

BULLETIN

JANUARY 2021



■ *Political Overview by* **PRESIDENT CYRIL RAMAPHOSA**

UNITY, RENEWAL AND RECONSTRUCTION IN THE YEAR OF CHARLOTTE MAXEKE

We are conducting this Lekgotla of the National Executive Committee under the conditions imposed upon us by the gravest health crisis the world has experienced in over a hundred years. We have witnessed the untold damage that the coronavirus pandemic has continued to wreak on people's lives, to their livelihoods and to our society.

As a movement and as a country, we have lost many people to this disease. Yesterday, we lost an outstanding cadres of our movement, Cde Jackson Mthembu, a member of this National Executive Committee and the Minister in the Presidency. We have lost many others who occupy key leadership positions at various levels and other institutions. We would all agree that the losses we continue to suffer are a devastating loss to our movement, our government and our nation. Today, we pay tribute to these comrades and compatriots. Let us dedicate all our efforts this year to executing our tasks and honouring their memory.

Priorities for 2021

We are holding this meeting as South Africa and the world enters the second year of the coronavirus pandemic. It was for this reason that in our January 8th Statement, we declared the defeat of COVID-19 to be our foremost priority for the year. Unless we overcome the pandemic, many more people will lose their lives, our economic recovery will be limited, jobs will not be created at the rate we have aspired to, and our mission to fundamentally transform our society and economy will be set back by many years.

Our second priority, given the devastation the pandemic has caused, is to place our economy on a path of renewal and recovery. Importantly, we said this path must be one which overcomes the apartheid and colonial legacy of poverty, inequality and unemployment.

Our third priority for the year is to forge ahead with the fundamental renewal and unity of the African National Congress. In the January 8th Statement, we said that it is only an ANC with ethical, selfless and disciplined members that can lead the national effort to reduce coronavirus infections and defeat COVID-19, but also drive radical social and economic transformation.

Our fourth priority for 2021 is to work to build a better Africa and a better world. Despite the damage caused by the coronavirus pandemic, we must intensify our contribution to Africa's development and to building a more just and more peaceful global order. In fact, the effects of coronavirus – in deepening inequality and hampering development – make the case for our engagement in continental and global change even stronger.



Figure 1: **PRIORITIES FOR 2021**

PRIORITY 1: DEFEAT THE COVID 19 PANDEMIC

On the first priority, to work together to defeat COVID-19, there are two main areas of intervention that we must pursue simultaneously and with great focus.

Firstly, we must intensify the health measures that we know to be effective in preventing transmission. Even in the absence of regulations, most South Africans know what these measures are, and most people adhere to them as a matter of course. We are seeing great improvement in the wearing of mask on an ongoing basis. There are some lapses, but we are seeing improvements. Even as the rate of new infections drops, allowing us to return to lower coronavirus alert levels, it will still be necessary to continue with many of these personal practices such as mask wearing and social distancing.

Secondly, the population of South Africa must have speedy, effective and equitable access to vaccines that will offer protection from COVID-19. Those vaccinated will be less likely to develop COVID-19, and as more people receive the vaccine the overall rate of transmission in society will reduce. Our aim is to achieve 'population immunity', which is estimated to be when around 67 per cent of the population is immune. This, in our case, amounts to around 40 million people.

As Cde Zwelini Mkhize will report later, significant time, resources and effort is being invested into our vaccine strategy – and that this task is being attended to with the utmost urgency. This past week, Cabinet approved the establishment of an IMC, headed by the Deputy President. The IMC will aim to ensure that:

- sufficient doses of COVID-19 vaccines are procured in a timely manner to achieve the immunisation targets set out in the National COVID-19 Vaccine Strategy;
- adequate funding is made available to enable this procurement on an urgent basis and without obstacles or delays;
- appropriate measures are put in place to prevent corruption and wasteful expenditure in the procurement or distribution of vaccines;
- an effective distribution strategy is developed and implemented to address the storage, transport,

administration and recording of vaccines, including through collaboration between multiple departments where necessary;

- there is effective collaboration with social partners, including the private sector and civil society, to support and enable the vaccine rollout;
- there is effective collaboration between national, provincial and local government in the distribution and management of vaccines, and
- a national communications strategy is implemented to counter misinformation, fake stories and conspiracy theories and encourage uptake of vaccines.

The IMC and other structures were set up because this is the largest project that the country has handled, where we will need to reach out to over 40 million in just over a year. This is going to be a major operation. The IMC will exercise political oversight over the tasks that many of our employees have to execute. Already our officials have taken to this task with gusto and commitment.

As the vaccines are due to arrive in a week or two, they have begun work to get things ready. There has probably been no other product in the history of humanity for which there is such urgent universal demand. As was feared, the wealthier countries have managed to secure most of the vaccine doses that will be produced this year. This means that, as a country, we are pursuing all available avenues to secure doses of the vaccine because the wealthier countries have appropriated many of these. We are participating in the WHO's COVAX facility and the African Union's vaccine acquisition initiative, and have been engaging directly with manufacturers.

With our constrained resources, the cost of the purchase of the vaccines is a major challenge. This is not something that can be deferred, since the cost – in human lives and to our economy – would be far greater than the cost of vaccines for 40 million people. Our first, and primary, source of vaccine funding is the fiscus. This is a public good that is vital to the well-being of all our people, and it is therefore correct that public funding should be used, even if this means increasing public borrowing. Cde Tito will later outline challenges in this regard, but funds will be there to save the lives of our people.

We are also engaged in discussions with the private sector for companies to make a further contribution, either into a pooled fund or where employers are able to cover the cost of vaccination for their workforce. Many of them have also shown a willingness not only to help with the vaccination initiative of their employees but also people living in surrounding communities. Some of these companies are in the mining industry. The medical aids have also done a great deal of work on funding models that will see them covering the cost of vaccines for their members, and we are also working with them to see the extent they can help to fund others.

Through these funding approaches, we anticipate that we will be able to cover the cost of the purchase, storage, distribution and administration of all the vaccines that we need.

