



NATIONAL CONVENTIONAL ARMS CONTROL COMMITTEE (NCACC)

THE 2015 NCACC ANNUAL REPORT
PRESENTATION TO THE JOINT STANDING
COMMITTEE ON DEFENCE (JSCD).

BY MINISTER J.T. RADEBE – CHAIRPERSON OF
THE NCACC

INTRODUCTION

- The NCACC would like to thank the Joint Standing Committee on Defence (JSCD) for this Invitation to present the 2015 and 2016 Reports.
- The NCACC has approached the task as follows:
 - The 2015 Annual Report is done in full.
 - The 2015 Quarterly Reports are included individually (these form the aggregate of the 2015 Annual Report).
 - The 2016 Reports that have been tabled in Parliament are the Q1 and Q2. Therefore as per direction of the JSCD ONLY tabled reports need to be presented, today.
- We trust that the JSCD will accept this approach

CONTENTS OF THE PRESENTATION

- Highlights of 2015 - The year under review
- International Context of Arms Control
- Domestic Context of Arms Control
- Statistics for consideration
 - The Annual 2015 Report(s)
 - Q1/Q2/Q3/Q4 of 2015 Report(s)
 - Q1 /Q2 of 2016 Report(s)



HIGHLIGHTS OF 2015

- ❖ South Africa having ratified the Arms Trade Treaty (ATT) in 2014, came under some obligations by the Treaty (ATT), and has therefore reported as follows:
 - ✓ South Africa submitted its Initial Baseline Assessment Survey (BAS) Report in December 2015, meeting deadline as set.
 - ✓ South Africa filed its first Annual Report under the ATT in April 2016, meeting the set deadlines



HIGHLIGHTS OF 2015

- ❖ During the 1st States Party Conference of the ATT in August 2015 at Cancun, Mexico the ATT reached the following milestones:
 - Agreed on a Framework to establish the Office of the Secretariat;
 - The Funding Formula for ATT;
 - The Interim Head of Secretariat was appointed.
- ❖ In August 2016, Mr Dumisani Dladla, a South African was confirmed as Head of Secretariat of the ATT. He is based in Geneva, Switzerland for duration of his tour of duty.



THE CONTEXT – INTERNATIONAL: THE LEGAL FRAMEWORK

- Treaties – based on International Public Law, which is Legally Binding
- Conventions – based on International Common Law, through accepted practice which is morally and persuasively Binding
- International Interest Group Arrangement(s) attempt to close gaps that may not be covered by either (Treaty and Convention)



Treaties and Conventions

- Certain Conventional Weapons (CCW) with Protocols (as amended) – **Conventional Arms**
- Arms Trade Treaty (ATT) – **Conventional Arms**
- Wassenaar Arrangement (WA) – **Conventional Arms and Dual Use Controlled Items**
- Biological, Chemical Weapons Control (BCTC) – **Biological/Chemical Weapons Control**
- Nuclear Non-Proliferation Treaty (NPT) **Weapons of Mass Destruction**



THE CONTEXT- DOMESTIC: THE LEGISLATIVE IMPERATIVE

- The National Conventional Arms Control Act
 - Act 41 of 2002 (as amended) (primary Act)
 - Act 73 of 2008 (current Act after amendment)
- The National Conventional Arms Control Act also frames the:
 - Regulation of Foreign Military Assistance Act (RFMA), Act 15 of 1998
 - Prohibition of Mercenary Activities and Regulation of Certain Activities in an area of Armed Conflict Act, Act 27 of 2006



POLICY IMPERATIVES

- The Act captures the Object as being:
 - To ensure compliance with Govt. policy in respect of arms control
 - To implement a legitimate, effective and transparent control process
 - To provide for an inspectorate to ensure compliance with the provisions of the Act
 - Protection of Economic and Security Interests
 - Foster National and International confidence control over trade in conventional arms



COMPOSITION OF THE COMMITTEE

- The Committee is appointed by the President in terms of s5 of the NCAC Act
- The Cabinet Committee is *Sui Generis*
- The Committee may not be chaired by (a) Minister(s) with a line responsibility interest in trade in conventional arms s5(3)
- A member must vacate office if: s4(a-c)
 - Member resigns
 - Member is removed from office by the President



