off after the borrowers left their jobs with the foundation.

Boesak has pleaded not guilty before Judge John Foxcroft and two assessors to fraud and theft charges involving R9 million, of which he is alleged to have taken R1,1 million for himself.

During cross examination yesterday, senior defence counsel Mike Maritz told the court that Fester had herself borrowed more than R100 000 from the FPJ.

Only a fraction of the money was ever repaid by way of R150 deductions from her salary, while the rest was written off when she left the FPJ for another job in 1994.

The borrowings started in 1990 and culminated with a final loan in February 1994.

But Maritz told the court that the borrowing became a monthly

spree in June 1993 when Fester borrowed R15 800 while repaying R150 a month for an outstanding loan of R11 900.

In July she borrowed R15 500; August R7 000; September R7 900; October R27 000, of which R20 000 was used to buy a car; November R6 500; December R8 340; January R7 600 and February R4 600. With each new loan Fester continued to repay only R150 monthly, deducted from her salary.

Maritz told the court that when Fester left the FPJ, she informed the organisation that she would repay the money. Fester had told the FPJ that she had R50 000 to pay back part of her loans, but had not handed over the money as the FPJ had never asked her for it.

Said Maritz: "Steenkamp was prosecuted and Boesak was prosecuted. Why not you?"

"Because to my knowledge, I did not steal money," replied Fester.

The trial continues today with former FPJ bookkeeper Freddie Steenkamp on the witness stand.

NATIONAL

Auditor drawn to a 'strong' Boesak

(297) MD 12/11/98
Boesak asked auditors to doctor travel expenses

CAPE TOWN — Allan Boesak's strong personality and his role in the anti-apartheid struggle were factors that persuaded bookkeeper Freddie Steenkamp to join the Foundation for Peace and Justice, the Cape High Court heard yesterday.

Steenkamp, who is serving a six-year jail sentence for his part in the embezzlement of funds from the foundation, was testifying at Boesak's trial on theft and fraud charges. Boesak has pleaded not guilty to charges of fraud of R9m, of which he is alleged to have taken R1.1m.

Steenkamp told Judge John Foxcroft he met Boesak in 1985 while Steenkamp was a deacon with the Dutch Reformed Missionary Church in Bellville South. At that time, Boesak was the moderator of the church, president of the World Alliance of Reformed Churches and a prominent leader of the anti-apartheid movement, the United Democratic Front.

Steenkamp said his involvement with the foundation as bookkeeper was part of his loyalty to Boesak.

Steenkamp was asked by prosecutor JC Gerber about the bank account relating to the World Alliance of Reformed Churches. Steenkamp replied that he did not know whose money was used to fund the account, as Boesak had made de-

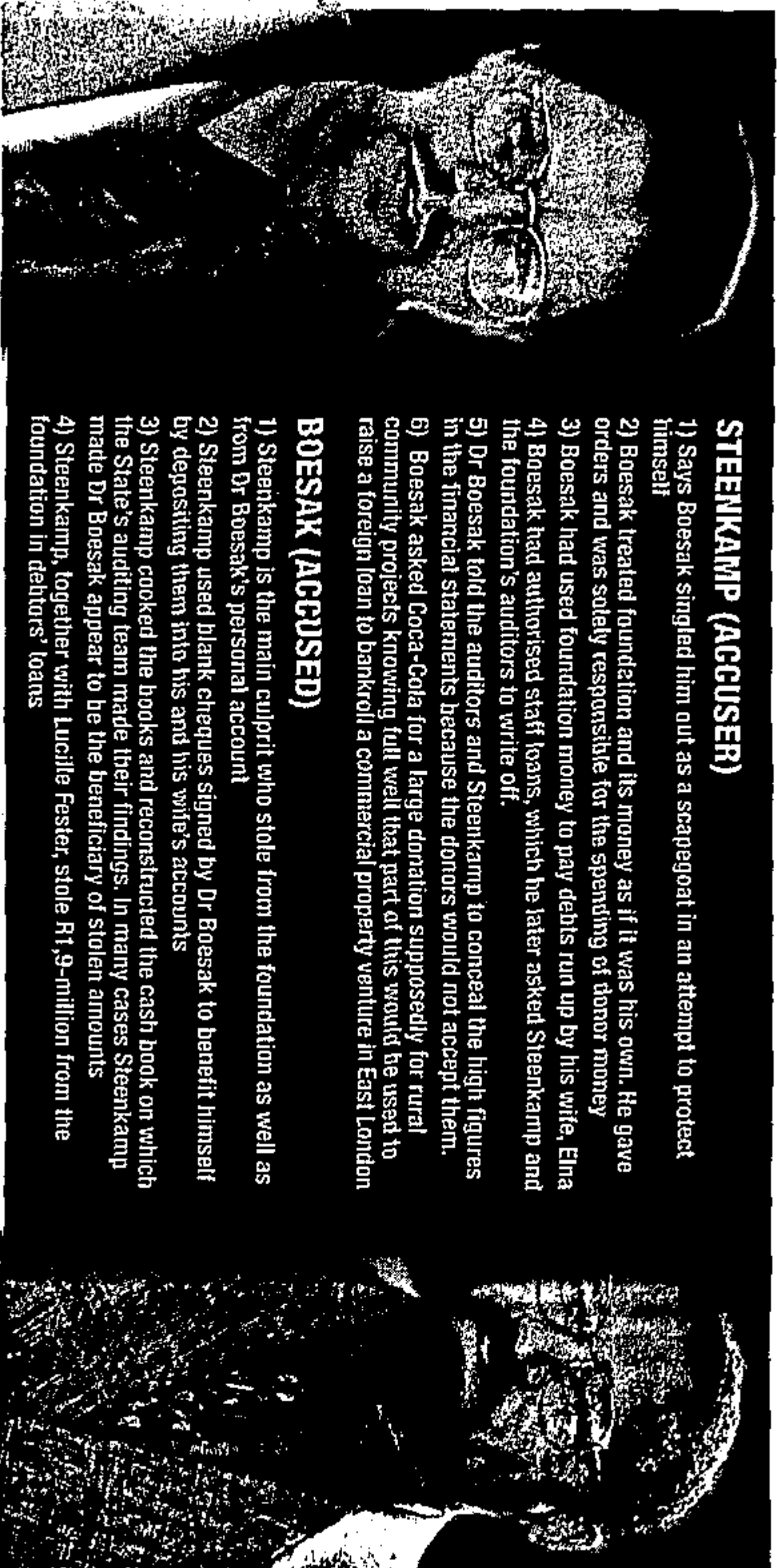
posits into the account himself and decided how these funds should be used.

Steenkamp said another account, the Urban Discretionary Account, was opened to be used at Boesak's discretion. He did not question Boesak about this. Payments were made into the discretionary account from foundation funds.

When Boesak was appointed as the Western Cape's economic affairs minister, the foundation decided to concentrate on more financially viable projects, rather than community projects.

Steenkamp said the foundation became involved in a project to raise funds for a hotel in East London that needed millions in foreign funding. It did this to obtain a raising fee. The foundation approached the Coca-Cola Foundation, but falsely informed them that the money was needed for the "Caravan project". Coca-Cola gave the foundation the funds.

Steenkamp said Boesak asked auditors to manipulate his travelling expenses. He could not explain why Boesak's travelling expenses were so high, but said: "He travelled world-wide and I never questioned him about it." Boesak thereafter left it to Steenkamp and the auditors to manipulate book entries as and when necessary. — Sapa.



STEENKAMP (ACCUSER)

- 1) Says Boesak singled him out as a scapegoat in an attempt to protect himself
- 2) Boesak treated foundation and its money as if it was his own. He gave orders and was solely responsible for the spending of donor money
- 3) Boesak had used foundation money to pay debts run up by his wife, Elina
- 4) Boesak had authorised staff loans, which he later asked Steenkamp and the foundation's auditors to write off.
- 5) Dr Boesak told the auditors and Steenkamp to conceal the high figures in the financial statements because the donors would not accept them.
- 6) Boesak asked Coca-Cola for a large donation supposedly for rural community projects knowing full well that part of this would be used to raise a foreign loan to bankroll a commercial property venture in East London

BOESAK (ACCUSED)

- 1) Steenkamp is the main culprit who stole from the foundation as well as from Dr Boesak's personal account
- 2) Steenkamp used blank cheques signed by Dr Boesak to benefit himself by depositing them into his and his wife's accounts
- 3) Steenkamp cooked the books and reconstructed the cash book on which the State's auditing team made their findings. In many cases Steenkamp made Dr Boesak appear to be the beneficiary of stolen amounts
- 4) Steenkamp, together with Lucille Fester, stole R1,9-million from the foundation in debtors' loans



Moral support: Freddie Steenkamp's wife, Amanda, her stepdaughter, Linda, right, and daughter Iise outside the Cape High Court

Foundation staff loans 'were written off'

Steenkamp tells Boesak trial overseas donors were lied to

Staff loans at the Foundation for Peace and Justice were written off towards the end of each year, the Cape High Court heard today.

This was disclosed by former FPJ bookkeeper Freddie Steenkamp at the trial of Allan Boesak on fraud and theft charges involving R9 million.

Of the R9 million he is alleged to have taken R1,1 million for himself. He has pleaded not guilty to 32 counts. Steenkamp told the court staff

loans had already been granted when he joined the FPJ in a part-time capacity. His own first two loans were obtained via Dr Boesak's secretary, Thelma Sacco, who first had to obtain Dr Boesak's permission.

Steenkamp would receive his loans a day or two after request.

He told the court he started taking loans without prior permission from Dr Boesak after he took over as permanent bookkeeper.

He said staff loans were entered irregularly in the cash book, which was updated only towards the end of each year.

In this manner staff loans entered from the cash book into the year-end journal were in fact written off.

He said his own loans were taken from FPJ funds, and once from Dr Boesak's Urban Discretionary Fund.

Earlier Steenkamp told the court that the FPJ lied to foreign donors

about how their money would be used. Steenkamp is serving a six-year jail sentence for stealing more than R900 000 from the foundation.

He told the court that, after an application for a donation from the Coca Cola Company in the United States for a property development project in East London was refused, a second application for funds was made, supposedly for a rural project in Carnarvon.

The trustees of the East London project had earlier approached the foundation for funds for a hotel, for which the foundation would have been paid a fee of R930 000.

Coca Cola subsequently donated \$50 000 (R230 000), which the company thought was for the rural project, while, Steenkamp said, the foundation's trustees questioned Dr Boesak's luxurious lifestyle.

"They wanted to know who

financed his high lifestyle and complained about a lack of financial transparency," he said.

Dr Boesak was earning R8 000 a month at the time, and the bond repayment on his R550 000 Constantia home was R8 000 a month.

"Dr Boesak said this had nothing to do with the foundation, and that he had used a separate, discretionary account," Steenkamp said. — Sapa, High Court Reporter

(297) AR6 12/11/98

FUNDS DIVERTED TO COMMERCIAL VENTURE

Boesak deceived donor?

CONVICTED FPJ bookkeeper Freddie Steenkamp yesterday accused Allan Boesak of misleading a major international donor. DAN SIMON reports.

ALLAN BOESAK, former director of the defunct Foundation for Peace and Justice (FPJ), deliberately deceived the Coca-Cola Foundation into donating \$50 000 (now worth R285 350) towards good cause projects that the FPJ ran in the Karoo, the High Court heard yesterday.

Boesak, the court heard, wrote to the foundation requesting \$100 000 (now worth R570 000) for rural community projects in Carnarvon and Vanwyksvlei, knowing full well the FPJ would use the money as part of its contribution to raise a \$40 million (now R228m) foreign loan to bankroll the "King's Hotel project", a commercial property venture in East London.

This was said by former FPJ bookkeeper Freddie Steenkamp, who took the witness stand for the first time yesterday in the fraud and theft trial of his former boss and close friend.

Steenkamp, the state's chief witness in the Boesak trial, was con-

victed in October last year and sentenced to six years in prison after being found guilty on five counts of fraud and one of theft involving about R3,7 million belonging to the FPJ and The Children's Fund.

Boesak has pleaded not guilty before Judge John Foxcroft and two assessors to fraud and theft charges involving R9 million, of which he is alleged to have taken R1,1 million for himself.

Steenkamp and Boesak were initially charged together, but their trial was separated when Steenkamp opted to plead guilty to certain charges. Steenkamp said yesterday that following the unbanking of the ANC and PAC in 1990, it became apparent to FPJ staff members that the foundation's days were numbered, particularly when Boesak entered mainstream politics.



ONCE A FRIEND: Freddie Steenkamp

CT 12/11/98 (297)

In the light of this, Steenkamp said that in 1991 Boesak's personal assistant at the FPJ, Norman Michaels, devised a number of commercial projects utilising FPJ funds.

This included the San Sebastian project which involved buying land in Arniston to develop into "millionaire housing". This project, he said, was approved by Boesak.

FPJ funds totalling R75 000 were paid in instalments into the account of Mustaq Brey and Associates, who were the FPJ's auditors at the time.

Regarding the King's Hotel project, Steenkamp said Boesak was approached by Michaels, Brey and other businessmen to discuss a \$40m commercial property venture. On the strength of the discussions, Boesak, Michaels, Brey and several other businessmen flew to France to see how the scheme worked.

The air tickets were paid for by the FPJ.

One of the businessmen, Ebrahim Moerat, later pulled out of

the project saying the scheme "was a scam." However, Boesak went ahead and wrote a letter to the Coca-Cola Foundation requesting \$100 000.

"Michaels and Boesak asked me what project we could mention specifically to get the funds. I thought of the easiest one which was the Carnarvon Project because we were heavily involved there."

Asked by prosecutor J C Gerber why Boesak did not request the money for the King's Hotel development, Steenkamp replied that Coca-Cola would not have been inclined to consider such a request.

"The money was needed for the overseas loan," he said.

Steenkamp said the Coca-Cola Foundation approved Boesak's request but only granted the FPJ \$50 000. A cheque for this amount was sent to Boesak on May 19, 1992 and deposited in an FPJ account on June 3.

Boesak then wrote to Coca-Cola thanking them for their support.

Steenkamp said that of this money, R160 000 was paid into the account of Mustaq Brey and Associates, as the FPJ's contribution to raising the fee for the proposed King's Hotel development.

'Account used at Boesak's discretion'

Cape Town — Allan Boesak's strong personality and his leading role in the anti-apartheid struggle were factors that persuaded bookkeeper Freddie Steenkamp to join the Foundation for Peace and Justice, the Cape High Court heard yesterday.

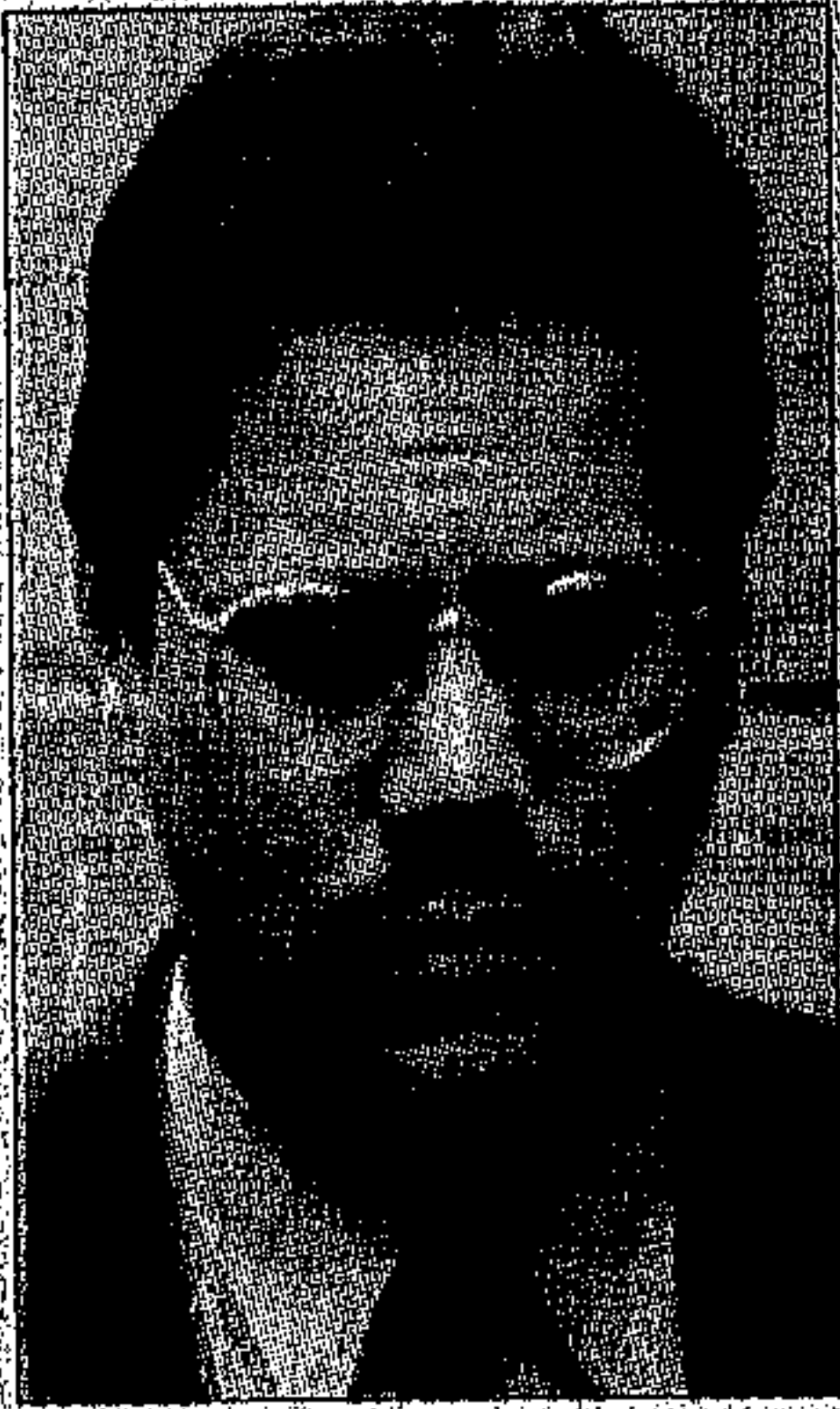
Steenkamp, who is serving a six-year jail sentence for his part in the embezzlement of funds from the FPJ, was testifying at Boesak's trial on theft and fraud charges.

Boesak has pleaded not guilty to charges involving fraud of R9-million, of which he is alleged to have taken R1,1-million for himself.

Steenkamp told Judge John Foxcroft he met Boesak in 1985 while Steenkamp was a deacon with the Dutch Reformed Missionary Church in Bellville South. At that time Boesak was the moderator of the church, president of the World Alliance of Reformed Churches and a prominent leader of the anti-apartheid movement, the United Democratic Front.

Steenkamp said the FPJ was at first an extended ministry of the church, formed as a smoke-screen for protection from the apartheid security forces.

He said the public idolised Boesak and regarded him as an important leader in the strug-



Freddie Steenkamp

gle against apartheid. He himself had great admiration for Boesak, as Boesak had pioneered sanctions against the National Party government.

Steenkamp said his involvement with the FPJ as bookkeeper was part of his loyalty to Boesak.

Steenkamp was asked by prosecutor J C Gerber about the bank account relating to the World Alliance of Reformed Churches.

Steenkamp replied that he did not know whose money was used to fund the account, as Boesak had made deposits into

the account himself, and decided how these funds should be used.

Funds from the World Alliance account were used for different purposes, including church repairs and requirements.

He said FPJ funds became increasingly difficult to obtain after foreign donors decided to start funding specific projects, rather than make funds generally available to the FPJ as they had previously done.

Steenkamp told the court that another account, the Urban Discretionary Account, was opened to be used entirely at Boesak's discretion. Payments were also made into the UDA from foundation funds.

He added that foundation staff knew by 1993 that the future of the FPJ was uncertain as Boesak was then heavily involved with the ANC as its elected Western Cape leader.

Steenkamp said the FPJ became involved in a project to raise funds for a hotel in East London that needed millions in foreign funding. The FPJ approached the Coca-Cola Foundation, but falsely informed the Coca-Cola Foundation that funding was needed for the FPJ's Caravan project.

The hearing continues today — Sapa

Shav 12/11/98

(297)

Boesak 'bullet-proofed car with church cash'

Steenkamp tells of cleric's fears

COURT REPORTER

The jailed former bookkeeper of Allan Boesak's Foundation for Peace and Justice told the High Court his boss used an R80 000 church donation to bullet-proof his luxury car because he feared assassination.

Testifying yesterday at Dr Boesak's fraud and theft trial, Freddie Steenkamp said the Bellville South Sendingkerk was used as a conduit for the money.

Dr Boesak is alleged to have misappropriated R1,1-million from the foundation, whose aim was the upliftment of victims of apartheid.

Steenkamp is serving a six-year jail sentence for stealing more than R900 000 from the foundation, mostly foreign donor funds.

Steenkamp told the court he was

treasurer of the church and working part-time at the foundation when Dr Boesak instructed him to deposit an R80 000 cheque in the church's bank account.

The cheque, which was deposited on December 10, 1987, was then transferred to the bank account of Western Cape Leadership Development, which was allegedly Dr Boesak's account. He and Dr Boesak had signed the cheque.

Dr Boesak told him at the time that the money would be used to bullet-proof his new BMW and to "fix it up", he said.

Steenkamp said Dr Boesak wanted a bullet-proof car because he feared security police would try to assassinate him.

A further R50 185 was transferred to the Western Cape Leadership Development account on April 5,

1990, when Jan De Waal, a dominnee at the church, told Steenkamp to pay in the money.

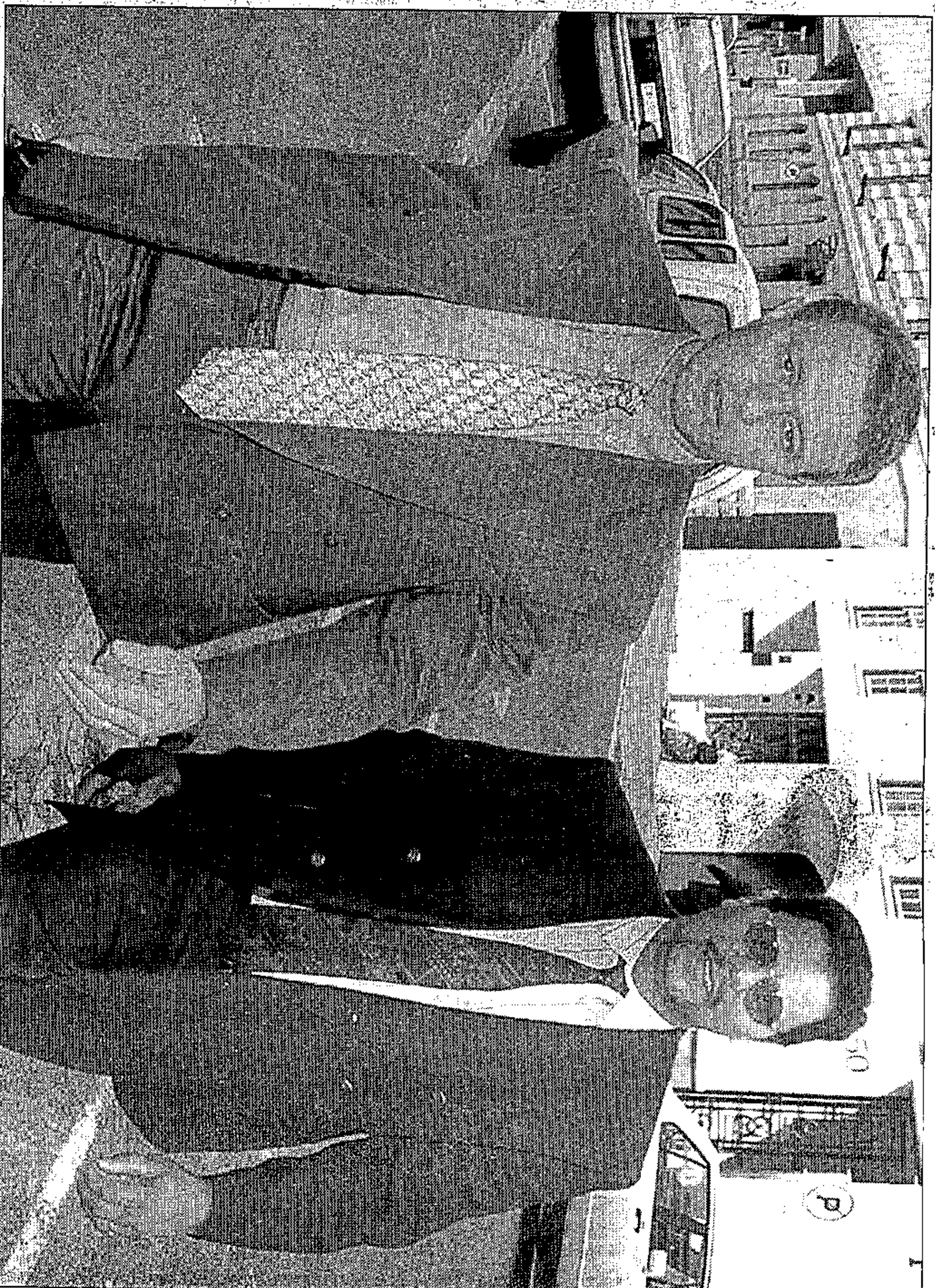
Dr De Waal had told him that R130 185 had been donated to the foundation from overseas to buy Dr Boesak a new car and R80 000 had already been paid.

In September 1990 Mr De Waal visited the foundation's office's and asked for a cheque for R120 000, to be used to fund the Lavender Hill Urban Project.

Steenkamp said Mr De Waal said the plans for the project would be brought to the foundation later.

Dr Boesak was present when Mr De Waal asked for the cheque.

Steenkamp said he assumed that the money would be used to uplift the Lavender Hill community, and he and former foundation clerk Lucille Fester had signed the cheque.



Key witness: jailed bookkeeper Freddie Steenkamp, right, arrives at the High Court with investigating officer André Jordaan

LEON MULLER

STEENKAMP TESTIFIES

Loan to 'pay off the BMW'

ET 17/11/98

(297)

ALLAN BOESAK'S former bookkeeper testified that Foundation for Peace and Justice (FPJ) officials urged him to overborrow from a bank, reports **DAN SIMON**.

CONVICTED Foundation for Peace and Justice (FPJ) bookkeeper Freddie Steenkamp told the High Court yesterday that he was urged to borrow R100 000 from Boland Bank to pay off former FPJ director Allan Boesak's luxury German car before it was repossessed.

Steenkamp, testifying for the second day in the fraud and theft trial of his former boss and close friend, said the request was made in December 1994.

At the time, he had been negotiating with Boesak, FPJ chairperson Jan de Waal and Boland Bank to buy the property that formerly housed the FPJ's offices in Durban Road, Bellville.

Boesak was then South Africa's ambassador-designate to the United Nations, a position he was nominated for by the African National Congress after he was replaced as

the ANC's provincial leader in the Western Cape and as MEC for economic affairs.

Steenkamp, the state's chief witness in the trial, was sentenced to six years in prison last October after being found guilty on five counts of fraud and one of theft involving about R3,7 million belonging to the FPJ and The Children's Fund.

Boesak has pleaded not guilty before Judge John Foxcroft and two assessors to fraud and theft charges involving R9m, of which he is alleged to have taken R1,1m for himself.

In evidence yesterday, Steenkamp said that before the FPJ was closed down and a criminal investigation launched into the organisation's mismanagement of foreign donor funds, he left the FPJ to set up a property business with a friend.

This was after he had stolen in excess of R900 000 in donor funds intended for victims of apartheid.

It was during this time that Boesak had moved to new offices in Harrington Street in the city, where his wife Elna had established a video production company with Swedish funds intended for an audio-visual project to produce voter education and democracy videos.

Steenkamp said he approached Boesak with the aim of buying the FPJ's Bellville property to set up his business, as the FPJ had already vacated the premises for its new offices.

During their discussions, Boesak told him that he could buy the house. It was then decided to negotiate the property deal further with Boland Bank, which was owed R500 000 by the FPJ by way of an overdraft facility.

Asked by prosecutor J C Gerber

if he made any arrangements during the property negotiations with Boesak to try and repay the money he took from the FPJ, Steenkamp replied that as part of the deal to buy the property, he had undertaken to take over the FPJ's R500 000 overdraft debt.

However, Boesak and De Waal included a further condition that he borrow "an extra" R100 000 from Boland Bank to pay off Boesak's BMW 325 — which was about to be repossessed by Bankfin — and to pay an

outstanding debt of R37 000 to Mercantile Bank, which financed a telephone system that was installed at Elna's video production company.

Said Steenkamp: "I told them I could not borrow more money than I had already asked for. Jan de Waal was very unhappy about this, and the negotiations fell through."

The trial continues on Monday.

"I told them I could not borrow more than I had asked for. Jan de Waal was very unhappy."