As we have said before, this is without doubt the largest logistical exercise in our country's history. We should remember that the vaccine programme needs to reach everyone within the borders of our country, whether they are South Africans or not. This is not only a matter of basic human rights, but it is also necessary if we are to achieve the necessary level of population immunity. So we need to be careful not to talk about vaccinating South Africans only, and the continent is looking to us whether we will focus on our country alone.

As we begin this Lekgotla, we need to recognise a fundamental reality: that the coronavirus will in all likelihood be with us for the whole of 2021 and beyond.

We do not know whether there will be further waves of infections, nor if there will be further variants, including those from other countries. We do not know for sure at what pace we will be able to vaccinate the population, or when we will reach herd or population immunity.

This reality must underpin all our discussions, because there is almost no area of our lives that will not be affected by the virus. In some areas, the effects will last only until the pandemic is effectively contained. However, in other areas of life, the effects may last much longer. And they will much longer for the majority of our people.

We need to urgently undertake an assessment of the impact of the pandemic now and into the future, so that we can adjust our planning accordingly. Our movement must do this assessment, so that we can do scenario planning. This may be the time to deal

with a number of variables and plan accordingly. We are the leader of society and we must be able to look at a number of scenarios.

This assessment must look at the effect of the pandemic on the health of our people. Our statistics tell us that more than a million out of a cumulative total of 1.3 million people infected in South Africa have recovered from coronavirus. But we do not know how many have fully recovered. We know that in some cases, COVID causes lasting damage to a person's health. It will take some time and research to establish the cumulative effect on the health of our population of infection by this virus.

Impact on other Diseases and Health system

We also need to consider what impact our response has had on other diseases. As our health facilities have had to focus on the treatment of COVID, it is likely that other health services have been displaced – ranging from slippages in our child immunisation programme to limitations in the reach of our HIV and TB treatment programmes. This may cause public health challenges further down the line.

Because we have been focusing on COVID and it is possible that there may have been slippages in other areas. We have heard that a number of our people have not been showing up at health facilities for chronic medication.

Another area that needs attention is our health system. Our health facilities have been stretched beyond endurance since infections first started to rise in June and July last year, and as a far bigger wave struck in December and January. Even under the most extreme conditions, our health workers have done an outstanding job in caring for our people and in saving lives. Even as hospital admissions start to fall – which we hope they will do

We also need to look after our health care workers, not only ensuring that they are properly protected from infection, but also that we attend to the effects of this health crisis on their physical and mental well-being. We are already seeing signs of not only physical fatigue, but also mental fatigue, which results in a number of other challenges.

in the coming days – we will need to strengthen our health care capacity to ensure that we are ready for possible future surges later in the year.

We also need to look after our health care workers, not only ensuring that they are properly protected from infection, but also that we attend to the effects of this health crisis on their physical and mental well-being. We are already seeing signs of not only physical fatigue, but also mental fatigue, which results in a number of other challenges.

Another aspect that needs attention is the implication of this pandemic on the nature, scale and pace of the implementation of National Health Insurance. While the pandemic has underscored the need for the NHI, we must look at what impact it has had on our ability – whether from a capacity or fiscal position – to proceed with the implementation of the NHI.

Covid 19 Social Relief

Shortly after the declaration of a national state of disaster in March last year and the implementation of a nation-wide lockdown, we implemented a massive social and economic relief package that amounted to around 10-11 per cent of GDP.

One of the most important parts of that package was the temporary increase in the monthly amounts paid to social grant recipients and the temporary introduction of a Special COVID-19 grant for people who were unemployed. Researchers have established that these measures played an important role in keeping many people above the poverty line amidst rising unemployment and severe economic contraction.

As the pandemic continues, and as these measures come to an end, we need to look at what effect it has on levels of poverty and hunger, both now and in the longer term. Already a number of people are saying that the stoppage of these additional grants is going to have a profound impact. We will see, for example, a marked increase in child malnutrition, which will have huge consequences for their development?

Most importantly, if we see these effects, what measures will we take to address them? It is in this context that our discussions on the possibility of further support for households need to be located, and specifically what are the best uses of scarce resources to protect our people from the worst ravages of hunger and poverty. We did say in the

January 8th Statement that the movement and the nation needs to discuss a universal grant system and see the extent to which it will have efficacy and whether we can afford it.

PRIORITY 2. ECONOMIC RECONSTRUCTION AND RECOVERY

When we announced the Economic Reconstruction and Recovery Plan in October last year, we said that we need to undertake decisive reforms to stimulate new investment and job creation in order to begin to build a new, more inclusive economy even in the midst of COVID. We knew that we could not wait for the pandemic to end before we embarked on urgent measures to restart growth, to recover lost jobs and to create new ones.

Already we are seeing progress in several areas.

The new approach to infrastructure that has been developed by Infrastructure SA is gaining traction and revitalising the construction and related sectors. Several of the programmes that form part of the Presidential Employment Stimulus are operational. Since its launch late last year, around 260,000 people have begun work in various programmes and active recruitment is currently underway for a further 200,000 jobs, livelihood or job retention opportunities. This programme offers great potential for innovative partnerships with civil society and business that we can use to create more work opportunities.

This Lekgotla should also take stock of the measures taken to deepen the productive base of the economy, especially the sectoral masterplans that have been concluded. We should also look at how through these various initiatives we can not only deepen the productive base of our economy, but how we can advance the empowerment of black people, women and young people.

We must implement radical economic transformation to improve the economic standing of our people. In some cases, we've neglected to implement some of these measures, such as in procurement, the concentration of ownership in our economy. This is one area that is still lacking in what we have set out to do. As we receive the presentations on Economic Recovery & Transformation, and as we discuss this in the Commissions, we need to reflect on how the ongoing pandemic is going to impact on our response.

Land reform is one area we have to focus on. We have taken a revolutionary decision. We now need to implement it and do so in a way that we do not repeat some of the mistakes around land restitution, where many farms remain fallow. We must enable women and young people to be able to work the land.