NCACC CURRENT MEMBERS

MINISTERS

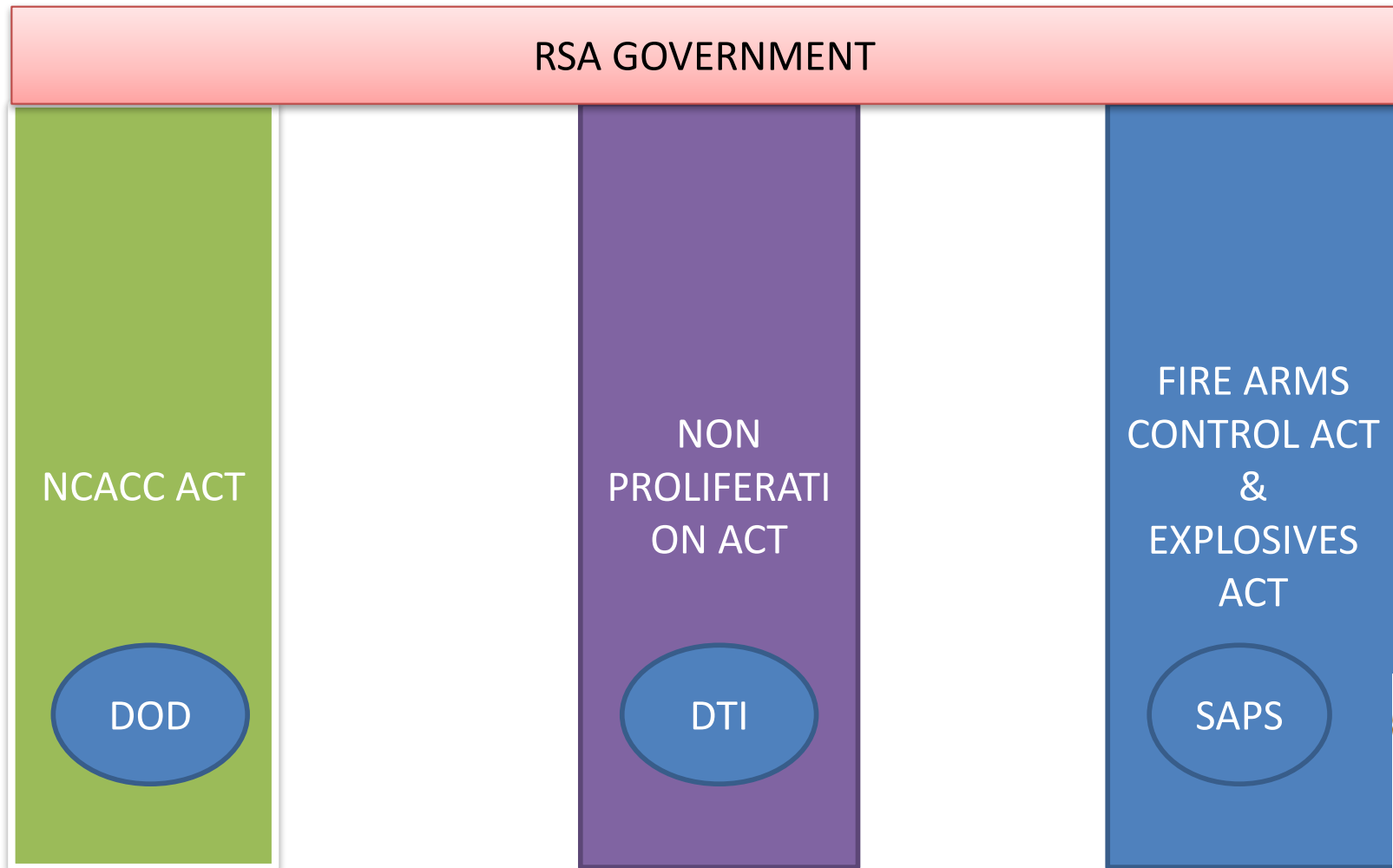
- Min. J.T. Radebe - Chairperson
- Min G.N. Pandor –
Deputy Chair
- Min. N. Mapisa-Nqakula
- Min. M. Nkoana-Mashabane
- Min. R. Davies
- Min. M.D. Mahlobo
- Min. N.P.T. Nhleko
- Min. L Brown

DEPUTY-MINISTERS

- DM E.R.K. Maphatsoe
- DM L.T. Landers
- DM M.H. Jonas



PILLARS OF SA ARMS CONTROL



TIERS OF DECISION MAKING

NCACC

Cabinet Committee - *Sui Generis*



SCRUTINY COMMITTEE

Review Departments

DOD; DIRCO; DTI; SAPS; SSA; DEFENCE INTELLIGENCE



SCRUTINY COMMITTEE (SC)