Boesak 'saw funds as his own'

ARG 16/11/98

Foundation for Peace and Justice head Allan Boesak determined his own salary, the foundation's former bookkeeper Freddie Steenkamp told the Cape High Court today.

Steenkamp, who was testifying at the trial of Dr Boesak, who has pleaded not guilty to fraud and theft charges involving R1,1-million in foreign donor funds, also said Dr Boesak was not keen to report back to foreign donors about details of the foundation's projects for which they had donated money.

"His attitude was that the money was donated to him and he would decide how the money would be spent," Steenkamp said.

"He was not keen.
"He saw the foundation as his and as such could disburse the money as

LEWIS OLIVER



HIGH COURT REPORTER

he saw fit," he said.

Steenkamp is presently serving a six-year jail sentence for theft of R906 000 from the foundation.

The court heard earlier that Dr Boesak earned R8 000 a month in the late 1980s.

When the Japanese embassy donated R100 000 for a project in Saron, Dr Boesak asked them to give

the money directly to the project because the contract was too bulky and detailed.

Steenkamp said: "He diplomatically told the embassy to give the money directly to the project.

"Dr Boesak did not enjoy having to give account."

The court also heard that the foundation paid for the balance between the selling price and the amount still owed on Dr Boesak's Lancia after the car was involved in an accident.

Cash payments were made into Dr Boesak's personal account when it was overdrawn or for payment towards his car instalments.

"The auditors decided to reflect this as bonuses in the financial statements," said Steenkamp.

The foundation also paid for several renovations and alterations to Dr

Boesak's Constantia home.

Steenkamp confirmed evidence by Dr Boesak's secretary, Lucille Fester, that she received a clothing allowance when she worked at the Foundation.

"Lucille received a R260 clothing allowance because she meant a lot to Dr Boesak and he wanted to do something nice for her," he said.

Defence counsel Mike Maritz said Dr Boesak would deny this.

Steenkamp said that R762 000 donated by the Swedish International Development Agency for 12 video cassettes on democracy and voter education had been spent on payments for premises and building renovations before any of the cassettes had been produced.

"The project was stopped because funds had dried up," he said.

Steenkamp: The lies I told under oath

Truth 'a foreign idea'

(297)

ARLT 17/11/98

LENORE OLIVER
HIGH COURT REPORTER

Freddie Steenkamp, jailed bookkeeper of the Foundation for Peace and Justice, admitted yesterday that he lied under oath and stole more than R300 000 from Allan Boesak's personal bank account.

Steenkamp was testifying in Dr Boesak's Cape High Court trial. Dr Boesak has pleaded not guilty to fraud and theft involving R1,1-million in donor funds.

Steenkamp, who is serving a six-year jail sentence for stealing R906 000 from the foundation, was accused yesterday by defence counsel Mike Maritz of not knowing what testifying under oath meant.

"The concept of telling the truth is foreign to you," said Mr Maritz.

Steenkamp conceded that he had lied to investigators during the probe into the foundation's financial affairs by the Office for Serious Economic Offences.

He said he also lied to the court during his trial last year when he said he took loans from the foundation because Dr Boesak did the same.

Steenkamp pleaded guilty to stealing the money in the form of staff loans from March 1991.

Mr Maritz put it to him that records showed that he had borrowed money before then, and said: "You did not play open cards with the court during your trial, because you knew you took your first loan in 1988.

"You began stealing money from 1988, but you did not tell the court this and chose to plead guilty to a lesser amount.

"The loans were, in fact, thefts because when you began working at the foundation as a permanent staff

member in 1990, only you knew of them," said Mr Maritz.

Steenkamp replied that he had not hidden this from investigators or the State, but an agreement was made by all the parties on a financial date of March 1 1990.

Mr Maritz said: "You thought that you would get away with it if you said nothing about the loans prior to 1991.

"What does the concept of playing open cards mean to you? When you told the court in your plea explanation that you were being honest, you, in fact, lied."

Steenkamp insisted that the State and investigators had known about the loans.

Mr Maritz: "When you said you took loans because Dr Boesak did, it was not the truth.

"The records show that you were the first employee to have taken loans.

"You deliberately misled the court and the fact that you were under oath did not bother you. You do not care for the truth."

Steenkamp yesterday also admitted that he had stolen more than R300 000 from Dr Boesak's personal accounts.

He said he took R50 000 of the R93 000 paid out for one of Dr Boesak's insurance policies.

"I gave R25 000 of the R50 000 to (foundation secretary) Lucille Fester," he said.

He told the court he was not worried about stealing the R50 000 because there were no books kept for the account from which he took the money.

During her testimony, Ms Fester denied receiving the R25 000.

Steenkamp told the court he had decided to tell the truth after he was sentenced last November.

Boesak Court Sensation

Bookkeeper Steenkamp withdraws

LENORE OLIVER
HIGH COURT REPORTER

The key state witness in the theft and fraud case against Allan Boesak sensationally withdrew all his allegations in the Cape High Court today. Shortly before lunch, Foundation for Peace and Justice bookkeeper Freddie Steenkamp said he owed Dr Boesak an apology for accusing him of any wrongdoing. He admitted that he linked Dr Boesak to

The lies I told, by Freddie page 5

the misuse of funds because he felt humiliated that his former boss had prejudged him in remarks to the media. The bombshell development followed Steenkamp's admissions that he lied under oath during his own trial a year ago, in which he was convicted of stealing R906 000 from the foundation and jailed for six years. Dr Boesak has pleaded not guilty to charges of fraud and theft involving R1.1-

million of funds belonging to the foundation. In exchanges today with Dr Boesak's defence counsel, Mike Maritz, Steenkamp said: "I admired Dr Boesak, he was my hero. I wanted to be like him and he was my role model." Mr Maritz said: "What kind of person are you who steals from his role model?" Steenkamp: "I am sorry about what happened, but money was easily available. I am not looking for excuses for my behaviour but I did not see it as stealing from my hero."

Mr Maritz: "Why did you steal from your role model?" Steenkamp: "Dr Boesak was my hero but my greed for money took over." Mr Maritz: "In other words if you had not stolen from the foundation's funds, more money would have reached the projects for which it was intended?" Steenkamp: "I would not say it was only because I stole money. There were also other expenses such as travelling costs." Mr Maritz: "Because of your actions . . . Dr

Boesak lost his political career and lost a post as UN representative to Geneva, since 1995 he has been unable to work and is dependent on handouts. . . . You have done him a major injustice and you owe him an apology. The reason you spread these stories was because he offended you. During your trial you said you were upset that he had publicly judged you before you appeared in a court. That is the reason why you linked him to the stealing of money. Is that not true?" Steenkamp: "Yes, that's true."

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allegations (297)

PERSONAL VIEW

Sangoco pulls NGOs together in far-reaching development plan

(297) CT 17/11/98 (MK)

Last Tuesday, the South African Non-governmental Organisation Coalition (Sangoco) announced its support for an initiative by civil society organisations to challenge the private sector and the government to take more responsibility for rural development.

Sangoco, which unites 4 000 non-governmental organisations (NGOs), believes such an initiative will provide a platform for voiceless rural people, 70 percent of whom are poor, the majority of them women, to express their needs in the development of their communities.

Sangoco has called on all civil society movements, including NGOs and community-based organisations, to join this challenge by supporting the national Community and Civil Society Initiative on Rural Development.

The initiative is a response to the "fact that the lives of the overwhelming majority of rural people have not changed significantly over almost five years... Thousands of farm workers and their families still suffer abuse and insecurity at the hands of farm owners; rural communities in ex-

homeland areas battle to access water and resources to produce from the land; children and youth experience limited facilities and support for education and recreation; and poor women continue to bear the burden of their family's survival."



ZARINA MAHARAJ

The initiative believes land reform, agricultural, water and other development policies should be co-ordinated and driven by the highest political office through a single ministry. Such a co-ordinated intervention by the government should be underpinned by a vision of rural areas that assumes a role for rural people in actively working their own way out of poverty, thereby contributing to economic development.

Such an intervention would require a far-reaching plan for rural development that would have to be given a "high priority within the government's macroeconomic framework as large-scale financial investment is needed to develop rural areas as vibrant economic centres".

Many new coalitions of NGOs and community groups have already been formed under the guidance of such organisations as the National Land Committee. These have started many mobilising activities to persuade the government to develop such a plan urgently. Such activities will culminate in a national conference and a march in Bloemfontein in March next year.

This kind of activism by Sangoco is in accordance with its vision of an equitable society in which poverty is eradicated and basic needs are met. It is also in accordance with the vision of Civicus, a global alliance of NGOs dedicated to strengthening citizen action and civil society throughout the world. Sangoco is a member.

The US-based Civicus sees action by citizens as a leading feature of the political, economic and cultural life of all societies; and private action for the public good as being expressed by a rich and diverse array of organisations operating sometimes apart

from and sometimes in dialogue with the government and business; and a healthy society as one which allows an equitable relationship between citizens, their organisations, business and governments.

Such a society is one with a vibrant civil society actively engaged in entrenching and strengthening democratic rights and freedoms.

During the apartheid years, NGOs were in the front line as adversaries of the government. And as Sifiso Sadek, the new executive director of Sangoco, puts it, they have now taken on the challenge of building partnerships and co-operating with the government, while at the same time maintaining an independent watchdog role.

This dual role is typified in their joint signing with the government (and business) of the Jobs Summit Declaration "while at the same time re-examining our engagement in the issue of the government's macro-economic framework, with a view to moving beyond criticism to seeking appropriate and sustainable solutions or alternatives".

What counts as an "appropriate" solution for the government rests of course on how it prioritises the problem, and on the funding it can muster on a sustainable basis, whether from the private sector or from its own revenues, or both.

The fact that rural unemployment was addressed as an urgent matter in a meeting of minds by the government, the private sector, NGOs and the unions at the recent Jobs Summit, where money was committed upfront to employment programmes by all the stakeholders; and the fact of such government interventions as the recent raising of the budget deficit to 3.9 percent, indicate that interactions between civil society, the government and business are becoming healthy and constructive.

This holds great promise for the future of South Africa.

It gives us cause to hope that ways will be found to ensure the sustained and systematic funding that is so important to long-term rural development and to the economic growth and social stability it engenders.

'I STOLE FROM DISCRETIONARY ACCOUNT'

Steenkamp admits to lying under oath

CT 17/11/98 (297)

HE DID NOT steal from Allan Boesak, but FPJ bookkeeper Freddie Steenkamp yesterday described how he embezzled thousands from a special account. Report from **SAPA**.

BOOKKEEPER Freddie Steenkamp, serving six years imprisonment for embezzling funds from the Foundation for Peace and Justice, admitted in the Cape High Court yesterday that he would lie under oath to suit himself.

Steenkamp insisted earlier in the day at Allan Boesak's trial that he was an honourable person once again, as he had paid his debt to society by standing trial last year, pleading guilty and showing remorse.

Questioned about his integrity, Steenkamp told the court: "I know I committed theft, but the evidence I have given in this court has been honest."

But he later admitted to having lied under oath at the trial after intense questioning by senior counsel Mike Maritz, representing Boesak.

Boesak, former director of the now defunct FPJ, has pleaded not guilty to theft and fraud charges involving R9 million, of which he is alleged to have taken R1,1 million for himself.

Steenkamp admitted large-scale theft from Boesak's personal funds in the Urban Discretionary

Account (UDA), but he denied ever stealing from Boesak as such.

He did not keep track of amounts stolen from the UDA, and therefore did not know how much he took from it, he told the court.

He admitted that because no records had been kept of UDA transactions, he had not had sleepless nights about the thefts from the account.

Steenkamp admitted also stealing R50 000 of Boesak's personal funds invested in Futura insurance policy, and sharing it equally with Boesak's secretary Lucille Fester.

He told the court the R93 000 proceeds of the policy was deposited with the FPJ's bank, which then gave him a R50 000 cheque, which he cashed through a friend who owned a business called Cliff Kitchens.

Steenkamp could not explain how he had managed to process the R93 000 through the bank and end up with R50 000, but he denied anyone at the bank had assisted him.

Steenkamp admitted telling a probe by the Office for Serious Economic Offences initially that Boesak had known about most of his (Steenkamp's) FPJ loans, and then

that Boesak had only known of a few of his loans, and thereafter, that Boesak had only known of two of his many loans.

Steenkamp admitted also that he had stolen R36 000 to buy two plots in Platteklouf, near Bellville, but that he had not informed his own trial about this last year.

He also admitted that, to secure a less severe sentence, he falsely informed the court in his own trial that he took loans from the FPJ "because Boesak had also taken loans".

DAN SIMON reports that Boesak's wife Elna researched her needs well when she equipped her video production studio with hi-tech equipment which was paid for with Swedish donor funds intended for voter education and democracy videos.

This emerged in Boesak's trial yesterday when Steenkamp disclosed that the FPJ spent R230 000 of Swedish funds on a state-of-the-art video editing suite for the former SABC radio and television journalist's studio.

The court heard that the Swedish International Development Agency (Sida) gave the FPJ a grant of R762 000 in October 1993 after Boesak requested the funds, saying the FPJ wanted to produce 12 voter education videos ahead of the April 1994 general elections.

The trial continues.

Boesak decided his own salary, says Steenkamp

(297)
Cape Town - Foundation for Peace and Justice head Allan Boesak determined his own salary, the FPJ's former bookkeeper Freddie Steenkamp said yesterday in the Cape High Court.

Steenkamp was testifying at the trial of Boesak, who has pleaded not guilty to fraud and theft charges involving R1.1-million in foreign donor funds.

Steenkamp said Boesak was not keen to report back to foreign donors about details of projects for which they had donated money.

"His attitude was that the money was donated to him and he would decide how the money would be spent."

Steenkamp is serving a six-year jail sentence for theft of R906 000 from the foundation.

The court also heard that the foundation paid for the balance between the selling price and the amount still owed on Boesak's Lancia car after the vehicle was involved in an accident.

Cash payments were made into Boesak's personal account when it was overdrawn or for payment towards his car instalments. The case is proceeding. - Own Correspondent

Star 17/11/98

New laws to help disabled on the way

By Mzwakhe Hlangani
Labour Reporter

NEW measures are to be taken in line with the Government's transformation programme – including the establishment of an office for the disabled in the President's office – to ensure that disabled people are well-represented.

Deputy President Thabo Mbeki announced this at a gala to launch the Medunsa Organisation for Disabled Entrepreneurs (Mode) in Johannesburg at the weekend.

Mode is attached to the Medical University of South Africa and offers vocational training to people with disabilities through start-up business loans and skills development. It hopes to provide business opportunities for 160 small businesses next year.

Mbeki said the Government's affirmation in that direction had been "concretised" by the passing of the Employment Equity Act and the Presidential Jobs Summit framework which sought the economic empowerment of disabled people.

"Seventy two percent of the disabled are economically inactive, while half of them live below the poverty line. To reverse this South Africa needs to bring changes through elimination of the architectural barriers and to put forward the transformation of society."

The Government will take new measures to ensure the capacity building of the disabled by enhancing their participation in mainstream economic activities and implement programmes that ensure two percent of the workforce is comprised of disabled people.

What is also critical for Mode is its cooperation with the Government, for both to act in a manner consistent with that objective, Mbeki said.

"It is encouraging that the disabled themselves have adopted a positive attitude towards changing their condition of life, engaging in fundraising efforts for the self-reliance of their organisation," he said.

Mbeki also urged big business to participate in the development of the disabled community by generating resources to ensure their economic development and self-reliance. The disabled should be assisted to gain work experience through internship programmes by public and private enterprises.

Sowetan 17/11/98

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Steenkamp admits to more Boesak lies

Court told of fund smokescreen

(297) ARC 18/11/98

LENORE OLIVER
HIGH COURT REPORTER

The Cape High Court trial of Allan Boesak forged ahead as jailed Foundation for Peace and Justice book-keeper Freddie Steenkamp made further admissions that he had falsely implicated Dr Boesak in misuse of donor funds.

Steenkamp, who is serving a six-year sentence, yesterday unexpectedly confessed in court to having lied about Dr Boesak's involvement in the funds scam.

Dr Boesak has pleaded not guilty to fraud and theft charges involving R1,1-million.

Steenkamp earlier told the court that Dr Boesak had created a smoke-screen to mislead the Coca-Cola foundation when he asked for money for a rural project called Caravans.

Steenkamp said the money was destined, in fact, for the King's Hotel project in East London, which did not fall within Coca-Cola's policy guideline for donations. He said Dr Boesak wanted the money to fill a gap in the foundation's main account.

Answering a question from Mike Maritz, counsel for Dr Boesak, Steenkamp said he could not dispute the claim that Dr Boesak had not intended to mislead Coca-Cola.

Evidence before the court was that the foundation received \$50 000 for the Caravan project from the Coca-



LEON MULLER

Laugh a minute: supporters flank Allan and Elna Boesak as they leave court yesterday

Cola Foundation.

Of this, Steenkamp deposited R50 000 into the urban discretionary account. Only R41 000 reached the project.

Mr Maritz put it to Steenkamp that he had deposited the R50 000 into the urban discretionary account because he had stolen that amount the previous month. "You deposited the money to cover your theft the previous month," he said. Steenkamp replied: "That's correct."

Mr Maritz said Dr Boesak would say that after a phone conversation with a Coca-Cola representative it was decided to ask for funds for the Caravan project.

Mr Maritz said: "After the Coca-Cola representative told Dr Boesak that the Kings Hotel project did not fall within their guidelines for donations, they suggested he provide a more suitable project.

"That's when he asked you and you suggested Caravans."

Boesak stunned as state witness changes story (297)

Star 18/11/98

Family members elated as convicted bookkeeper Freddie Steenkamp tells court he falsely implicated former cleric

By DAN SIMON

Cape Town

Jailed former Foundation for Peace and Justice bookkeeper Freddie Steenkamp yesterday stunned the public gallery at the Cape High Court by saying accusations levelled at Allan Boesak had been motivated by a grudge.

Steenkamp, who yesterday publicly apologised to his former boss for the "pain and damage" he caused, however stopped short of withdrawing all fraud and theft allegations he has levelled against the former anti-apartheid cleric.

The shock turn of events – Steenkamp is the State's chief witness against Boesak – came just before lunch when Mike Maritz, Boesak's senior counsel, forced the unexpected apology from Steenkamp for "plunging" the former FPJ director into a scandal which resulted in him being branded a crook and ruined his political career.

"You spread stories about his part in this. Is that because he blamed you for the troubles? This is the reason you included him in the allegations, is it not?"

"Yes, your honour."

"Are you prepared to make an unconditional apology to Dr Boesak and say that all the allegations are false?" Maritz asked.

"Yes," Steenkamp replied before the court adjourned for lunch, but after the adjourn-



Taken aback ... Allan Boesak.

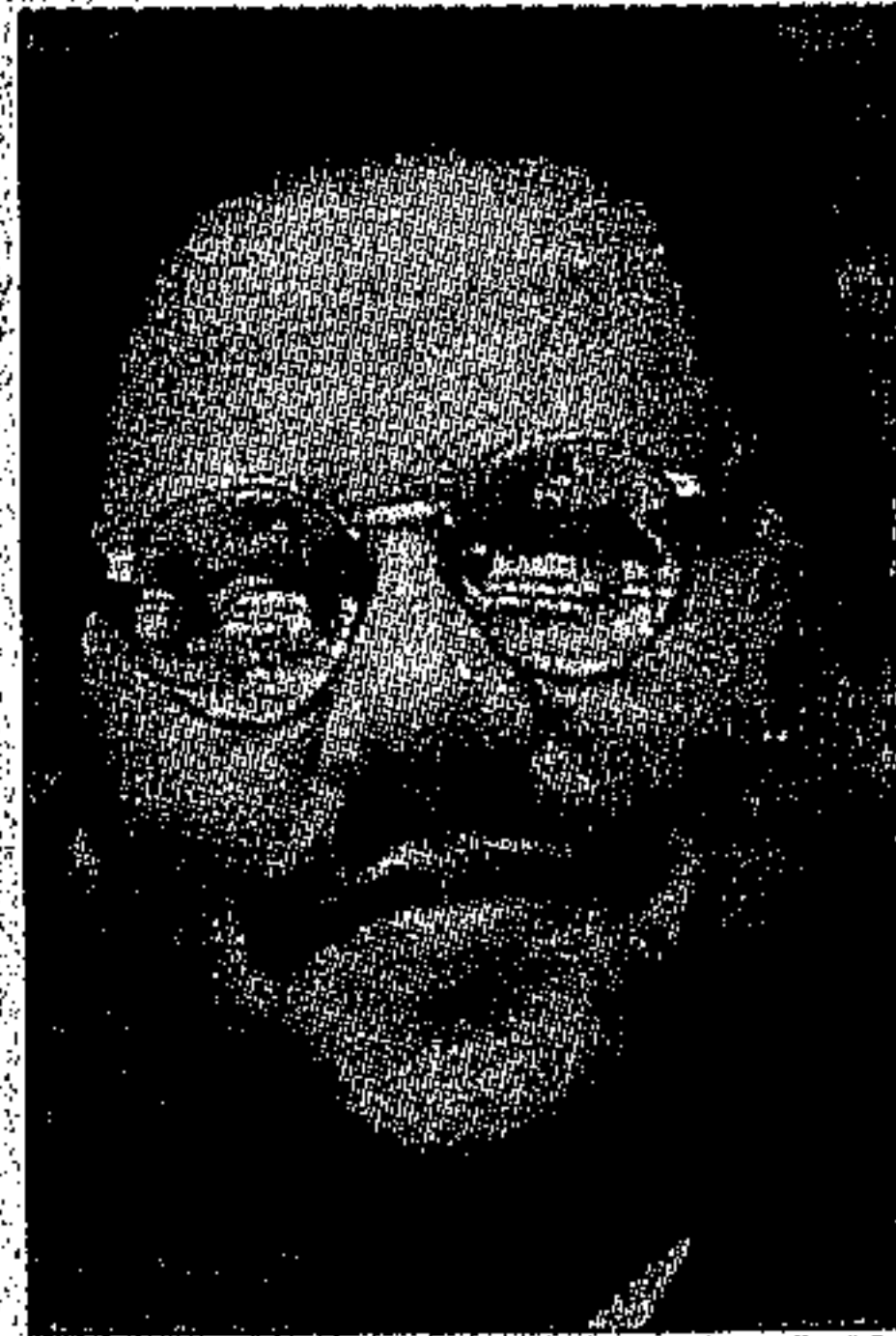
ment he backtracked on this statement regarding some of the charges.

Family members and friends surrounded Boesak, who was clearly taken aback, and hugged and kissed him.

A tearful Boesak said he would try to forgive Steenkamp but said that "no apology on Earth" could undo the damage that had been done.

"Greater than this apology Steenkamp will have to apologise to my wife, my children, the church and also ask the forgiveness of God. But I'll try my best to forgive him as well," he said.

Boesak has pleaded not guilty before Judge John Foxcroft and two assessors to fraud and theft charges involving R9-million, of which he is alleged to have taken R1,1-million for himself.



Apology ... Freddie Steenkamp.

When the trial resumed, Maritz questioned Steenkamp about certain allegations in which he had implicated Boesak.

One of the allegations levelled by Steenkamp is that Boesak dishonestly authorised the transfer of more than R440 000 from the Children's Trust into the FPJ overdraft account.

Asked if this allegation was false, Steenkamp replied: "No".

With regard to allegations that Boesak deliberately deceived the Coca-Cola Foundation into donating \$50 000 (now R280 000) towards good cause projects, knowing the FPJ would use the money to bankroll a commercial property venture, Steenkamp said he stuck to his testimony that Boesak had deliberately lied to Coca-Cola.

The trial continues.

I implicated Boesak to cover my own theft — Steenkamp

CAPE TOWN — A theft and fraud case against anti-apartheid campaigner Allan Boesak weakened again yesterday as government's key witness admitted to telling more lies to incriminate him.

Freddie Steenkamp, a former bookkeeper for Boesak's Foundation for Peace and Justice, followed up Tuesday's admissions of spreading falsehoods by stating that he implicated the flamboyant cleric to cover his own stealing.

Steenkamp, sentenced last year to six years in jail for defrauding the foundation of nearly R1-million admitted he had lied when stating that Boesak had been involved in a scheme to defraud US soft drinks company Coca-Cola.

"Yes," he told the Cape Town High Court when asked by the defence team whether he had falsely accused Boesak of taking part in the scam.

Coca-Cola gave the foundation \$50 000 in the early 1990s in the

belief that it was for specific projects. However, only R41 000 ever reached its intended destination. The rest simply disappeared while it was in the hands of Steenkamp.

Boesak faces 32 charges of theft and fraud. He has repeatedly rejected the charges.

Steenkamp said yesterday Boesak trusted his staff and allowed them to sign cheques and book their own loans. "He never troubled himself to look at financial statements," he said.

Most of the money for the foundation came from Scandinavian sources, and accusations against Boesak first surfaced in 1994 from a Danish donor agency.

The trial has been postponed several times due to a lack of funds for Boesak's legal team and arguments over legal aid.

Twice mystery donors have coughed up cash for the defence team. — Reuter.

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BD 19/11/98

NATIONAL

SA wool farmers form a new body

Plan to use marketing company to ease tax burden

Wyndham Hartley

CAPE TOWN — A group of SA wool farmers has moved to save the industry by creating their own overseas-based marketing company and by using trade and industry department export incentives to ease their tax burden.

The idea, group spokesman Pieter du Toit said yesterday, was to cut out as many of the middle men as possible and slash their tax payments through the use of the export incentives.

Most of the farmers involved in the launch of Merino Farmer's International belong to the recently formed Wool SA.

Wool SA is a breakaway from the traditional Wool Growers' Association and it successfully fought earlier this year against the imposition of statutory wool levies to the tune of more than R20m for the continued membership of the International Wool Secretariat.

Du Toit said a visit overseas in October had resulted in considerable interest from wool processors who have not been able to acquire pure SA wool for some six years. He said that most SA wool was auctioned as part of produce from elsewhere and not as a unique SA product.

"It seems that SA wool has been done a severe disservice by certain parties that

have blended SA wool with other inferior and less expensive wools to create for themselves an additional margin while at the same time SA wool in its pure form, as it is classed and graded on the farms, has not been made available to legitimate international competitors," Du Toit said.

The farmers who participate in the launch of Merino Farmers' International, which will be London-based, will have their accounts held in the Channel Islands by an SA bank.

Ways in which they stand to benefit include through earning foreign exchange, eliminating the auction costs presently in the system, substantially cutting tax through being able to claim 175% of export related costs and creating the ability to hedge against the rand.

"Most of all, each farmer would be in control of his own product, thereby ensuring that his wool is not, without his knowledge, misrepresented, speculated with or abused by others," Du Toit said.

He said the moves to market internationally in this way came as many farmers were "walking away" from wool as a result of a slump in international prices. A wool shortage is being predicted in eight months time and these marketing moves should leave these SA wool farmers ideally placed to profit.

Ramashia leaves void in coalition

Nomavenda Mathiane

THE non-governmental organisation (NGO) sector has suffered a major blow with the resignation of Rams Ramashia, the president of the SANGO Coalition (Sangoco). Ramashia will be joining the labour department next year as deputy director-general.

In September, Sangoco director Kumi Naidoo joined Civicus, a Washington, US, based NGO.

Ramashia has been with NGOs since the 1980s and was instrumental in organising and restructuring the NGO sector into the coalition.

A graduate from Wits Law school,

Ramashia is an advocate. He has acted as a legal adviser to a number of NGOs and assisted in drafting the Non-Profit Organisations Bill.

He was also head of the legal task team of Deputy President Thabo Mbeki's advisory committee on the national development agency.

Ramashia said he disagreed with the perception that government was poaching from NGOs to neutralise this sector, and said he would put his expertise to good use in government.

He said NGOs have been working closely with government, particularly in influencing legislative changes and fostering economic transformation.

Defence destroys Steenkamp testimony

DAN SIMON

THE defence yesterday completed its intense cross-examination of convicted Foundation for Peace and Justice (FPJ) bookkeeper Freddie Steenkamp, systematically destroying much of the chief state witness's damaging testimony that linked Allan Boesak to acts of dishonesty and theft as head of FPJ.

Before the close of proceedings in the High Court yesterday, Steenkamp, on the prompting of senior defence counsel Mike Maritz, again agreed that Boesak was innocent of the allegations of dishonesty.

Boesak has pleaded not guilty before Judge John Foxcroft and two assessors to fraud and theft charges involving R9m, of which

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he is alleged to have taken R1,1m for himself.

Today a representative from the US-based Coca-Cola Foundation will testify in Boesak's trial.

Here the prosecution will attempt to prove that Boesak deliberately deceived the international donor in 1991 into making a \$50 000 donation towards good cause projects in the Karoo while intending to use the money elsewhere for commercial purposes.

Yesterday Maritz charged that the Coca-Cola donor funds "smoke-screen", as he put it, was a complete fabrication by Steenkamp.