What sectors of the economy will continue to be depressed? We can be fairly sure that it will take some time for international business and leisure travel to pick up and that even local travel will remain restrained. The hospitality industry will remain vulnerable to any further measures we may need to put in place to contain future surges.

And where are the opportunities? What sectors can become the new key drivers of economic growth and job creation, though, for instance, accelerated land redistribution, new energy investments and how we can speed up digital access? Can we expect a sustained recovery in commodity prices? And can we expect to speed up beneficiation? If so, are we moving with sufficient urgency to ensure security of energy supply and to improve the efficiency and competitiveness of our ports and rail infrastructure? Given the rise in remote working arrangements across the world, are there new opportunities in business process outsourcing that we can exploit? Many offshore companies have been exploiting BPO in South Africa. Can this be broadened and deepened? These are some of the questions we must ask – and seek to answer – as we implement our economic reconstruction and recovery, and as we plan for a new, better economy in the longer term.

Land reform is one area we have to focus on. We have taken a revolutionary decision. We now need to implement it and do so in a way that we do not repeat some of the mistakes around land restitution, where many farms remain fallow. We must enable women and young people to be able to work the land.

Given the reality that there are parts of the economy that will take longer return to full operation, is there a need – and do we have the fiscal space – to provide some form of relief to companies and employees in distressed sectors of the economy?

There are many more areas where the pandemic has had a significant impact, and where its effects will continue to be felt.

The academic year was greatly disrupted last year, and we have had to delay the start of the 2021 school year. We do not know whether there will be further disruptions, nor what the net result will be on the quality of our educational outcomes.

What do we need to do to protect our education system – from Early Childhood Development right through to higher education – from the ravages of a sustained pandemic? What do we need to do to secure the future of an entire generation of young South Africans? We will need to look at the impact of the pandemic on crime, security and stability.

With deepening economic distress and with our security services given the added responsibility of ensuring compliance with disaster regulations, there is potential for a significant increase in crime and for social instability. It is in such conditions that xenophobic attacks and other forms of violent behaviour and intolerance can find fertile ground. What are we doing, both as a government and as the ANC, to prevent this?

What do we need to do to secure the future of an entire generation of young South Africans?

PRIORITY 3. THE AFRICAN AGENDA AND BUILDING A BETTER WORLD

Another area that requires attention is the effect of the pandemic on international relations.

The recent chaos at some border posts highlights some of the challenges we may face if we do not work closely with our neighbours and other SADC countries to confront deepening health, social and economic challenges. The issue of immigration and border management is likely to receive greater prominence and we need to be proactive and progressive in addressing it.

United Pan African action against Covid-19

During the course of our Chairship of the African

Union, we have been able to mobilise Member States behind a common approach to the pandemic. We championed key initiatives like the Africa Medical Supplies Platform, which enabled countries to buy PPEs and other supplies far more cheaply, and which was the first of its kind in the world. This facility enabled us to see the beginning of a continent-wide trading platform, which enabled African producers to sell the products to new markets. We also established the African Vaccine Acquisition Task Team, which has secured 270 million vaccine doses for distribution to all African countries. This has enabled many countries on the continent to have access and have funding arrangements.

We need to sustain this cooperation and collaborative spirit into 2021.

We also need to do what we can to facilitate the effective operation of the African Continental Free Trade Area even as COVID constrains economic activity and limits the movement of goods and people. We were able to launch it through the Johannesburg Declaration and now the continent is able to trade with itself.

Due to the pandemic, we will not be able to forge ahead with all our plans. On silencing the guns, we were not as successful as a continent as we hoped to be. In Libya we managed to silence the guns, and we hope that both sides will work together. In South Sudan, where our Deputy President was involved, we managed to silence the guns and the unity government seems to be working. But there are conflicts elsewhere, such as in the Sahel region, Ethiopia, Mozambique and Western Sahara.

The pandemic will also affect global relations. While the pandemic has once more underlined the value and importance of multilateral institutions and has seen a commitment from many countries to solidarity and equity in access to medicines, vaccines and financial support, the reality can be quite different.

The problem of 'vaccine nationalism' among wealthier nations is depriving many middle- and lower-income countries of immediate access to the vital doses they need to protect their health workers. If this is not corrected, we may find that the inequality between the North and the Global South that has deepened as a consequence of the pandemic, is further compounded by the great vaccine divide. Wealthier countries may achieve

population immunity relatively quickly and can thereby restore their economies to full operation, while the rest of the world continues to battle COVID and slides further into economic distress.

When Covid 19 started spreading around the world many believed that it was a black swan occurrence. As our understanding of the pandemic has matured many now believe that we should have anticipated that there would be a virus which would spread around the world. The signs of a global pandemic were already there. A number of people and scientists gave warnings and very little was done to prepare the nations of the world for a pandemic like Covid 19.

It has now become clear that humanity is existing in an era when pandemics could occur at any time. We need to be prepared for the occurrence of new and perhaps more vicious pandemics. Defence mechanisms such as vaccines will perhaps for the foreseeable future be the best defence systems that humanity could have against viruses.

PRIORITY 4. STATE CAPACITY, LOCAL GOVERNMENT AND BASIC SERVICES

Finally, we need to consider the impact of COVID on the capacity of our state.

There are areas where the state has done well. Despite the huge challenges in our public health system, it has so far managed to largely withstand the greatest strain on its infrastructure, systems, resources and personnel. Right at the beginning, critics of the government kept harping on about our 'broken' health system and that it would collapse. But it has remained largely intact. At the same time, we were hoping to put in place some of the elements of the NHI, including increasing ICU and other capacity in some health facilities.

Ambitious projects like the Special COVID Grant and the COVID TERS scheme were up and running in a very short space of time, and, despite the difficulties, managed to provide support to companies and individuals on a scale never attempted or achieved before.

