

**THE SOUTH AFRICAN COUNCIL FOR THE
NON-PROLIFERATION OF WEAPONS OF MASS DESTRUCTION**

Private Bag X84
Pretoria, 0001
South Africa

Telephone: +27 12 394 3030
Fax: +27 12 394 0288
Website: www.thedti.gov.za/nonproliferation

**Dr Rob Davies
Minister of Trade and Industry
Department of Trade and Industry
Private Bag X84
Pretoria
0001**

Dear Minister

**ANNUAL REPORT OF THE SOUTH AFRICAN COUNCIL FOR THE
NON-PROLIFERATION OF WEAPONS OF MASS DESTRUCTION FOR
THE PERIOD 1 APRIL 2014 TO 31 MARCH 2015**

I have the honour of submitting to you the twenty first annual report of the South African Council for the Non-Proliferation of Weapons of Mass Destruction (the Council) in terms of Section 25 of the Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993) as amended, for the period 1 April 2014 to 31 March 2015.

Yours sincerely,

**Mr. T. Maqubela
Chairperson
08-07-2015**

PREFACE

Foreword by the Council Chairperson



Due to globalisation and rapid developments in science and technology, it is becoming increasingly important to control certain strategic goods and technologies that could contribute to the development of weapons of mass destruction in future. Interest in the movement of certain nuclear items and related equipment and technology will also be heightened in the near future due to South Africa's aspirations and recent development towards benefitting from nuclear energy.

The South African Council for the Non-Proliferation of Weapons of Mass Destruction (the Council) has continued to fulfil its mandate to control items related to the non-proliferation of weapons of mass destruction and their means of delivery through the implementation of the Government's policy on disarmament and non-proliferation and relevant non-proliferation legislation.

The Council, ably assisted by its supporting Committees, continued to rigorously check the relevance of its processes to identify any challenges or shortcomings. In the year under review, the Council considered and approved the implementation of the transit permit and also completed the review of the control lists. The amended control lists were published by the Minister of Trade and Industry on 18 February 2015.

SARS Customs training on commodities related to the development of weapons of mass destruction was continued and the outreach programmes to companies and their related industry associations intensified. The Council, through the Secretariat, hosted the Technical Experts Working Group where member countries (Argentina, Brazil, Mexico, South Africa and the United States of America) engaged to discuss on how best to implement non-proliferation related Customs training, outreach, enforcement, etc.

As part of the Assistance programme under the United Nations Security Council Resolution 1540 of 2004, officials from the Secretariat assisted a country in the Caribbean Community in developing regulatory mechanisms and tools to implement the Resolution.

The vigour with which the Council and Committee members and the Non-Proliferation Secretariat continued to execute their tasks has been impressive and greatly facilitated my task as a Chairperson. The support from the Ministry of Trade and Industry and other stakeholders is appreciated.

Mr T. Maqubela
Council Chairperson



TERMINOLOGY USED IN THIS REPORT

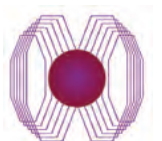


“Weapon of mass destruction” (WMD), as defined in the Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993), means any weapon designed to kill, harm or infect people, animals or plants through the effects of a nuclear explosion or the toxic properties of a chemical warfare agent or the infectious or toxic properties of a biological warfare agent, and includes a delivery system exclusively designed, adapted or intended to deliver such weapons.

The term “goods”, when used in this document, includes any technology, data, technical assistance, services, software, processes, activities, facilities, substances, materials, items, equipment, components, assemblies or systems, whether produced in the Republic or imported into the Republic.

“Person(s)”, when used in this document, refers to a natural person who is a citizen of / or is permanently resident in South Africa, a juristic person registered or incorporated in South Africa or any foreign person located in South Africa or otherwise subject to the jurisdiction of South Africa. Groups and other entities are also deemed to be person(s).

Abbreviations: See Annexure 3 for a list of abbreviations used in the Report.



CONTENTS



Executive Summary v

Part A: General Information

Policy 1

Legislation 2
Controlled Goods 2

Part B: Governance

South African Council for the Non-Proliferation of Weapons of Mass Destruction 3
Establishment of the Council 3
Objects of the Council 3
Functions of the Council 3
Membership of the Council 4
Meetings of the Council 4
Committees of the Council 4
Chemical Weapons Related Analytical Laboratory Services 7
Comprehensive Nuclear-Test-Ban Treaty Related Services 7
Non-Proliferation Control Structure 7

Part C: Performance

Council Activities related to its role as National Control Authority 8
Council activities related to International Cooperation 8
Council activities related to National Cooperation 10
Recommendations for the transfer of nuclear materials 11
Registration of persons involved in activities related to non-proliferation 11
Permits 12
Border Control and Law Enforcement 13
Declarations 14
Inspections and Verifications 14
Awareness and Outreach Programmes 15





Part D: Human Resources Management

Council Secretariat16

Part E: Financial Information

Budget and Expenditure Report17

Annexure 1:

Legislation related to controlled goods18

Annexure 2:

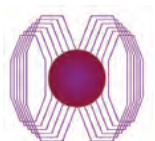
Members of the South African Council for the Non-Proliferation of Weapons
of Mass Destruction21

Annexure 3:

List of abbreviations22

Annexure 4:

Non-Proliferation Control Structure23





EXECUTIVE SUMMARY



This twenty first annual report of the South African Council for the Non-Proliferation of Weapons of Mass Destruction (the Council) is presented to the Minister of Trade and Industry in terms of Section 25(1) of the Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993) (Non-Proliferation Act) and covers the period 1 April 2014 to 31 March 2015.

The Council, on behalf of the State, protects the interests, carries out the responsibilities and fulfil the obligations of South Africa with regard to the non-proliferation of weapons of mass destruction.

During the report period, the Council effectively fulfilled its mandate to control the non-proliferation of weapons of mass destruction through the implementation of the Non-Proliferation Act and government policy on non-proliferation. The Council, through the Non-Proliferation Secretariat, achieved its object of controlling, registering and inspecting controlled goods and verified the manufacture, import, export, re-export, transit (including transshipment) and end use of controlled goods. The Council also ensured compliance with the international treaties, agreements and conventions to which South Africa is a signatory.