- Established in terms of s7(1-9)
- The SC is chaired by the Secretary for Defence as Director-General of the Department of Defence
- Members are Senior Government Officials
- Scrutinize and Recommend decisions to the NCACC



SECRETARIAT

- Directorate for Conventional Arms Control
- Established in terms of s8 of the Act
- Serves as the Secretariat of the National Authority for Licencing, the NCACC
- Nodal Interface Point with the South African Defence Industry



INSPECTORATE

- Directorate: Inspectorate and Audit
- Established in terms of s9 and is accountable to the Committee, in terms of s9(1)(a)
- Object of the Inspectorate s9(2) (a-b)
 - Ensure that the conduct in Conventional Arms Control is in compliance with the Act
 - Ensure that Internal regulatory Processes of the Committee are complied with
- Inspectorate must consist of persons appointed by the Minister



SAFEGUARDS ON TRANSFERS

The Guiding Principles and Criteria of s15:

- UN Security Council Resolutions (Arms Embargo)
- Governance – Politics, Human Rights
- Regional Dynamics – Stability
- Risk of Diversion – Proliferation (Non State Actors)
- National Interest – Security, Political & Economic



SAFEGUARDS ON TRANSFERS

- The receiving country must provide the NCACC with various undertakings (letters) s16
- End-User Certificate (EUC) s17
- Routine Inspections must be conducted s18
- Entry and Search of Premises with warrant s19
- Disclosure and Non disclosure of information s23



Content of Report (s23)

- Report(s) must be presented to Parliament.
 - Quarterly and Annually (Cabinet and Parliament)
- Content of Report is prescribed by law s23(2)
- The Report must reflect the following:
 - Controlled Items regulation statistics; Exports authorised; Imports authorised; Conveyances authorised
- The Report has to comply with the UN Conventional Arms Register (UNCAR)
 - UNCAR has 7 + 1 Categories



REPORTING CYCLES

- Statistics done on Calendar not Financial Year
- During 1st Quarter of current year, the Annual Report of past calendar year is compiled
- During the 2nd Quarter of Year, the 1st Quarterly Report of current year is compiled
- The Report to the UN is also compiled in Q2, report needs approval by Parliament before submission to UN.
- DIRCO reports to the UN on behalf of RSA



2015 ANNUAL STATISTICS

APPENDIX A

CONTROLLED ITEMS STATISTICS
EXPORT AUTHORISED
IMPORTS AUTHORISED
CONVEYANCE AUTHORISED



2015 ANNUAL

DESCRIPTION	AMOUNT/ VALUE
REGISTRATIONS	125
MARKETING	13
CONTRACTING	
<ul style="list-style-type: none"> • Number Permits Authorised • Applications Denied • Value of Authorised • No. of Countries Contracted 	279 1 R115, 062,457,652.52 70
EXPORT	
<ul style="list-style-type: none"> • Number Permits Authorised • Value Permits Authorised • No Countries Authorised 	2743 R2,739,650,926.00 86

2015 ANNUALcontinued.

IMPORT	
• Number Permits Authorised	2249
• Value of Permits Authorised	R502,196,827.00
• No. of Countries Imported from	74
CONVEYANCE	
• Number of Permit(s) Authorised	3

2015 - ANALYSIS

There was a spike in Q3 in Export figures due to the seasonal adjustment, production cycles are in sync with marketing efforts of most players in the industries

The number of countries exported to or imported from have remained in the same band throughout the quarters in 2015

There were higher contracts concluded in Q4 because of anticipation for year end and slowness of production to pick up in Q 1 of the subsequent year. This occurs each year and is thus an expected seasonal phenomenon

2015 - ANALYSIS

Various Departments and Agencies of the State continue to offer valued contributions related to decision support for the Cabinet Committee to finalise decisions