Through this crisis we have also seen the depth of knowledge and expertise in many of our public institutes, agencies and universities, particularly in the areas of health and science. And we have been

largely effective in mobilising this capacity to inform and drive our response.

We need to build on these capabilities as we look to the future.

While South Africa has extensive experience in the development, trial and manufacture of vaccines, both for animal and human use, we were not prepared to tackle this challenge when it confronted us.

As the world confronts the possibility of future pandemics, we need to be drawing on that experience that we already have and investing in South Africa's own vaccine development and production industry – and we need to do so as part of a broader African initiative. This continent should never again find itself in a situation where it must rely on others outside of our continent to immunise its population against a devastating disease.

However, amid the examples of excellence, there were a number of areas where the weaknesses in the state were evident.

In many cases, plans were not effectively or fully implemented – ranging from the provision and management of quarantine sites, provision of water tanks or distribution of food parcels – pointing to a lack of coordination between the three spheres of government. Another area of weakness was in the procurement of PPE and other essential supplies. Poor financial management and weak oversight meant that there was greater scope for corruption, overpricing and the like. These are also issues which we need to address if we are to overcome the COVID pandemic, provide relief to our people and effectively implement the reconstruction and recovery plan.

The issue of state capacity will take on even greater significance as we approach local government elections.

Our fundamental task, even before we contemplate the election campaign, is the strengthening, revival and, in many instances, transformation of municipalities. We inherited a huge developmental backlog and deep structural challenges in many parts of the country. Over the course of the last quarter century, we have made much progress in addressing those challenges.

However, we must be the first to acknowledge that we could have and should have done much better. We have not always deployed the best cadres

to local government, nor have we ensured that municipalities are staffed by people with the right skills, competence and developmental outlook. These institutions have been further eroded by mismanagement, corruption and factional battles from within our own organisation.

The District Development Model aims to respond to some of these challenges, to bring all spheres of government closer to the people, and to foster an integrated approach to governance. At this Lekgotla, we must define a clear programme to strengthen municipalities, to finding sustainable solutions to dysfunctional administrations and to deploying the best people to this vital sphere of government. We must convince voters of our ability to transform their lives through effective local governance not through slogans and rhetoric, but through action.

But we will also need to address the capacity of the state in national government and provincial government. Because that is where everything really happens.

PRIORITY 5. UNITY AND RENEWAL

As the January 8th Statement makes clear, we will not fulfil these weighty responsibilities at this time of national crisis if we do not renew and rebuild our movement.

Unity is a fundamental principle of our organisation, and unity is best built through action.

It is best built by working together in pursuit of a common purpose, whether it is mobilising communities to be vaccinated or undertaking campaigns to support local economic development; whether it is acting to end gender-based violence and femicide or running social employment programmes. If we want to rebuild this valuable organisation, we need to engage all its cadres, deployees, members and structures in the execution of the tasks outlined in the January 8th Statement.

We also need to restore the confidence of our people in the movement and its leadership. This means that we must act clearly, even-handedly and without reservation against those within our ranks who are involved in actions that tarnish the movement. We must implement the resolutions of the 54th National Conference and other Conferences and the decisions of the NEC on this matter.

As the leadership of the movement, we must remain true to the core values of the African National

As the leadership of the movement, we must remain true to the core values of the African National Congress – integrity, honesty, tolerance, respect and, above all, service

Congress – integrity, honesty, tolerance, respect and, above all, service. These values should permeate throughout the institutions in which we serve and for which our people have given us responsibility.

Conclusion. We face a difficult Year

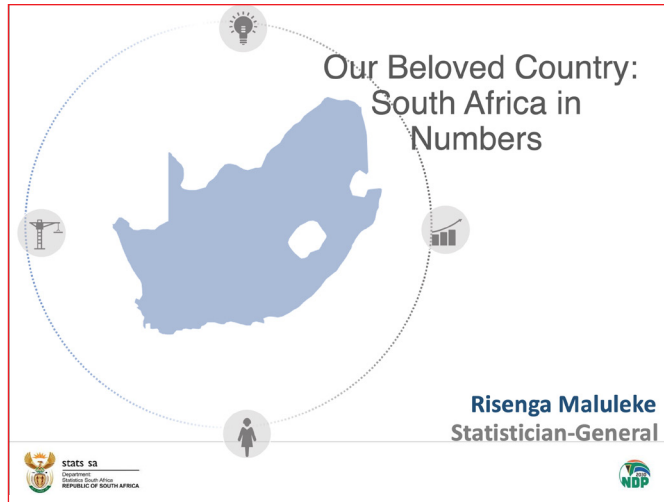
Our actions now will determine the fate of our country for many years to come. I am convinced that we have the means, the policies and the endowment to confront the many crises of the moment, and – as a movement and as a nation – to prevail. Let us ensure that this Lekgotla charts a clear and decisive way forward.

I end by welcoming former Presidents Thabo Mbeki and Jacob Zuma and former Deputy President Kgalema Motlanthe. I know that the level of debate in this Lekgotla will be raised by their participation.

I thank you.

Presentation by **RISENGA MALULEKE**

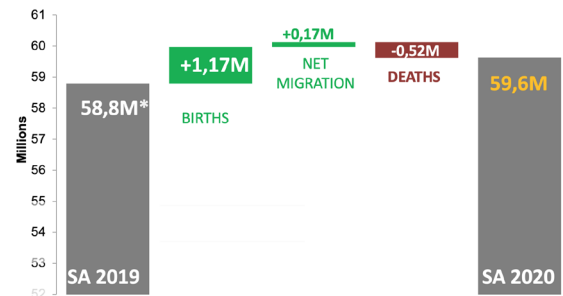
SOUTH AFRICA IN NUMBERS



Births are the main driver of population growth in SA

For the period 2019–2020 the population is estimated to have grown by around 0,8 Million