Spending the better part of the morning on this evidence, Maritz put it to him that he did not know much about the King's Hotel project and that he had "created a pic-

CT 19/11/98
ture" of the project from "bits and pieces" he had heard about.

"It was a reconstruction of what you read in letters. If you didn't read the letters you wouldn't have known about it, right?"

Steenkamp replied that this was not the case. There was, he said, a "desperate attempt" on the part of the FPJ to get money for the King's Hotel project and Coca-Cola was approached for the funds.

"Isn't this a deduction?" asked Maritz.

"No, Norman Michaels (Boesak's personal assistant) constantly badgered Boesak to approach Coca-Cola," replied Steenkamp.

He said he had helped to draw up the increased budget proposal for the FPJ's Carnarvon and Van Wyksvlei projects to submit to the

Coca-Cola Foundation.

Maritz pointed out that this was one charge of fraud to which he had not pleaded guilty.

Steenkamp said he did not see this as fraud. He was simply following Boesak's instructions to draw up an application for the Carnarvon and Van Wyksvlei projects.

But the court heard that when Coca-Cola finally approved the grant a year later, some of the funds were deposited into accounts intended for rural projects.

When Steenkamp said he did not know where the other Coca-Cola money went, Maritz pointed out that this was false: Steenkamp had transferred R50 000 of this money into the FPJ's urban discretionary account.

The trial continues.

State's case against Boesak battered

(297)

Star 19/11/98

MIKE HUTCHINGS / REUTERS

Chief witness

steps down after

admitting he made

false claims

By DAN SIMON
Cape Town

The defence yesterday completed its intense cross-examination of convicted Foundation for Peace and Justice bookkeeper, Freddie Steenkamp, systematically destroying much of the chief state witness's damaging testimony which linked Allan Boesak to acts of dishonesty and theft while he headed the FPJ.

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A representative from the US-based Coca-Cola Foundation was to testify today. The prosecution will try to prove that Boesak deceived the international donor in 1991 into making a \$50 000 (R280 000) donation towards good-cause projects in the Karoo, while intending to use the money elsewhere for commercial purposes.

Yesterday, Maritz charged that the Coca-Cola donor funds "smokescreen", as he put it, was a complete fabrication on Steenkamp's part.

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All smiles ... Dr Allan Boesak and his wife Elna yesterday leave court, where Boesak is appearing on fraud and misappropriation charges. Boesak's former bookkeeper at the Foundation for Peace and Justice has retracted some of the allegations against Boesak.

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"An amount of R50 000 went into the UDA on the same day the \$50 000 was received. You did the transfer. Is that correct?"

"That's correct."

"In July (1991) you stole R50 000. So this transfer was to fill the hole in the account from

which you stole the R50 000?"

"That's correct."

"You say you filled a hole in the FPJ account, but instead you fill the UDA account from which you stole R50 000. You used R50 000 of that money to cover your theft. Why did you mislead the court?"

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"I didn't mislead the court." The trial continues.



All smiles ... Dr Allan Boesak and his wife Elna yesterday leave court, where Boesak is appearing on fraud and misappropriation charges. Boesak's former bookkeeper at the Foundation for Peace and Justice has retracted some of the allegations against Boesak.



Former anti-apartheid leader Reverend Allan Boesak and his wife Elma leave the Cape High Court yesterday. Boesak is appearing on fraud and misappropriation charges. A key witness in the case, former bookkeeper Freddie Steenkamp, has retracted some of the allegations he made against Boesak.

PIC: REUTERS

Boesak left money matters 'to staff'

FORMER Foundation for Peace representative to the stand. Senior defence counsel Mr Mike Steenkamp told the court he did not understand why the CCF had to be brought from the United States at state expense. He said allegations involving that foundation had been cleared in earlier discussions between the defence and the prosecution.

Each time I tried to discuss the FPJ's finances with Boesak, he would say: 'Man, sort it out yourself.'

Boesak has pleaded not guilty to charges of fraud and theft of R9 million from the FPJ, of which he is alleged to have taken R1.1 million for himself.

Today representatives of the United States-based Coca-Cola Foundation (CCF) will testify about funds for a rural FPJ community programme called the Caravan Project.

Sparks flew when Mr JC Gerber, who leads the prosecution team, announced his intention to call a CCF representative to the stand.

Senior defence counsel Mr Mike Steenkamp told the court he did not understand why the CCF had to be brought from the United States at state expense. He said allegations involving that foundation had been cleared in earlier discussions between the defence and the prosecution.

Gerber, however, said he had phoned the CCF who disagreed with what the deal the defence had cut during the discussions. It was therefore necessary to lead testimony.

Steenkamp told the court the CCF had turned down a request to fund the King's Hotel Project in East London. The project's aim was to give the port city a financial injection by creating jobs and strengthening tourist and consumer trade at its waterfront.

The CCF did not consider this project within its funding policies. It offered to fund any other FPJ project. The foundation then asked for about R600 000 for the Caravan Project.

Steenkamp said half the amount (R300 000) was later handed over. Of that, he deposited R50 000 into Boesak's Urban Discretionary Account. Only R41 000 ever reached the Caravan Project, he said.

He said he could not remember ever using his own money for Boesak's overseas commitments. People attending the trial burst out laughing when he added unwittingly: 'I never took my own money, only FPJ funds.'

On Tuesday, in the most dramatic development yet, Steenkamp admitted that Boesak's entire predicament was the result of Steenkamp's own grudge against the clergymen.

The trial continues. — Sapa.

Howe fan

Boesak trial packed as interest mounts

Steenkamp's remorse draws in crowds

AKG 20/11/98 (297)



REUTERS

The tie that binds: Allan and Elna Boesak arrive at the Cape High Court yesterday

Paul Simon set to testify by satellite

LEGAL COURT REPORTER

Evidence in the Boesak trial by pop star Paul Simon will be transmitted by satellite video link if the Cape High Court gives the go-ahead.

This was one of the three requests by State advocate J C Gerber to Mr Justice John Foxcroft yesterday at the trial of Allan Boesak, who has pleaded not guilty to fraud and theft involving R1.1-million in foreign donor funds to his Foundation for Peace and Justice.

The State alleges that Dr Boesak told the trustees of the Children's Trust about only R423 000 of R882 261 donated by Simon.

LENORE GUNER
High Court Reporter

Interest in the Allan Boesak fraud and theft trial in the Cape High Court has been mounting steadily over the past four days, since his former bookkeeper, Freddie Steenkamp, had a change of heart in the witness box.

Court benches have been empty, but since Steenkamp's apology and admission that he lied in his own trial – he is serving a six-year sentence – court 19 has been packed, with people squashed like sardines on benches, and others standing at the back.

An extra press bench was brought in to accommodate the 12 print and broadcast journalists.

Throughout the week, court officials, lawyers and even a magistrate dropped in to listen to proceedings.

The case was also marked by surprise visits, such as that by anti-apartheid campaigner Godfrey Kraatz and long-time comrades.

German-born Mr Kraatz – deported in the mid 1980s – hugged Dr Boesak in court yesterday.

As the week progressed, Dr Boesak's supporters seemed to become frustrated.

Sighs and muffled sounds of disapproval were heard when witnesses

testified against him.

Various members of Dr Boesak's family, including his three daughters and son, were present in court for most of the week.

But the greatest support for Dr Boesak has come from his wife, Elna, who has been at his side every day.

The former broadcaster, who is working towards a masters degree in journalism through an American university, has been taking her textbooks in to court so that she can do some studying on the side.

Steenkamp also had his share of supporters – his wife, Amanda, his daughter, Linda, and his stepdaughter, Ilse.

Although Mrs Steenkamp appeared nervous, the couple were all smiles when they saw each other.

She told reporters her employers had been "good enough to give me the afternoon off to come to court".

Steenkamp's bombshell came after a simple question from Dr Boesak's counsel, Mike Maritz.

"Do you admire Dr Boesak?" Mr Maritz asked.

After a hushed silence the words just seemed to tumble from Steenkamp's mouth.

"Dr Boesak was my hero, and I wanted to be like him. He was my role model."

The Children's Trust was established to help young victims of apartheid, and its trustees were Anglican archbishop Desmond Tutu, human rights activist Mary Burton and lawyer Essa Moosa.

Mr Gerber also asked for an order compelling the defence to hand over copies of Dr Boesak's tax returns, in the light of claims that he was entitled to car and housing allowances from the FPI.

Defence counsel Mike Maritz said he would oppose both applications and needed time to draw up documents.



Paul Simon

the three requests that day.

Mr Gerber also asked for an inspection in loco at the recording studio in the city built for Dr Boesak's wife, Elna, and allegedly paid for with Swedish International Development Agency funds earmarked to make video cassettes on voter education in the run-up to the 1994 elections.

The State alleges the tapes were never produced and the funds were used to build the studio instead.

Judge Foxcroft adjourned the trial to November 30 and said he would hear formal applications on

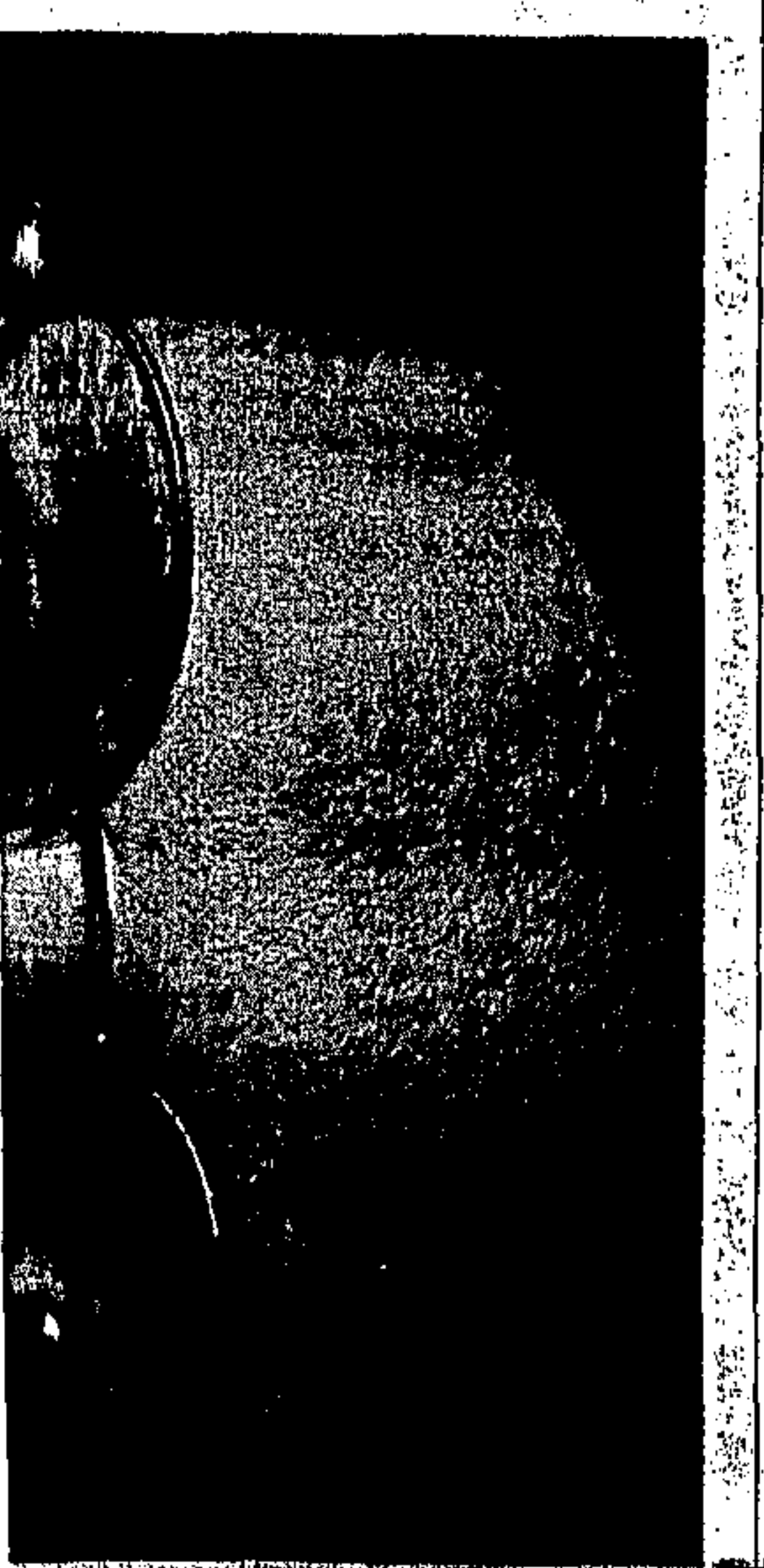


LEON MULLER

Double breasted Freddie Steenkamp, right, and police officer Arde Jordan yesterday

"I'm sorry about what I did, and I owe Dr Boesak an apology."

Tears sprang to Dr Boesak's eyes at the words. The trial has been postponed until November 30.



STATE WANTS TO SEE BOESAK'S TAX RETURNS

Paul Simon ^{(297) et 10/11/98} Willing to testify via satellite

THE PROSECUTOR in the Allan Boesak trial has asked that musician Paul Simon be allowed to testify on a donation he made to a children's fund. **DAN SIMON** reports.

A **MERICAN** musician Paul Simon is willing to testify via satellite in the fraud and theft trial of Allan Boesak, a former trustee of the Children's Trust Fund to which Simon donated R423 000 from the proceeds of his 1988 Graceland world tour.

This was disclosed yesterday by prosecutor JC Gerber when he applied to Judge John Foxcroft to allow Simon to testify via a video conference link between the High Court and the US on the substantial donation he made to the fund.

Simon was last in South Africa in 1992 and was a guest of Boesak at his Constantia home, long before allegations of mismanagement and theft of Foundation for Peace and Justice (FPJ) and Children's Trust funds came to the fore.

Gerber also asked the court's permission to allow Boesak's income tax returns during the period he was director of the FPJ to be scrutinised by the state.

Boesak has pleaded not guilty before Foxcroft and two assessors to fraud and theft charges involv-



SPECIALIST: Kendal Brown gave evidence yesterday.

ing R9 million, of which he is alleged to have enriched himself by R1,1m.

Gerber told the court he approached Simon through his lawyer and received an undertaking from the internationally acclaimed musician that he was prepared to testify in Boesak's trial.

However, Gerber said Simon would not be able to testify in person but by way of a video conference link which Telkom said it could set up.

Evidence given in this way was permissible in a South African

court in terms of existing legislation, he said.

"In connection with Boesak's assertions that he was entitled to home loans, home repayments and car repayments ... in the interests of justice, we want to see if these payments have been declared to inland revenue," Gerber told the court.

Defence counsel Mike Maritz objected to the application for Boesak's tax returns to be scrutinised, saying they were confidential.

He also said he had informed Gerber that he would consider the state's request for Boesak's tax returns once convicted former FPJ bookkeeper Freddie Steenkamp had completed his testimony.

Maritz told the court he still needed to find "suitable" legal references in dealing with the issue of Boesak's remuneration, and would base his objection to handing Boesak's tax returns to the state on the grounds that the returns were confidential.

"What Gerber is asking the court is that it should render a decision to go through something confidential in the hope of finding something. He is fishing and this request is totally peripheral and irrelevant."



HAPPIER TIMES: Paul Simon (centre) with Elna and Allan Boesak at a function at the couple's home in Constantia during the musician's visit in 1992.

FILE PICTURE

About the state calling Simon as a witness, Maritz asked how it was possible to cross-examine Simon on a television camera.

In earlier evidence, Kendal Brown, whom the FPJ consulted on building a video editing studio for Boesak's wife Elna, told the court

how he helped find new and second-hand studio equipment for the Boesaks.

He said he helped the Boesaks establish a high-tech facility that included a 24-channel sound desk and a video editing system costing R285 000.

He added that at the request of FPJ trustee Jan de Waal, he took over the lease of Harrington Street studio premises and paid R150 000 for its furnishings and equipment when the FPJ ran out of money.

The trial has been postponed until November 30.

Paul Simon set to testify in Boesak trial

(297)

Satellite linkup discussed, then
prosecutor asks to see cleric's tax
returns 'in the interests of justice'

By DAN SIMON
Cape Town

American musician Paul Simon has conveyed his willingness to testify via satellite in the fraud and theft trial of Allan Boesak, a former trustee of the Children's Trust to which Simon donated R423 000 from the proceeds of his celebrated 1988 Graceland world tour.

This was disclosed yesterday by state prosecutor J C Gerber when he applied to Mr Justice John Foxcroft, who is hearing Boesak's trial, to allow Simon to testify via an international video conference link between the High Court and the US with regard to the substantial donation he made to the fund.

Simon was last in South Africa in 1992 and was a guest of Boesak at his Constantia home, long before allegations of mismanagement and theft of Foundation for Peace and Justice (FPJ) and Children's Trust funds came to the fore.

Gerber also asked the court's permission, in the interests of justice, to allow for Boesak's income tax returns, during the period he was director of the FPJ and determined his own salary, to be scrutinised by the State.

Boesak has pleaded not guilty before Judge Foxcroft and two assessors to fraud and theft charges involving R9-million. He is alleged to have enriched himself by R1.1-million.

Gerber told the court he approached Simon through his lawyer and received an undertaking from the internationally acclaimed musician that he was prepared to testify at Boesak's trial.

"In connection with Boesak's assertions that he was entitled to home loans, home repayments and car repayments ... in the interests of justice, we want to see if these payments have been declared to Inland Revenue," Gerber told the court.

Defence counsel Mike Maritz objected to the application for Boesak's tax returns to be scrutinised by the State, saying they were confidential.

He also said he had informed Gerber that he would consider the State's request for Boesak's tax returns once convicted FPJ bookkeeper Freddie Steenkamp had completed his testimony.

Maritz told the court he still needed to find "suitable" legal references in dealing with the question of Boesak's remuneration, and would base his objection to handing Boesak's tax returns to the State on the grounds that the returns were confidential.

"What Gerber is asking the court is that it should render a decision to go through something confidential in the hope of finding something. He is fishing and this request is totally peripheral and irrelevant."

With regard to the State calling Simon as a witness, Maritz asked how it was possible to cross-examine Simon on a television camera.

In earlier evidence, Kendal Brown, who the FPJ consulted on building a video editing studio for Boesak's wife Elna, yesterday told the court how he helped to source new and second-hand sound studio equipment for the Boesaks.

He said he helped the Boesaks to establish a hi-tech facility which included a 24-channel sound desk and a state-of-the-art video-editing system costing R285 000.

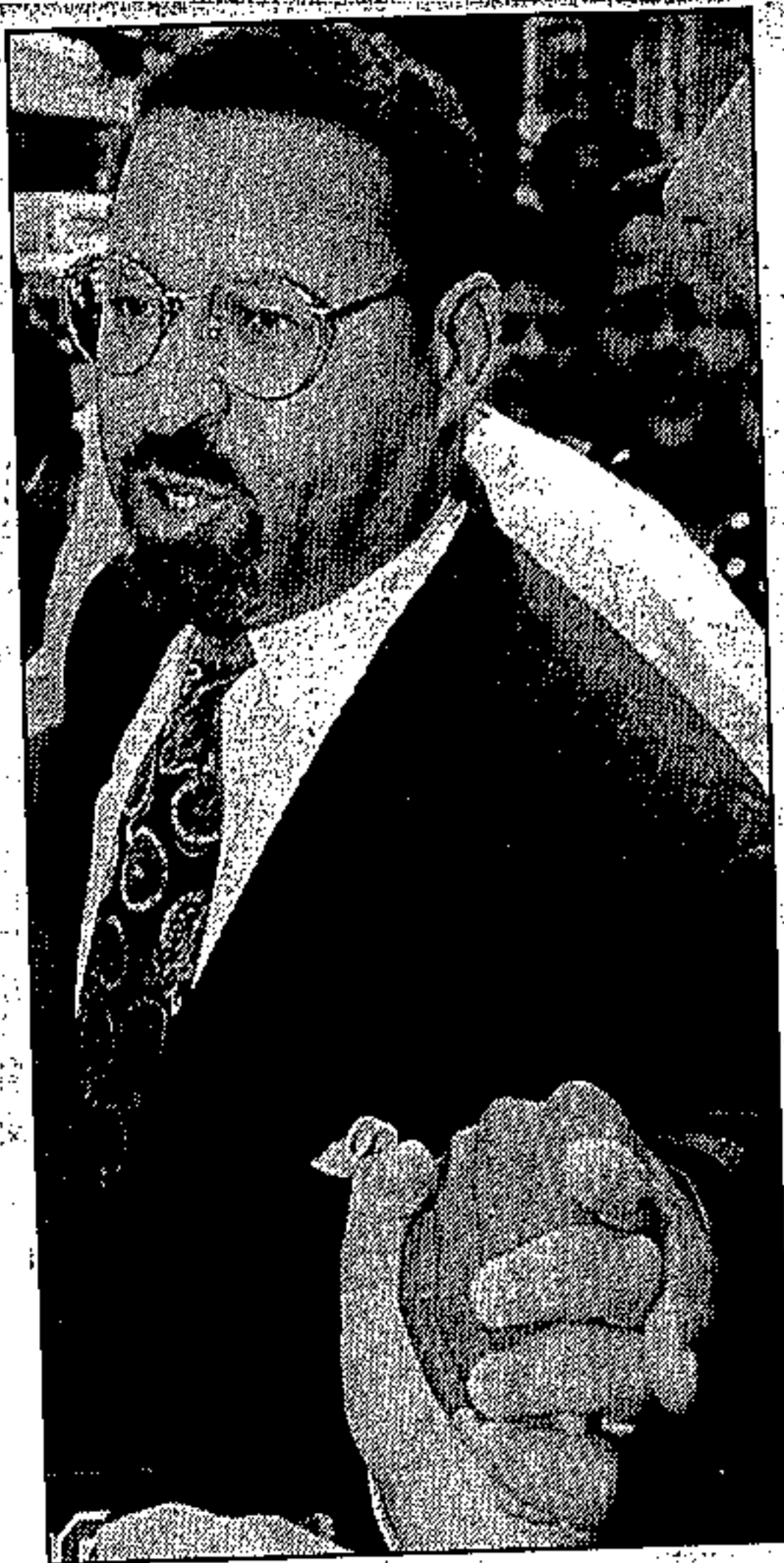
He added that, at the request of FPJ trustee Jan de Waal, he took over the lease of Harrington Street studio premises and paid R150 000 for all the furnishings and equipment when the FPJ ran out of money.

The trial has been postponed until November 30.

But Gerber told the court that Simon would not be able to testify in South Africa. In terms of South African law, Simon could testify by way of an international video conference link, which Telkom said it could set up.

Evidence of this nature, he said, was also permissible in a South African court in terms of existing legislation.

Steenkamp's bizarre about-turn



Still in the dock: There is no indication that the state is willing to drop some of the 32 charges against Allan Boesak. PHOTOGRAPH: RODGER BOSCH

Chiara Carter

(297) M+G 20-26/11/98

The about-face of the state's star witness in the embezzlement trial of anti-apartheid hero Allan Boesak might mean that the court has to grapple more with questions about "struggle accounting" and lax management than personal dishonesty.

Until this week, former Foundation for Peace and Justice (FPJ) bookkeeper Freddie Steenkamp was the key accuser of his one-time hero and former boss, who has pleaded not guilty to charges of theft and fraud totalling R9-million.

Boesak is alleged to have taken more than R1-million of these funds for himself.

But this week, under cross-examination by Boesak's lawyer, Mike Maritz, Steenkamp said his former boss was innocent of any dishonesty and admitted that he had previously lied under oath.

The testimony drew the first visible response from Boesak, who has sat pokerfaced during evidence by forensic accountants and former trustees.

It led to speculation in legal circles that the case might collapse, but the state seems determined to press ahead with hearing the evidence of more than 100 potential witnesses still due to testify.

There is no indication that the state is willing to drop some of the 32 charges against Boesak, particularly those involving the allegations of fraud which Steenkamp this week admitted he was solely responsible for.

Steenkamp's reversal was yet another twist in his ambiguous relationship with Boesak, the man he says he idolised. Steenkamp and Boesak managed the FPJ, which assisted victims of apartheid, between 1988 and 1994.

Boesak trusted Steenkamp so much that he allowed him free access to a range of trust fund accounts as well as his personal accounts and left him with blank cheques when he was away from the office.

But Boesak was more than a colleague — he was Steenkamp's mentor. Steenkamp said Boesak taught him about the finer things in life, including dining out and quality goods.

When the first hints of embezzlement in the FPJ became public, Boesak blamed Steenkamp, but the bookkeeper in turn accused his boss and eventually assisted forensic auditors and other investigators in several lengthy inquiries into the foundation's affairs.

During his trial last year, Steenkamp, who pleaded guilty last year to six counts of fraud and theft totalling R3,7-million, placed much of the blame for his misdoing at Boesak's door. He said in some cases he had acted under Boesak's instructions, in others he was copying Boesak's example and that the money he stole for himself was intended to help him be more like Boesak — the man he most admired. He wanted the same "nice clothes, good residential address and luxury vehicles".

A social worker told the court that Steenkamp had hero-worshipped Boesak and sacrificed everything for his work at the FPJ. His first marriage had collapsed as a result.

Steenkamp has since remarried and has a baby daughter. The former bookkeeper's testimony this week, however, showed him to have lied during his trial, smearing his "hero" in the hope of getting a lighter sentence.

Steenkamp admitted that not only did he make unauthorised loans to himself but he also stole large sums of money from Boesak's personal funds, which were held in an urban discretionary account.

He could not say just how much he took but said he never stole from Boesak directly. He stole about R50 000 of Boesak's insurance money, which he allegedly shared with Boesak's secretary, Lucille Fester. He also admitted stealing money to buy two plots in Cape Town.

Steenkamp said he falsely implicated Boesak in "taking loans" during his trial last year because he thought it would mean he got a lighter sentence.

He conceded that he was responsible for an unauthorised telephonic transfer of R440 000 from the Children's Trust Fund to the overdrawn FPJ account.

The court heard Maritz argue that between 1988 and 1994 Steenkamp had loaned and not repaid just less than R1-million, and the money was used for property transactions as well as the purchase of a luxury vehicle.

Steenkamp maintained this week that Boesak had deliberately misled the Coca-Cola foundation about a donation intended for projects in the Karoo.

However, he conceded he had not been well informed about a self-sustainable project, the purchase of the Kings Hotel in East London, where he says the funds went.

'I'll be standing by my man'

Love is the most important thing, says fraudster Steenkamp's wife

GLYNIS UNDERHILL

The wife of convicted fraudster Freddie Steenkamp, who this week dropped a bombshell in court when he apologised to Allan Boesak for implicating him in the misuse of foreign funds, said she would stand by her husband, whom she loved deeply.

While legal experts believe her husband could face perjury charges or charges of defeating the ends of justice for lying in affidavits he made under oath, a distraught Amanda Steenkamp told Saturday Argus she would hold to her marriage vows.

"Only those two people know what really happened at the Foundation for Peace and Justice.

"I love my husband and I believe in him. Why shouldn't I? He made a mistake. I promised to love and support him and I have to accept whatever happened before I even met him.