Active liaison with industry and the increase in awareness of the controls broadened the scope of control over entities involved in such goods and activities. This was enhanced and as such more persons in possession, custody or control of controlled goods have been registered with the Council after the promulgation of the registration regulation in 2010.

In addition, during the reporting period, the Council finalised and published the amended Government Notices to include new developments in the international regimes and new dual use items that are deemed to be of proliferation risk in line with the decisions of the relevant international regimes. Furthermore, as the Council is continuously evaluating its processes, measures to regulate the transit and transshipment of controlled goods were put in place.

The Council continues to believe that national adherence to international obligations would be optimised through increased commitment to compliance from industry and enhanced enforcement of legislation. Efforts to enhance enforcement continued during the reporting period by strengthening coordination with the relevant Government stakeholders and engaging with international partners.

The officials of the Non-Proliferation Secretariat continued to participate in international meetings in order to fulfil the State's obligations and thereby also increase the capacity of the Secretariat to support the Council.



PART A: GENERAL INFORMATION

POLICY

South Africa's Policy on the Non-Proliferation of Weapons of Mass Destruction

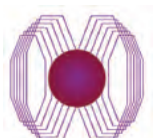


Since 1994, South Africa has committed itself to democracy, sustainable development, social justice and environmental protection. In keeping with this commitment, the Government has extended this policy to include the promotion of global peace and security through the elimination and non-proliferation of weapons of mass destruction. A primary goal of this policy is to reinforce and promote South Africa as a responsible producer, possessor and trader of advanced technologies in the nuclear, biological, chemical and missile fields. In doing so, South Africa promotes the benefits which disarmament, non-proliferation and arms control hold for international peace and security.

In order to implement a clear policy of the non-proliferation of weapons of mass destruction, the South African Cabinet adopted the following policy, based on South Africa's national interests, legislation, as well as its international commitments and obligations.

The policy states that South Africa shall:

- be an active participant in the various non-proliferation regimes and suppliers groups;
- publicly adopt positions supporting the non-proliferation of weapons of mass destruction with the goal of promoting international peace and security;
- use its position as a member of the suppliers regimes and of the Africa Group and the Non Aligned Movement to promote the importance of non-proliferation and to ensure that these controls do not deny developing countries access to advanced technologies required for peaceful purposes and their developmental needs.





LEGISLATION

South African Legislation on the Non-Proliferation of Weapons of Mass Destruction



The Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993) (Non-Proliferation Act), as amended in 1995 and 1996, was promulgated to provide for control over weapons of mass destruction; to establish a Council to control and manage matters relating to the proliferation of such weapons in South Africa; to determine its objects and functions; to prescribe the manner in which it is to be managed and controlled; and to provide for matters connected therewith.

The Non-Proliferation Act is supported by a number of Government Notices and Regulations. Controlled goods and activities have been promulgated in Government Notices based on applicable international legally binding instruments and commitments made in terms of the various export control regimes.

Other South African Legislation related to the Non-Proliferation of Weapons of Mass Destruction is listed in Annexure I.

Due to the changes in the international non-proliferation environment with regard to control requirements and best practices, the Council has regularly undertaken a comprehensive review of its domestic legislation. As such, the Government Notices have been reviewed and promulgated in the Government Gazette to ensure continued coherence with international standards.

Outreach efforts and interaction with industry received attention to increase awareness of national legislation, more specifically amended Government Notices.

Controlled Goods

The Minister of Trade and Industry, through publication of Government Notices and Regulations in Government Gazettes, has enabled the specific obligations of South Africa regarding non-proliferation to be addressed by imposing controls on certain technologies, goods and activities. Through these measures, South Africa complies with the requirements of the various international non-proliferation conventions, treaties and control regimes, to which it is party. Such control lists were reviewed and promulgated in the Government Gazette by the Minister of Trade and Industry on 18 February 2015, in accordance with changing national and international requirements and obligations. A complete list of current Government Notices and Regulations defining controlled goods is given in Annexure I.





PART B: GOVERNANCE

SOUTH AFRICAN COUNCIL FOR THE NON-PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

Establishment of the Council



The South African Council for the Non-Proliferation of Weapons of Mass Destruction is established in terms of Section 4 of the Non-Proliferation Act and is accountable to the Minister of Trade and Industry.

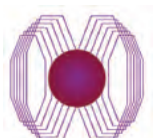
Objects of the Council

The objects of the Council are, inter alia, to control, register and inspect controlled goods, and to verify the import, export, re-export, transit (including trans-shipment) and end-use of those controlled goods.

Functions of the Council

In terms of Section 6 of the Non-Proliferation Act, the Council shall, inter alia:

- protect the interests, carry out the responsibilities and fulfil the obligations of South Africa with regard to non-proliferation, on behalf of the State;
- advise the Minister with regard to any matter which it deems necessary and which falls within the purview of the Non-Proliferation Act; and
- control and manage all activities relating to non-proliferation and provide guidance, instructions and information in connection therewith.





Membership of the Council

The Minister of Trade and Industry, in terms of Section 4(2) of the Non-Proliferation Act, appoints the members of the Council. The Minister appointed members of the current Council from 15 September 2012 for a period of 5 years until 14 September 2017. The Council Chairperson was appointed on 16 November 2012 for a period of five years until 15 November 2017.

During the report period, one member resigned from the Council on 22 May 2014. As a result the biological industry was no longer represented on the Council for the remainder of this reporting period.

A list of the members that were appointed to the Council for the period under review is provided in Annexure 2.

Meetings of the Council

The Council held regular meetings to plan and deliberate on non-proliferation related issues; to assess the activities of its committees and to consider permit applications received from industry.

Committees of the Council

The Committees of the Council, listed below, were established in terms of Section 10 of the Non-Proliferation Act; to advise the Council on specific technical issues. Regular meetings were held during the report period.

Non-Proliferation Control Committee (CC)

The CC considered applications for permits and authorisations, and discussed other related non-proliferation issues which formed part of its advice and recommendations to the Council on such matters.

