



**MINISTRY OF DEFENCE & MILITARY VETERANS
REPUBLIC OF SOUTH AFRICA**

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100 Days in Office: Deputy Minister Maj. Gen. (Ret.) BH Holomisa

Background and Context: 2024 National General Elections (NGE)

The 2024 National General Election (NGE) results marked a significant turning point in South Africa's political history. For the first time in decades, voters decisively signalled their dissatisfaction with the status quo, making it clear that they wanted a change in how the country is governed. The election results showed a pronounced shift away from one-party dominance, which had characterized South Africa's political landscape for years, towards a new model of shared governance. This shift not only reflected the electorate's desire for more accountability, transparency, and inclusivity, but it also highlighted a growing demand for collaborative leadership where multiple voices, representing a broader spectrum of society, are heard.

During the UDM Manifesto Launch, I emphasized this emerging reality by predicting that no party would secure an outright majority. The electorate's frustration with ineffective governance, corruption, and poor service delivery made it clear that the era of single-party control was coming to an end. I highlighted the strong likelihood of a coalition government or a Government of National Unity (GNU) becoming necessary. This foresight not only informed our party's strategic positioning but also shaped our readiness to engage in coalition talks and serve the nation in this new political arrangement.

When the results confirmed our predictions, the UDM did not hesitate to become an active participant in the GNU. We understood that the election was not about demanding positions or securing power for our party, but about answering the people's call for a new direction in governance. Our focus has always been, and continues to be, on serving the country and ensuring that South Africa's governance structure is more representative, functional, and responsive to the needs of its citizens.

As I mentioned in my interview with ENCA, we have never sought positions of power. Instead, our goal has always been to contribute constructively to the rebuilding of the country. The GNU represents a unique opportunity for political parties to work together across ideological lines, and the UDM has embraced this opportunity wholeheartedly. Our priority is to foster a strong, accountable, and ethical government, one that genuinely reflects the will of the people and places the interests of South Africans

above all else.

This shift in governance, driven by the 2024 NGE, has the potential to lay the groundwork for a new political era in South Africa, one where cooperation and collaboration replace the divisiveness and unilateralism that have defined our politics in the past.

Participation in the GNU

The UDM's inclusion in the GNU is a testament to our commitment to rebuilding South Africa. The President's invitation to me to serve in the Ministry of Defence and Military Veterans allowed us to take on the vital task of restoring the defence force to its position as a disciplined and capable national security institution. I am privileged to serve alongside Minister Angie Motshekga, a seasoned Minister who brings a wealth of experience from various governance portfolios. Together, with Deputy Minister Mkhungo, we are committed to teamwork—a counter to the negative trends that have become prevalent in many civil service departments.

The First 100 Days: Overview of Key Activities

From July to October 2024, the Ministry undertook an extensive orientation process, multiple oversight visits, and strategic meetings, all focused on addressing systemic issues within the defence sector. Below is a detailed account of these activities as well as seen in Annexure A:

Orientation and Handover Process

We began with an in-depth orientation, facilitated by the Secretary for Defence and the Chief of SANDF, providing a clear view of the responsibilities inherited from the previous administration. The handover files, prepared by Minister Modise, were comprehensive, allowing us to swiftly address immediate challenges.

Visits and Briefings to Defence Formations

During my visits to various defence formations, the dominant issue encountered was the ongoing defunding of the defence force. On 8 October, National Treasury, during a briefing to Parliament, confirmed that budget allocations for the defence force had been significantly reduced. The systematic defunding of defence in order to bail out State-Owned Enterprises (SOEs) and other social welfare initiatives has resulted in the defence budget standing at a dangerously low 0.57% of GDP.

However, early in 2024, His Excellency, President Cyril Ramaphosa intervened and instructed the Treasury and the Department of Defence (DoD) to work towards 1.7% of the GDP to safeguard the country's security. In line with this directive, my Minister tasked me with ensuring that the 2015 Defence Review aligns with the Presidential directive. Our department has made substantial progress, and we are currently engaging with National Treasury to finalize our proposals by the end of October.

Department of Military Veterans (DMV) Strategic Work Session

The DMV held a strategic work session aimed at resolving the longstanding issues impeding service delivery to military veterans. This session focused on improving the filling of vacancies within the DMV. Additionally, concerns were raised by military personnel regarding the turnaround times for projects managed by Armscor and DBSA. DBSA was appointed implementing agency to refurbish military bases but it is dragging its feet. While Armscor has identified internal inefficiencies and is working to address them, DBSA continues to miss deadlines. This issue is under review as we explore alternative ways to resolve capacity challenges within the department.