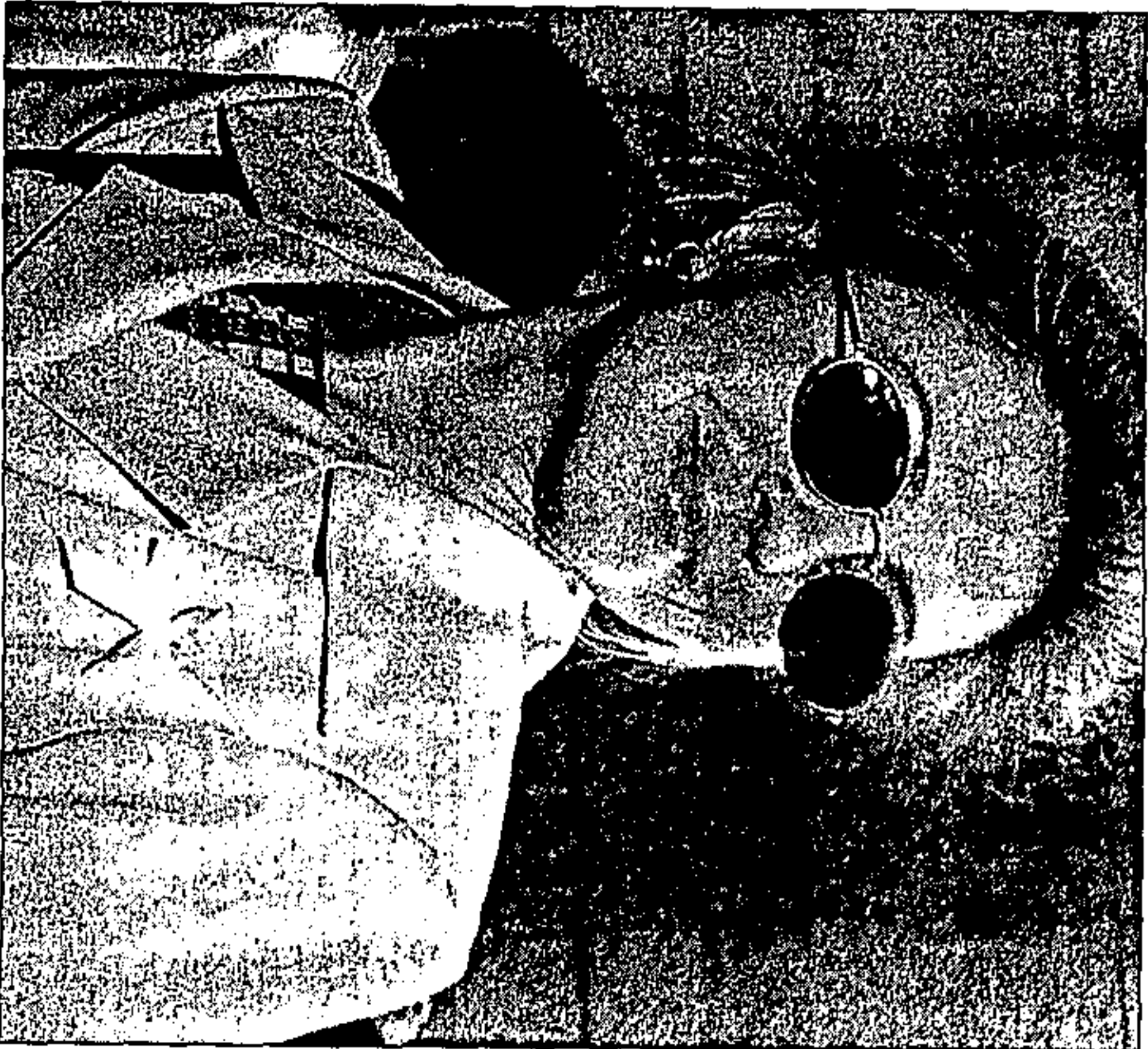
"I can only support him but I wish I could do more. I wish I could hold him," she said before breaking down in tears.

In a dramatic courtroom confrontation, Dr Boesak this week accepted an apology from Steenkamp, the former bookkeeper of the Foundation for Peace and Justice, who caused a sensation when he confessed to lying about Dr Boesak's involvement in the misappropriation of foreign donor funds.

Dr Boesak, the former leader of the African National Congress in the Western Cape, has pleaded not guilty to theft and fraud involving R1.1-million in foreign donor funds channelled to the foundation for distribution to the victims of apartheid.

Dr Boesak's wife Elna, who used to be a television producer, has also stood by her man for the past four years, after he dramatically fell from grace and lost his post as ambassador to the United Nations in Geneva.

Penniless and deserted by many



UNFLINCHING: ENA WAS IN COURT TO SUPPORT ALLAN BOESACK

of his friends, Dr Boesak has relied on the support of his glamorous second wife, Mrs Boesak unflinchingly faces a barrage of reporters and photographers as she accompanies her husband to court each day. Like Mrs Steenkamp, her actions and public support for her husband are a clear indication for the deep love she has for her husband.

The agony of the two wives of the accused in this high-profile case has not been played out in public because both women are reserved and have tried to maintain some privacy in their lives.

But Mrs Steenkamp, who last year gave birth to her husband's

child while he was in jail, this week broke her own pact to "keep my pain to myself" and cried after describing the stress of the past four years.

"I'm tired and exhausted. The past four years have been a nightmare. There has just been one shock after another. It seems the whole drama will never end," she said.

A well-groomed Steenkamp, the son of a former policeman, surprised the packed courtroom when he testified he had lied under oath during his own trial a year ago.

Steenkamp admitted he made an unauthorised telephone transfer

from the Children's Trust account to the foundation's account through Amanda, who worked at the bank where the accounts were held.

Asked whether she knew her husband was planning to admit he had lied, Mrs Steenkamp said no one could ever predict what would happen when a person took the witness stand.

Mrs Steenkamp said she had no idea her husband could face further charges following his sensational disclosures.

"I don't know what is going to happen. Freddie has admitted what he did in his past and he has been sentenced. He is now acting as a witness. He is not on the stand as an accused. But now we are back to where we started.

"It's all very, very upsetting. I feel very emotional about it all," she said.

The life of 42-year-old Steenkamp, who once worked as a car salesman in Parow before joining the foundation and being convicted in the Cape High Court on five charges of fraud involving R2.8-million and one charge of theft involving R906 065, is now set to change.

The quietly spoken, despectated bookkeeper was sentenced to six years' imprisonment but he has spent the past year in the more pleasant confines of a Table View police cell while cooperating with the State in preparing the case against Dr Boesak.

The man whose assets before his sequestration included a BMW, a ski-boat and four Cape properties now faces an uncertain future in an overcrowded Pollsmoor Prison.

Mrs Steenkamp's nightmare began after her husband spilled the beans to a legal firm in Johannesburg, claiming that he and other members of staff at the Foundation for Peace and Justice, including Dr Boesak, had taken staff loans from the donations.

The case was passed on to the Office for Serious Economic Offences (OSEO) for a thorough investigation. All statements made



ARGUS 21/11/98 (297)

FOR RICHER OR POORER: I'll stick to my mortgage vows, says Amanda

by Steenkamp to OSEO and the police under oath could be used against him as he has laid himself open to charges of perjury or defeating the ends of justice, according to a legal expert, who asked not to be named.

Despite the uncertainty of their future together, the dark-haired Mrs Steenkamp spoke of her love for her husband, who has two children from a previous marriage.

"If he wasn't a good husband, would I support him? He is a good husband and loving father. Would I be that ignorant to stay with him if he was not?"

"At the end of the day, what it

boils down to is that I accept him and the most important thing is that I love him. Love is the most important thing in life," she said.

Mrs Steenkamp said she would not run away now that her husband needed her the most.

"I have got to live with myself. I took my vows seriously... for richer or poorer, through sickness and health... One day the sun will come up again," she said.

No plans were being made for the future, said Mrs Steenkamp. "I can only live for today, by going to work and supporting my family. I just have to accept whatever happens," she said.

Swede felt 'betrayed' (297) over misuse of FPJ funds

ARG 2/11/98

A Swedish development agency official told the Cape High Court today of his anger and feeling of betrayal on learning that money allocated to Allan Boesak's Foundation for Peace and Justice for pre-election voter education had been used for other purposes.

Lars-Olaf Hook, an official of the Swedish Development Co-operation Agency (Sida), was testifying at Dr Boesak's trial.

The former anti-apartheid activist has pleaded not guilty to theft and fraud charges involving R9-million, of which he allegedly took R1,1-million for himself.

Mr Hook told Mr Justice Foxcroft an amount of R760 000 was allocated to the FPJ, specifically for the production of democracy and voter education videos, which had to be completed before the 1994 elections.

Sida's policy had always been to donate half the sum requested as Sida wanted other donor organisations to be involved also, and not just themselves.

Circumstances had nevertheless persuaded Sida to donate the full R760 000 asked for by the FPJ.

During a visit to Sida by Dr Boesak's wife, Elna, along with FPJ bookkeeper Freddie Steenkamp, to report on progress, it was learnt that the complexities of the video project prevented its completion before the 1994 election.

Instead, completion was planned for the end of that year, which was not in accordance with the Sida/FPJ agreement. When an FPJ request was received for an additional R879 000, and it was learnt that the original project had been changed without the necessary prior reference to Sida, he felt "very disappointed, angry, upset and betrayed", Mr Hook told the court.

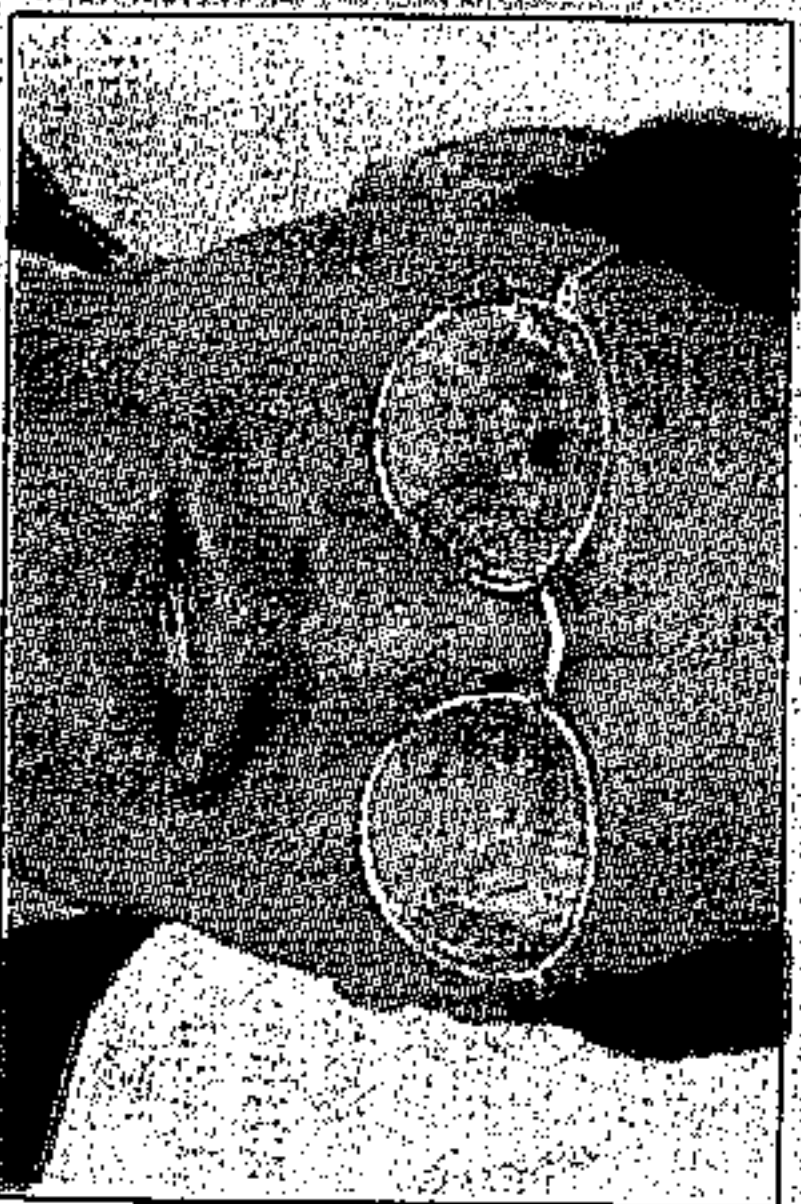
The trial continues. — Sapa

change in story

Amazing U-turn in Boesak case

(297)

Detective tells how he challenged Freddie Steenkamp



LENORE OLIVER
HIGH COURT REPORTER

André Jordaan, investigating officer in the Cape High Court trial of Allan Boesak, is still baffled over why the State's key witness, Freddie Steenkamp, changed his story.

"I was dumbfounded and sat open-mouthed as Freddie told the court that he had lied when he implicated Dr Boesak in the misuse of funds

from the Foundation for Peace and Justice," said Captain Jordaan.

Dr Boesak has pleaded not guilty to fraud and theft charges of R1.1 million in foreign donor funds to the foundation.

Steenkamp is serving a six-year term for theft from the foundation.

Captain Jordaan said Steenkamp had been taken to Malmesbury prison to serve his sentence for "security reasons".

Since his conviction last year, he

had been kept in custody at Table View police station to help the prosecution prepare its case.

Captain Jordaan told the Cape Argus that, during the adjournment after Steenkamp had confessed to lying, he (Jordaan) immediately confronted Steenkamp.

"I asked him what was going on."

"He replied: 'I am sick and tired of this. It felt as if he (defence advocate Mike Maritz) was re-running my trial'."

"But I can't believe it," said Capt Jordaan.

"Not once since I began working with Freddie in November last year did I get any indication that he was not telling the truth or that he would change his story in court."

Captain Jordaan said Steenkamp had appeared confident on the morning he began testifying.

"But it must be remembered that Freddie has been through a lot. He has been through his sequestration,

undergone questioning before officials from the Office for Serious Economic Offences, his own trial and now the Boesak trial," he said.

Captain Jordaan also spoke of the friendly relationship he and Steenkamp had struck up.

"During the past year we learnt a lot from each other."

At Table View police station, Steenkamp had helped police with filing. "He was always guarded, but he

was comfortable and his wife was able to visit him twice a week. If his testimony had stood up in court, we would have used him to help in the prosecution of other foundation staff."

"So, he would have stayed at Table View police cells," he said.

"But he gave up all of this by testifying that he lied."

battles
ARU 27/11/98

journalist

CMC starts key survey on street people

ARG 30/11/98.
ANC opposes project

NORMAN JOSEPH
METRO REPORTER

(297)

The Cape Metropolitan Council is to fork out more than R150 000 to appoint seven field workers for six months to gather information on the plight of Cape Town's street people.

But this move is being opposed by CMC's African National Congress councillors, headed by David Dlali.

The ANC councillors have indicated they want the CMC to allocate funds and key functions to non-governmental organisations to undertake the survey.

Each field worker is to be paid about R3 000 a month in addition to a R250 allowance. A co-ordinator is to be appointed at a cost of R5 000 a month.

The field workers aim to collect data throughout the Cape metropolitan area.

Mr Dlali said "this is a waste of money" and "these functions should be given to NGOs".

He said NGOs such as the Co-ordinated Action with Street People were capable of dealing with the issue, "but

they need capacity and funding to function".

Mr Dlali said NGOs had important information on street people because their members operated in "these communities".

"They are better-placed and have the skills," he said.

But the CMC's new National Party deputy mayor Isobel Edelstein said it was a research project and the CMC needed the information to see the extent of the problem.

There was no one person in Cape Town who could come up with an immediate solution on how to deal with street people and the CMC had to play a developing function, said Ms Edelstein.

She said that with the support of the provincial administration, six metropolitan local councils, the NGO sector and organisations working with street people, the CMC had recently launched a joint mission statement accepting responsibility for this worsening social problem.

Ms Edelstein said the CMC had allocated R25,5-million for multipurpose centres which could be used for street people programmes.

Boesak funding to run out this week

BD 11/12/98

(297)

CAPE TOWN — The funding secured by President Nelson Mandela to pay Allan Boesak's top legal team, comprising Mike Maritz SC and Jaap Celliers, is expected to run out this week.

Maritz told the Cape High Court of this yesterday, and warned against unnecessary postponements, when the prosecution team of J C Gerber and Tinus van der Vyver requested a postponement of Boesak's fraud and theft trial until today for the testimony of a forensic auditor, John van der Walt.

Judge John Foxcroft yesterday rejected a prosecution application for a high court order to compel the Receiver of Revenue to furnish confidential information concerning Boesak's income while he was director of the defunct Foundation for Peace and Justice.

Minutes later, the judge also rejected a state application for the court to hear the testimony of US pop star Paul Simon, one of the foundation's foreign donors, through satellite television.

The judge said he would give full reasons for these judgments later. Concerning the Receiver of Revenue, he said common law did not allow applications of this nature "at this stage". In the second application, the judge said satellite testimony would not give adequate room for the skilled cross-examination demanded by the circumstances of the case.

This, the judge said, presented the risk of Boesak not being given a fair trial, which compelled the court to reject the application.

Boesak has pleaded not guilty to theft and fraud involving R9m from the foundation, of which he is alleged to have taken R1,1m for himself.

Earlier, Maritz quoted extensively from rulings of legal authorities that the courts should not readily override legislation demanding secrecy in tax matters.

Gerber countered that the state had the right to compel the Receiver to

divulge confidential information, if there was no other way the information could be obtained.

Gerber said Boesak's salary as director of the foundation was similar to that of a reverend and did not provide for monthly instalments for a luxury home or car.

The state's case was that it was for this reason that Boesak stole from the foundation as well as the Urban Discretionary Fund.

Gerber contended it was crucial for the state to establish whether Boesak had declared or concealed these payments in his tax returns.

"If he failed to declare them, he's got something to hide," Gerber said.

Concerning satellite testimony, Maritz said the court could only permit it under special circumstances, which did not exist in this case.

The point of departure had to be that Boesak was entitled to a fair trial, he said.

Maritz said it was not a matter of Simon being unwilling to testify later, when his schedule allowed. Rather, Simon was unwilling to come to SA "at all" for this purpose.

Maritz said a judge would also be unable to stop a satellite witness from being prompted in the background by his legal representative. Furthermore, the court could consider only evidence properly obtained and presented in a fair trial.

"To put an accused through all this, in the hope that the court would permit satellite evidence, is inherently unfair and prejudicial to my client."

In turn, Gerber insisted that cross-examination of Simon would not be hampered, and that the court would be able to properly observe Simon's demeanour and deportment.

Simon's testimony would be in accordance with the laws of his country, making it possible to prosecute him for perjury if the need arose, Gerber said. — Sapa.

Boesak marriage 'problematic'

ARG 1/12/98

LENORE OLIVER
HIGH COURT REPORTER

(297)
Elna Boesak's insistence on buying only the best was one of the enduring problems of the Boesak marriage, the Cape High Court heard today.

Details – in affidavits during their 1992 divorce proceedings – of financial bickering between Allan Boesak and his wife emerged during his trial today.

Mrs Boesak instituted divorce proceedings but withdrew the action at the last minute.

Dr Boesak has pleaded not guilty to fraud and theft charges involving R1,1-million in foreign donor funds to the Foundation for Peace and Justice.

The affidavits from the divorce action were handed in to the court as evidence for the State in Dr Boesak's trial.

Today the court heard how Dr Boesak had to pay his wife's bills from the urban discretionary account which Dr Boesak claims was his own bank account.

The State alleges the account belonged to the foundation, from

which Dr Boesak "unlawfully took amounts for personal use".

In his answering affidavit in the divorce action he complained that his wife's "insistence on expensive items was one of the first and enduring problems of our marriage. This was totally in conflict with my lifestyle – and I let myself into tremendous financial constraints."

He said that after their wedding he found out Mrs Boesak had been on the brink of financial collapse because she had lived "above her means".

CAPE TIMES
TUESDAY, DECEMBER 1, 1998 ★

PAUL SIMON CAN'T TESTIFY

Lack of funds may stonewall trial again

25/11/98
(297)

FUNDING FOR Allan Boesak's trial is running out again, and his attorneys are warning against 'unnecessary' postponement, reports **RHODA DAVIDS**.

THE fraud and theft trial of Allan Boesak may come to an abrupt halt if funds for his legal team dries up yet again.

The funding secured by President Nelson Mandela to pay Allan Boesak's top legal team, comprising Mike Maritz, SC, and Jaap Celliers, is expected to run out by the end of this week.

Maritz informed the Cape High Court of this yesterday and warned against unnecessary postponements after the prosecution team requested a postponement early in the day for the testimony of a forensic auditor, John van der Walt, due tomorrow.

The state failed its attempt to have Paul Simon testify via satellite and to have Boesak's tax returns scrutinised.

The state sought to have the international musician testify via video conference about more than R600 000 he donated to the Children's trust.

Judge John Foxcroft did not give reasons for his decisions.

Maritz told the court that if Simon was allowed to testify in this manner it would hamper



ON-OFF: Lack of money may again delay Allan Boesak's trial.

effective cross-examination and this could be seen as an unfair trial.

Boesak's defence argued that a criminal trial can only take place if the accused can see and has direct contact with the witnesses opposing, so that he too can witness their demeanour and actions.

"It is the witness' presence that the court must take into consider-

ation," said Maritz.

The court also rejected an application by state advocate JC Gerber to compel the Receiver of Revenue to make available confidential records which would establish whether Boesak was entitled to a housing and car allowance.

Gerber argued that if Boesak had nothing to hide, these documents had to be made available to the state.

He said that the evidence before the court was that the housing and the car allowances were paid for by the foundation.

"If he had declared these payments to the Receiver of Revenue, he would have had to pay taxes like any other citizen," he said.

Judge Foxcroft said the common law did not permit such applications at this stage of a criminal trial.

Boesak's trial resumed yesterday after a break of a week.

The former anti-apartheid cleric faces charges of theft and fraud involving R9 million from the Foundation of Peace and Justice, of which he was the director.

Boesak has pleaded not guilty to this charge as well as to a charge of taking R1,1 million for himself.

The trial continues today.

Western Cape bill cuts development red tape

Linda Ensor

(297)

CAPE TOWN — The Western Cape provincial legislature passed a bill yesterday aimed at cutting through the bureaucratic red tape holding up development.

The Western Cape Planning and Development Bill would allow the removal of restrictions to be fast-tracked where this was needed to enhance development, Development Planning MEC Michael Louis said.

After lengthy negotiations in the provincial standing committee, the African National Congress (ANC) intro-

duced amendments broadening the role of local government, expanding public participation and taking greater cognisance to the environment.

Although the party would have preferred the adoption by the province of the national Development Facilitation Act, it decided to support the passage of the bill, ANC development planning spokesman Garth Strachan said.

The wide powers given to the MEC in the original bill, which would have allowed him to override the decisions of local government, were reined in by amendment and vested in a review board whose decisions would be final.

"The bill recognises the constitutional rights of local government to draw up integrated development frameworks and their status in law," Strachan said.

Louis said the bill defined the role of provincial and local government regarding integrated development planning and provided for mechanisms to ensure coordinated planning between provincial and local government. It did away with former racially based legislation, consolidated the fragmented planning legislation of the past and empowered municipalities to draft their own zoning scheme bylaws to administer land development.

"In addition, a new appeal body is created to enable the review of local government development decisions and ensure transparency in the development planning system," Louis said.

BD 2/12/98

Boesak 'had to pay wife's debts'

CAPE TOWN — Allan Boesak had to raise loans to pay debts that his wife, Elna, incurred before their marriage in February 1991, it was disclosed in the Cape High Court yesterday.

Before their much-publicised wedding, Elna Boesak landed in financial trouble by living above her means and some of her debts were paid from the urban discretionary fund of the Foundation for Peace and Justice.

Allan Boesak was the director of the foundation.

Forensic auditor Johan van der Walt read into the court record excerpts from a replying affidavit filed by Boesak in 1992 to counter financial claims lodged by Elna Boesak, who had filed for divorce and was estranged from him at the time.

Boesak is on trial for theft and fraud from the foundation involving R9m, of which he is alleged to have taken R1,1m for himself.

He has pleaded not guilty before Judge John Foxcroft to 32 counts.

In his affidavit, Boesak said that his trips abroad stemmed from his

position as theologian, ecumenical speaker and his status as president of the World Alliance of Reformed Churches.

His divorce from his first wife had caused his resignation as church minister and moderator of the Dutch Reformed Missionary Church. It had also caused his resignation as president of the alliance.

The latter resignation caused him the loss of his status as theologian — the very position that had created the demand for his services abroad.

Before this he had up to 15 invitations a year for speaking engagements abroad, but this dwindled to perhaps one such invitation a year.

In paragraph seven of his affidavit Boesak said: "On my divorce from Dorothy, most of my assets were awarded to her. I was compelled to set up a new home.

"Elna's insistence upon the acquisition of the most expensive items has been one of the first and enduring problems in our marriage. This was totally in conflict with my lifestyle until then. Most of the items

were acquired by means of loans and assistance given to me.

"In the process of trying to comply with Elna's demands I let myself into tremendous financial constraints. Elna clearly labours under the unfounded view that I have unlimited means, and that I present an opportunity to enable her to continue maintaining an artificially high standard of living.

"This was a problem she brought into the marriage and which caused her own financial predicament. Soon after the marriage it became clear that Elna, unknown to me, was in grave financial difficulties.

"Although Elna had at first tried to deny that such debts were incurred by her, she eventually conceded liability when it appeared that such debts arose from the use of her credit cards.

"To avoid embarrassment, I was compelled to raise money from time to time to pay such debts which eventually amounted to a substantial sum now repayable by her."

The trial continues today. — Sapa.

(297) PD 2/12/98

Boesak borrowed for Elna's debts, court told

CT 2/12/98

(297)

RHODA DAVIDS

ALLAN BOESAK had to raise loans to pay debts that his wife Elna incurred before their marriage in February 1991, according to testimony in the Cape High Court yesterday by forensic auditor Johan van der Walt.

Van der Walt, who was appointed to make a detailed analysis of Boesak's financial affairs, read from an affidavit filed by Boesak in 1992 to counter financial claims lodged by Elna, who had filed for divorce from him.

In the affidavit Boesak said: "On my divorce from Dorothy, most of my assets were awarded to her. I was compelled to set up a new home.

"Elna's insistence upon the acquisition of the most expensive items has been one of the first and enduring problems in our marriage. This was in conflict with my lifestyle then.

"In the process of trying to comply with Elna's demands, I let myself into tremendous financial constraints. Most of the items were acquired by means of loans and assistance given to me.

"Elna clearly labours under the unfounded view that I have unlimited means, and that I present an opportunity to enable her to continue maintaining an artificially high standard of living. This was a

problem which she brought into the marriage and which caused her own financial predicament."

Boesak said soon after their marriage it became clear that Elna was in grave financial difficulties.

"The position deteriorated to the extent where there were threats made that steps would be taken for Elna's arrest for outstanding debts.

"The messenger of court at one stage attempted to locate Elna. Although Elna had at first tried to deny that such debts were incurred by her, she eventually conceded liability when it appeared that such debts arose from the use of her credit cards.

"To avoid embarrassment, I was compelled to raise money from time to time to pay such debts, which eventually amounted to a substantial sum now repayable by her."

His affidavit also read that his divorce from his former wife was the reason for his resignation as an NG Missionary Church minister and had caused him to resign as president of the World Alliance Reformed Churches.

Van der Walt also gave evidence about Boesak's salary register

from the Foundation for Peace and Justice. He said: "Boesak's basic salary was R5 000. He also received a travelling allowance of R3 550. His housing allowance of R7 500 was not included in the register. There were only tax deductions for his basic salary and his travelling allowance."

While Van der Walt read from the affidavit, Mike Maritz, SC, for Boesak, objected, saying it was irrelevant to the case. But Judge John Foxcroft allowed further questioning.

Further cross-examination by prosecutor J C Gerber led to Van der

Walt giving details of all amounts and entries in financial statements starting in 1986. According to Van der Walt, the Foundation for Peace and Justice's books balanced until 1988. It was also noted by the court that all the records referred to in testimony had to be reconstructed for the sole purpose of Boesak's trial.

Boesak faces charges of theft and fraud involving R9 million from the Foundation of Peace and Justice, of which he was the director. He has pleaded not guilty to this charge as well as to a charge of taking R1,1 million for himself.

The trial continues today.



EXPENSIVE DEMANDS:
Elna Boesak

FEE TO LODGE OBJECTION

Law boosts public participation in development, planning issues

CT 2/12/98

(297)

PROVIDING A FRAMEWORK for co-ordinated development planning according to a set of principles is one of the main aims of the Planning and Development Bill which the provincial legislature passed yesterday. Environment Writer **MELANIE GOSLING** reports.

OGAL authorities will be legally bound to involve the public in development and planning matters, according to the Western Cape Planning and Development Bill which was passed in the provincial legislature yesterday.

But if the public wants to object to any proposed development, the bill says they will have to fork out hard cash to do so.

Planning MEC Michael Louis said the bill was "one of the most impressive pieces of legislation" the Western Cape government had passed.

"It will be the axel of the government. For the first time the environment plays an integral part in planning, and people on the ground can be involved in social, environmental and economic needs," he said.

The main objectives of the bill are:

- To establish a framework for integrated development planning according to a set of principles.

- To consolidate former fragmented planning legislation.

- To provide mechanisms to identify aspects of regional interest to be contained in policy, planning documents, guidelines and regulations.

- To provide a land development management system to support integrated planning in urban and rural areas.

The minister will make regulations and issue guidelines regarding public participation in development applications. Based on these, each local authority will then draft its own public participation policy. The bill will also enable municipalities to draft their own zoning scheme by laws to administer land development.

"One of the most important elements is the aspect of general development and planning principles which deals with decision-making and dispute resolutions," Louis said.

These include:

- Each proposed development should be judged on its merit and no land use should be regarded as less important or desirable than any other.

- In the event of a dispute between parties regarding development or planning, the authorities must consider referring it for mediation.

- If the mediation has failed, a public inquiry into the matter must be held.

The bill provides for a review board of independent experts who can examine any development or planning decision taken by a local authority. The board's hearings will be open to the public and its decision final. The board will be made up of 20 professional people, appointed by the minister.

"This review board is there to stop, for instance, something like those Disa Towers from being built, even if a local authority had already approved such a development," Louis said.

He said once the bill had been enacted, which would be about June, anyone who wanted to lodge an appeal against a development would have to pay a fee.

"If a development goes up in Bellville or Knysna, I can tell you now who will lodge complaints. This is to stop those people from objecting to every development," Louis said.

He said it had not been decided how much the fee would be. He did not see this as excluding the poor from the development process, and if there was "substance" to their objection, the fee would be waived.