The CC consisted of experts from the Non-Proliferation Secretariat (NPS), the Department of International Relations and Cooperation (DIRCO), the Chief Directorate of Conventional Arms Control (CDCAC) of the Secretariat for Defence, the South African Nuclear Energy Corporation (NECSA) Safeguards Division, the State Security Agency (SSA), Defence Intelligence (DI), the Department of Energy (DoE), and the South African Revenue Service (Customs).

Chemical Weapons Working Committee (CWWC)

The CWWC deliberated issues related to the Chemical Weapons Convention (CWC) and advised the Council on the implementation thereof. Guidance was also given to the South African delegation attending the Conference of States Parties to the CWC.

The CWWC consisted of experts from the Council, the NPS, Protechnik Laboratories, (a division of Armscor SOC Limited), DIRCO, SSA, and South African National Defence Force (SANDF); the Office of the Surgeon-General and co-opted members.





Biological Weapons Working Committee (BWWC)

The BWWC advised the Council on issues related to the implementation of the Biological and Toxin Weapons Convention (BTWC). Guidance was also given to the South African delegation attending the Meeting of Experts and Meeting of the States Parties to the BTWC.

The BWWC consisted of experts from the Council and various stakeholders involved in biological-related controls, production, and use. These included the NPS, Armscor SOC Limited, South African National Defence Force (SANDF); the Office of the Surgeon-General, Protechnik Laboratories, a division of Armscor SOC Limited, DIRCO, National Institute for Communicable Diseases, Department of Agriculture, Forestry and Fisheries, Department of Health, and co-opted members.

Nuclear and Missile Dual-Use Committee (NMDUC)

The NMDUC advised the Council on nuclear related dual-use and missile related issues, with emphasis on import, export and transit of nuclear dual-use and missile dual-use goods across South African borders. Technical issues, as requested by the Council, were discussed. Delegations to international meetings of the Nuclear Suppliers Group (NSG) and the Missile Technology Control Regime (MTCR) were advised on negotiation positions.

The NMDUC consisted of experts from the Council and various governmental stakeholders involved in nuclear dual-use and missile delivery systems. These included the NPS, DI, DIRCO, SSA, NECSA Safeguards Division, DoE and co-opted members.

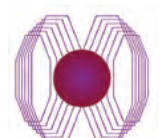
Non-Proliferation Review Committee (NPRC)

In 2004, the Council instituted a comprehensive review of all non-proliferation policy, guidelines, legislation, control mechanisms, processes and procedures, infrastructure and human resources in order to maintain alignment of South African controls with national interests and international obligations and best-practice. This mandate was assigned to the NPRC.

The work undertaken by the NPRC was subsequently guided by an Inter-Departmental Non-Proliferation, Disarmament and Arms Control Workshop, convened by DIRCO in February 2005. It was integrated with the work of the Non-Proliferation and Arms Control Working Committee, convened by DIRCO, that continued to be responsible for South Africa's obligations in terms of the United Nations Security Council Resolution 1540 adopted in April 2004.

During the 2012-2013 financial year, the NPRC completed the comprehensive review of South Africa's non-proliferation legislation, mechanisms, processes, procedures and structures in order to ensure that the South African non-proliferation controls remained aligned to national interests and international commitments and best practices.

At the conclusion of this report period, the tabling of the updated legislation in Parliament was still being withheld pending the outcomes of discussions between the Council and other Government departments and institutions that might be affected.





Protechnik Laboratories Programme Management Committee (PL PMC)

The PL PMC was formed in terms of the Service Level Agreement between the Department of Trade and Industry and Protechnik Laboratories, a division of Armscor SOC Limited. The PL PMC provided oversight on the implementation of the Service Level Agreement and executed all tasks required to ensure that South Africa fulfilled its obligations in terms of the Chemical Weapons Convention (CWC).

The PL PMC consisted of experts from the NPS, South African National Defence Force (SANDF); the Office of the Surgeon-General, and Protechnik Laboratories, a division of Armscor SOC Limited and the Armaments Corporation of South Africa.

Non-Proliferation Secretariat/South African Revenue Services Coordinating Committee (NPS/SARS CC)

The NPS/SARS CC was formed in 2009 in terms of the Memorandum of Understanding (MoU) signed between the Department of Trade and Industry and the South African Revenue Service. The Committee dealt with implementing the MoU, negotiated the Service Level Agreement and the Standard Operating Procedures and facilitated the enforcement of the non-proliferation legislation related to the movement of controlled goods through South Africa's international trade borders.

The NPS/SARS CC consisted of participants from NPS, SARS, DoE, SSA, and DIRCO.

Council for Geoscience Project Management Committee (CGS PMC)

The CGS PMC was formed in 2013 in terms of the Service Level Agreement between the Department of Trade and Industry and the Council for Geoscience (CGS). The CGS PMC oversaw the implementation of the Service Level Agreement and executed all tasks required to ensure that South Africa fulfilled its obligations in terms of the Comprehensive Nuclear-Test-Ban Treaty Organisation (CTBTO).

The PMC consisted of officials from the NPS and CGS.

Comprehensive Nuclear Test-Ban Treaty Coordinating Committee (CTBT CC)

The CTBT CC was formed in 2014 to coordinate the implementation of the CTBT in South Africa. The purpose of the CTBT CC is to advise the Council on matters related to the implementation of the Comprehensive Nuclear-Test-Ban Treaty in South Africa; construction of stations and laboratories within the Comprehensive Nuclear Test Ban Treaty Organisation's (CTBTO's) International Monitoring System (IMS) stations and laboratories; integration of the station(s) into the CTBTO's Global Communications Infrastructure (GCI); and certification of all CTBTO infrastructure in the country.

The CTBT CC consisted of officials from the NPS, NECSA, DIRCO and CGS.

During the period under review, the CTBT CC advised Council on the construction and certification of a Radionuclide (RN) laboratory, Noble Gas (NG) system and a Radionuclide (RN) station in the country.





Chemical Weapons Related Analytical Laboratory Services

In order to effectively discharge its obligations under the CWC, South Africa continued to utilise the services of a specialised laboratory capable of performing advanced analytical procedures to enable detection and identification of chemical weapons-related chemicals and their degradation products.