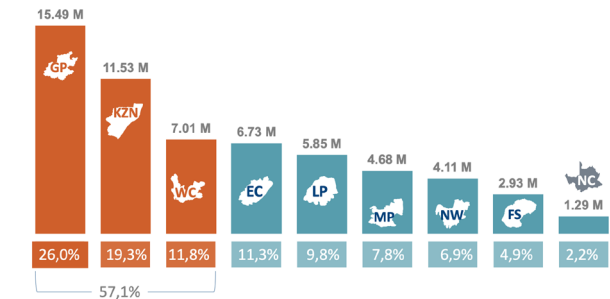
Impact of births, deaths and migration on population, 2020



More than half of the population live in 3 provinces (GP, KZN and WC)

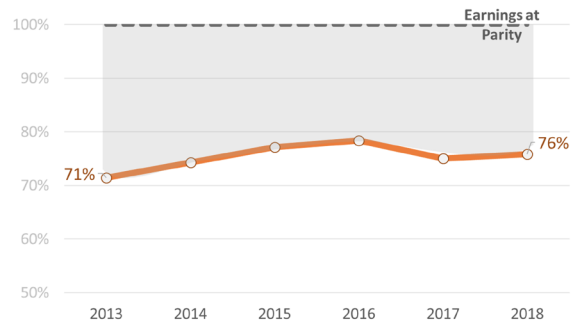
GP remains SA's most populated province with approximately 15,5 million people (26%) living in this province.

Mid-year population estimates for South Africa by province, 2020



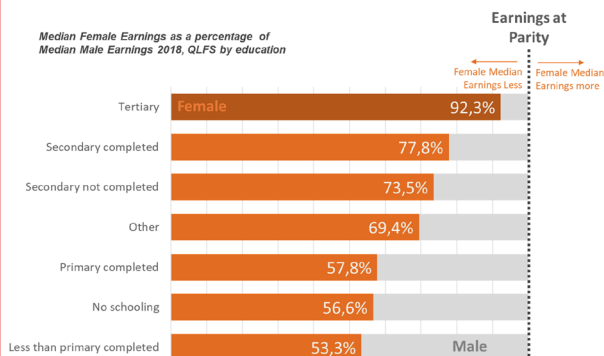
Gender Pay Gap: In 2018 women's median monthly earnings were 76% of men's median monthly earnings

Median Female Earnings as a Percentage of Median Male Earnings 2013-2018, QLFS



Women with tertiary education experienced a narrower pay gap in 2018, earning 92,3% of men's earnings

Median Female Earnings as a percentage of Median Male Earnings 2018, QLFS by education



National Poverty Lines based on April 2020 prices

Upper-Bound Poverty Line

R1268



Threshold of relative deprivation below which people cannot afford the minimum desired lifestyle by most South Africans

Lower-Bound Poverty Line

R840



Austere threshold below which one has to choose between food and important non-food items

Food Poverty Line

R585



Threshold of absolute deprivation. The amount of money required to purchase the minimum required daily energy intake

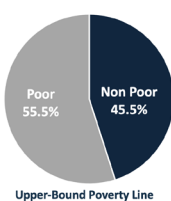
Source: National Poverty Lines

stats sa
Department of Statistics
Republic of South Africa

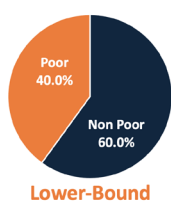
NDP

In 2015, more than **a quarter** of the population were living below the food poverty line

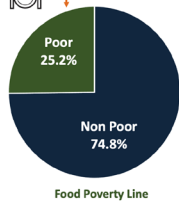
Money-metric Poverty headcounts in 2015



Provides an unambiguous threshold of relative deprivation below which people cannot afford the minimum lifestyle desired by most South Africans



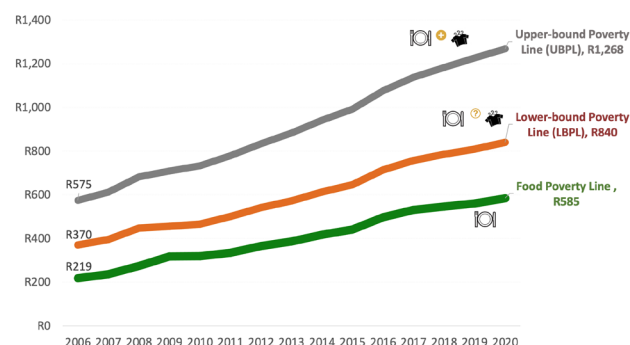
Provides an austere threshold below which one has to choose between food and important non-food items



Is the Rand value below which individuals are unable to purchase or consume enough food to supply them with minimum per-capita-per-day energy requirement for good health

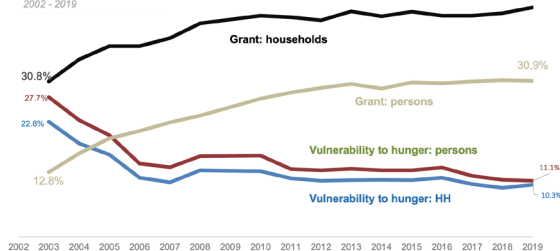
Source: Living Conditions Survey

National Poverty Line Series from 2006 to 2020

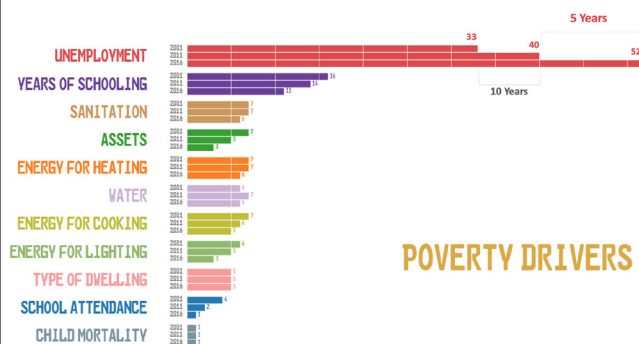


Vulnerability to hunger at an individual and household level has been declining whilst access to grants has been increasing.