The bill states that all those who are affected by planning and development should be involved in the planning and development process. All sectors of the economy, including the non-government sectors, should be encouraged to contribute towards planning and development.

The principles of environment protection state that development:

- Should harmonise with the ecological characteristics of the environment.
- Should heed the natural processes which control a specific environment.
- Should heed carrying capacity restrictions, especially with regard to water restrictions.
- Should be discouraged in unsuitable environments, such as areas with a high water table, in flood plains, on steep slopes and sand dunes.

The bill will replace the Land Use Planning Ordinance of 1985 and the Physical Planning Act of 1991.

Boesak borrowed to cover wife's debts, court told

Affidavits from 1992 reveal Elna insisted on the most expensive of everything, and she had been living beyond her means before the marriage

OWN CORRESPONDENT
Cape Town

Alan Boesak had to raise loans to pay debts that his wife Elna incurred before their marriage in February 1991, it was disclosed in the Cape High Court yesterday.

Prior to their much publicised wedding, Mrs Boesak landed in financial trouble by living beyond her means, and some of her debts were paid from the Foundation for Peace and Justice's urban discretionary fund, the court heard.

Boesak was the director of the FPJ.

Forensic auditor Johan van der Walt read into the court record excerpts from a replying affidavit filed by Boesak in 1992 to counter financial claims lodged by Mrs Boesak, who had filed for divorce and was estranged from him at the time. Boesak is on trial for theft and fraud from the FPJ involving R9-million, of which he is alleged to have taken R1.1-million for himself.

He has pleaded not guilty before Judge John Foxcroft to 32 counts.

In his affidavit, Boesak said his trips abroad stemmed from his position as theologian and ecumenical speaker, and his status as World Alliance of Reformed Churches president.

Boesak said in his affidavit that his divorce from his first wife had caused his resignation as church minister and moderator of the NG Missionary Church. It had also caused his resignation as president of the WARC.

He said his resignation from the WARC caused him the loss of his status as theologian, the very position that had created the demand for his services abroad.

Before this he had had up to 15 invitations a year for speaking engagements abroad, and



Before the accusations flew... Boesak with wife Elna and daughter Pulani at the start of his trial

his resignation from the WARC caused this demand to dwindle to perhaps one a year. In paragraph seven of his affidavit Boesak said: "On my divorce from Dorothy, most of my assets were awarded to her. I was compelled to set up a new home."

"Elna's insistence upon the acquisition of the most expensive items has been one of the first and enduring problems in our marriage. This was totally in conflict with my lifestyle until then."

Most of the items were acquired by means of loans and assistance given to me.

"Elna clearly labours under the unfounded view that I have unlimited means, and that I present an opportunity to enable her to continue maintaining an artificially high standard of living."

"This was a problem which she brought into the marriage and which caused her own financial predicament."

"Soon after the marriage it became clear that Elna, unknown to me, was in grave financial difficulties."

"The position deteriorated to the extent where there were threats made that steps would be taken for Elna's arrest for outstanding debts."

"The messenger of the court at one stage tried to locate Elna."

"Although Elna had at first tried to deny that such debts were incurred by her, she eventually conceded liability when it appeared that such debts arose from the use of her credit cards."

"To avoid embarrassment, I was compelled to raise money from time to time to pay such debts, which eventually amounted to a substantial sum now repayable by her."

In Mrs Boesak's divorce papers, filed in 1992, she said their marriage had broken down irretrievably and that Boesak had left their Constantia home in April of that year.

He had informed her personally and through a public press announcement that he intended to divorce her.

Mrs Boesak said she believed she had been a very good wife to him and had given him no reason to desert her and their baby.

The trial continues today.

UK minister signs deals for SA development aid

PD 3/12/98 (297)

Louise Cook

PRETORIA — UK International Development Minister George Foulkes visited high-level SA government officials yesterday to sign co-operation agreements as part of the UK international development department's aid programme of between R230m to R275m a year to help SA transformation.

Yesterday's agreements were signed with Water Affairs and Forestry Minister Kader Asmal to facilitate the privatisation of state forests in the former homelands, and with Deputy Finance Minister Gill Marcus to assist government's new Customs Transformation Service — aimed at improving tax collection at border posts and controlling smuggling.

The UK government's contribution to the UK-SA customs transformation programme for this year amounts to R90m, the international development department's biggest contribution yet, Foulkes said.

Marcus said: "Government sees efficient revenue collection as critical to its programme to tackle property through economic growth and better public services to the poor. Lost revenue from tax evasion is estimated at hundreds of millions of rands — more than R100m on VAT alone — a month."

The UK's involvement would

see key areas improve, like border control, training, valuation, courier services, special investigative techniques, postal importations and drug trafficking.

In the case of the privatisation of state forests in homelands, a further R25m was donated following earlier aid.

The latest donation brings the total UK contribution to improving the state of SA forestry to R67m.

Asmal said his department acquired an additional 12 000 people when the former homelands were incorporated into SA in 1994.

"These people were mostly unskilled, illiterate and without managerial skills. Government is restructuring the forestry industry to create greater viable employment opportunities in the former homelands."

The plan was to bring more people into forestry through partnerships between local communities, co-operatives and the private and public sectors. The plans covered 131 000ha of communal plantations scattered across SA, mostly in Kwazulu-Natal, Mpumalanga, the Eastern Cape and Northern Province.

Water affairs and forestry director-general Mike Muller said at least half of the country's population depended on fire wood for energy and this need would be accommodated.



Deputy Finance Minister Gill Marcus, right, and British International Development Minister George Foulkes signed an agreement yesterday in Pretoria to reduce poverty in SA. The agreement includes a £9m support package to the SA Revenue Service for its customs and excise transformation programme.

Picture: ROBERT BOTHA

Boesak team rejects postponement call

CAPE TOWN — The prosecution and defence teams in the trial of Allan Boesak clashed yesterday over a state application for a postponement until Monday for an auditor to be subpoenaed.

Judge John Foxcroft refused the application but permitted prosecutor JC Gerber an early afternoon postponement until today.

Mike Maritz, leading the defence, told the court he objected to a postponement, especially since defence funds were running out.

Boesak has pleaded not guilty in the Cape High Court to fraud and theft from the Foundation for Peace and Justice totalling R9m, of which he is alleged to have taken R1,1m for himself.

Gerber told the court he had to subpoena the auditor, and needed reasonable time to give effect to the order. The judge said the postponement was reasonable.

"There may not be funds for next week, so if the case is postponed until Monday we may find ourselves with the witness in question testifying, but the defence absent due to lack of funds," Foxcroft said.

Gerber said he had tried since Monday to locate the witness. On Tuesday he learnt the man was a lecturer at a local university and spoke to him that night, but later lost track of him.

Gerber said technical verification of auditing documents before the court was of utmost importance. The judge said he accepted this, but it was also important to conclude the case.

Maritz said Gerber must have known for some time he needed the witness to testify. There was no explanation for him trying track him down so late.

"Only now, at the death of the state's case against Boesak, were we told that an extra witness would be needed to verify auditing documents presently before the court," Maritz said.

Numerous postponements at the State's request affected Boesak, who had a constitutional right to a speedy conclusion of his trial, said Maritz.

"I did at first ask for the last one-week postponement myself (to argue a matter before the Constitutional Court), but that was only because the state had run out of witnesses," Maritz said Boesak was unable to hold down any form of employment while he was an accused, and could not resume a normal life until the trial ended.

The defence funds had run out before, and would run out again by the end of the week.

The trial continues today. — Sapa.

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State wasting time, says Boesak lawyer

Last-minute witness sought

ARG 3/12/98

(297)

LENORE OLIVER
HIGH COURT REPORTER

Allan Boesak's defence team launched an attack yesterday on the methods used by the State to bring witnesses to court in his fraud and theft trial in the Cape High Court.

Dr Boesak has pleaded not guilty to fraud and theft charges involving R1,1-million in foreign donor funds to the Foundation for Peace and Justice.

Yesterday, State advocate J C Gerber asked Mr Justice Foxcroft for a postponement until Monday so that he could consult a witness whom he had tracked down at the last minute.

But Mr Gerber said that when he tried to contact the witness, an auditor, yesterday he was unable to do so. He now needed to issue a subpoena to force the witness to testify.

Mr Gerber also said he needed

time to persuade international singer Paul Simon to come to South Africa to testify.

On Monday, Judge Foxcroft refused an application by Mr Gerber to allow Simon to testify via video conference.

Mr Maritz objected and told the court Dr Boesak's money was running out fast.

"Dr Boesak's case is being prejudiced by the many postponements. He has been unable to find gainful employment since the case started.

"Now, at the death of the State's case, Mr Gerber tells us he has traced somebody, while he has told this court for some time that auditor Johan van der Walt was his last witness," said Mr Maritz.

The many postponements had had "dramatic consequences" for Dr Boesak who would not be able to carry on with his life for at least two months if the latest application for postponement was granted.

"Now we have the situation where Dr Boesak has to remain in the dock, money is running out and the State's case probably will not be closed before the court recess later this month," he said.

Mr Maritz said it was ridiculous for Mr Gerber to want to convince Simon to come to South Africa to testify because the singer had already indicated in a letter that he chose not to testify because of a busy personal and business life.

He accused Mr Gerber of not ensuring that witnesses came to court timeously.

Mr Gerber replied that he had had difficulties in tracing the witness and would serve a subpoena late yesterday afternoon. He said he would make an application for the witness's testimony to be held in camera for "security reasons".

Judge Foxcroft gave the State until today to bring the witness to court.

Cuts loom in State grants for the disabled (297)

ARL 3/12/98

Johannesburg – Welfare Minister Geraldine Fraser-Moleketi has warned that her department intends to review disability grants to reduce a dependency syndrome creeping into the country's disabled community.

In a statement to mark the International Day of People with Disabilities today, Ms Fraser-Moleketi said more than 90% of Government funding earmarked for the disabled was used for the grants.

Last year alone some R4-billion in grants was paid to the country's five million disabled people.

Ms Fraser-Moleketi said while there were limited opportunities for disabled people on the job market, the grants given by her department eroded disabled people's incentives to find employment.

"Tough decisions must be made about eligibility and alternatives to the disability grant. Legislation that addresses societal barriers to full participation by the disabled is needed."

The minister said an amount of R8-million was being set aside for pilot projects that would promote the economic empowerment of disabled people.

Added to this, her department

would make available R12-million from the Poverty Alleviation Fund for projects that promoted the transformation of income-generating projects facilitated by NGOs.

Meanwhile the SA Human Rights Commission said it would start on an "Accessibility Campaign" today to mark the International Day of People with Disabilities.

The SAHRC said its commissioners would conduct random inspections of various buildings in Johannesburg and Pretoria to determine whether they were accessible to disabled people. – Sapa

Legal teams clash in Boesak trial

Cape Town - The prosecution and defence teams in the trial of Dr Allan Boesak clashed yesterday over a state application for a postponement to Monday for an auditor to be subpoenaed.

Judge John Foxcroft refused the application but permitted state prosecutor J.C. Gerber an early afternoon postponement to today.

Mike Maritz, leading the defence, told the court he objected to a postponement, especially since defence funds were running out.

Boesak has pleaded not guilty in the Cape High Court to fraud

and theft from the Foundation for Peace and Justice totalling R9-million, of which he is alleged to have taken R1,1-million for himself.

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tion of auditing documents before the court were of utmost importance. The judge said he accepted this, but it was also important to conclude the case.

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"Only now, at the death of the State's case against Boesak, were we told that an extra witness would be needed to verify auditing documents presently before the court," Maritz said.

The trial continues today. - Sapa

(297)

Grants for disabled under review

CT 4/12/98

(297)

PRETORIA: Disability grants had a demotivating effect on disabled people and made them reliant on welfare, the Minister of Welfare and Population, Geraldine Fraser-Moleketi, said yesterday.

"A new deal for people with disabilities is imperative and the government is committed to ensuring this happens," she said in a statement marking the International Day of People with Disabilities.

"One of the critical aspects in such a new deal is the need to urgently transform protective employment workshops for people with disabilities, as well as other services for disabled people, in line with the government's new developmental approach to entrench human rights and people's dignity," she said.

She said two studies had found that disabled people were still marginalised in South Africa.

The studies were commissioned by the Welfare Department and conducted by the Medunsa Organisation for Disabled Entrepreneurs and the JF Kennedy School of Government at Harvard University.

The first study found that the policies and programmes inherited

from the apartheid government were still causing about five million disabled people to be marginalised.

Most of the programmes for the disabled in South Africa were based on the medical model that either tried to make the disabled person "normal" or to separate them from society.

The government hoped to remove societal barriers to allow disabled people to participate equally in all spheres of life.

More than 90% of all government funding for the disabled, which had doubled from R2 billion in 1993 to R4 billion in 1997, went to disability grants, the study found.

Disability grants had an adverse effect, in that they tended to demotivate disabled people to work, making them reliant on welfare.

There were, however, limited opportunities in the labour market for the disabled.

Compounding this were widespread discrimination, inhospitable work environments and limited transportation.

This meant that most disabled workers were relegated to government-subsidised workshops and

sheltered employment factories.

The second study surveyed 175 protective workshops run by private organisations and subsidised by the Welfare Department.

It found they were very expensive to run, inefficiently managed and that most of the workers earned below the minimum wage.

Also, protective workshops only served a tiny number — about 8 400 — of the five million disabled people, and they promoted marginalisation, rather than development of the disabled.

The studies recommended that alternatives to disability grants be considered, that legislation removing barriers to full participation by the disabled be passed, and that new funding schemes be adopted to encourage non-government organisations to give services to disabled people.

Fraser-Moleketi said the disability grant system was under review. The department was also finalising a new funding policy to move from the subsidy arrangement to more flexible forms of financing.

This would allow organisations to extend services to rural areas and townships.



NEW DEAL: Welfare Minister Geraldine Fraser-Moleketi

Transforming the protective workshops would also be on the department's agenda.

She also noted that the October Job Summit had earmarked R8 million for employment programmes for the disabled. The Welfare Department would also allocate R12 million to transform the protective workshops, she said. — Sapa

'Disabled face new style of apartheid'

Public facilities frustrate handicapped

Institutions fail test of making buildings friendly for people with shortcomings

(293)

Pietersburg - South Africa currently spends more than R3-billion on disability grants every year but still cannot adequately meet its social responsibilities, Northern Province Premier Ngoako Ramatlhodi said yesterday.

Speaking after a march to mark World Disabled Day, Ramatlhodi said the recent census had indicated that more than 2 million, or 5%, of South Africans were severely disabled.

An additional 7% were at least moderately disabled. "But less than half of these people are employed, and even worse is the fact that up to 50% of disabled children are denied access to schooling," said Ramatlhodi.

He also said the only sustainable way to address the problem was to make the disabled economically self-sufficient.

Ramatlhodi warned that the disabled were being discriminated against in ways just as harsh as blacks were during the apartheid years. - African Eye News Service

By BUNNY WEST

Take a walk through any of Johannesburg's public buildings and banking institutions in the company of a physically disabled person and you will discover how little recognition a person who is in a wheelchair, blind or deaf actually gets.

Yesterday was the Day of the Disabled, and the Human Rights Commission visited three institutions to see the facilities offered to the disabled.

If you thought waiting to be served at the Department of Home Affairs in Simmonds Street was a painful experience, try it in a wheelchair.

The toilets are on the stairway between floors, the counters are above eye level and there is no place to park unless you warn them you are coming.



Forgotten people ... Cornelius Langa and Patricia Dolamo battle to be seen and heard at the Department of Home Affairs.

The Johannesburg Central Library has an entrance at the side of the building for wheelchair clients and a special lift which descends the 2 metres to floor level.

But the toilets are on the top floor and the normal lift is so small that no one can get in with a wheelchair passenger, and there is no room to turn the wheelchair.

around so that a disabled person can reach buttons. If First National Bank in Rissik Street is anything to go by, wheelchair-bound customers do not exist.

Two steps into the bank from the street are the first hurdle encountered, and then the security doors form another barrier. Once in the bank, there is plenty of room to move around but counters are well above eye level and desks are too low to get close to. This makes filling out forms difficult.

For those who are blind or deaf, each building had a different set of problems, including steps at front entrances, display and other items jutting out in the middle of walkways, and a lack of signs to show where lifts are. For the partially sighted, lighting in all three buildings was inadequate.

Shirley Mabusela, deputy chairperson of the HRC, said the commission would send a report to the three institutions, and urge the Government to be more sensitive to the needs of people with disabilities.

'Hand-outs demotivate the disabled'

(297)

DISABILITY grants had a demotivating effect on the disabled and made them reliant on welfare, Welfare and Population Development Minister Geraldine Fraser-Moleketi said yesterday.

"A new deal for people with disabilities is imperative and the Government is committed to ensuring this happens," she said in a statement marking the International Day of People with Disabilities.

"One of the critical aspects in such a new deal is the need to urgently transform protective employment workshops for persons with disabilities, as well as other services for disabled people, into line with the Government's new developmental approach to entrench human rights and people's dignity," she said.

She said two research studies had found that disabled people were still marginalised in South Africa.

The studies were commissioned by the welfare department and conducted by the Medunsa Organisation for Disabled Entrepreneurs and the JF Kennedy School of Government at Harvard University.

The first study found that the policies and programmes inherited from the apartheid government were still causing about five million disabled people to be marginalised. Most of the programmes for the disabled in South Africa were based on the medical model that either tried to make the disabled person "normal" or to separate them from society.

The Government hoped to remove societal barriers to disabled people to allow them to take part equally in all spheres of life. More than 90 percent of all government funding for the disabled, which had doubled from R2 billion in 1993 to R4 billion in 1997, went to disability grants, the study found.

Disability grants had an adverse effect in that they tended to demotivate disabled people from working, making them reliant on welfare.

There were, however, limited opportunities in the labour market for the disabled. Added to this there was widespread discrimination, inhospitable work environments and limited transportation. This meant most disabled workers were relegated to government-subsidised workshops and sheltered employment factories.

The second study surveyed 175 protective workshops run by private organisations and subsidised by the welfare department.

It found they were very expensive to run, inefficiently managed and that most of the workers earned below the minimum wage. — Sapa.

4/12/98
Sowetan

'Boesak told auditors to adjust items'

LENORE OLIVER
HIGH COURT REPORTER

ARG 16/12/98

(297)

Allan Boesak knew the annual financial statements of the Foundation for Peace and Justice were not a true reflection of the organisation's affairs when he signed them, State advocate J C Gerber has told the Cape High Court.

Mr Gerber was arguing against an application by the defence for Dr Boesak's discharge on fraud and theft charges totalling R1.1-million in foreign donor funds to the foundation. He has pleaded not guilty.

Mr Gerber yesterday told Mr Justice John Foxcroft that Dr Boesak had encouraged auditors to adjust items, such as high travelling costs and salaries, to more acceptable levels.

"Evidence was that Dr Boesak was the one who travelled the most and this was always first class. Witnesses told the court how Dr Boesak gave specific instructions for these items to be adjusted," said Mr Gerber.

"Dr Boesak signed these financial statements on behalf of the trustees which means that he was aware that the figures were not true."

Mr Gerber referred to an affidavit by Dr Boesak during his divorce proceedings - the divorce was subsequently withdrawn - in 1992.

In the affidavit, Dr Boesak refers to his wife, Elna's, debt, and how he had to raise money to "save me from embarrassment".

"He paid these accounts from the urban discretionary account. My submission is that one can't raise money from one's own money."

New deal for people with disabilities

By ZOLILE NQAYI

STUDIES commissioned by the Department of Welfare have shown that an estimated five million disabled people who were marginalised under the previous regime continue to be marginalised under the new dispensation.

This was announced by Welfare and Population Minister Geraldine Fraser-Moleketi in a statement on the International Day of People with Disabilities last Thursday.

According to the studies on current programmes for disabled people, people with disabilities are separated from mainstream society in an attempt to make them "normal."

"A new deal for people with disabilities is imperative and the government is committed to ensuring this happens as outlined in the Integrated National Disability Strategy and through the work of the Office on the Status of Disabled Persons in the Office of the Deputy President," she said.

To address the marginalisation, protective employment workshops for people with disabilities and other services for disabled people will come under review.

One of the studies found that disability grants, to which about 90 percent of a

R4 billion government funding goes, have an "adverse effect on persons with disabilities, with strong disincentives to move from welfare to work."

The study goes on to say that disabled people who try to find employment face difficult barriers.

"Widespread discrimination in hospital work environments and limited transportation prove formidable obstacles."

Because of the finding that the protective employment workshops for the disabled are "extremely expensive, not financially sustainable, not run efficiently, pay workers less than minimum wages and serve only a small percentage, the research studies recommends that government takes responsibility for disabled programmes.

Fraser-Moleketi said the establishment of the Office on the Status of Disabled Persons and the adoption of the Integrated Disability Strategy was proof that the government was committed to improving conditions of people with disabilities. "A review of disability grants is under way. The Department of Welfare is finalising a new funding policy that will move away from the subsidy arrangement to more flexible forms of financing services," she said.

Development bank shows commitment to southern Africa

ST(BT) 6/12/98

(297)

THE extent of the Development Bank of Southern Africa's increased involvement in the region is reflected in its lending pattern.

Of the bank's new loan commitment's of R842-million for the six months to September, R113.6-million was borrowed by institutions within the Southern African Development Community (SADC) while the balance was for infrastructure delivery institutions in SA.

A proposal for regional integration encompassing the 14 SADC countries will enhance greater lending prospects in the region for the bank, whose mandate has been broadened to include the region in the past two years. But the instability that continues to plague the area — evidenced by political tensions in Lesotho and ongoing conflict in the Democratic Republic of Congo — shows the difficulty of doing business there. The bank says that it has been able to increase its exposure and has already received project applications from virtually all SADC countries.

"Discussions with governments and other stakeholders in the region have provided a platform for identifying projects and for greater synergy in the development efforts of the DBSA alongside those of others," the bank says.

DEVELOPMENT

By THABO KOBOKOANE

Despite a new broader mandate, about 86% (or R735-million) of funding that was approved remains destined for domestic infrastructure delivery.

The new loan commitments are lower than the R1.4-billion for the comparable period last year. CE Ian Goldin expects the volume of new commitments to be below the R4.3-billion approved during the previous financial year.

However, the bank remains optimistic that it can maintain a 10% growth in disbursement flows over the medium term. Total disbursements for the first half of the year amounted to R1.2-billion despite the high levels of long and short-term interest rates

which made it difficult for the bank to fund existing debt commitments.

But it says that the R1-billion raised by means of a bond issue in the Euro-rand markets in February 1998 helped cushion the DBSA from the high interest rates. Growth in the loan book, new financial policies and prefunding of the loan book enabled it to post a R143-million surplus from normal activities to R177.1-million.



OPTIMISTIC
Ian Goldin

Boesak again runs out of money to pay his defence

DD 8/12/98 (297)

International musician Paul Simon refuses to testify for the state

CAPE TOWN — Allan Boesak has again run out of money to fund his defence in his trial on theft and fraud charges involving R9m, the Cape High Court heard yesterday.

Although Boesak's legal team, comprising advocates Mike Maritz SC and Jaap Cilliers, resolved to continue for the time being, Maritz warned that this was not indefinite and that their attitude depended on the circumstances.

Maritz raised the question of funding as part of the defence's objection to a state application for the testimony of musician Paul Simon to be heard on commission. This would mean the court would appoint a commissioner to go to the US to hear Simon's evidence and then report back to the court. Simon was one of the donors who supported the now defunct Foundation for Peace and

Justice, and his evidence was crucial to explain the terms and conditions of his sponsorship, according to prosecutor JC Gerber.

Boesak has pleaded not guilty to fraud and theft from the foundation — of which he was the director — totalling R9m. Of this he is alleged to have taken R1,1m for himself.

Last week, Foxcroft rejected a state application for Simon's testimony to be heard via satellite.

He ordered Gerber to inform the court yesterday whether Simon was in fact prepared to attend the proceedings as soon as his schedule permitted, or whether he refused outright to do so.

At the start of yesterday's proceedings Gerber told the court Simon's refusal was outright.

Gerber said the testimony was crucial, and because he could not

close the state's case without it, he had instructions to apply for the testimony to be taken on commission.

The defence grounded its objection on the fact that the appointment of a commissioner would necessitate yet another postponement, which Maritz said was calculated to delay the proceedings substantially.

Judge John Foxcroft said it was in the public interest for the court to complete its task as soon as possible, and the real issue was whether the court should itself travel to the US for this purpose.

Maritz said a SA court could not function in a foreign country, and, if it did, it would make nonsense of the Criminal Procedure Act. He said a further postponement would be a serious infringement of Boesak's constitutional right to a speedy conclusion to his trial. — Sapa.

Boesak in bid for freedom as case closes

LENORE OLIVER
HIGH COURT REPORTER

The State has closed its case in the Allan Boesak trial, and his defence team told the Cape High Court today it would apply for his discharge when the case resumed on Monday.

This announcement, by defence counsel Jaap Cilliers, was met with loud cheers from Dr Boesak's supporters, who rushed forward to hug him and his wife, Elna.

Dr Boesak has pleaded not guilty to fraud and theft charges involving R1,1-million in foreign donor funds to the Foundation for Peace and Justice, of which he was director.

The foundation was established to help

victims of apartheid and received various grants from overseas donors for special projects for the upliftment of disadvantaged communities.

The State closed its case after Mr Justice Foxcroft refused an application for the court or a commissioner to go to the United States to hear the testimony of international pop star Paul Simon. This is the second request for the court to hear Mr Simon testify which the judge has turned down.

Earlier, the State sought to have him testify via a video-conferencing link.



Almost over? Allan and Elna Boesak

Today, State advocate J C Gerber handed in a fax from Mr Simon's lawyer in which the singer said he was willing to

Mr Simon had donated more than R600 000 to the Children's Trust, of which human rights activist Mary Burton and Archbishop Desmond Tutu were trustees.

The aim of the Children's Trust was to help child victims of apartheid. The State alleges Dr Boesak misused these funds.

To page 3

Judge sinks bid for Simon testimony

From page 1

testify in New York "at a time mutually agreeable to all parties".

The atmosphere in court 19 was tense as Judge Foxcroft ruled that the State's application was "ill-prepared" and "misconceived".

Seconds after Mr Cilliers asked for a week's postponement to prepare their application for discharge, Dr Boesak's wife, Elna, ran into her husband's arms.

Supporters jumped up from the public benches and hugged and congratulated the Boesaks, who spent about 10 minutes inside the court building talking to supporters.

Clearly relieved, the smiling couple walked out of the High Court into a barrage of television and press cameras.

DECISION ON DISCHARGE NEXT WEEK

Boesak elated after ruling on Simon

CT 9/12/98 (297)

A SECOND BID by the state to have US musician Paul Simon testify against Allan Boesak has been turned down because of a loophole in the Criminal Procedures Act. **RHODA DAVIDS** reports.

ALLAN BOESAK, on trial for theft and fraud relating to foreign donor funds destined for the now defunct Foundation of Peace and Justice, will know next week whether he will succeed in his bid to be discharged. This follows a ruling yesterday by Justice John Foxcroft that a bid by the prosecution for a commissioner to take evidence in the US from award-winning musician Paul Simon was "ill-prepared" and "misconceived".

After the proceedings were adjourned, an elated Boesak said: "I feel great. I go into this week with a lighter heart."

Judge Foxcroft said the state's application came at a very late stage in the trial. "The issue is the credibility of the witness. The court needs to see and hear the witness for itself, not through the eyes and ears of a commissioner."

"The Criminal Procedures Act allows for only one person to be appointed as a commissioner. This court, however, has a judge and two assessors who would all have to be appointed, which is not allowed by the act."

"(The act) permits the appointment of the judge himself as commissioner, if the court comprised the judge alone," said Judge Foxcroft.

The judge added that a criminal court moving from one country to another would have international ramifications. J C Gerber, the head prosecutor, had not consulted the Department of Foreign Affairs and there was no indi-

cation when Simon would be likely to testify.

After the refusal of the application, Gerber closed the state's case. Simon would have been its final witness.

Mike Maritz, SC, acting for Boesak, was not present at yesterday's proceedings and the application for postponement was presented by his junior, Jaap Cilliers.

Cilliers said the defence needed time to analyse the state's evidence in order to prepare an application on Monday for Boesak's discharge on charges of theft and fraud involving R9 million from the FPI, of which he was director.

He has pleaded not guilty to the fraud charge as well as to a charge of taking R1,1 million for himself.

The FPI was established to help the victims of apartheid and received grants from overseas donors including Simon, who donated more than R600 000.

The case against Boesak began to crumble when auditor Dawn King admitted during cross-examination that the cash book on which much of her evidence was based had been reconstructed with the help of convicted thief and fraudster Freddie Steenkamp.

Last month Steenkamp, the FPI's former bookkeeper and the state's key witness, caused a sensation when he admitted to having lied in evidence and apologised to Boesak in court.