The renewal of the Service Level Agreement with Protechnik Laboratories, a division of Armscor SOC Limited, South Africa's Single Small Scale Facility (SSSF), enabled the provision of the above laboratory services. This also supplemented CWC compliance and allowed the laboratory to be maintained.

The current Service Level Agreement is valid for a period of 4 years from April 2013 to March 2017.

Comprehensive Nuclear-Test-Ban Treaty Organisation Related Services

South Africa signed and ratified the Comprehensive Nuclear-Test-Ban Treaty (CTBT) in 1996 and 1999 respectively. The Council has been designated as the National Authority to the Comprehensive Nuclear-Test-Ban Treaty Organisation (CTBTO) thereby assisting with the implementation of the CTBT obligations in South Africa.

In order to help in the monitoring of possible treaty violations, such as nuclear explosion/tests after the Comprehensive Nuclear-Test-Ban Treaty comes into force, South Africa hosts several monitoring stations within its territory on behalf of CTBTO.

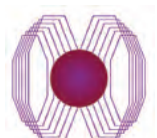
The Department of Trade and Industry (the dti) on behalf of the Council has concluded a Service Level Agreement (SLA) with the Council for Geoscience (CGS) to assist with the maintenance of the stations.

The SLA is valid for three years from April 2013 to March 2016. This SLA between CGS and the dti will be reviewed before the end of the term in March 2016.

Non-Proliferation Control Structure

Due to the multi-faceted nature of non-proliferation controls and the overlapping of non-proliferation legislation in South Africa, the Council continued to depend on the cooperation and collaboration with other Government departments and entities to fulfil its mandate.

An organogram illustrating the organisational structure of the Council is provided in Annexure 4. This further illustrates the relationship with the other Government departments and institutions through the Committees of the Council.



PART C: PERFORMANCE

COUNCIL ACTIVITIES RELATED TO ITS ROLE AS NATIONAL CONTROL AUTHORITY



Council Activities related to International Cooperation

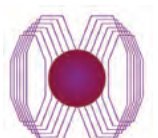
As part of South Africa's obligations in terms of the international conventions, treaties and regimes, officials from the NPS participated in the following international meetings, in order to deliberate on the control measures, lists of controlled goods and other issues relating to international implementation of the various obligations:

- The Nuclear Suppliers Group Technical Experts Group Preparatory and Consultative Group Meetings that were held from 07 to 11 April 2014 in Vienna, Austria;
- The Intersessional Technical Experts Meeting of the Missile Technology Control Regime (MTCR) that was held from 20 to 26 April 2014 in Prague, Czech Republic;
- The Twelfth Regional Meeting of the National Authorities of States Parties to the Chemical Weapons Convention (CWC) in Africa that was held from 04 to 06 June 2014 in Nairobi, Kenya;
- The VERTIC's Meeting on Multilateral verification for Nuclear Disarmament that was held from 23 to 24 June 2014 in Salzburg, Austria;
- The Nuclear Suppliers Group Plenary Meeting that was held from 23 to 27 June 2014 in Buenos Aires, Argentina;
- The Kenyan Weapons of Mass Destruction Commodity Identification and Interdiction Training that was held from 12 to 18 July 2014 in Manyani, Kenya;
- The assistance of the Government of Grenada to implement the United Nations Security Council Resolution 1540 that was held from 21 to 25 July 2014 in Grenada;
- The Meeting of Experts to the Biological and Toxin Weapons Convention that was held from 04 to 08 August 2014 in Geneva, Switzerland;
- The Comprehensive Nuclear-Test-Ban Treaty's Working Group B (43) Meeting that was held from the 18 to 29 August 2014 in Vienna, Austria;





- The VERTIC's Working Group on the development of a possible framework for complete global nuclear disarmament and the development of tools towards this end that was held from 01 to 05 September 2014 in London, United Kingdom.
- Basic Course for Personnel of the National Authorities involved in the National Implementation of the Chemical Weapons Convention by the Organisation for the Prohibition of Chemical Weapons (OPCW) that was held from 15 to 19 September 2014 in The Hague, Netherlands;
- "Education for Peace: New Pathways for Securing Chemical Disarmament" Conference by the Organisation for the Prohibition of Chemical Weapons (OPCW) that was held from 22 to 23 September 2014 in The Hague, Netherlands;
- The Technical Experts Meeting and the Plenary of the Missile Technology Control Regime (MTCR) that was held from 29 September to 03 October 2014 in Oslo, Norway;
- The Nineteenth Security and Strategic Trade Management Academy coordinated by the University of Georgia: Centre for International Trade and Security (CITS) that was held from 11 to 26 October 2014 in Athens, Georgia, United States of America (USA);
- The Nuclear Suppliers Group Technical Experts Group Preparatory and the Consultative Group Meetings that were held from 03 to 07 November 2014 in Vienna, Austria;
- The African Union Training Workshop on the Implementation of United Nations Security Council Resolution 1540 (2004) that was held from 17 to 20 November 2014 in Addis Ababa, Ethiopia.
- The Sixteenth Annual Meeting of National Authorities to the Chemical Weapons Convention (CWC) that was held from 27 to 30 November 2014 and the Nineteenth Session of the Conference of States Parties to the CWC that was held from 01 to 05 December 2014 in The Hague, The Netherlands;
- The Meeting of States Parties to the Biological and Toxin Weapons Convention that was held from 01 to 05 December 2014 in Geneva, Switzerland;
- The VERTIC's workshop to promote multilateral nuclear disarmament that was held from 03 to 04 March 2015 in London, United Kingdom;
- The Comprehensive Nuclear-Test-Ban Treaty's Working Group B (44) Meeting that was held from 16 March to 27 March 2015 in Vienna, Austria;
- The Intersessional Technical Experts Meeting of the Missile Technology Control Regime (MTCR) that was held from 30 March to 2 April 2015 in Bern, Switzerland.