Auditor General Report

The Auditor General's (AG) report and that of the DoD Audit Committee, presented on 2 September 2024, marks a critical point in understanding the ongoing issues within the Department of Defence (DoD). This is the fourth consecutive qualified audit for the department, an alarming signal of deep-rooted problems that need immediate attention. The meeting was attended by the Minister and Deputy Ministers, the Secretary of Defence, the Chief of SANDF, represented by General Xundu, DoD Chief Financial Officer and other senior DoD leadership.

Key Highlights of the AG's Report

The Auditor General's (AG) report highlighted the Department of Defence ongoing challenges, marking the fourth consecutive year with a qualified audit. This points to serious inefficiencies and systemic issues that have persisted over multiple terms. One of the main concerns raised was the misclassification of funds and assets, which hampers transparency and accountability within the department. This failure to account properly for assets poses significant risks to national security and compromises the effective use of funds.

Following the AG's report, the Minister tasked me with analysing the document and developing a strategic plan to address the identified issues. We are working on a roadmap to fix misclassification problems, improve transparency, and restore financial integrity. The department is currently compiling a full response to the AG, addressing each concern with specific actions.

During the Portfolio Committee (PC) meeting, on 8 October in Parliament, the AG's findings were met with disappointment, especially given the recurring nature of these issues. The PC on Defence did not mince their words to show their disappointment regarding the findings of the AG. I assured the Committee that the political heads are fully engaged in resolving these problems, and steps are already being taken to analyse and address the root causes.

It's important to note that many of these challenges were inherited from previous administrations, reflecting years of mismanagement and lack of accountability. If anyone reads the AG report, there is no doubt in anybody's mind that we have inherited a lot of problems. Despite this, we are focused on turning the situation around and ensuring the department is on a more stable financial footing.

We assured the Portfolio Committee that the political heads of the department have tabled solutions and are working diligently on turnaround strategies. Additionally, the Secretary of Defence and the Chief of SANDF are also drafting a response to the AG, outlining steps to improve accountability and address the issues raised in the report.

Notwithstanding my input and analysis, the department is busy compiling a full response to the AG for submission to the AG's office. I also shared my analysis of the AG's report I compiled, as instructed by the Minister with the Portfolio Committee on Defence [Annexure B].

One of the more troubling aspects highlighted by the AG relates to the management of secret funds. These funds, which are critical to national security, were found to lack transparency—even to the political heads of the department. The Zondo Commission uncovered misuse of these funds in various departments, and we are committed to ensuring that such practices are not allowed to continue within the DoD.

To address this, we are developing new monitoring and contingency plans for the use of secret funds, with the aim of satisfying both the AG and the Standing Committee on Public Accounts (SCOPA). We cannot allow these funds to be misused, as they are vital to the functioning of the defence force and the safety of the country.

The issues of lack of accountability, consequence management, unauthorized expenditure, and lack of asset registers are areas to which we are duty-bound as a department to come up with sound policies to address. The AG has already referred some suspicious transactions to the SIU related to corruption, which we must tackle urgently.

We will also be looking into procurement, which the AG has identified as a major area needing attention. The PC has already expressed concerns about ensuring that Generals do not sit or influence the procurement process. Internal controls have already been suggested by the political heads in the proposed analysis and report back.

Key Areas of Concern and Future Actions

The Auditor General (AG) raised significant concerns regarding the lack of accountability and consequence management within the department, which has led to unauthorized expenditure that requires immediate attention. To address this issue, we are developing policies aimed at improving accountability and financial discipline, with plans to present them to both the National Treasury and the AG.

Furthermore, the AG has referred several suspicious transactions to the Special Investigating Unit (SIU) for further investigation, underscoring the extent of corruption in certain areas of the department. We are fully committed to ensuring that these cases are resolved swiftly and that those responsible are held accountable.

Additionally, the department's procurement processes have been flagged by the AG as a major area needing reform due to a lack of internal controls. In response, the Portfolio Committee has expressed the need for strict oversight to ensure the procurement process is transparent and free from undue influence. Over the coming

months, we will work on a complete restructuring of the procurement process, implementing internal controls to prevent manipulation of the system, which is critical to restoring public trust in the department.

Another pressing issue is the extended suspension of staff, with some individuals having been suspended for as long as ten years. The Minister has instructed the assembly of a team of legal experts to evaluate these cases and clear the backlog. We are coordinating with the SIU and NPA to expedite these cases, ensuring that any wrongdoing is addressed while also maintaining fairness in resolving the backlog of disciplinary cases.

Strengthening Bilateral Relations and International Engagements

In the realm of international cooperation, our focus during the first 100 days has also been on strengthening key diplomatic engagements and contributing to regional peace initiatives. Notably, we participated in the Thabo Mbeki Foundation African Peace and Security conference, the Minister and President Ramaphosa engaged in peace efforts in the DRC conflict in Angola, and attended the African Defence Leaders Conference (ADLC) in Ethiopia.