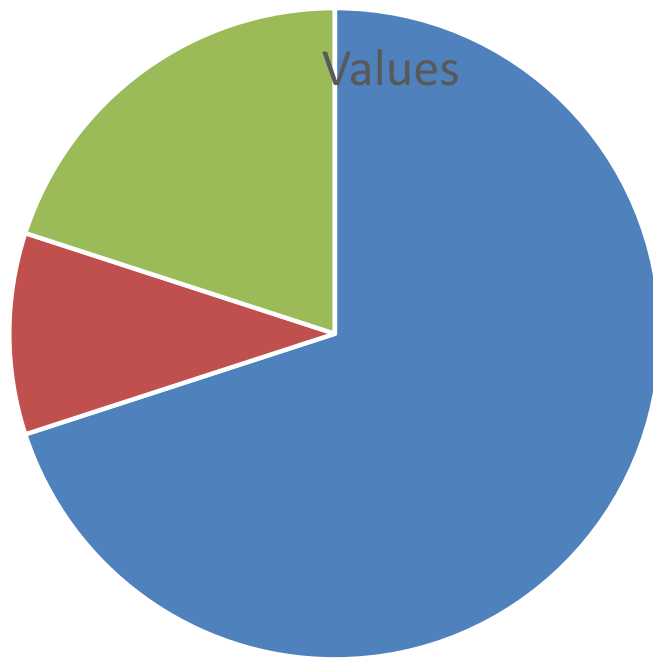
Such reports include risks evaluation and mitigation thereof, related to supply of South African Controlled Items to particular countries. This in order to avoid Sovereign embarrassment, Reputational Damage as a supplier

Assessment of Global trends as well as specific, urgent Geo-politics development are being monitored by the Cabinet Committee. A key consideration on transfer is to avoid fuelling conflicts through SA transfers

COMPARISONS for 2015

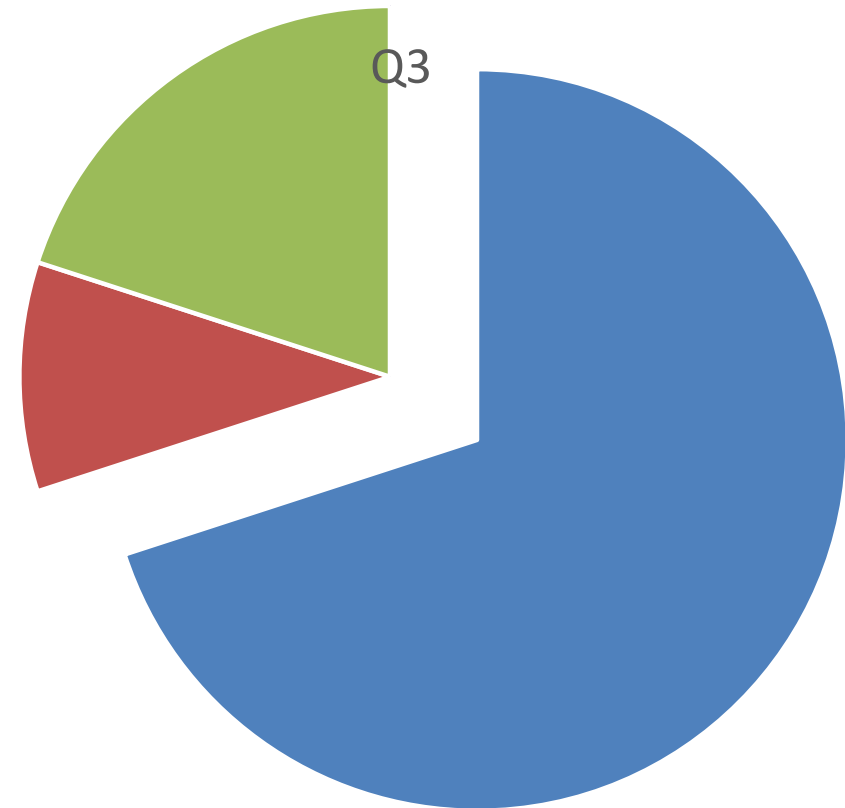
Annual v 3 Quarters

2015 Annual Values R000



■ Contracting ■ Export ■ Import ■

2015 Q2;Q3; Q4 Values R000



■ Contracting ■ Export ■ Import ■

2015 QUARTERLY STATS

APPENDIX B

CONTROLLED ITEMS STATISTICS
EXPORT AUTHORISED
IMPORTS AUTHORISED
CONVEYANCE AUTHORISED



2015 Q1

DESCRIPTION	AMOUNT/ VALUE
REGISTRATIONS	34
MARKETING	3
CONTRACTING	
<ul style="list-style-type: none"> • Number Permits Authorised • Applications Denied • Value of Authorised • No. of Countries Contracted 	36 0 R2,727,921,828.00 24
EXPORT	
<ul style="list-style-type: none"> • Number Permits Authorised • Value Permits Authorised • No Countries Authorised 	605 R862,831,103.00 521