Various training courses were held in conjunction with the OPCW in order to enhance capacity in Africa with regard to the implementation of the Chemical Weapons Convention. The following training courses were held during the report period:

- Analytical Chemistry Course under the programme to strengthen cooperation with Africa that was held from 12 to 23 May 2014 at Protechnik Laboratories in Centurion. Participants were trained in sample preparation, basic analytical techniques and the use of certain laboratory equipment required for the analysis of toxic chemicals.
- The Third Assistance and Protection Course for instructors for African States Parties to the CWC in the Southern Region was held from 01 to 12 September 2014 in Tshwane, South Africa. This course was provided for selected specialists from participating countries of the region (Southern Africa). Only participants dealing with the emergency response and protection against chemical weapons and toxic industrial chemicals were invited. The course covered theoretical and practical training on the usage of individual and collective protective clothing, monitoring, detection and decontamination techniques, as well as the handling of casualties after a chemical incident. In addition, a manual on Joint Management of Incidents involving Hazardous Chemical Agents was provided to the participants.
- The Sub-regional Training Course for Customs Officials on the Technical Aspects of the Transfer Regime of the Chemical Weapons Convention that was held from 15 to 18 July 2014 in Centurion, South Africa. The training focussed on imparting comprehensive knowledge about the Convention, including the provisions of the transfer's regime, in order to improve the ability of participating State Parties to track transfers of chemicals listed in the Convention's schedules of chemicals.
- The Workshop on Security, the Implementation of the Chemical Weapons Convention and Cooperative Threat Reduction in Africa that was held from 02 to 06 March 2015 in Brooklyn, South Africa. The overall objective of the seminar was to devise country-specific integrated approaches to the national implementation of not only the Chemical Weapons Convention but other related treaties, where possible. The workshop also identified specific activities and interventions which the relevant partner agencies and the African Union and its Regional Economic Communities / Regional Mechanisms for Conflict Prevention, Management and Resolution can undertake to promote national implementation of the CWC.

Council Activities related to National Cooperation in respect of Non-Proliferation

Inter-Governmental cooperation was achieved through the representation of the relevant stakeholder Departments and Agencies on the Council and the various Committees of Council.

Certain exports, imports and transit of goods required the approval of both the Council, South African Police Service as well as the National Conventional Arms Control Committee (NCACC). The NPS actively participated in the meetings of the committees of the NCACC, while the CDCAC also participated in meetings of the CC.



The Nuclear Energy Act, 1999 (Act No. 46 of 1999) requires that the Minister of Energy should consult with the Council on the transfer of nuclear materials, equipment and technology and on any matter affecting the proliferation of weapons of mass destruction in terms of Sections 33(2)(e), 34(2)(a) and 35(2).

The coordinating structure to ensure consultation between the Council and the Minister of Energy with regard to nuclear exports and imports was maintained. Representatives from the DoE participated in the Council, the NMDUC, as well as the CC meetings.

Recommendations for the transfer of nuclear materials

Evaluation of nuclear transfer applications were performed in conjunction with other government stakeholders. This is part of the process where the Minister of Energy considers import and export authorisation applications for the transfer of nuclear materials, equipment and technology.

In terms of the authorisations' applications evaluation, all imports of Scheduled items and exports of Schedule I and II items were considered and recommended by the CC directly to the Council Chairperson for signature. All exports of Schedule III and IV items were considered and recommended to the Council by the CC for further consideration before a recommendation, by Council, can be issued to the Minister of Energy.

During the reporting period, the Council and the Control Committee:

- Considered 43 import and 27 export authorisation applications.
- Made recommendations on 34 import and 23 export authorisations to the Minister of Energy.

As at 31 March 2015, recommendations on 9 import and 4 export authorisation applications were pending.

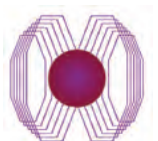
Registration of persons involved in activities related to Non-Proliferation

Section 13(3) of the Non-Proliferation Act requires that any person who is in control of any activity with regard to controlled goods or who has in his or her possession or custody, or under his or her control, controlled goods shall register with the Council.

Furthermore, the Government Notice No. R.16 of 3 February 2010 prescribes the manner in which persons in control of any activity with regard to controlled goods or who have controlled goods in their possession or custody or under their control should register with the Council.

Outreach visits were maintained to make industry aware of the need to register or re-register as prescribed. The information on all registered persons was recorded and the necessary security measures were maintained to protect the confidentiality of the information contained in the Register.

During the period of the report, 45 persons applied for new registration and 73 applied for registration renewal. This brought the total number of persons registered with the Council under the new registration format to 273 as at 31 March 2015.





Permits

Control over the transfer (import, export, re-export or transit including trans-shipment) of controlled goods is regulated through a permit system. Persons wishing to transfer controlled goods apply to the Council for authority to do so.

The permit system allows for persons to apply for six different types of permits to be issued as follows:

- Individual Permits;
- Open Multiple Permits;
- Issue on Request Permits;
- Transit Permits;
- Provisional Export Guidance;
- Manufacturing and Services Permits;

These different types of permits allow for the person transferring the controlled goods to choose the type that suits the operational requirements of the applicant. An Individual Permit allows for a single consignment to a single destination / end user for fixed quantity of items with a validity period of three months.

An Open Multiple Permit allows for multiple consignments to a single destination / end user for a fixed total quantity of items with a validity period of one year. This type of permit allows the applicant more flexibility in terms of dates of shipments and dividing the total quantity approved over multiple consignments. Open Multiple Permits are the preferred option for transactions such as the maintenance and supply of goods that are subject to a pre-approved contractual agreement.

An Issue on Request Permit allows for an applicant to obtain approval for a total quantity of items and subsequently individual permit requests may be sent to the NPS each time the applicant wishes to transfer a consignment of the approved export or import. An individual permit is then issued for a single consignment, to a single destination / end user for a portion of the total quantity of items with a validity period of three months. This type of permit is also used by the Council to control the export of sensitive items as the applicant would have to inform the NPS of each intended transfer before a permit was issued. The system can also be used for a client who requires an Open Multiple Permit but is not aware or sure of the exact date of commencement of the approved shipments.