Last year Steenkamp was jailed for six years after he admitted to stealing nearly R1 million from the foundation.



HIGH SPIRITS: Allan Boesak and his wife Elna leave the Cape High Court yesterday after hearing that US musician Paul Simon would not be allowed to testify against him. Boesak told reporters: "I feel great."

PICTURE: BENNY GOOL

Defence will seek Boesak's discharge

Star 9/12/98

(297)

State closes its case after scathing remarks by judge

By **LENORE OLIVER**
Cape Town

The State has closed its case in the Allan Boesak trial, and his defence team told the Cape High Court yesterday it would apply for his discharge when the case resumes on Monday.

This announcement, by defence counsel Jaap Cilliers, was met with loud cheers from Boesak's supporters who rushed forward to hug him and his wife Elna.

Boesak has pleaded not guilty to fraud and theft charges involving R1,1-million in foreign funds of the Foundation for Peace and Justice, of which he was director.

The foundation was established to help victims of apartheid and received grants from overseas for special projects for the upliftment of disadvantaged communities.

Cilliers told Mr Justice John Foxcroft he would apply for discharge in terms of section 174 of the Criminal Pro-



Cheered ... Allan Boesak

cedure Act, on the basis that the State had not proved its case.

The State closed its case after Judge Foxcroft refused an application for the court or a commissioner to go to the US to hear the testimony of singer Paul Simon.

Simon told the court in a letter he was unable to come to South Africa to testify because he was recording and had a heavy personal and business schedule.

Yesterday State advocate J C Gerber handed in a fax he received from Simon's lawyer overnight in which Simon said he was willing to testify in New York "at a time mutually agreeable to all parties".

Judge Foxcroft ruled that the State's application was "ill-prepared" and "misconceived".

Supporters jumped up from benches and hugged and congratulated the Boesaks.

Clearly relieved, the smiling couple walked out of the court into a barrage of television and press cameras.

Asked if he and his wife would take a short holiday, Boesak replied: "Holidays cost money."

"I feel great and confident and this means that after five years I can see the end of the ordeal. Next week is in the hands of the judge, but above all that, my life is in the hands of God."

He added he was looking forward to not having to get up so early each morning.

PDP graduates are closer to beating poverty and crime

ERIC NTABAZALILA

THE two-year-old Peace and Development Project (PDP), initiated by the German government to fight crime in Nyanga and Crossroads, has greatly improved the lives of residents in these areas.

Yesterday, 45 Community Peace Workers graduated from a number of different courses run by the project.

And some had already acquired full-time jobs.

Uli Burgmer, director of the project, said a task force has been formed to arrange work for those who have graduated without employment.

The workers graduated from the following courses: Secretarial and office management, furniture and crafting, hair and beauty, tourist guide, correctional services, motor mechanics, professional painting and professional driving.

Burgmer said: "Since we started this project, we have been able to change the situation in Nyanga and Crossroads. The two townships were held hostage by crime before we started.

"More than 700 cases (of crime) were reported to us in a period of nine months. We have solved 390 cases, referred 61 to social workers, 46 to community structures, 170 to police and 45 cases are still pending.

German consul-general Frank Bruns said his country has a simple principle of

giving self-help to communities to rid themselves of poverty and crime.

"The statistics shown here are testimony to the work you have done on your community. You have gained the trust of your community," he said.

Secretarial and office management course graduate Monwabisi Ngwatyu, who is crippled, said: "I feel very happy about this — it is the first step to improving my life.

"I appeal to the business sector to open the doors for us so that we can develop ourselves and be constructive members of the community".

Vuyisile Mahlangabeza, 45, who graduated on a furniture crafting course, said the project was a relief to many communities as it did not only concentrate on fighting crime but also on developing people.

"Many people in our communities are surprised by our achievements.

"At first they thought we were police mpimpis but, today, they can see that we are people who wanted to fight crime and gain skills," he said.

Provincial Community Safety MEC Mark Wiley said: "You have become very useful and trusted to your communities. The fact that you have solved 55% of cases in your community bears testimony to your commitment to bring about a crime free society in your areas."

'I feel very happy about this step to improving my life' — handicapped PDP graduate

Govt unveils plan to direct donor aid

Deborah Fine

BD 11/12/98 (297)

GOVERNMENT is to create a new body known as the Local Government Transformation Programme Board to co-ordinate and "maximise the impact" of donor aid to local authorities, constitutional development department senior official Seth Mogapi said yesterday.

The local government transformation programme is a set of strategies devised by national, provincial and municipal players to implement the vision of democratic and effective local government as outlined by the constitution. Strategies include the building of human resources and organisational capacity, the dissemination of information, and the provision of technical and institutional assistance.

The strategies indicated the type of support donors and other funders could contribute to local government transformation.

Mogapi, the department's local government training director, said donors often tended to favour work in selected provinces and municipal areas, providing specific types of support. This had led to certain areas and projects being "over-researched", while other areas remained neglected.

While not wanting to be prescriptive, government believed it was necessary to make donors aware of the need for the greater co-ordination of aid to ensure a "more balanced and equitable" approach.

Greater co-ordination would allow different projects to complement each other to a greater degree, thus ensuring maximum effect, he said.

The new board will meet for the first time in January. Its main function will be the formulation of transformation and co-ordination policies, and the dissemination of information. It will determine overall priorities for local government capacity building and identify gaps in existing support initiatives.

Donors will be encouraged to approach the board for information as to which areas and projects would contribute most to transformation. The board will comprise representatives from the department, the finance ministry, provincial local government departments and the SA Local Government Association.

Mogapi said donors — including USAid and the British international development department — had viewed the move positively, although there was "slight resistance" from some donors who preferred to "retain their identity with certain projects".

FOCUS

Eradication, not alleviation, of poverty must be the target now

The UK sees itself as leader in third-world development partnerships, writes Wynndham Hartley

GEORGE Foulkes is clearly proud of the way in which Britain's Labour Party government has reformed its policy for giving aid to developing countries.

"It may sound arrogant, but I do not mean it like that. I think with the new Labour government taking power, Britain has moved into a position of leading the way in international development."

Referring to the white paper which governs the way in which the international development department works, he said the biggest change was placing the emphasis on eradicating poverty.

"We used to talk about alleviating poverty as if you could put sticking plaster over it to make poor people feel better. You cannot alleviate poverty, of course, but have to eradicate it."

"The white paper is the first in 22 years by a British government and is seen not just as a blueprint for our work but as a guide by other

governments and international organisations.

"United Nations secretary-general Kofi Annan wrote to my minister Clare Short in order to thank her for the paper which is showing the way."

Foulkes stressed that the change of emphasis from alleviation to eradication was not the only important departure in the white paper. Another was the incorporation of targets that had been agreed at various international conferences over the years and had not been followed up.

"We have followed it up and included targets in our basic policy document. We do not exaggerate what Britain can do alone. By the same token you should not underestimate what we can do if we all do the same thing and work in the same direction for the same targets and goals with the political will to see it through," he said.

"The other thing we have done is to turn words into action regarding money."

"What we did was to implement a comprehensive spending review in Britain looking at all expenditure for the next three years. This department was given the biggest increase for any department with 28% or an extra \$1.6bn over the next three years."

"That means that we are going to be in a position to implement another pledge, which is to turn around the decline in spending as a percentage of GDP for developing countries."

He said that when Labour was last in power in 1979, aid or development funding was 0.51% and rising. When they won power back last year after 18 years in opposition, the amount was 0.26% and falling. Now it is up to 0.3% and set to continue rising. He said that to have followed the white paper with a comprehensive spending review was a major achievement.

Asked whether he thought Britain was perhaps leading the way in the development of

a social conscience for the developed world, Foulkes said they were doing it because "it is morally right."

"You cannot just sit back and watch 1.3 billion people living in abject poverty. Our energies are also an acknowledgement that it is in our common interests to implement development programmes because we live in the global village and are interdependent."

Foulkes said that in Brazil for instance, there were projects which taught people not to slash and burn the tropical rain forest while at the same time showing them how to survive agriculturally. "We are funding teaching people to survive without slashing and burning. That helps us with global warming and so on. It is in our common interest to do it."

He acknowledged that there was a contradiction with British and American companies logging in the rain forests while his department tried to teach locals not to. It

was a separate issue which they were trying to address through ethical trading policies.

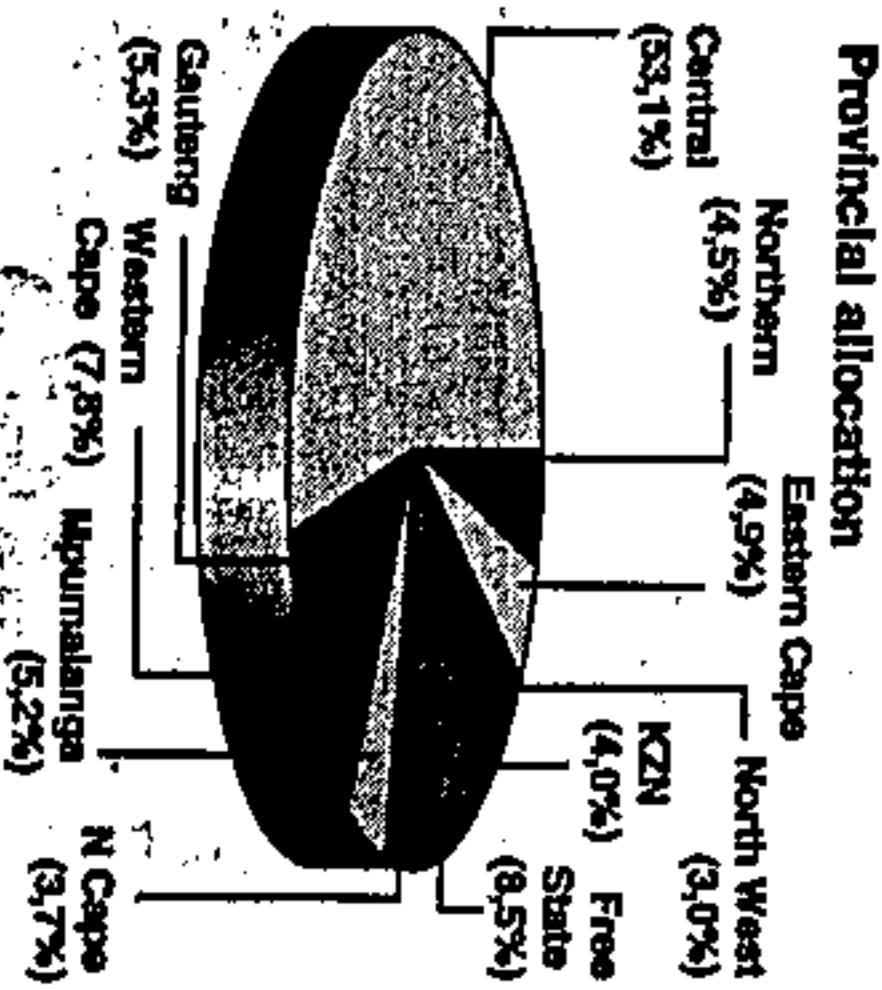
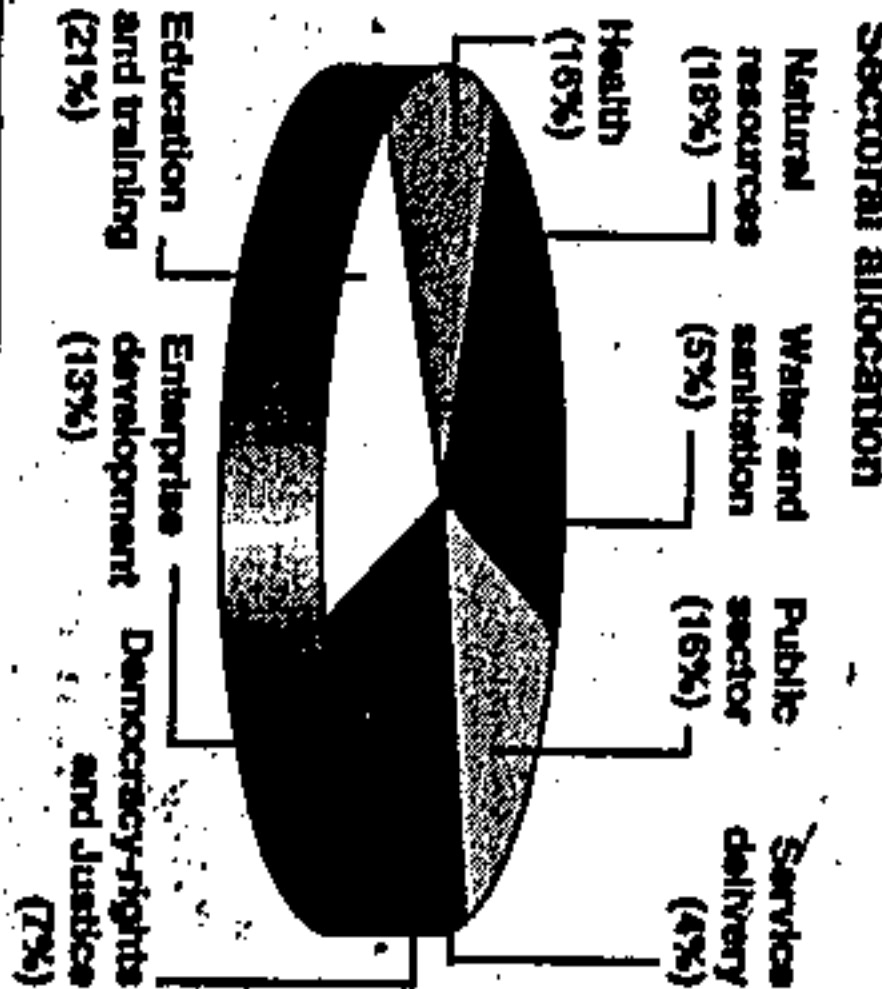
The projects in SA had involved extensive consultation and discussion with South Africans, Foulkes said.

"Related to that is the fact that our department is not just an aid department handing out money but a development department implementing coherent policies which makes sure that trade, investment and agriculture policies, for example, do not undermine development initiatives. That means working across the government departments."

Foulkes said that in this context, Britain was keen to see the trade deal between SA and the EU signed and sealed.

"We would have liked that to be done before the end of this year. There are 15 countries in the EU, each with its own concerns, but an agreement is as much in Europe's interests as it is in SA's."

UK government: development finance to SA 1997/98



With doubts recently being raised about the prospects for the country under a Thabo Mbeki presidency, Foulkes took a positive upbeat view.

"Yes, we do have a great deal of confidence in SA's potential stability even though we recognise that there are enormous problems which have resulted from the apartheid inheritance. I am tremendously impressed by the ability and quality of ministers and public servants who have a clear determination and understanding in getting things done and an understanding of the value of entering into partnerships with the likes of Britain."

He was far more alarmed at the recent HIV/AIDS figures for SA than fears of political instability. "They announced there were 1 500 new infections each day in SA when there are that many a year in Britain. That really frightened me!" He agreed the decline of the economically active in SA through AIDS in the years to come posed a significant threat to any development assistance paying the dividends it should.

He said, however, he was confident there was potential for an African renaissance and for SA to lead it. He dismissed non-delivery criticisms by saying that while the Labour Party had delivered on all but eight of their 170 election promises, there were

those who would believe that nothing had been achieved. "Sometimes it takes some time from outside to see the value of people in government." He said there had been a shift away from the idea of aid being tied to good governance because that punished people for what their leaders were doing.

Britain, he said, used international agencies, civil society and other alternative means of getting assistance to people if they did not want to have a relationship with a particular government.

"We are always wary of saying 'if you do not do this, we won't give you that. A lot of assistance is to help poor people to exist."

"If there are ways of delivering assistance other than through a government with which we do not want to have ties, such as through international agencies or through civil society, we will use them. It is difficult, though, to do anything with a country in conflict and for this reason we fully endorse the SA diplomatic initiative to find peace in the Democratic Republic of the Congo."

While in SA, Foulkes announced the granting of R80m to assist SA in the development of its revenue service and he held talks with Water and Forestry Minister Kader Asmal, which resulted in R25m in assistance for the restructuring of state forests.

Former soulmates are

NGOs in the firing line as they try t.

Why has Deputy President Thabo Mbeki become so angry with Idasa, an organisation that was instrumental in ending apartheid? Political Editor **HUGH ROBERTON** looks at possible reasons



It has all the makings of a messy divorce. The searing emotions, the sense of betrayal, the slanging matches, and the withering recriminations and bad-mouthing are all there.

The difference in the emerging contretemps between the African National Congress and some of the "political" non-government organisations, or NGOs, is that there never was a marriage between them to begin with, though the ANC apparently thought there had been.

What seems to have given the ANC such a mistaken idea is the fact that some of the NGOs which nowadays trigger spontaneous retching in the ANC's national executive, in particular Idasa, were comrades and soulmates at the forefront of the long battle against apartheid.

In fact, Idasa, through the daring of its founder, Frederick van Zyl Slabbert, actually began the process of direct talks with the ANC at a time when such contacts were not only outrageous in the eyes of the apartheid government, but illegal.

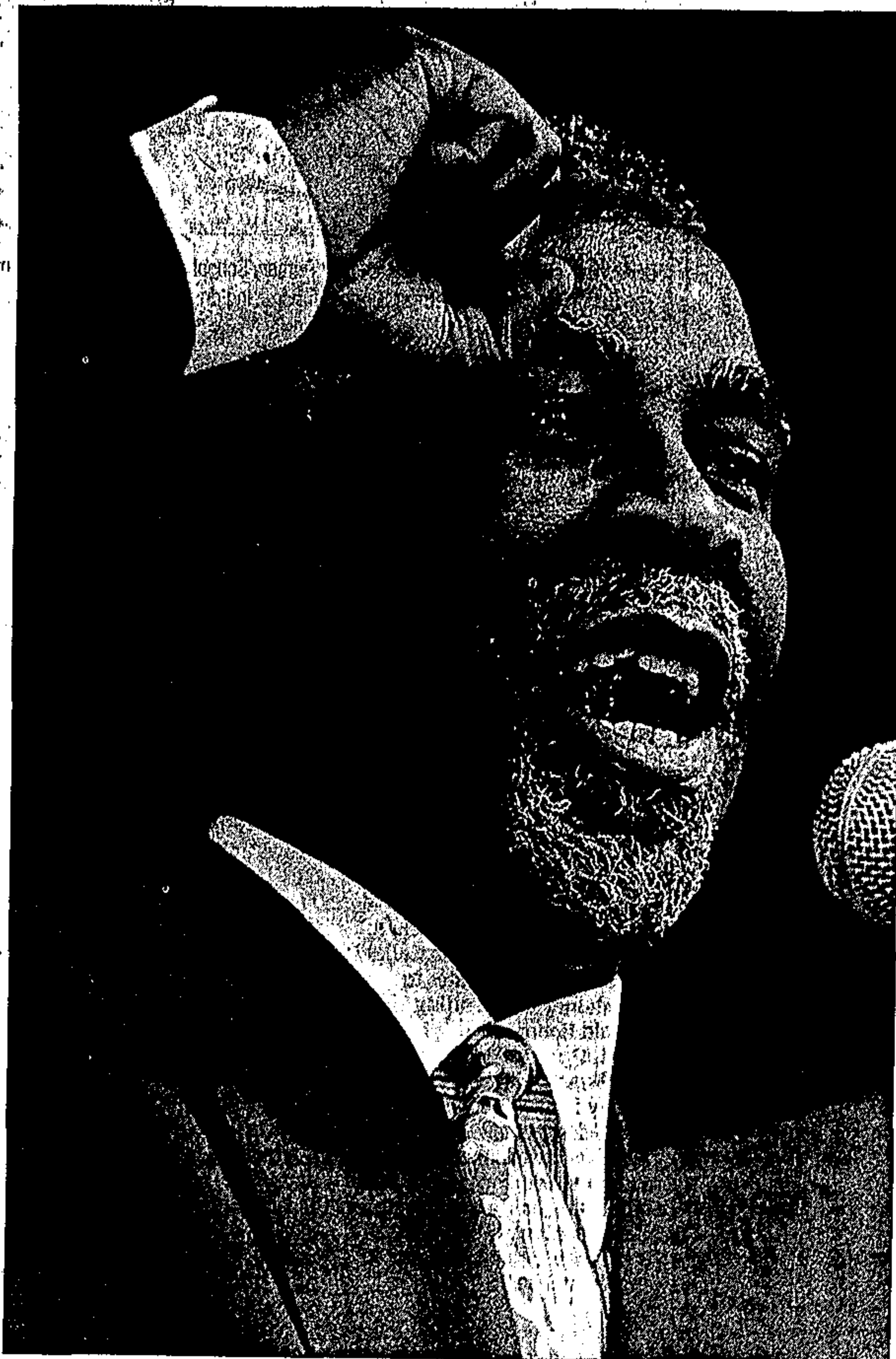
What seems to have provoked the denunciations of Idasa by Deputy President Thabo Mbeki and other ANC spokesmen in recent days appears to have been Idasa's decision to continue its role as a "watchdog" over the activities of the ANC government.

The suggestion implicit in Idasa's decision is that the new Government has as much potential for abusing its powers as any other organisation of mortals, and that a vigilant civil society will be as necessary under an Mbeki-led government as it ever was.

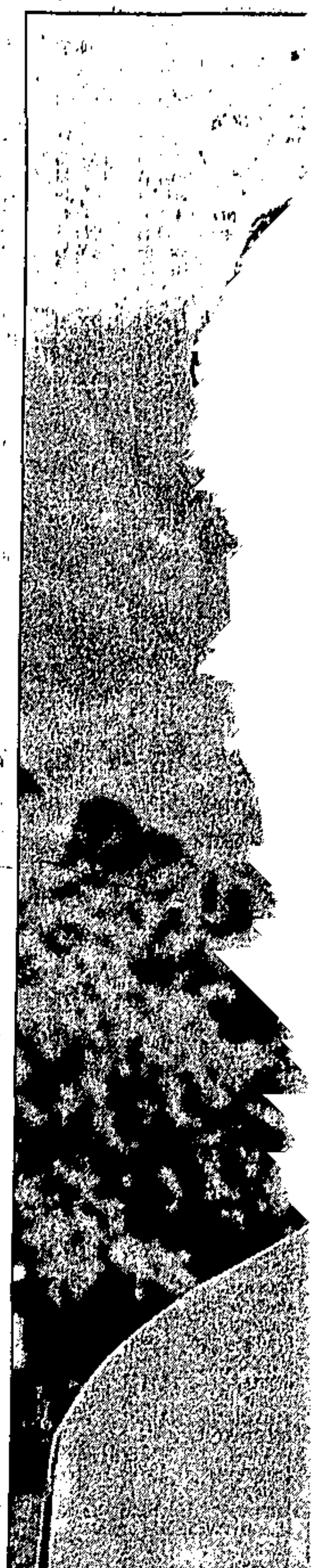
With this argument, Idasa's outgoing director James Wilmot sought R4,4-million from a foreign donor to promote democracy-monitoring activities next year when Mr Mbeki is expected to become president.

He did so very confidentially, but somehow his letter reached Mr Mbeki who, with the indignation of a wronged spouse, triumphantly cited it as evidence of infidelity and set off a nasty exchange.

But differences between the ANC



Angry: Deputy President Thabo Mbeki



Offended: Idasa director Wilmot

and the NGOs go back far further than the latest flare-up.

President Mandela led a charge against NGOs at the ANC's Mafikeng conference last December.

He was unspecific, though, denouncing "sections in the non-government sector which seek to assert that the distinguishing feature of a genuine organisation of civil society is to be a critical 'watchdog' over our movement".

And he alluded to the sense of a

past relationship by saying: "Strangely, some of the argument for this so-called 'watchdog' role was advanced from within the ranks of the broad democratic movement, at a time when we all arrived at the decision that with the unbanning of the ANC and other democratic organisations, it was necessary to close down the UDF."

"Thus we ended up with a situation in which certain elements, which were assumed to be part of our

movement, set themselves up as critics of the same movement, precisely at the moment when we would have to confront the challenge of the fundamental transformation of our country and therefore, necessarily, the determined opposition of the forces of reaction."

Mr Mandela went on to say: "They lack the issue-driven mass base that is the defining feature of any real NGO and are therefore unable to raise funds from the people

themselves possibly act as instruments against them to prevent external interference."

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CAPE ARGUS ISSUES

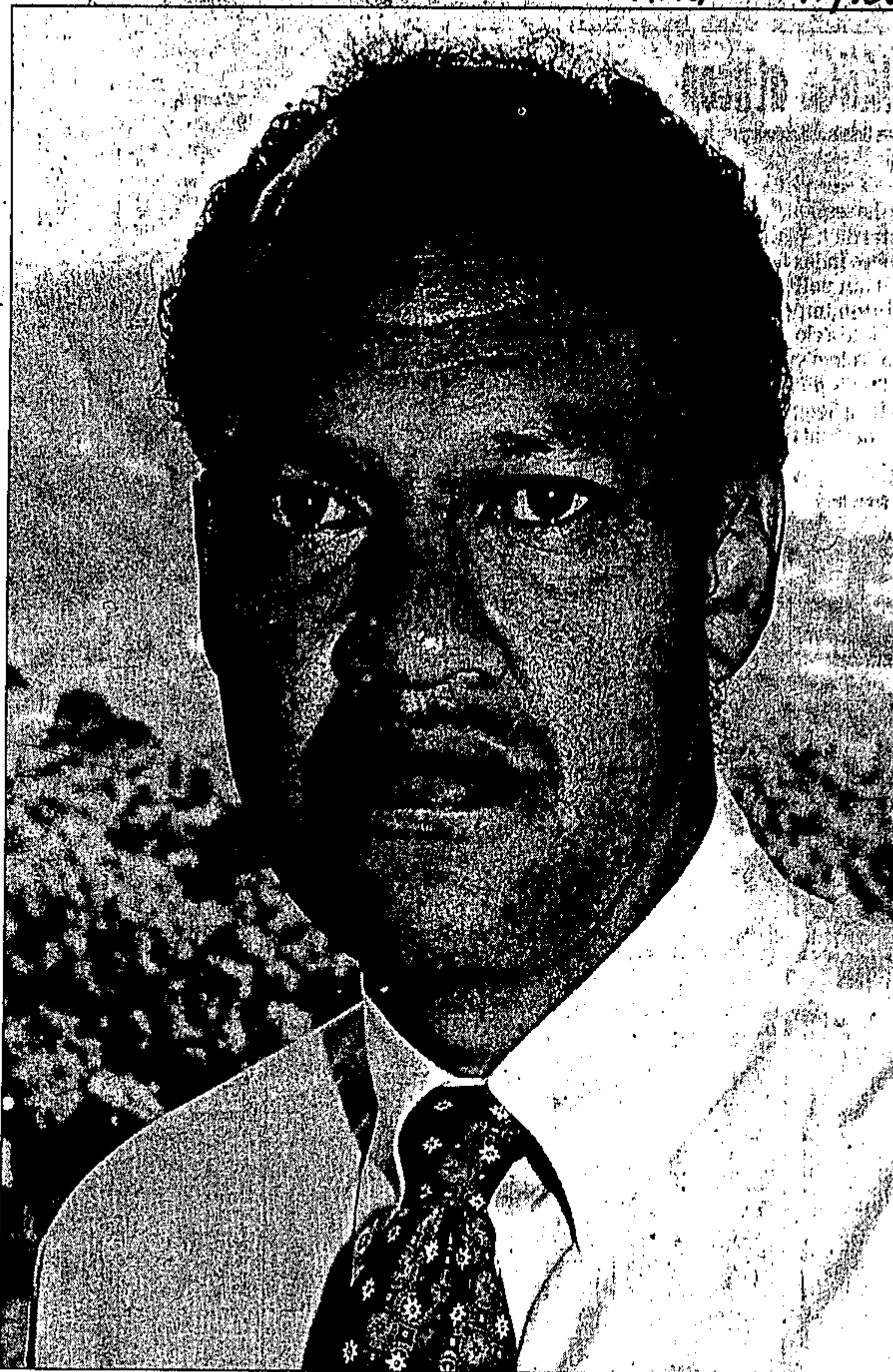
es are struck asunder

as they try to play role of watchdog

(297)

ARG

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government in the world which relishes having to deal with "watchdogs" in addition to its elected opposition.

But there is probably no democratic government which does not have to contend with these "watchdogs" of civil society, whether they be the media or NGOs like Idasa. They are everywhere and they are essentially beneficial components of modern democracies.

Why should the ANC be so jittery about them, and about Idasa's future role as a "watchdog"?

It surely does not assume that it is unique among political organisations in having no potential in its midst for the abuse of power. The Truth and Reconciliation Commission's report of ANC human rights abuses is eloquent testimony to that fact – and Mr Mbeki's apparently irritated reaction to its report indicates this.

But Mr Mbeki has staked his reputation on his commitment to constitutional government and the rule of law and since all who know him agree that he is driven by a deep sense of honour it is most unlikely that he would renege on that commitment.