Thabo Mbeki Foundation Event: African Peace and Security Dialogue

In October 2024, we participated in the Thabo Mbeki Foundation's African Peace and Security Dialogue in Magaliesburg. This forum brought together African leaders, policymakers, and military officials to address the continent's most pressing peace and security challenges. Central to the discussions was the need for African-led solutions to conflict resolution and peacebuilding, with a particular emphasis on ensuring sustainable peace in conflict-prone regions.

Our contribution to the dialogue was framed by South Africa's long-standing role in peacekeeping and mediation, both of which are essential to addressing conflicts in Africa. The event reinforced the importance of collaboration between African nations and multilateral organizations, such as the African Union (AU), in driving peace initiatives. South Africa's leadership in this area continues to play a critical role in shaping policies that aim to prevent and resolve conflicts across the continent.

Ethiopia: African Defence Leaders Conference (ADLC)

In October 2024, we attended the African Defence Leaders Conference (ADLC) in Addis Ababa, Ethiopia, where key discussions centered on regional security, capacity-building, and defence cooperation across Africa. The conference focused on how African countries can work together to address security threats and strengthen their national defence capabilities through collaborative defence strategies.

One of the central themes of the ADLC was the importance of building strong partnerships between African nations to tackle both traditional and emerging security challenges. As part of our participation, South Africa reaffirmed its commitment to contributing to peacekeeping missions and ensuring that the continent is better equipped to respond to threats such as terrorism, piracy, and internal conflict.

The conference also provided an opportunity to explore bilateral defence agreements with key partners, particularly in areas such as training, intelligence sharing, and technological development. Our engagements at the ADLC reflect South Africa's ongoing dedication to ensuring that African nations can collectively defend their sovereignty while promoting peace and security across the continent.

Key Observations on the Government of National Unity (GNU)

The Government of National Unity (GNU), though still in its early stages, has already demonstrated significant potential to reshape the governance landscape in South Africa. This model, based on collaboration and shared responsibility, provides an innovative framework that could serve as a role model for future governance in the country. The GNU offers a distinct departure from the one-party dominance of previous administrations, promoting checks and balances in state administration. However, to fully harness the potential of the GNU, several critical areas require attention and reform.

One of the most pressing challenges facing the GNU is the need to prevent political interference in the civil service, particularly in critical functions such as procurement. During the State Capture era, procurement processes were heavily manipulated to benefit individuals and political elites, resulting in widespread corruption and mismanagement of public funds. Under the GNU, it is essential to institute safeguards that ensure procurement processes are transparent, fair, and free from political meddling.

The introduction of new policies to prevent political interference is a key priority for the GNU. These policies should ensure that no minister or political leader can sign off on financial transactions or procurement decisions without proper vetting and adherence to established procedures. Senior departmental officials, including Chief Directors, Deputy Directors General (DDGs), and Directors General (DGs), must be involved in all major procurement decisions to maintain a chain of accountability. This multi-layered approach to decision-making will prevent any one individual from unilaterally approving contracts or financial transactions without oversight.

The GNU must take to heart the lessons learned from the State Capture era, during which political directives often superseded the rule of law, and corruption became deeply embedded in the government's operations. The most glaring example of this was the manipulation of state institutions to serve the interests of a select few, at the expense of the South African public.

To avoid repeating these mistakes, the GNU must implement a policy framework that ensures that all government processes—from procurement to contract management—are insulated from political interference. This includes requiring that all financial decisions are subjected to rigorous internal auditing and compliance checks, which will be reviewed by multiple layers of government officials, including Deputy Ministers. It must be made clear that no file should reach the Minister's desk without having gone through all the necessary steps, from the military line of command, Chief Directors to DGs and Deputy Ministers.

The Government of National Unity presents a unique opportunity to reshape South Africa's governance model. While it has already introduced significant checks and balances, there is much work to be done to ensure that the GNU reaches its full potential. The key to this lies in professionalizing the civil service, preventing political interference, and elevating the role of Deputy Ministers in government decision-making. By implementing these reforms, the GNU can create a government that is transparent, accountable, and truly committed to serving the people of South Africa. These efforts are critical to ensuring that the GNU does not only survive but thrives as a model for future governance in the country.

As we enter the next phase of governance, we are committed to building a capable and disciplined defence force. The state of readiness of the defence force has been tested over the last two decades due to chronic underfunding. We are thankful for the President's directive to reverse this defunding, and we hope to see the defence budget restored in the forthcoming Medium-Term Budget.

We remain resolute in our commitment to anti-corruption, enhancing transparency, and ensuring that the defence force is adequately resourced to perform its mandate. The road ahead is challenging, but we are confident that, with the continued support of the President, National Treasury, and our partners within the GNU, we will rebuild the defence sector and restore public confidence in our ability to safeguard the nation.

Yours sincerely,



MAJ GEN (RET) HON B. H. HOLOMISA
DEPUTY MINISTER OF DEFENCE AND MILITARY VETERANS: MP

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