The Provisional Export Guidance Request Process continued to be widely utilised by persons to obtain guidance from the Council on whether an export could be considered at a later stage, before contracts or agreements were concluded with potential customers abroad.

The Manufacturing and Services permit is for certain goods and technology, which have a higher proliferation risk compared to other controlled items. Since 3 February 2010, persons in possession or custody or control or manufacturing certain controlled goods had to apply to the Council for Manufacturing and Services permits.

A Transit permit is used in respect of goods in transit or being trans-shipped through the territory of the Republic of South Africa. It allows for a single consignment from a single origin/supplier to a single destination / end user for fixed quantity of items with a validity period of three months.





All permit applications received during the period of the report were, on receipt, registered by the NPS.

The CC considered all permit applications and, after evaluation, made recommendations to Council, which then decided whether to approve the application, to request further information or to deny the application.

During the reporting period, the Council:

- Received 93 import and 81 export permit applications
- Issued 76 import permits and 73 export permits
- Received 5 provisional export guidance requests and provided guidance on 2 potential exports in terms of the provisional export guidance system
- Received 2 applications and issued 2 permits for Manufacturing and Services

One import permit application was withdrawn by the applicant and one export permit application was for an item that is not controlled under the non-proliferation legislation. One provisional export guidance request was withdrawn by the applicant whereas the other was for an item that was not controlled under the non-proliferation legislation. As at 31 March 2015, 16 import applications, 7 export applications and 1 provisional export guidance request were pending.

Border Control and Law Enforcement

The South African Revenue Service (Customs), South African National Defence Force and the South African Police Service (Border Police) are responsible for the control of borders, ports of entry/exit and borderlines.

During the reporting period, the Coordination Committee between the Non-Proliferation Secretariat and the South African Revenue Service (SARS) (Customs) continued with efforts to ensure compliance with, and enforcement of, the non-proliferation legislation was maintained. A Memorandum of Understanding (MoU) was implemented with SARS to continue the relationship and ensure effective and efficient enforcement of the provisions of the Non-Proliferation Act.

A Service Level Agreement (SLA) expanding on the implementation of the MoU as well as Standard Operating Procedures (SOP) continued to be discussed with the appropriate role-players.

As the Council has amended its lists of controlled items, the Non-Proliferation Secretariat and SARS continued with the updating of the Prohibited and Restricted list to reflect the changes in the amended control lists.

The Commodity Identification Training (CIT) programme was continued to assist Customs and Border Control officials in the identification of controlled goods which will enhance non-proliferation legislation enforcement efforts. As the nationwide CIT rollout plan has not been provided, it was agreed that further training schedules will be held on an ad hoc basis. An electronic CIT named Strategic Commodity Reference (SCORE), has been commissioned and made available to Customs and other non-proliferation and arms control officials for self-study.

Furthermore, the training has been made available to other non-proliferation and arms control related government institutions and law enforcement agencies.



Declarations

Council required persons involved in the transfer or production of controlled chemicals to declare their activities, in accordance with the legislation and international obligations. This information was collated in accordance with national and international requirements.

During September 2014, Annual Declarations of Anticipated Activities for South Africa's Single Small Scale Facility (SSSF) and Schedule 3 facilities were submitted to the OPCW in terms of the requirements of the CWC.

During March 2015, Annual Declarations of Past Activities for the SSSF, Schedule 3 and Other Chemical Production Facilities (OCPF), as well as import and export data of scheduled chemicals were submitted to the OPCW.

As part of the conditions of the Manufacturing and Services Permits issued, companies submitted completed declaration forms and written reports of activities during the reporting period. The completed documents were used as a reference during verification visits which are recommended in the permit's conditions.

Inspections and Verifications

In terms of the CWC, the OPCW can verify activities relating to toxic chemicals and their precursors and facilities producing such chemicals in addition to the information provided in the declarations.

During the report period, three OPCW inspections took place in South Africa. There were two (sequential) inspections held at OCPF producing Discrete Organic Chemicals and one Schedule I inspection at South Africa's SSSF. The three inspections confirmed South Africa's adherence to the provisions of the CWC.

Furthermore, international verification exercises were undertaken to ensure that certain conditions attached to sensitive items exported from South Africa were adhered to. The verification exercises were undertaken in conjunction with the NCACC Inspectorate.

Locally, an inspection was undertaken at a nuclear related company in terms of the Manufacturing and Services Permit conditions to verify the company's declarations' contents. The inspection confirmed the company's adherence to the permit conditions.



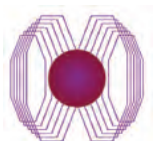


Awareness and Outreach Programmes

In order to improve the operational efficiency of the NPS, the development of an on-line system for permit applications continued. Positive feedback continued to be received from industry on the information supplied on the website of the Council.

The NPS undertook a series of awareness visits to businesses involved in controlled goods and activities in terms of national and international obligations. These visits and awareness raising sessions aimed to increase the knowledge of industry and relevant stakeholders of the legislation and control processes and procedures and to encourage industry to adopt the voluntary Internal Compliance Programme.

The Compliance and Enforcement Unit in the NPS organised 20 industry visits at individual companies and 2 outreach visits. The visits were undertaken in conjunction with the Scientific Support Unit of the Non-Proliferation Secretariat to assist with technical issues.



PART D: HUMAN RESOURCES MANAGEMENT

The Council Secretariat



The Chief Directorate: Non-Proliferation of the Department of Trade and Industry (the dti), also known as the Non-Proliferation Secretariat (NPS), provided the administrative and secretarial support as required for the proper performance of the Council and its committees' functions. The NPS remained located as a Chief Directorate within the International Trade and Economic Development Division of the dti.

The NPS also undertook the daily operations and supported other functions of the Council and its committees i.e. the registration and processing of permit applications from persons trading in goods of proliferation risk, and the interpretation and implementation of the requirements of national legislation and the various international agreements, treaties and conventions.

Members of the NPS and the Committees of the Council represented the Council at various international forums of the international treaties, conventions and regimes to which South Africa remained a party.