So he should have little to fear from Idasa's watchdog role – except, of course, the particular pain that can be inflicted by a partner from the past, one which perhaps got to know the ANC and its foibles more intimately than most.

The South African National NGO Coalition, through its deputy president Mercia Andrews, expressed disappointment at the ANC's response to the letter from Wilmot James that was leaked to it.

And SANGOCO had some worthwhile points to make.

"SANGOCO believes that NGOs, and civil society organisations more broadly, have every right to analyse and comment on the political context in which we work, and to fundraise on this basis. However, we do not believe such analysis should be personalised," Ms Andrews said.

"Democracy and holding government accountable should not be limited to casting our vote every five years. It is critical for representative organisations, analysts and NGOs to engage in political debate and dialogue. This should be done in an open and transparent manner without fear of recrimination.

"Similarly, political parties have every right to disagree with opinions expressed by civil society bodies and to engage those bodies in public debate. However, political parties should not discredit, silence or malign individuals or organisations in the process."

Offended: Idasa director Wilmot James

LEON MULLER

movement, set themselves up as critics of the same movement, precisely at the moment when we would have to confront the challenge of the fundamental transformation of our country and therefore, necessarily, the determined opposition of the forces of reaction."

Mr Mandela went on to say: "They lack the issue-driven mass base that is the defining feature of any real NGO and are therefore unable to raise funds from the people

themselves. This has also created the possibility for some of these NGOs to act as instruments of foreign governments and institutions which fund them to promote the interests of these external forces."

Mr Mandela's attempt at stirring up paranoia against "foreign interference", a tactic frequently used by the old regime to discredit Idasa and other NGOs, was revealing in a self-defeating sort of way.

It suggested that when the NGOs

were on the same side as the ANC in the struggle against apartheid their foreign funding and their role in civil society was fine, but that when they decided to continue doing what they did before, their role suddenly became suspect.

And the ANC itself was a beneficiary of funds (and, who knows, may still be) from some of the same foreign donors about whom Mr Mandela was creating suspicion.

There is probably no democratic

Enabling the disabled

An empowerment group is helping the disabled get back on their feet, writes Nashen Moodley

PHG 11-17/12/98

Stocking everything from soya mince to insecticide, Michael Nkosi's tuckshop is constantly busy. He intends expanding his business to include a fruit and vegetable store, and eventually become a wholesaler to several other tuckshops in Soshanguve, a township outside Pretoria.

His plan may not seem overly ambitious, but a year ago Nkosi, suffering from kidney failure, was close to death. Forced to relinquish his job at the South African National Defence Force, he had little to look forward to.

A nurse told Nkosi about an empowerment organisation for disabled people, and so began his relationship with the Medunsa Organisation for Disabled Entrepreneurs (Mode).

Mode was founded in 1993 in an attempt to provide "socio-economic solutions for people with disabilities". Eschewing belief that economic empowerment of the disabled lay in the weaving of baskets and construction of cane furniture, Mode has provided

training, capital and life skills enabling 30 disabled entrepreneurs to set up businesses in Soshanguve alone.

Many disabled people have been empowered to generate wealth and support their families. Mode has not only helped to alleviate the financial burdens of the disabled but has also instilled in them a sense of worth.

"Before I was running this business, I was just a disabled person and I was very sick," says Nkosi. "Most of my friends visited me at first, but later all the visits stopped. Mode helped me regain my confidence, and now I am happy that I can help my family without bothering other people."

One of Mode's key challenges is to combat neglect and discrimination faced by the disabled in their communities. According to Mode business counsellor Jemima Maheso, one way of doing this is through community recruitment programmes.

"Communities don't have enough knowledge about disabilities, and that is why they still discriminate against



people and neglect them," Maheso explains. "Now the community can see what we do, they see that disabled people can become successful."

In this way Mode has made great strides in altering communities' perceptions of the disabled. Parents are now more likely to seek assistance for their disabled children than to hide them from critical eyes.

Mode's work has not gone unnoticed by the government. The organisation works in partnership with the departments of welfare, labour, trade and industry and

health. The Department of Trade and Industry, through its Khula Enterprises, provides the bulk of capital for Mode's lending programme.

Martin Ngeoepe is a beneficiary of this close working relationship between government departments and Mode. After matriculating in 1987, he was denied employment because of his heavy limp and was repeatedly denied a disability grant.

The hopelessness of his situation began to take its toll, and Ngeoepe was rapidly losing hope. "I went to so many companies and filled in so

many forms — the Z23s and the Z27s — but I was always rejected. I was very depressed and frustrated."

Mode not only ensured Ngeoepe received his grant, but also granted him an R18 000 loan with which to start a tuckshop. He has repaid his first loan and has applied for a second with which to expand his stock.

When he speaks of his future, Ngeoepe's excitement does much to convey Mode's effectiveness in retrieving people from the peripheries of society, helping them become self-reliant and self-confident.

Turnabout:
A year ago, disabled entrepreneur Michael Nkosi had little hope for the future. But with the help of Mode, he is no longer reliant on meagre handouts for survival. Instead he has opened his own business and is reaping the financial rewards.
PHOTOGRAPH:
MADINE HUTTON

Boesak's broke, but not bust

(297)
MHG 11-17/12/98

The state's 'watertight' case against Allan Boesak has sprung several damaging leaks, writes Chiara Carter

Two years after being charged with embezzling millions of rand in donor funds, anti-apartheid hero Allan Boesak has seen his defence counsel demolish key accusers. Boesak has petitioned the Cape High Court to dismiss what many assumed at the outset to be a watertight felony case.

The court is still to hear Boesak's petition, then decide whether to allow Boesak to walk out a free man or to continue the trial.

However, this week Boesak bubbled with optimism that a punitive cloud under which he has laboured since 1996 is about to lift.

The embezzlement charge cost him the South African ambassadorship to the United Nations, for which he had been designated by President Nelson Mandela. Many old friends from the liberation struggle abandoned him. And he is broke financially.

Boesak has pleaded innocent to charges of fraud totalling about R9-million in donor funds that the state says were not used for the purposes donors intended. The state also accused Boesak of enriching himself by stealing R1-million of donor funds.

His trial was expected to be a legal marathon, with 166 potential witnesses. These included anti-apartheid luminaries such as Desmond Tutu, Beyers Naude and Chris Nissen. So far, fewer than 30 witnesses have taken the stand.

The state ended its prosecution this week, not with a flourish, but with a whimper. Prosecutors closed their case against Boesak after United States musician Paul Simon failed to come to South Africa to testify about money he donated for the Children's Trust.

Simon's no-show was the latest in a series of heavy blows dealt to the prosecution. Earlier in the trial, veteran defence counsel Mike Maritz forced a dramatic about-face from the state's key witness, Freddie Steenkamp, former bookkeeper for the Foundation for Peace and Justice (FJP) headed by Boesak.

Steenkamp admitted he lied when he accused Boesak of theft and authorising the transfer of certain funds. Steenkamp, who pleaded guilty last year to six counts of fraud and theft totalling R3,7-million, previously placed much of the blame for his criminal behavior on Boesak.

His reversal strengthened the defence's case that responsibility for money stolen or irregularly transferred lay with Steenkamp and possibly other FJP staff members.

Maritz has also followed an anti-apartheid



Bouncing back: Allan Boesak

struggle accounting thread of explanation: that Boesak had not revealed spending on political work, including travel expenses, because of security reasons, and that one FJP account in particular, the Discretionary Urban Fund Account, was intended to fund Boesak's activities.

A world-recognised religious leader, Boesak played a key role — along with Tutu — during the 1980s in opposing apartheid while the African National Congress was banned, and Mandela and other political opposition leaders were in jail.

Maritz's cross-examination drew crucial admissions, not only from Steenkamp but also several other key witnesses.

Boesak's former secretary, Lucille Fester, admitted her evidence differed from what she told the Office for Serious Economic Offences (OSEO), and that she had taken large loans from the FJP.

Sacked FJP employee Thelma Sacco conceded that money she said was used for a trip to Disneyland in the US was repaid by Boesak, and that she too had made conflicting statements to the OSEO. Forensic auditor Dawn King admitted much of the reconstructed cashbooks were based on information supplied by Steenkamp.

But she told the court about a potentially damaging complex network of inter-account transfers and unrecorded expenditure at the

FJP. Her testimony included:

- Money contributed by Swedish donors and kept in a Western Cape Leadership Project fund paid for Boesak's luxury car and security at his home.

- Boesak's private requirements and a house in Vredehoek, Cape Town, were paid from the Lavender Hill Urban Foundation account.

- Only 27% of about R330 000 from Norway reached impoverished rural communities.

- The FJP's Urban Discretionary Fund was used to channel disbursements, travelling expenses of R402 000 incurred by the FJP in 1991, included R177 000 spent on Boesak alone and a further R50 000 spent on his wife and family.

- The discretionary fund paid R10 482 to a Stellenbosch restaurant for Boesak's wedding celebrations in February 1991, and for Boesak's Constantia home.

Maritz disputed much of King's testimony and tried to discredit her as a witness against Boesak. Under cross-examination, King admitted several errors in her report.

The court heard from FJP funders Danchurch Aid that rumours about mismanagement first surfaced in gossip about who was paying for the Constantia luxury home that Boesak bought after he married former SABC producer Elna Botha in 1991.

Maritz argued that Boesak was entitled to a R7 500 monthly housing allowance, and this had been listed in divorce papers involving his first wife.

The court also heard that several rural projects never received full funding. The US Coca-Cola Foundation donated about R250 000 for a project in the Karoo town of Carnarvon that also received support from Danchurch Aid — the funders that first began an investigation into the FJP's affairs.

Steenkamp accused Boesak of soliciting funds from the Coca-Cola Foundation under false pretences — not mentioning the money was intended for setting up commercial ventures and not going directly to the rural poor. However, Steenkamp admitted he did not have first-hand knowledge of the projects, and that he had transferred R50 000 of R250 000 donated by Coca-Cola into the discretionary account to cover for money he previously stole.

Representatives from Danchurch conceded that political expenses might have been concealed in FJP reports but said the money was supposed to go to other designated recipients.

The state wanted Simon to give evidence about his donation to the Chil-

dren's Trust. But Simon sent a message to the court saying he was unable to testify at any time in South Africa. Judge John Foxcroft ruled against hearing Simon's testimony abroad.

Foxcroft said the court had not even been given an affidavit outlining the kind of testimony Simon intended to lead. Steenkamp previously accused Boesak of authorising the transfer of about R400 000 from the Children's Trust into the FJP overdrawn account — an illegal transaction for which Steenkamp is serving a prison sentence.

The court heard that the Swedish donors gave the Eleutheria Trust R780 000 for 12 videos on democracy prior to the elections, that Elna Boesak's video production company, Camelot, produced only one video, and that she created conflict in the trust after she proposed that the money be spent on a more long-term project — a film studio in town. Former FJP trustees Charles Villa Vicencio and Lionel Louw testified they resigned from the FJP board after unease that it was a "one-man show" run by Boesak alone.

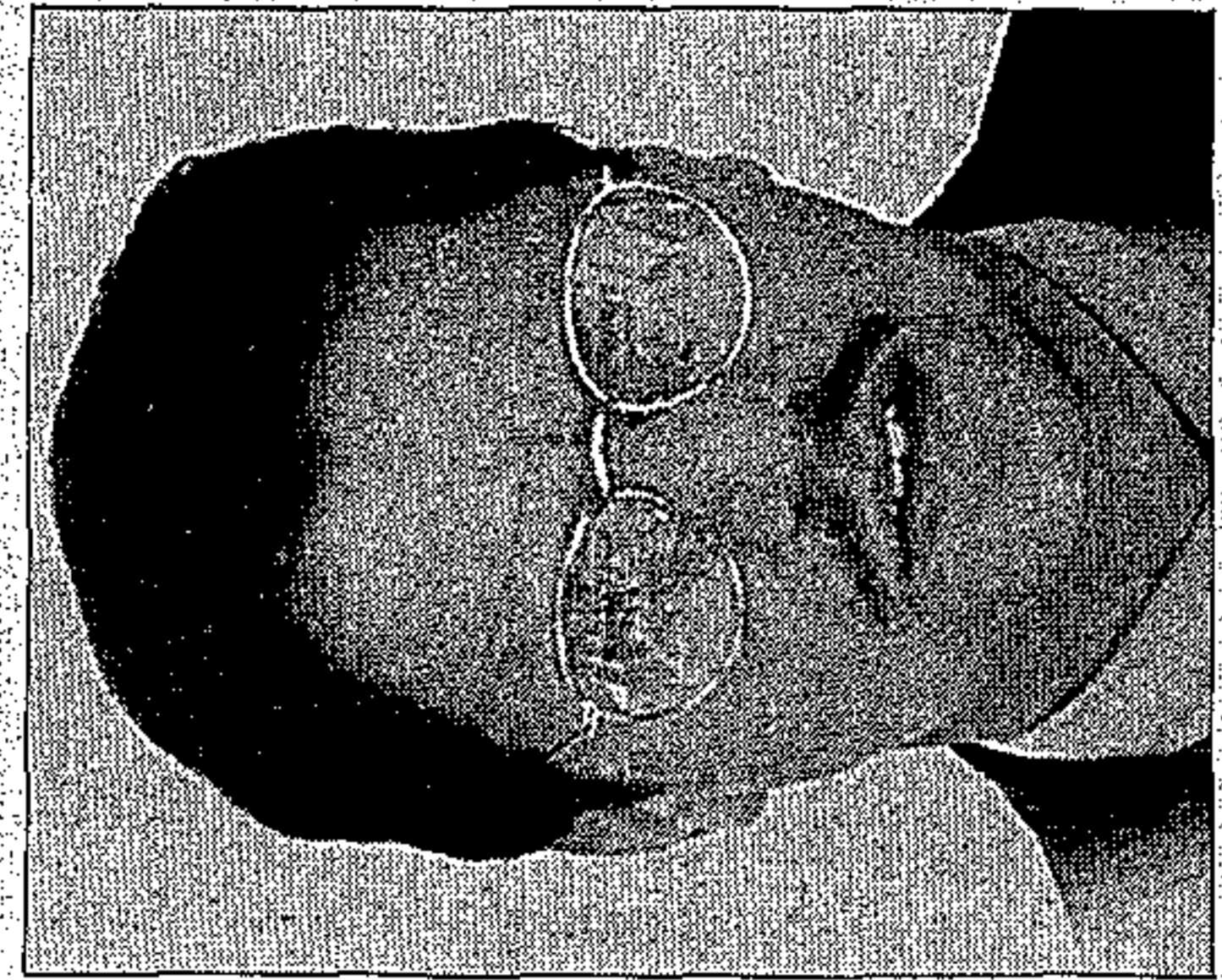


Fraudster Freed in Swartland

(297)

Boesak's former bookkeeper checks into the R173-m model facility

ARG



SERVING TIME: Freddie Steenkamp

GLYNNIS UNDERHILL

Convicted fraudster Freddie Steenkamp, who admitted lying when he implicated former activist Allan Boesak in the misuse of foreign funds, has committed himself to rehabilitation at the new R173-million Malmesbury Prison.

While it was originally believed Steenkamp would serve his sentence at the dilapidated and overcrowded Pollsmoor Prison, his transfer to the hi-tech Malmesbury Prison in the Swartland would have been a welcome relief for him.

The barbed-wire fencing and face-brick façade might be austere, but once inside the building the human touch is at work. Malmesbury

Prison is a pilot project for South Africa and is set to revolutionise prison rehabilitation, offering prisoners personalised attention, education and recreation.

Set on the outskirts of the small country town, the prison was specifically designed for the needs – ranging from group therapy to rugby – of prisoners who will re-enter society after a spell of around four years behind bars. However, Correctional Services said this week it also sent prisoners with as long as 30 years to serve to Malmesbury.

Forty-two year old Steenkamp, who was convicted in the Cape High Court on five charges of fraud involving R2,8-million and one charge of theft involving R906 065 of foreign donor funds, is a first-time

offender. Correctional Services spokesman Johan Pienaar said this had swung the decision to send him to Malmesbury Prison.

“He hasn’t committed any other offences and while in custody for the past year, he has behaved himself. He has also committed himself to rehabilitation at Malmesbury,” he said.

The quietly-spoken, bespectacled bookkeeper was sentenced to six years’ imprisonment but he has spent the past year in a Table View police cell while co-operating with the State as the chief witness against Dr Boesak.

Last month Steenkamp changed his evidence dramatically, apologis-

had implicated the former Western Cape African National Congress leader to cover his own back.

Steenkamp, the son of a former policeman, surprised the packed courtroom when he said he accused Dr Boesak of stealing funds mainly because Dr Boesak had prejudged him in remarks to the media.

The well-groomed state witness said that he had lied under oath during his own trial a year ago.

A top legal source said it would only be decided after the conclusion of Dr Boesak’s trial whether Steenkamp would face perjury charges or charges of defeating the ends of justice for lying in affidavits he made under oath.

Dr Boesak’s lawyer Jaap Cilliers has asked the court to adjourn the

with a human touch

jail

12/12/98

trial until Monday to allow the defence to prepare a full application for the case to be dismissed.

Both Steenkamp and Dr Boesak worked for the Foundation for Peace and Justice, established to channel foreign funds to needy causes.

Dr Boesak, who is being tried on 32 charges of fraud and theft of donor funds intended for the victims of apartheid and involving R1,1-million, has pleaded not guilty.

The court this week rejected an application by the prosecution to hear the testimony of singer and donor Paul Simon in New York.

As the high-profile case draws to a close, Steenkamp is being assessed along with the other new arrivals at Malmesbury Prison, said Mr Pienaar.

“He is in the special access unit where it will be decided which programmes he should attend,” he said.

Prisoners at Malmesbury spend three weeks being assessed on arrival at the prison, after which the treatment for individual problems is on offer.

If prisoners fit the scheme, they move to their own cells – a far cry from the 40 to a communal cell that is common at most prisons.

If prisoners show no willingness to be integrated into the prison structure, they are moved to other maximum security prisons.

But the bookkeeper, whose luxury assets before his sequestration included a BMW, a skiboat and four Cape properties, has opted wisely for rehabilitation.

Witnesses lashed in Boesak trial

LENORE OLIVER

HIGH COURT REPORTER

ARG 14/12/98

(297)

Allan Boesak's defence team today launched a blistering attack on State witnesses Lucille Fester and Freddie Steenkamp in Dr Boesak's fraud and theft trial in the Cape High Court.

The team called them "dishonest and unreliable" and said their testimony "was of the poorest quality imaginable". Ms Fester was Dr Boesak's secretary at the Foundation for Peace and Justice, and Steenkamp was its bookkeeper.

Defence counsel Mike Maritz was starting his argument for Dr Boesak's discharge.

Dr Boesak has pleaded not guilty to fraud and theft charges involving R1.1-million in foreign donor funds to the FPJ.

Mr Maritz based his argument on section 174 of the Criminal Procedures Act, which stipulates there must be sufficient evidence on which a reasonable person could convict the accused.

Regarding three charges relating to a donation from the Coca-Cola Foundation, Mr Maritz said: "Mrs Saunders-Jones of the Coca-Cola Foundation could not refute any of Dr Boesak's explanations." The State alleges Dr Boesak misled Coca-Cola about what the funds would be spent on.

"It later also transpired that Freddie Steenkamp had stolen R50 000 of this donation to plug a hole in another account from which he had stolen the previous month."

He said there was not a "shred of evidence that Dr Boesak acted fraudulently or that he intentionally misappropriated funds". The only witness who had attempted to implicate Dr Boesak was Steenkamp, his former bookkeeper, who had later retracted.

Evidence is lacking, says Boesak camp

CAPE TOWN — Theft and fraud charges against anti-apartheid cleric Allan Boesak should be dropped, as there was not enough evidence to convict him, Boesak's lawyer has told the Cape Town High Court.

"If the evidence falls short of the required standard, the accused ought to be set free," Mike Maritz told the court yesterday as he argued for dismissal of 32 charges of fraud and theft of foreign donations meant for victims of apartheid.

Maritz said the state had not produced sufficient evidence for the case to continue and for Boesak to take the stand.

He said there was "not a shred of evidence" to substantiate charges that Boesak stole money donated by the charitable arm of Coca-Cola or funds given by US singer Paul Simon.

Maritz was scheduled to continue his argument today.

Boesak has pleaded not guilty to the charges accusing him of stealing

more than \$167 000, largely donated by Scandinavian organisations.

The case against Boesak started to fall apart last month when the key witness against him, former foundation bookkeeper Freddie Steenkamp, admitted he had been lying.

Steenkamp, jailed last year for six years after admitting he stole nearly R1m from the foundation, apologised to Boesak in court and said he deliberately implicated the cleric to cover his own back. — Reuter.

(297)

DD 15/12/98

Boesak's defence blames staff for theft of R1,6-m

Bookkeeper Steenkamp is singled out

LENORE OLIVER
HIGH COURT REPORTER

ARG 15/12/98

If Foundation for Peace and Justice workers Lucille Fester and Freddie Steenkamp had not stolen almost R1,6-million, the foundation's projects would have received all the donated money due to them, the Cape High Court was told today.

This was the submission of Mike Maritz, counsel for Allan Boesak who has pleaded not guilty to fraud and theft charges involving R1,1-million in foreign donor funds to the foundation. Mr Maritz is arguing for the second day for Dr Boesak's discharge.

Lucille Fester was Dr Boesak's secretary and Freddie Steenkamp the foundation's bookkeeper. Steenkamp is serving six years in jail for theft from the foundation of more than R900 000.

Mr Maritz told the court today: "In fact, the amount stolen by Fester and Steenkamp far exceeds the total of the shortfall of the project.

"Therefore, it stands to reason that if they had not stolen there would have been no shortfall."

He said that on the evidence of people who represented the project there was no contact with Dr Boesak.

"Dr Boesak did not oversee the projects and mainly left it to Steenkamp who also testified that he had stolen money from overseas donations."

Regarding charges of theft from the foundation's main account and the urban discretionary account, Mr Maritz said Dr Boesak was entitled to housing and car allowances, including vehicle repairs.



LEON MULLER

Two for the road: Elna and Allan Boesak arrive at the Cape High Court yesterday

Evidence before the court by the foundation's trustees as well as Steenkamp was that Dr Boesak determined his own remuneration package.

"It happened that he sometimes personally paid these items and was then later reimbursed in the form of bonuses.

Mr Maritz said Dr Boesak could not steal from the urban discretionary account because it was his own account.

The State alleges Dr Boesak paid his wife's debts from this account.

Mr Maritz said: "Steenkamp during his evidence told the court the urban discretionary account was Dr Boesak's own

account."

Yesterday, Mr Maritz spent all day motivating his client's discharge on the 32 charges.

He launched a blistering attack on the State's witnesses, calling them "dishonest and unreliable", and said their testimony "was of the poorest quality imaginable".

He said Lucille Fester was dishonest and, although she did not concede to having stolen from the foundation, the evidence was overwhelming that she had.

Of Freddie Steenkamp, he said: "Steenkamp was also dishonest, unreliable and completely mendacious."

GERBER WANTS 'EXPLANATION'

Boesak defence: State has failed to prove case

(297)
CT 15/12/98

ALLAN BOESAK'S defence, applying for discharge of their client on theft and fraud charges, said the state's case was full of holes. **RHODA DAVIDS** reports.

PROSECUTOR J.C. Gerber has not proven the state's case in the fraud and theft trial of former anti-apartheid cleric Allan Boesak, said the defence team yesterday.

The defence arguments completed a two-day application for Boesak's discharge in the Cape High Court.

Mike Maritz, SC, for Boesak, argued that the purpose of trial testimony is for the state to prove its case. In this task, he said, it had "failed horribly".

Maritz asked Judge John Foxcroft to take into consideration that Boesak has had to put his life on hold since August, when the trial started.

"He has not been able to continue with his political career and has lost a diplomatic appointment

to Geneva as a result of the case."

Boesak had been subjected to the public shame of standing accused in a much-publicised trial and ought not to be subjected to further delay, as it was his constitutional right to a speedy trial.

Maritz added that Cape Attorney-General Frank Kahn had acted selectively when calling witnesses to testify. He said Boesak's defence team has been continuing on legal aid and if Boesak's discharge is refused, it will lead to even further delays in the trial with no guarantee that the present defence team would be prepared to continue.

The state, he said, did not submit sufficient evidence upon which the court could make a judgment.

The state replied that the court had only heard from state witness-

es. "No word has come from the mouth of the accused, only from his lawyers.

"The accused has not given evidence or testified and still owes this court an explanation," said Gerber.

He charged that evidence proved that Boesak signed contracts when he knew he was not going to uphold them.

Gerber said Boesak was aware that money donated to specific projects was not being utilised and that figures on financial statements were incorrect.

"In the absence of an explanation from the accused, his application should be refused," said Gerber.

Boesak faces charges of theft and fraud of R9 million from the Foundation for Peace and Justice, of which he was the director. He has pleaded not guilty to this charge as well as to a charge of taking R1,1 million for himself.

The hearing continues tomorrow.

JOVIAL MOOD IN COURT

Boesak defence treads 'lack of evidence' line

CT 15/12/98
(297)

ALLAN BOESAK'S LAWYER began his application for the discharge of his client yesterday by dismissing the reliability of the state's main witness. **RHODA DAVIDS** reports.

ALLAN BOESAK, on trial on charges of theft and fraud, should be acquitted because Freddie Steenkamp, the state's main witness, was dishonest and completely unreliable, the Cape High Court was told yesterday.

Mike Maritz, SC, Boesak's advocate, said this in a lengthy document outlining the defence case in his application for Boesak's discharge.

Boesak faces 32 charges of theft and fraud involving R9 million from the now defunct Foundation for Peace and Justice and for taking R1,1 million for himself.

He has pleaded not guilty before Justice John Foxcroft.

Maritz's submission dealt with various court judgments and is set to take the court through all 32

charges against Boesak.

Maritz based his argument on section 174 of the Criminal Procedures Act, which determines that a court can convict an accused person only if there is sufficient evidence.

Prosecutor J C Gerber hoped to call singer Paul Simon to the witness stand, or alternatively to hear evidence on commission in the US, but Judge Foxcroft denied the application.

Maritz told the court that the state's main witness, Freddie Steenkamp, former bookkeeper for the FPJ who admitted to lying under oath, was a "dishonest, mendacious and completely unreliable

witness of the poorest quality imaginable".

"The accused clearly ought to be set free," said Maritz.

Maritz added that Steenkamp's wife Amanda, who also testified against Boesak, was also unreliable.

She would not tell the court of the amounts that she received from Steenkamp prior to her marriage to him, money that was stolen from the FPJ, he said.

Maritz told the court that as a witness Amanda Steenkamp had no scruples and that no reliance could be placed on her testimony.

Yesterday's proceedings were highlighted by great public interest, with the courtroom packed to capacity. A relaxed Boesak and his wife Elna chatted with family members and supporters, who shared his jovial mood.

**Steenkamp
was a
'completely
unreliable
witness'**

Only a quarter of EU aid to SA disbursed

Stringent controls over the spending of funds are necessary

BD 17/12/98

(297)

Linda Ensor

CAPE TOWN — Only R103m of the total R403m in European Union (EU) aid to SA committed to specific projects since 1995 has been disbursed, a finance department official has disclosed.

The total aid package to SA for the period 1995 to 1999 amounted to about 625-million ecus but only a small part had been committed in terms of financing agreements.

Shaheed Rajie, chief director for international development co-operation, noted that the draw-down of project funds was normally slow in the early stages of a project, escalating as the project gathered momentum.

Before funds could be committed to specific projects, detailed appraisal studies and financing agreements had to be in place.

He said that the low level of disbursement highlighted the bureaucratic procedures laid down by the European Commission which had held up the process.

Approval for all funding decisions had to be obtained from the vast bureaucracy of the commission, resulting in government departments sometimes having to wait up to nine months to gain access to funds.

"This, coupled with a lack of capacity and knowledge on the application of EU procedures at national and provincial levels, has contributed to the relatively sluggish disbursement. Of late the situation has improved," Rajie said.

This improvement was confirmed by the commission's press liaison officer in Pretoria, Mary McCaughey, who felt that government, non-governmental organisations and other institutions had been on a learning curve over the past four years. By July this year disbursement levels, at 50-million ecus, were double the total for the two previous years.

The need to maintain stringent controls over the funds was particularly strong, McCaughey said. The EU had had its fingers burnt on a few occasions and had to combat the

view that "struggle bookkeeping" was still acceptable. Also, European taxpayers demanded that their grants be spent properly.

Rajie said SA and the EU were engaged in negotiations to simplify and decentralise procedures as part of the overall trade, development and co-operation agreement presently under discussion.

The aim would be to decentralise as much decision-making from Brussels to Pretoria as possible, though McCaughey pointed to the need to maintain quality controls over the huge annual disbursement of R900m under the European Programme for Reconstruction and Development.