2015 Q1 ..continued.

IMPORT	
• Number Permits Authorised	585
• Value of Permits Authorised	R117,563,079.00
• No. of Countries Imported from	45
CONVEYANCE	
• Number of Permit(s) Authorised	2



2015 Q2

DESCRIPTION	AMOUNT/ VALUE
REGISTRATIONS	36
MARKETING	0
CONTRACTING	
<ul style="list-style-type: none"> • Number Permits Authorised • Applications Denied • Value of Authorised • No. of Countries Contracted 	60 1 R10,512,445,991.00 38
EXPORT	
<ul style="list-style-type: none"> • Number Permits Authorised • Value Permits Authorised • No Countries Authorised 	562 R313,523,560.50 61



2015 Q2 ..continued.

IMPORT	
• Number Permits Authorised	565
• Value of Permits Authorised	R27,271,866.00
• No. of Countries Imported from	50
CONVEYANCE	
• Number of Permit(s) Authorised	0



2015 Q3

DESCRIPTION	AMOUNT/ VALUE
REGISTRATIONS	23
MARKETING	2
CONTRACTING	
<ul style="list-style-type: none"> • Number Permits Authorised • Applications Denied • Value of Authorised • No. of Countries Contracted 	101 0 R88,008,350,919.00 51
EXPORT	
<ul style="list-style-type: none"> • Number Permits Authorised • Value Permits Authorised • No Countries Authorised 	899 R642,253,074.00 53



2015 Q3 ..continued.

IMPORT	
• Number Permits Authorised	649
• Value of Permits Authorised	R165,286,245.00
• No. of Countries Imported from	43
CONVEYANCE	
• Number of Permit(s) Authorised	1



2015 Q4

DESCRIPTION	AMOUNT/ VALUE
REGISTRATIONS	32
MARKETING	3
CONTRACTING	
<ul style="list-style-type: none"> • Number Permits Authorised • Applications Denied • Value of Authorised • No. of Countries Contracted 	42 0 R10,415,141,334.00 23
EXPORT	
<ul style="list-style-type: none"> • Number Permits Authorised • Value Permits Authorised • No Countries Authorised 	945 R921,043,135.00 67



2015 Q4 ..continued.

IMPORT	
• Number Permits Authorised	673
• Value of Permits Authorised	R194,075,637.00
• No. of Countries Imported from	57
CONVEYANCE	
• Number of Permit(s) Authorised	0



2016 QUARTERLY STATS

APPENDIX C

CONTROLLED ITEMS STATISTICS
EXPORT AUTHORISED
IMPORTS AUTHORISED
CONVEYANCE AUTHORISED



2016 Q1

DESCRIPTION	AMOUNT/ VALUE
REGISTRATIONS	19
MARKETING	6
CONTRACTING	
<ul style="list-style-type: none"> • Number Permits Authorised • Applications Denied • Value of Authorised • No. of Countries Contracted 	58 7 R30,719,375,388.00 35
EXPORT	
<ul style="list-style-type: none"> • Number Permits Authorised • Value Permits Authorised • No Countries Authorised 	709 R885,875,277.00 54



2016 Q1 ..continued.

IMPORT	
• Number Permits Authorised	602
• Value of Permits Authorised	R473,629,270.00
• No. of Countries Imported from	45
CONVEYANCE	
• Number of Permit(s) Authorised	0



2016 Q2

DESCRIPTION	AMOUNT/ VALUE
REGISTRATIONS	19
MARKETING	6
CONTRACTING	
<ul style="list-style-type: none"> • Number Permits Authorised • Applications Denied • Value of Authorised • No. of Countries Contracted 	58 7 R30,719,375,388.00 35
EXPORT	
<ul style="list-style-type: none"> • Number Permits Authorised • Value Permits Authorised • No Countries Authorised 	709 R885,875,277.00 54



2016 Q2 ..continued.

IMPORT	
• Number Permits Authorised	602
• Value of Permits Authorised	R473,629,270.00
• No. of Countries Imported from	45
CONVEYANCE	
• Number of Permit(s) Authorised	0



SUMMARY

- The NCACC Framework is grounded in domestic law, in harmony with Treaties and Conventions.
- The Cabinet Committee applies itself effectively within the confines of prescribed Laws.
- The Cabinet Committee supports compliance with our International Commitments on Arms Control
- The Defence Industry in South Africa is growing as evidenced by figures presented.

Conclusion

Thank You
Question and Answer Session