PART E: FINANCIAL INFORMATION

Budget and Expenditure Report



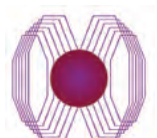
As the Council is established as a statutory body by the Minister of Trade and Industry in terms of the Non-Proliferation Act, the budget for the Council and NPS, as well as general administrative services were provided by the dti. All expenditure incurred was through the NPS, which is allocated a budget through the International Trade and Economic Development Division in the dti. Audited Financial Statements of the NPS and the Council are therefore not contained in this report.

The budget and expenditure of the NPS and the Council are included in the audited financial statements of the dti and reported in the annual report of the dti.

The following is a brief summary of the budget and expenditure of the NPS and the Council for the 2014/2015 financial year ending 31 March 2015.

Table 1: Budget and Expenditure for 2014/2015

Description	Budget	Expenditure	
		Amount	Percentage
Compensation of Employees	R 6 361 000.00	R 6 463 050.00	101.60%
Goods and Services	R 2 106 000.00	R 2 040 498.93	96.89%
Remuneration of Council members not in full time employment of the State	R 227 000.00	R 270 234.80	119.05%
Operational Expenditure including Travel and Subsistence	R 1 751 000.00	R 1 642 801.00	93.82%
Hiring and Rental	R 128 000.00	R 127 463.13	99.58%
Sub Fees: OPCW	R 4 473 000.00	R 3 158 666.26	70.26%
Protechnik Laboratories Current	R 2 684 000.00	R 2 684 000.00	100.00%
Protechnik Laboratories Capital	R 1 118 000.00	R 1 117 808.39	99.98%
Council for Geoscience Current	R 1 030 000.00	R 1 030 000.00	100.00%
Total	R 17 772 000.00	R 16 494 023.58	92.81%





ANNEXURE I

LEGISLATION RELATED TO CONTROLLED GOODS



The control over goods, services and technology related to weapons of mass destruction and their means of delivery is addressed in various Acts, Regulations and Notices as follows:

- I. Weapons of Mass Destruction: The Non-Proliferation of Weapons of Mass Destruction Act, 1993 (Act No. 87 of 1993) (Non-Proliferation Act), as amended and supported by Regulations and Notices.
 - I.1 The Missile Technology Control Regime Equipment and Technology are declared as controlled goods in terms of Section 13 of the Non-Proliferation Act. Government Notice No. 22 of 3 February 2010, as amended and published under Notice of Amendment No. 77 of 18 February 2015, declares certain Missile Technology and Related Items as controlled goods and control measures applicable to such goods. Previous Government Notices listing these items, which have now been repealed, are Government Notice No. R.1789 of 14 October 1994; Government Notice No. 429 of 10 April 2002 and Government Notice No. 311 of 11 April 2007.
 - I.2 The Nuclear Dual-use Goods and related items of the Nuclear Suppliers Group are declared as controlled goods in terms of Section 13 of the Non-Proliferation Act. Government Notice No. 20 of 3 February 2010, as amended and published under Notice of Amendment No. 76 of 18 February 2015, declares certain dual-use Equipment, Materials and Related Technology Items (Nuclear Suppliers Group Part 2) as controlled goods and control measures applicable to such goods. Government Notice No. 21 of 3 February 2010 declares certain Nuclear-related dual-use Equipment, Materials and Related Technology Items (Stable Isotopes Separation Technology) as controlled goods and control measures applicable to such goods. Previous Government Notices listing these items, which have now been repealed, are Government Notice No. R.1790 of 14 October 1994; Government Notice No. 430 of 10 April 2002; and Government Notice No. 310 of 11 April 2007.
 - I.3 The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (Chemical Weapons Convention) was included in South African legislation through the promulgation of Government Notice No. 754 of 2 May 1997.

Government Notice No. R.17 of 3 February 2010 relates to the implementation and administration of the Chemical Weapons Convention in the Republic. A previous Government Notice listing these regulations, which has now been repealed, is Government Notice No. R. 705 of 23 May 1997 as amended by Government Notice No. R. 77 of 29 January 2004.





The various Schedules of chemicals of the Chemical Weapons Convention are declared as controlled goods in terms of Section 13 of the Non-Proliferation Act. Government Notice No. 18 of 3 February 2010, as amended and published under Notice of Amendment No. 74 of 18 February 2015, declares certain chemical goods to be controlled goods and control measures applicable to such goods. Previous Government Notices listing these items, which have now been repealed, are Government Notice No. 704 of 23 May 1997; and Government Notice No. 152 of 29 January 2003.

- 1.4 The Catch-All mechanism allows the Council to declare goods that are mentioned in the controlled lists, but do not comply fully with the specifications mentioned, or do not appear nominally on a list or lists, to be controlled goods. Government Notice No. R. 75 of 29 January 2004 enables this mechanism to be effected.
- 1.5 The Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and their Destruction was included in South African legislation through Presidential Proclamation No. R. 16 of 26 February 2002.
- 1.6 Biological goods and technology are declared as controlled goods in terms of Section 13 of the Non-Proliferation Act. Government Notice No. 19 of 3 February 2010, as amended and published under Notice of Amendment No. 75 of 18 February 2015, declares certain biological goods and technologies to be controlled goods and control measures applicable to such goods. Previous Government Notices listing these items, which have now been repealed, are Government Notice No. 428 of 10 April 2002; and Government Notice No. 712 of 8 June 2004.
- 1.7 The manner in which persons in possession or custody or control of controlled goods should register with the Council has been prescribed in Government Notice No. R.16 of 3 February 2010.

2. There is National Legislation that also has a bearing on the implementation and the enforcement of the national policy on Non-Proliferation. The following are prominent:

2.1. Nuclear materials:

- Nuclear Energy Act, 1999 (Act No. 46 of 1999): The possession, use, disposal and processing of nuclear material and Especially Designed and Prepared (EDP) items are controlled by the Department of Energy in terms of the Nuclear Energy Act, 1999 (Act No. 46 of 1999) and its supporting Regulations and Notices. Government Notice No. 207 of 27 February 2009 declared those items listed in the Zangger list of items as controlled.
- National Nuclear Regulator Act, 1999 (Act No. 47 of 1999). This Act provides for the establishment of a National Nuclear Regulator to provide for safety standards and regulatory practices for the protection of persons, property and the environment against nuclear damage and to regulate nuclear activities.
- Hazardous Substances Act, 1973 (Act No. 15 of 1973). This act covers radioactive materials outside a nuclear installation, which are classified as Group IV hazardous substances.