Grants and Vulnerability to hunger 2002 - 2019

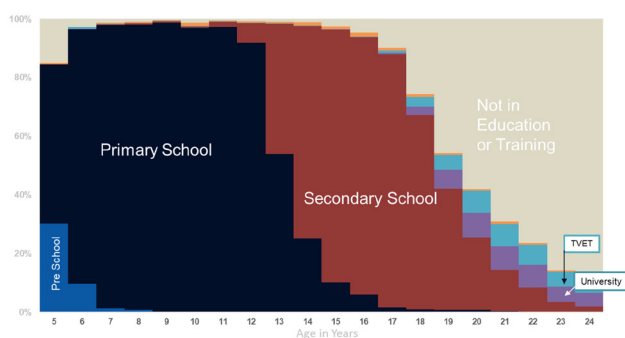


Multidimensional Poverty Drivers



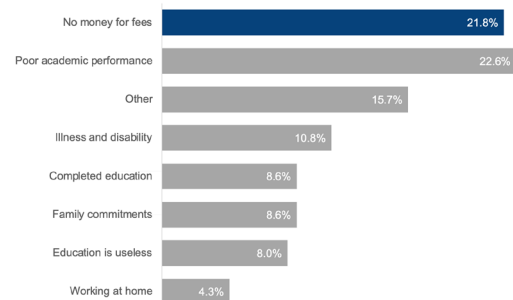
EDUCATION: There is noticeable representation of learners who are older than the ideal graduation age in primary and secondary schools.

Percentage of those aged 5 - 24 years who attend educational institution, 2019

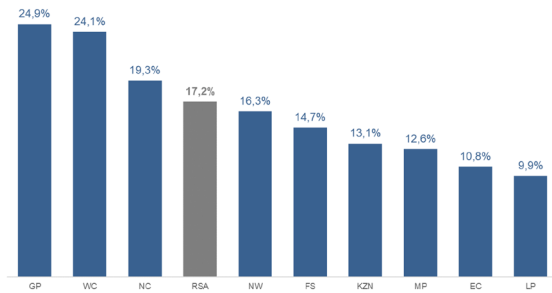


Over a fifth of learners cited a lack of money as the main reason for not attending an educational institution. Some reasons for not attending an educational institution are particularly affected by gender.

Percentage of those aged 5 - 24 years who attend educational institution, 2019

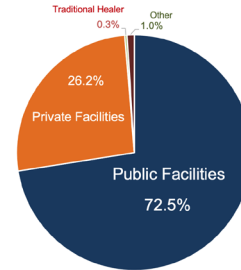


On average only around 17,2% of the population have medical aid coverage. Only highly urbanised provinces of Gauteng and WC have medical aid coverage rates higher than the average



PUBLIC HEALTH FACILITIES STILL FIRST PORT OF CALL FOR THE VAST MAJORITY OF SOUTH AFRICA. Only highly urbanised provinces of Gauteng and WC have medical aid coverage rates higher than the average

Healthcare facility normally consulted by household when someone is ill, 2019



Due to rounding numbers may not add up to 100%

■ *Commission Reports*

COMMISSION 1:

ECONOMIC RECOVERY AND RECONSTRUCTION

1. INTRODUCTION

The Commission met in the context of having to assess progress in the implementation of an Economic, Reconstruction and Recovery Plan adopted in October 2020, to respond to both the human and economic impact of the Covid pandemic on the lives of the nation.

The assessment informed the planning session on the economic priorities for the year and the plan for the implementation of the priorities.

The Commission noted issues that require attention and focus as part of ensuring the success of the Economic Reconstruction and Recovery Plan.

The Commission acknowledged that the Coronavirus pandemic continues to severely disrupt all aspects of human life and has accentuated the fundamental challenges of poverty, unemployment and inequality along the lines of race, class and gender.

The Commission was tasked with developing a common understanding of possible scenarios for 2021, mapping out the economic priorities, receiving updates on implementation of 2020 Makgotla resolutions and providing a framework mandate for government for 2021/2022 in the context of January 8 priorities, the 2019 Election Manifesto and Conference Resolutions.

The task of mobilising society behind the priorities and programme for 2021 through social compacting and advancing radical socio-economic

transformation, seized the commission.

Whilst the programme and challenges to the implementation plan were the main focus, it was acknowledged that there were matters of macro-economic debate that needed a separate process to engage on and that this should take place.

The Lekgotla received a presentation of progress to implement the Economic Recovery and Reconstruction Plan. The presentation assessed progress against the specific sector plans and where challenges remained these were identified.

The commission recommended that the Alliance Secretariat must address matters of disagreement within the alliance. The commission agreed that it was important for the Alliance partners and the ANC Economic Transformation Sub-Committee to iron out key strategic issues. The meeting noted matters raised by the ANC's Alliance partners as a matter of concern, which include: (1) the normal and Covid-19 Temporary Employer/Employee Relief Scheme (TERS) benefits linked to the Unemployment Insurance Fund, (2) the management of public sector wage increments and (3) CCMA budget cuts which hamper the ability of the CCMA to process labour disputes, CCMA job saving measures and (4) the high impact fund. In response to some of these issues, it would be important to note that whilst an actuarial study has been received the parties are not in agreement on the study. Parties are urged to find one another and, in particular, it is proposed that the matter of TERS goes back to Nedlac for further discussions.

2. IMPLEMENTATION OF TASKS SET BY 2020 MAKGOTLA'S

This section will focus on the following:

2.1. WHAT WAS DONE IN 2020

The document on what was done in 2020 is included as a separate standalone report.

2.2. PLANS FOR 2021/2022

2.2.1 ECONOMIC RECONSTRUCTION AND RECOVERY PLAN (ERRP)

The ERRP seeks to concentrate on targeted high impact measures to ascertain these are implemented with speed and efficiently in order urgently to stimulate inclusive growth, investment and job creation.