Member states of the African-Caribbean-Pacific grouping formed under the Lomé Convention were also wanting a more delivery-focused approach, Rajie said.

SA had proposed that when the current aid programme expired at the end of next year, the EU grant the same amount — 125-million ecu per annum for five years — as previously granted under the programme.

Uniqwa: A model of change

(297) CT 17/12/98

MXOLISI MGXASHE

*Affirmative action
brings about a
quiet transformation — but not
without some resistance.*

THE rapid pace at which the University of the North Qwa Qwa Campus has changed its apartheid face and culture in less than two years to become an impressive model of transformation has not been received very kindly by a small clique of white members of staff from the old guard who have resorted to intimidation and violence in their resistance to change.

Uniqwa is among the very few tertiary institutions in the country that does not suffer from student and worker unrest. Spokespersons of various students, youth, academic and non academic staff as well as heads of departments and deans the *Cape Times* interviewed during a recent visit to Qwa Qwa attribute this to unprecedented levels of participation in decision-making by everyone.

Those who ran the campus like a "glorified secondary school" when Qwa Qwa was still a "homeland," have now found themselves not only without the power they used to abuse but they now have to listen to the voice of the majority who have the most to benefit from the ongoing changes.

A clique of five staffers — three of them senior lecturers — have apparently used every trick in the book to put spokes in the wheel of transformation, including actually assaulting the man at the centre of the process, vice-principal Olusegun Oladipudo Dipeolu, of Nigerian citizenship. They have tried to exploit his citizenship to whip up strong chauvinist sentiments in a bid to recruit black staff and students but with minimal success, if any, because of the popularity of transformation on campus and the empowerment it has brought for all concerned.

"In April this year, I was attending a conference at the Holiday Inn in Bloemfontein when I saw a white man who had been roaming around the car park coming towards my car. He did not waste any time but unleashed a rain of heavy punches on my face. I was bleeding and my glasses had fallen off," said Professor Dipeolu.

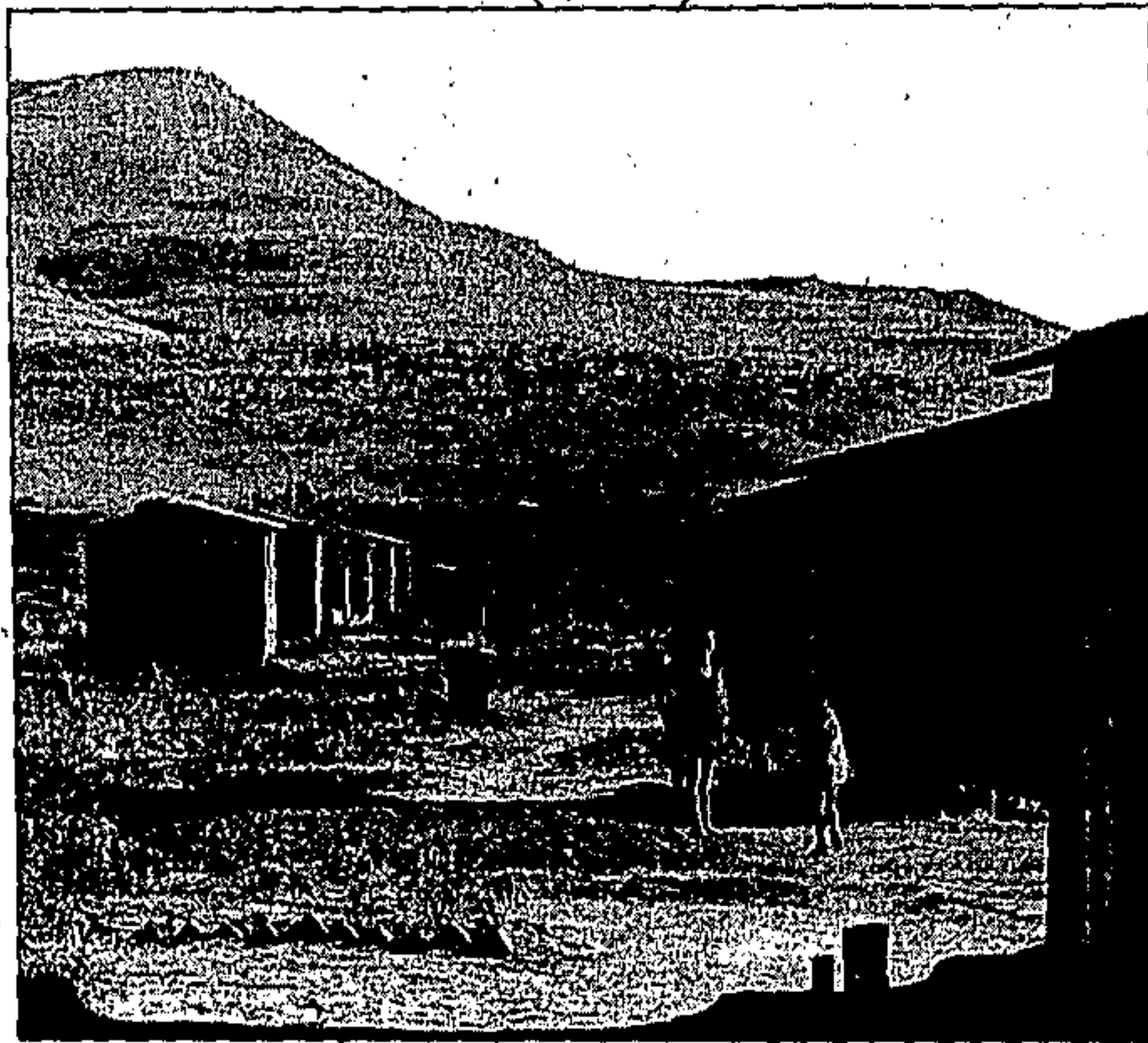
His attacker has up to now not been charged by the police despite the fact that they had seen him at the Holiday Inn when the management prevented him from leaving the premises until the police had come. The police continue to say they are "still investigating".

When Professor Dipeolu, an outstanding scholar and veterinary scientist of international repute, assumed duty at Uniqwa in January last year he became convinced that the institution needed transformation "in all its ramifications".

One of the problem areas the new management attacked was the issue of demographic representativity in the governance of the institution and its academic life which indicated that whites constituted 56% of academic staff and were monopolising the professorship cadre.

Blacks were confined to junior ranks and there was only one black senior lecturer. Sixty-seven percent of the heads of department and three of the four faculty deans were white, and about 70% of the senate was white with blacks "almost shut out of every aspect of governance".

"With the exception of students, there was nothing to show that Uniqwa was a black institution. This was unlike international trends, especially in the US



Uniqwa's community outreach programmes are directed at relieving the grinding poverty of this north-eastern part of the Free State.

**The empowerment
of black academic staff
has been complemented
by a staff development
programme which
releases black staff in
strategic disciplines to
study for full-time
PhD programmes.**

where historically black universities are dominated by black staff and students," notes Dipeolu.

Changes now show a complete reversal of the situation. About 66% of academic staff are now black and 29% are white; 73% of heads of schools which have replaced departments are black, and two out of three acting executive deans are black. Blacks are now represented in all policy-making and governance bodies and form the majority in the senate.

The changes have been as a result of a "pro-active" affirmative action strategy which has been at the centre of new appointments and the filling of vacancies left by white academic staff who took advantage of a voluntary retrenchment programme. In accordance with this strategy, blacks and women on campus receive priority consideration. Where appropriate candidates are not available, those with potential are brought in and trained accordingly, without sacrificing merit.

Where there is no local potential, head-hunting is conducted elsewhere. The empowerment of black academic

staff has been complemented by a strong and accelerated staff development programme which consists of releasing black staff in strategic disciplines to study for full-time PhD programmes with all expenses paid by Uniqwa or donors.

The other measure has been the retention of honours graduates as tutors and their registration for Masters and PhD degrees at Uniqwa or other institutions. Bachelor graduates are also retained as graduate assistants while they are registered for honours programmes,

after which they become tutors and encouraged to study for senior degrees.

One now finds a new spirit of renaissance at Uniqwa where people who had been made to feel complacent with just a junior degree to become ordinary teachers in lower schools are now studying hard, either for their Masters degrees or doctoral programmes.

Senior maintenance officer, Mattheus Greef, who has been with Uniqwa for the past 10 years, agrees that transformation on campus is going well despite obstacles created by the "old guard, who call me a kafferboetie because I am a good mixer with all people and I am not narrow-minded".

"Today we have more international exposure than we ever had when these people were in charge. We have had more visitors from overseas coming to see the things we are doing. It's obvious, some people will never accept change," says Greef who speaks fluent Zulu.

He is not the only white person at Uniqwa who does not agree with the anti-transformation movement. There's Professor Riaan Luyt too (no relative of Dr Louis Luyt) director of the new research department.

"The people against change, who come mainly from the old guard have personal agendas and are not committed to Uniqwa. The process of transformation will eventually weed itself of this dead wood," says Professor Luyt.

In redressing the problem of high student failures, the new management, following the institution of the Professor Abraham Mawasha Commission, came up with a set of very strict "Recommendations on Teaching and Learning at Uniqwa," which have significantly improved the situation to within "normal expectations" in virtually all courses.

A healthy culture of learning and teaching excellence has now been created on a campus where previously some of the white lecturers spent most of their time on their farms and other businesses.

Everyone now has to be on campus not later than 8.30am and leave not earlier than 4.30pm, irrespective of whether they have classes or not, and are expected to be engaged in research which had never before been part of the Uniqwa culture.

The research conducted is on very practical themes aimed at enhancing Uniqwa's vigorous community outreach programmes aimed at improving the lot of the people of Qwa Qwa who, like most in former "homelands", are in dire

poverty, with more than 80% of the half million inhabitants unemployed and others earning no more than R80 a month as farm labourers in the sprawling big chunks of land.

The sizes of the farms underscore the levels of the economic and social contradictions which have been at the heart of the rampant racism the Orange Free State in particular had been infamous for, including the fact that no South African of Indian origin was under the notorious "Ghettos Act" allowed to set foot in this province.

The poverty, so glaring in this north-eastern part of the Free State, is in enormous contrast to the affluence one sees in Harrismith, about 44 kms away where about 10 000 whites and a few blacks live. It is an area which boasts extraordinary natural beauty and topography which provides hopeful signs of what this beautiful piece of land could be when everybody on it has the same means to produce and enjoy its fruits.

This is all set to change as the community outreach programmes kick in and it would seem that the last few traces of resistance to transformation at the university are dying out — but not without considerable unpleasantness. Some black academic staff as well the vice chairperson of Nehawu have been threatened and even asked to convey the threats to Dipeolu.

Dipeolu is standing firm. He says a fundamental aspect of the transformation in any historically black university is a change from mediocrity to academic meritocracy in which the striving for academic excellence takes the centre stage. The commitment to teaching, learning and research excellence and participation in community outreach services, he says, are issues which touch on economic and business interests of persons he calls "academic garbage".

He says that "academic garbage" did not have the right qualifications and did not know what a university was all about but merely found its way, nonetheless, into the historically black universities through the blessings and designs of the apartheid regime.

"It is therefore not strange that among my own staff in Uniqwa I still have a considerable number of academic business persons who boast they are commercial farmers and industrialists; and there are those who compete for various tenders to local government councils."

Dipeolu began having his problems with the conservative white elite in this area when he bought an imposing house in an affluent and exclusively white suburb.

"I just wanted to make the point very strongly that we also have the right to live anywhere in this country," he says.

An Afrikaner lawyer he had hired to assist in buying the house decided to forsake the R35 000 he was charging for the transaction and told him a lie: after asking what his immigration status in the country was, he told him that holders of temporary residence permits were not allowed to buy property in South Africa.

When he asked him to produce a copy of the Act that did so, the attorney said he was too busy to look for it until two weeks later he confessed that he'd been lying.

"And after clinching the deal, he suddenly kept on repeating to my amazement: 'Welcome to a new South Africa.'"

"He confessed that he had never in his life assisted a black person to buy property in such an affluent neighbourhood as the one we were moving into, especially buying such a beautiful house as the one we finally bought."

SA body nets R275m European bank loan

60 18/12/98 (297)
Tim Cohen

LONDON — SA's Infrastructure Finance Corporation borrowed R275m from the European Investment Bank yesterday to finance municipal infrastructure projects — the fourth largest single loan drawn on the European Union's (EU's) financing arm by an SA institution.

The loan brings the total amount borrowed from the bank by SA institutions to 340-million ecus since drawing rights were first granted by the EU in 1995.

SA institutions have the right to borrow a further 335-million ecus until the end of next year to take advantage of the bank's favourable interest rates which are set according to the cost of its borrowing on European capital markets.

The loan to the Infrastructure Finance Corporation is the first made this year by a SA institution, indicating a sharp fall-off in the utilisation of the facility which lent SA institutions just less than 200-million ecus last year.

The bank said the line of credit would be used to finance water supply, waste water treatment, local roads, public lighting and solid waste treatment projects, among other schemes. The funds would be used mainly by municipalities.

The aim of the funding would be to eradicate backlogs in providing facilities for poor communities.

The loan agreement was signed in Luxembourg by the bank's vice-president, Rudolf de Korte, and Inca CE Johan Kruger. The Development Bank of Southern Africa, the guarantor of the operation, was also represented.

The Infrastructure Finance Corporation is a private company established in 1996 by SA private sector finance groups and international development finance institutions to fund municipal infrastructure development.

Boesak discharged

denied

Court stunned as only 5 charges dropped

(297) ARG 18/12/98

LENORE OLIVER
HIGH COURT REPORTER

A Cape High Court judge today discharged Allan Boesak of only five of the 32 fraud and theft charges to which he has pleaded not guilty.

The charges relate to the misappropriation of foreign donations to the Foundation of Peace and Justice, of which Dr Boesak was director.

"Regarding the remaining charges, there is evidence before the court that the accused may be convicted on," Mr Justice John Foxcroft said.

Dr Boesak's defence counsel, Mike Maritz, had applied for his complete discharge on Monday.

The relevant legal provision says that "if at the close of the prosecution's case, the court is of the opinion that there is no evidence against the accused on which a reasonable man could convict the accused, then the court may order a discharge".

In a 10-minute judgment this morning, Mr Justice John Foxcroft said he had listened to lengthy argument and agreed with the State that five charges should be dropped.

The discharged counts are:

■ Fraud involving R140 935 from the Coca-Cola Foundation.

■ Fraud involving R431 029 from the Children's Trust.

■ Theft from the Mariental Food Aid project of about R16 000.

■ Theft from a Children Protection Services donation of about R22 487.

■ Theft from the Vrye Weekblad project of about R51 000.

After the judge finished speaking there was stunned silence on the public benches.

The Boesak family looked disappointed and emotional as their supporters rallied around.

Dr Boesak told journalists outside the court he was not disappointed.

"Disappointment will be the day I am found guilty," he said. "I am looking forward to spending time with my family."

His lawyer, Chris Petty, said Mr Maritz and his partner Jaap Cilliers would be funded by the Legal Aid Board during the rest of the trial.

The case was adjourned to February 8.

Defence counsel Mike Maritz had previously told the court there was "not a shred of evidence" against Dr Boesak.

He criticised the evidence of State witnesses Lucille Pester (Dr Boesak's secretary at the FPJ), and bookkeeper Freddie Steenkamp and his wife Amanda.

Steenkamp is serving six years for theft from the foundation.

Mr Maritz called them dishonest and mendacious and said their testimony was of the "poorest quality imaginable".

Arguing against the application for discharge, the State advocate, J C Gerber, said

the court had heard "no word from the mouth of the accused, except from his advocate and some documentary evidence".

"Questions put to the witness by Dr Boesak's advocate are not evidence and in order for the court to take cognisance thereof the accused will have to come and testify."

CALL TO ALLEVIATE POVERTY

'Change state pension fund'

(297)

CT 18/12/98

ANGLICAN ARCHBISHOP of Cape Town Winston Njongonkulu Ndungane called yesterday for the restructuring of the civil service pension fund to release money for the upliftment of the poor. **ANDRÉ KOOPMAN** reports.

THE archbishop was speaking at a joint press briefing with Finance Minister Trevor Manuel after they held talks on South Africa's debt and the alleviation of poverty, at Ndungane's residence in Bishopscourt.

Manuel said there was a commonality of purpose about social upliftment and it was not as though the government, and a group of non-governmental organisations (NGOs) and the church were at odds on the issue.

The finance ministry and Ndungane, supported by a group of NGOs, have been involved in a sometimes heated media debate on the question of state pensions and state debt.

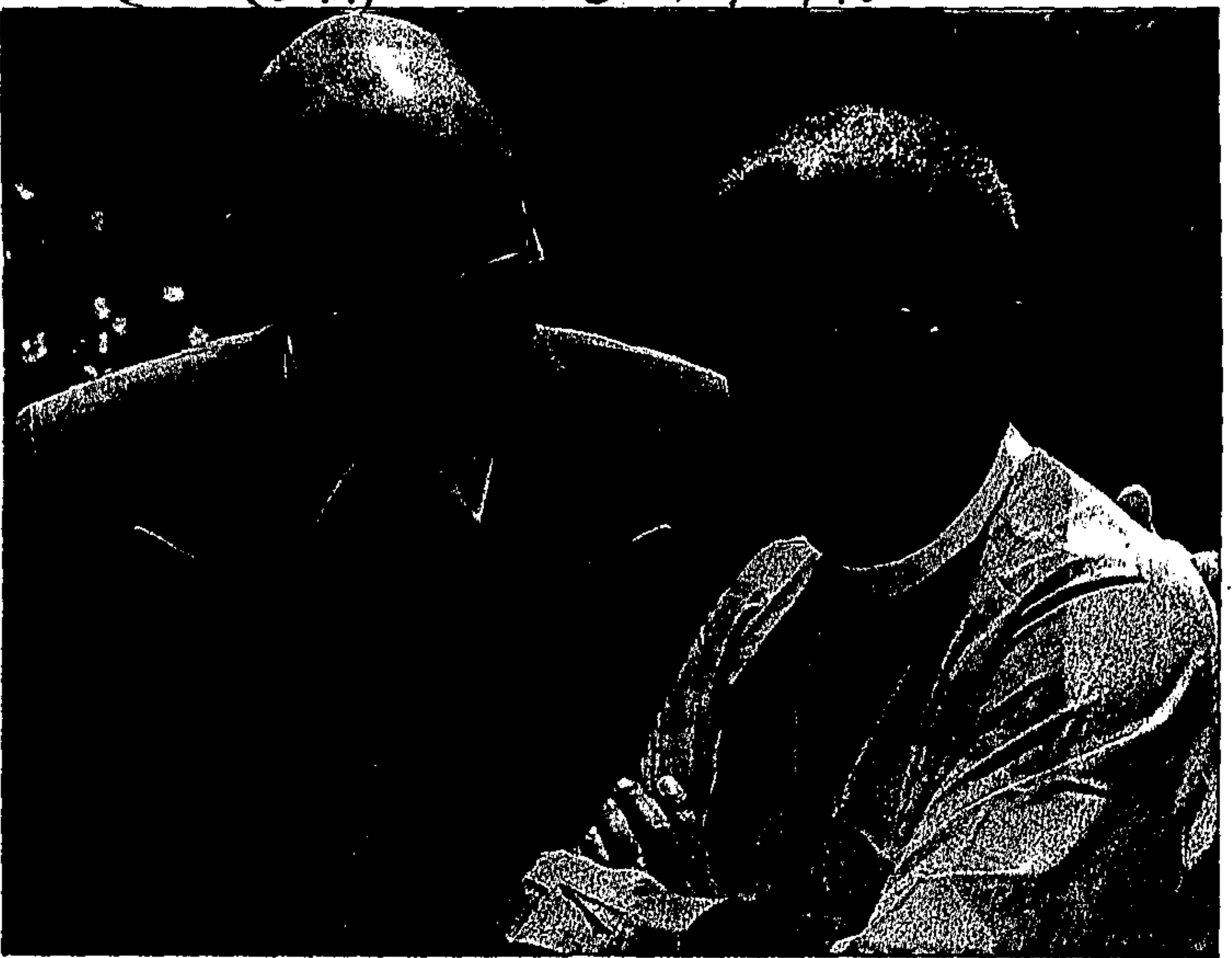
Ndungane repeated yesterday calls for South Africa's "odious" apartheid debt to be cancelled.

Debt incurred by the previous regime did not only affect SA but the whole region. Institutions had lent money to former governments, knowing full well that apartheid was a crime against humanity, Ndungane said.

He was not suggesting that South Africa unilaterally cancel the debt, but that the institutions involved be approached to write off these debts.

Debt which constituted the second largest item in the fiscus was comprised of debt owed to the private sector, foreign debt and debt associated with public service pensions, he said.

It had been his understanding that SA's foreign debt had been incurred by the former government. He was informed by the finance director-general, Maria Ramos, who was present at the meeting, that foreign sovereign debt (pegged at five percent) had been



TALKS: Anglican Archbishop of Cape Town Winston Njongonkulu Ndungane and Finance Minister Trevor Manuel yesterday discussed South Africa's debt situation.

PICTURE: ALAN TAYLOR

incurred by the present government.

Turning to state pensions, he said some groups in the country felt that civil service pensions should be rescheduled, without raiding these, to free up money needed for "social services and upliftment of people".

Manuel said a job summit task team would examine whether the pension fund could be restructured. However, it was important not only to focus on debt and the public service pension fund, but also on interest payments, which were SA's biggest problem.

While a debt to GDP ratio of about 55% was not high, interest payments

made a significant impact on this.

Laws passed by the present government stipulated that the state pension fund had to be funded to a minimum level of 60%. Manuel's attempts to reduce government contributions to the fund from 23% to 17% during negotiations with public sector unions had been difficult because in the private sector they were 100% funded.

He said he wanted to further reduce this to 15% so that about R800 million could be available for the alleviation of poverty.

"We must secure the release of resources so that we can deal with

poverty," he said. This could hopefully be done through capital expenditure and building infrastructure.

In his New Year's message, Manuel said 1998 had been a "hard year" for SA and people in developing countries mainly because of global events.

However, he believed the results of "hard decisions" taken by the government "must start coming through and impact on the lives of people".

Next year, the country would retain its focus on "sound and sustainable" economic principles. Job creation and slashing interest rates would remain the focus of the government, he said.

Last-minute call for Boesak to testify

RHODA DAVIDS

(297)

ET 18/12/98

FORMER anti-apartheid activist and Western Cape ANC leader Allan Boesak could leave court a free man today.

His trial is set to take a dramatic turn in the Cape High Court today when Justice John Foxcroft will rule on his application for discharge.

JC Gerber completed the state's argument yesterday afternoon, conceding that Boesak is innocent on two of the 12 counts of fraud.

Boesak is facing charges of theft and fraud of R9 million from the Foundation for Peace and Justice, of which he was the director. He has pleaded not guilty to 20 counts of theft and 12 of fraud, including a charge of taking R1,1 million for himself.

Gerber told Justice Foxcroft that in order for the court to take cognisance of witnesses' testimony, Boesak would have to testify. "The accused must tell the court his version of the events," said Gerber. He added that it would strengthen the

state case if Boesak testified. "I can't see why this accused should be treated differently to any other accused."

Gerber said if the application for discharge was approved, it could affect relations between overseas donors and South African organisations. He argued that Boesak had a responsibility in terms of the Trust Property Control Act to act with diligence, care and skill. According to the state, he was aware that he was not performing his duties, as he failed to look into rumours of misappropriation of FPJ funds.

Mike Maritz, SC, for Boesak, replied that the state's case was mostly based on the assumption that Boesak neglected his duties in terms of the Trust Property Control Act — an assumption that was based on rumours and gossip. "On not one of these counts has the state established the standard of proof required for a conviction. He should be acquitted on all counts," he said.

NEWS



CAMPAIGNING Trevor Manuel (left) and Njongonkulu Ndungane, the Anglican archbishop, both want a reduction in state debt

PHOTO: JOHN WOODROOF

Manuel replies to NGOs

ET (PR) 18/12/98 (297)

LYNDA LOXTON

Cape Town — Trevor Manuel, the finance minister, yesterday urged interest groups campaigning for a reduction in state debt not to focus only on how the state pension fund could be used for poverty relief.

Manuel said it was not correct to say the "government, a group of NGOs (non-government organisations) and the church are at odds about this. The alleviation of poverty... is something a democracy owes to the people, and in dealing with those issues, the way in which debt is dealt with is important.

"Whether there is room to restructure the pension fund is something that the task team set up by the jobs summit will pay attention to."

The focus should not only be on debt and the role of the pension fund but also interest payments, "because that is the biggest problem in South Africa".

A ratio of debt to gross domestic product of about 55 percent was not high, but interest payments made a difference.

It also would be important to examine the state wage bill, including pension fund contributions, as well as what was spent on procurement and poverty relief. Foreign

sovereign debt accounted for about 5 percent of borrowing and had been incurred by the present government and not, as many believed, by the apartheid government.

Manuel was speaking after he had met Njongonkulu Ndungane, the Anglican archbishop, and members of the NGO coalition who have been campaigning for a reduction in state debt.

Ndungane said many people felt "there could be a rescheduling of the public service pension fund without necessarily raiding the pension fund to make money available for much-needed social services".

Boesak shock as court drops only five fraud charges

LENORE OLIVER

Hopes of a happy festive season in the Boesak household were dashed yesterday when, contrary to expectations, only five of Allan Boesak's 32 fraud and theft charges were dropped in the Cape High Court.

A look of disappointment and despair crossed Dr Boesak's face after Mr Justice John Foxcroft said there was evidence before the court that "may convict the accused".

Dr Boesak was supported by his wife, Elna, and two of his daughters. The public benches were filled with supporters wearing African Nation-

al Congress T-shirts. Dr Boesak has pleaded not guilty to fraud and theft charges of R1,1-million in foreign donor funds to the Foundation for Peace and Justice.

Dr Boesak's defence counsel, Mike Maritz, applied on Monday for the discharge of all the counts in terms of Section 174 of the Criminal Procedure Act.

According to this section, "if at the close of the prosecution's case the court was of the opinion that there was no evidence against the accused, the court may discharge".

After Judge Foxcroft's judgment there was a stunned silence of disbe-

lief from the public benches.

Mr Maritz said there was not "a shred of evidence" against Dr Boesak.

He also criticised State witnesses Lucille Fester, who was Dr Boesak's former secretary. Freddie Steenkamp, his former bookkeeper, and Steenkamp's wife Amanda. Steenkamp is serving six years for theft of more than R900 000 from the foundation.

Mr Maritz said Ms Fester was dishonest and though she did not concede to having stolen from the foundation, the evidence was overwhelming that she had.

He said Steenkamp "was also dishonest, unreliable and completely mendacious" and that "his testimony was a complete failure".

Mrs Steenkamp was "just as mendacious" and had no scruples, he said.

"She benefited from Steenkamp's theft and no reliance can be put on her evidence."

State advocate J C Gerber said the court "heard no word from the mouth of the accused, except from his advocate and some documentary evidence."

"Questions put to the witness by Dr Boesak's advocate are not evi-

dence and in order for the court to take cognisance thereof the accused will have to come and testify."

The discharged counts are:

- Fraud of R140 935 from the Coca Cola Foundation.
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 - Theft from the Mariental Food Aid project of about R16 000.
 - Theft from a Children Protection Services donation of about R22 487.
 - Theft from the Vrye Weekblad project of about R51 000.
- The trial will resume on February 8 after the court recess.



FACE IN A CROWD: the Bosesaks leave court yesterday Picture: LEON MULLER

Judge denies motion to dismiss Boesak charges

CP REPORTER
and Sapa

A CAPE TOWN judge ruled on Friday that the trial of Allan Boesak continue amid speculations that all charges against him would be withdrawn.

This was a blow to Boesak when the motion to dismiss all the embezzlement charges against him was denied.

Judge John Foxcroft only dismissed five of the 32 counts and ordered the trial to continue on February 8, on the rest of the charges.

Boesak is accused of stealing more than one

million rand from an anti-apartheid organisation he headed.

Boesak's lawyers asked Foxcroft to throw out the entire case, saying it had collapsed after a key witness recanted.

Last month, Boesak's former bookkeeper, Freddie Steenkamp, admitted that he had lied under oath because of a personal grudge against his ex-boss.

Steenkamp, who is serving a six-year sentence, was the state's key witness. A former minister who once headed the World Alliance of Reformed Churches, Boesak



STILL ON TRIAL ... - A motion to withdraw all charges against Allan Boesak has been denied.

is accused of embezzling the money from the Foundation for Peace and Justice.

Donations came from pop singer Paul Simon, the Coca-Cola Foundation, Scandinavian aid agencies and other individuals and groups.

Foxcroft ruled that there was not enough evidence to support the embezzlement counts involving a donation by the Coca-Cola Foundation, a children's charity and three by the Church of Norway.

But he said potential proof remained on the other 27 counts. - Sapa AP