- 2.2. Chemical and biological agents: Safety, security and accountability requirements during the manufacturing process, storage, stockpiling, as well as transfer and transport of toxins and pathogens:
- Agricultural Pest Act, 1983 (Act No. 36 of 1983), for plant pathogens
 - Animal Diseases Act, 1984 (Act No. 35 of 1984) replaced by the Animal Health Act, 2002 (Act No. 7 of 2002)
 - Fertilizers, Farm Feed, Agricultural Remedies and Stock Remedies Act, 1947 (Act No. 36 of 1947)
 - Genetically Modified Organisms Act, 1997 (Act No. 15 of 1997); Government Notice No. R. 1420 of 1999
 - National Conventional Arms Control Amendment Act, 2008 (Act No. 73 of 2008)
 - National Health Act, 2003 (Act No. 61 of 2003)
 - Occupational Health and Safety Act, 1993 (Act No. 85 of 1993), for human and zoonotic pathogens and chemicals. Regulation on Biosafety Standards for Microbiological Laboratories.

2.3 Missile related goods and technology:

- National Conventional Arms Control Amendment Act, 2008 (Act No. 73 of 2008)

3. South Africa has other legislative frameworks related to the Non-Proliferation of Weapons of Mass Destruction, also with specific reference to non-State actors, acts of terrorism and the safety and security aspects of materials, services and technology. Some of the major ones are:

- Aviation Act, 1962 (Act No. 74 of 1962)
- Criminal Law Second Amendment Act, 1992 (Act No. 126 of 1992)
- Cross-Border Road Transport Act, 1998 (Act No. 4 of 1998)
- Customs and Excise Act, 1964 (Act No. 91 of 1964)
- Defence Act, 2002 (Act No. 42 of 2002)
- Explosives Act, 2003 (Act No. 15 of 2003)
- Interception and Monitoring Prohibition Act, 1992 (Act No. 127 of 1992)
- Internal Security Act, 1982 (Act No. 74 of 1982)
- International Trade Administration Act, 2002 (Act No. 71 of 2002)
- Maritime Zones Act, 1994 (Act No. 15 of 1994)
- National Environmental Management Act, 1998 (Act No. 107 of 1998)
- National Road Traffic Act, 1996 (Act No. 93 of 1996)
- Prohibition of Mercenary Activities and Regulation of Certain Activities in Country of Armed Conflict Act, 2006 (Act No. 27 of 2006)
- Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004 (Act No. 33 of 2004)
- Protection of Information Act, 1982 (Act No. 84 of 1982)
- Space Affairs Act, 1993 (Act No. 84 of 1993)
- The Prohibition of Certain Conventional Weapons Act, 2008 (Act No. 18 of 2008)
- Anti-Personnel Mines Prohibition Act, 2003 (Act No. 36 of 2003)



ANNEXURE 2

MEMBERS OF THE SOUTH AFRICAN COUNCIL FOR THE NON-PROLIFERATION OF WEAPONS OF MASS DESTRUCTION



The members of the Council were appointed in terms of Section 4(2) of the Non-Proliferation Act by the Minister of Trade and Industry for a period of five years. The appended table indicates persons that were appointed and served as members of the Council from 15 September 2012 until 14 September 2017 and Chairperson from 16 November 2012 until 15 November 2017.

During the reporting period, one member resigned from the Council.

COUNCIL MEMBER	
MR T MAQUBELA	Chairperson
Vacant	Vice-Chairperson
MR L S HAMILTON	Aerospace Industry
MR J KELLERMAN	Department of International Relations and Cooperation
MR J LEAVER	Nuclear Industry
MS S LUTSEKE	Chemical Industry
MS E MONALE	Additional member from the Department of Energy
MR G NAPIER (Resigned on 22 May 2014)	Biological Industry
MS M RASWESWE	South African Nuclear Energy Corporation
MS J SCHOLTZ	Department of Trade and Industry
LT. GEN. A P SEDIBE	Department of Defence and Military Veterans
MR (DR) K SIZIBA	Additional member from the State Security Agency
COL (RET) (DR) B STEYN	Department of Defence and Military Veterans



ANNEXURE 3 LIST OF ABBREVIATIONS



BTWC	Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (Biological and Toxin Weapons Convention)
BWWC	Biological Weapons Working Committee
CC	Non-Proliferation Control Committee
CGS	Council for Geosciences
CIT	Commodity Identification Training
CTBTO	Comprehensive Nuclear-Test-Ban Treaty Organisation
CWC	Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (Chemical Weapons Convention)
CWWC	Chemical Weapons Working Committee
DDCAC	Chief Directorate of Conventional Arms Control
DIRCO	Department of International Relations and Cooperation
DI	Defence Intelligence
DoE	Department of Energy
DOC	Discrete Organic Chemical
EDP	Especially Designed and Prepared
MTCR	Missile Technology Control Regime
NCACC	National Conventional Arms Control Committee
NECSA	South African Nuclear Energy Corporation
SSA	State Security Agency
NMDUC	Nuclear and Missile Dual-Use Committee
NPRC	Non-Proliferation Review Committee
NPS	Non-Proliferation Secretariat
NSG	Nuclear Suppliers Group
OCPF	Other Chemical Production Facility
OPCW	Organisation for the Prohibition of Chemical Weapons
PL PMC	Protechnik Laboratories Programme Management Committee
CGS PMC	Council for Geosciences Project Management Committee
SACU	Southern African Customs Union
SANAS	South African National Accreditation System
SANDF	South African National Defence Force
SCORE	Strategic Commodity Reference
SSSF	Single Small Scale Facility
TEM	Technical Expert Meeting
the Council	South African Council for the Non-Proliferation of Weapons of Mass Destruction
the dti	Department of Trade and Industry
WMD	Weapons of Mass Destruction



ANNEXURE 4 NON-PROLIFERATION CONTROL STRUCTURE