ERRP has four key interventions and the commission reaffirmed support for these:

- Massive infrastructure rollout
- Expedite expansion of electricity generation
- Employment stimulus to create employment, sustain livelihoods and social reproduction
- Drive for industrial growth, putting manufacturing, localisation and beneficiation at the core of the programme.

The commission noted the recommendation that the ERRP document can be strengthened to contain clear targets, quantifiable/ measureable objectives, timeframes and costing.

The alignment of the Economic Reconstruction and Recovery Plan (ERRP) with the objectives of the NDR means that there is need to take a long-term view in this regard. This means that even sectoral reforms must respond to immediate challenges, but equally have a clear long-term objective to industrialise our economy, implement extensive transformation in terms of property relations, the economy and the empowerment of workers, and ensure through these interventions that we build-on the revenues derived from our natural and industrial resources. The Plan must ensure that the reforms we implement strengthen the capacity of the state to transform the lives of our people.

2.2.2 MACROECONOMIC FRAMEWORK

The commission recommended that the current macroeconomic policy must be constantly reviewed, to ensure an environment that sustainably stimulates economic development and inclusive growth. The impact of fiscal consolidation on the economy must be determined and this impact must be balanced against the need to stabilize the country's current debt to GDP ratio and rapidly rising debt costs.

2.2.3 COVID-19

The implementation of an effective plan to roll out COVID vaccines to as many people in South Africa as possible, as rapidly as possible, is of the highest priority. Given that some vaccines require double doses, some sixty million syringes, vials and other paraphernalia will be required, and we need an immediate industrial approach to manufacture these in South Africa, and also consider economies of scale that may emerge from demand in sub-Saharan Africa. Industrial and other economic opportunities presented by Covid-19 must be looked into with urgency.

Procurement of vaccines from strategic allies must be given more consideration.

The resolution on the state-owned pharmaceutical company must be implemented. The COVID pandemic has demonstrated to us, now, more than ever the need to implement the resolution and the National Health Insurance (NHI).

2.2.4 TOWNSHIP, VILLAGE ECONOMIES, SMMEs AND CO-OPERATIVES

The commission reiterated the commitments of the 54th national conference and 2019 manifesto to support and promote: township and village economies; SMMEs and legitimate co-operatives. The matter of sustainable markets for SMME's and Co-ops is necessary. The regulatory environment needs to be amended to allow for set asides. The Public Procurement Bill must be finalised as a matter of urgency. The Bill must cater for set asides for SMME's and co-operatives to support localisation.

Targeted opportunities for women driven across the three spheres by government is necessary so as to ensure inclusion of women in the economy.

The Commission further reiterated the role SMMEs

and co-operatives play in building an inclusive economy and for the economic empowerment of women, youth and the marginalised communities predominantly in townships and rural areas.

The Commission noted that growing economies have been propelled by an increased participation of SMMEs and co-operatives, and encourages government to strengthen the participation of SMMEs and co-operatives.

The Commission noted as counterproductive the continued reduction in the funding for SMMEs and co-operatives development and support programmes.

The Commission resolved that there is a need to strengthen the participation of SMMEs and co-operatives in the localisation programme as part of building an inclusive economy and as an anchor of economic recovery and growth

2.2.5 MINING, ENERGY, MANUFACTURING AND INDUSTRIALISATION

To boost investment and jobs in the mining sector, mining exploration activities must be accelerated. Strategic minerals to drive industrialisation and beneficiation must be identified.

Plans to improve energy security are a high priority. These include measures to procure new electricity generation sources in line with the IRP2019, to procure emergency power and improve the efficiency and structure of Eskom. Shorter terms interventions are also important, such as, allowing more embedded generation by firms.

The expansion of productive sectors that will drive growth in the economy must be identified including in new emerging growth sectors such as energy and digital economy, as well as strengthening performance in historically successful sectors such as automotive and agriculture. South Africa must promote the manufacturing of goods and move away from the trajectory of exporting raw materials and importing value-added finished goods.

The Steel value-chain and the ferro-chrome sector will receive specific attention given their relationship to the Plan. The clothing, textile, footwear and leather sector initiatives will need to be given further support. Proposals on green vehicle technologies will be supported.

The promotion of industrialisation must include import substitution, which will entail the creation of new manufacturing capacity for the production of items not currently locally available.

2.2.6 LAND REDISTRIBUTION

Land redistribution must be expedited. Land in the hands of government must be released. Land redistribution must bolster the agricultural sector, lead to economic growth, and meaningfully tackle poverty, inequality and unemployment.

We must make certain that land reform improves food security for poor families and maintains food security for the nation. Agrarian transformation must be promoted including for black farmers – large and small – who should be granted security of tenure and given farming support such as access to know-how, equipment and markets.

Capacitate all three spheres of government – namely, national, provincial and local to efficiently advance land reform for both for agricultural and other purposes.

2.2.7 FINANCIAL SECTOR TRANSFORMATION

The resolution on the establishment of the state bank must be implemented and consideration should be given to a framework to provide for both national and sub-national state owned banking entities.

On Development Finance Institutions (DFIs) and Access to Finance:

- There is a need to address liquidity shortages of various sectors for the economic resilience of the South African economy during this period.
- DFIs can foster inclusive and sustainable development for infrastructure financing, support for firms and sectors in distress and the support for micro, small and medium enterprises with the goal of maintaining their solvency.
- The state should address the need for funding of DFIs and for the private financial sector to be required to implement a developmental funding packages as envisaged at the Jobs Summit.
- The commission calls for the DFIs to help

businesses to gain access to capital, and strengthen their resilience through their large array of financial instruments.

- This could be done through scaling-up long-term capital to the most affected sectors including transportation, tourism, manufacturing supply chains, infrastructure and logistics, boosting overall flows of credit and equity
- Coordinating this effort with other initiatives in the ERRP will be needed to promote reforms and leverage public resources.
- DFIs can also play a meaningful role in boosting South Africa's manufacturing capacity for COVID-19 health products. This may introduce conflicts between their operating models and their effectiveness in helping South Africa navigate through the crisis.
- A longer-term strategy to address the financing and recapitalization of DFIs must be urgently addressed.
- Caution must be exercised that E-commerce does not create new monopolies
- The private financial sector plays an important role in financing of manufacturing and other productive sectors. The sector should be engaged to implement the R100 billion commitment made at the Jobs Summit, with a special focus on building local productive capacity.

