

CONFIDENTIAL
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ON FRIDAY 28 MAY 1993

**THIRD REPORT OF THE TECHNICAL COMMITTEE ON
THE TRANSITIONAL EXECUTIVE COUNCIL / 27 MAY 1993**

1. INTRODUCTION

Since the submission of its previous two reports, the Technical Committee has begun to identify the powers and functions which, in its opinion, should be exercised through the Transitional Executive Council's specialist sub-councils. In the time at its disposal the Committee was able to deal with the powers and functions of the sub-councils on foreign affairs and finance.

Once the Negotiating Council has had occasion to express itself on the proposals that have been and will be made regarding specific powers and functions, the proposals will be appropriately integrated with the rest of the Committee's proposals in its first report.

2. POWERS AND FUNCTIONS

Based on submissions received, the Technical Committee proposes the following terms of reference in relation to foreign affairs and finance. This section of the report has been submitted in a format resembling draft legislation.

2.1 POWERS AND FUNCTIONS IN RELATION TO FOREIGN AFFAIRS

'The Transitional Executive Council will, within its powers of review and other general powers, through its sub-council on foreign affairs, in regard to foreign policy, liaise, monitor, make recommendations and, where it deems necessary, assist with a view to -

- (i) achieving progressively the broadest possible consensus on matters affecting the country's international interests, particularly its long-term interests;

- (ii) securing appropriate agreements with the international community regarding the contribution this community may make to the peaceful transition to democracy;
- (iii) securing such international assistance as the sub-council deems necessary to address the socio-economic needs of the people as a whole and not one or other political grouping;
- (iv) ensuring that foreign policy initiatives benefit the country as a whole and not one or other political grouping;
- (v) promoting such international relations including trade, finance, culture and sport relations, which in the opinion of the sub-council will benefit the country as a whole.'

NOTE: *Access to information by the TEC and its sub-councils will be dealt with separately*

2.2 POWERS AND FUNCTIONS IN RELATION TO FINANCE

- '(1) The Transitional Executive Council will, within the scope of its objectives, its powers of review and other general powers, have the following powers to be exercised through its sub-council on finance:
 - (i) to acquaint itself with recent economic developments, economic policy objectives and targets for the medium-term and more particularly, for the ensuing fiscal year (1994/1995);
 - (ii) to be represented on all function and budgeting committees with a view to ensuring that funds are not applied in a manner favouring one or other political grouping participating in the election of a democratic government;
 - (iii) to receive such reports, and in addition such information relating to fiscal transfers, as are reasonably necessary for the sub-council to perform its functions in terms of the empowering legislation;
 - (iv) to approve any measures designed to rationalise treasury functions in the process of realignment of government structures during transition;
 - (v) to make recommendations to the relevant departments concerning the

privatisation or tendering out of functions currently performed by relevant departments of state;

- (vi) to request any auditor-general to investigate allegations of general or specific corruption and inefficiency, and to request such auditor-general to report to the sub-council upon completion of such investigation;
 - (vii) to review the contents of existing public service disciplinary codes and to request disciplinary investigations into the conduct of public servants who fail to perform their tasks within guidelines governing financial discipline and authorised or proper expenditure; and
 - (viii) to make recommendations regarding the prevention of wasteful expenditure.
- (2) In the performance of its functions and exercise of its powers, the sub-council shall -
- (i) have access to all relevant information available from departments of states (including the TBVC states and self-governing territories), the South African Reserve Bank, the Central Economic Advisory Service, the Tax Advisory Committee and the National Economic Forum;
 - (ii) be entitled to conduct such research as it deems necessary.
- (3) The views of the sub-council shall, in the course of the preparation of the 1994/1995 national budgets, be taken into account, and specifically there shall be consultation on -
- (i) the overall level of state expenditure;
 - (ii) the broad composition of security, social, economic and general government expenditure, broken down into capital and recurrent expenditure;
 - (iii) the level and composition of any taxes to be collected;
 - (iv) the financing of budget deficits; and
 - (v) the contingent liabilities of government.

NOTE: *The Technical Committee would welcome any inputs regarding the feasibility of the recommendations in this sub-paragraph.*

- (4) The sub-council shall be informed of the creation of new posts in the public services, the filling of vacant posts above the level of director and any deviation from the rules and regulations applicable to retirement.
- (5) The sub-council shall be provided, on a continuous basis, with full particulars, including the intended purposes, concerning any new international financial agreement which is being negotiated with any foreign government or international agency.'

NOTES:

1. *Many of the powers provided for here are intended to create transparency in financial government and administration; it should be noted that the Transitional Executive Council's and its sub-councils' power to act is provided for elsewhere (eg paragraph 5 of the draft 'bill' in the first report).*
2. *The question of secrecy provisions in existing legislation and existing secret accounts has arisen. This matter will be dealt with in a separate provision governing access to information.*