2.2.8 SPECTRUM AND DIGITAL MIGRATION

Radio frequency spectrum is a scarce, finite, natural resource. It is the major enabler for the digital economic development. ICASA is responsible for the licensing of spectrum that is allocated for mobile telephony. It must do so having regard to national policy in particular recognising that a bigger chunk of the national spectrum necessary for the defence, security, maritime and aviation is sufficiently allocated for use by relevant authorities.

The Commission debated how best the country should apply the digital radio frequency spectrum in a policy drive to enhance economic growth and development in the phase of the Covid-19 global pandemic. Amongst the key considerations were to ensure continued access to these finite resources

by both public and private sector companies to ensure the development of the South African society. Further noting the importance of creating a robust digital economy in the face of the global Covid-19 pandemic, which requires an advanced connected society.

The Commissions recognised that government has issued policies directing ICASA to proceed with the licensing of the digital dividend spectrum in June 2019. The policy has provided profound transformational measures addressing barriers to entry for smaller operators, and also encouraging the strict adherence to the Black Economic Empowerment of the Historical Disadvantaged Groups/Persons.

ICASA is tasked with implementing the Policy on High Demand spectrum, and ensuring that the licensing is fully open and transparent and have issued an Invitation to Apply (ITA) for the 700MHz, 800MHz, 2600GHZ and 3500GHZ bands.

ICASA has earmarked through the public participation an auction oriented method, where the bidders will pay to obtain such high demand spectrum, and also through the licensing of a Wireless Open Access Network Operator (WOAN) on a '*beauty contest*' basis, in a competitive bidding process. ICASA is mandated through policy directive to ensure licensing of new entrant operator in the mobile market giving preferential treatment to the WOAN.

The Commission urges government to engage stakeholders in their areas of disagreement to avoid unnecessary delays, to meet the timelines listed by ICASA in the quest to conclude the licensing progress which will assist the country in realizing the digital dividend, and the national goal of providing broadband access for all South Africans.

The Commission urges government to strengthen its drive to promote economic and social investment through the licensing of high demand spectrum, and ensure that wide access to digital services is made accessible to all citizens.

The licensing process must take into account the following:

- The applicants for spectrum must be empowered, i.e. they must satisfy the BBEE requirements including that of direct ownership.
- Economic growth, lowering the costs to communicate, and the promotion of effective

competition in the mobile market;

- There is adequate spectrum reserved for Public Protection and Disaster Relief as this concept is defined by the United Nations' International Telecommunications Union ('ITU').
- There must be a balance between the need to raise funds from the auction and long-term economic development. It is noted and acknowledged that ITU discourages national governments from using radio frequency as a revenue-generating mechanism. The ITU counsels that emphasis should be on economic growth and sustainability.
- The Commission also urged government to accelerate the broadcasting services migration from analogue to digital terrestrial television. Furthermore, the spectrum to be assigned includes spectrum in the 700 MHz and 800 MHz bands. These bands are still occupied by broadcasters.
- Transformation objectives should be advanced through this process, including facilitating the participation of SMMEs and new entrants into the market, as well as expanding community access to voice and data services, including in rural areas.
- Wide access to digital services is needed more than ever in the wake of the COVID pandemic, and the transition into the fourth industrial revolution will enable data access for education, e-health, e-government and other services.

To facilitate the process of telecoms reforms and wider access to broadband services government must urgently complete the broadcast digital migration process without further delay. In doing so, government must finalise the roll-out of a set-top-box subsidy scheme to needy households, with the aim of full migration by 2022.

2.2.9 BASIC INCOME RELIEF

The Commission affirmed its support for the decision to continue with the COVID-19 SRD Grant of R350 beyond March 2021 as a building block toward the realization of the BIG, whilst the financing, legislative and implementation models are being worked out. The SRD Grant has provided much relief as a safety net for those in distress and should continue to be provided for:

1. Above the age group 18–59 years;
2. Unemployed;
3. Not receiving any other income or grant;
4. Not receiving or qualifying for UIF;
5. Not receiving any other income support from the State; and
6. Not resident in any state funded facilities.

But the commission recommended that this will depend on the state of public finances and that there should be an exit strategy for those on such grants, through skills development and other relevant programmes to equip the recipients to improve their socioeconomic circumstances so that they no longer require the grant benefit.

The Commission also agreed that Government and Social Partners should invest in active labour market programmes to support all social security recipients with access to labour markets and other developmental opportunities.

2.2.10 INEQUALITY

Initiatives to curb inequality include, generating more equitable pay scales and ownership, including land but also financial assets. Ensure more equitable education. Impact and outcome targets associated with equality, include, but are not limited to the following: (1) job creation, (2) wages, (3) assets and (4) education.

As part of building a greater level of equity in the economy and a stronger partnership model, changes should be made to legislation to enhance worker participation in company governance; and measures be identified to promote greater worker shareholding in companies.

The 2020 recommendations of the National Minimum Wage (NMW) Commission on the improvements in the NMW are endorsed and its implementation should be fast tracked.

2.2.11 WATER AND SANITATION

Consideration must be given to amending some of the grants given to municipalities, including the re-engineering of the grant instrument for municipalities to facilitate universal access and sustainable delivery of water.

2.2.12 SOUTH AFRICAN BROADCASTING CORPORATION (SABC)

The commission affirmed its support for the NEC Sub-committee on Communication's resolutions on the SABC detailed below:

- The SABC be declared a public broadcasting service as whole, including its foreign service, similar to the BBC which is funded from direct taxation;
- The SABC's commercial broadcasting service must be run as a profit-making entity contributing to its public service mandate;
- A National Task Team should be appointed by the President to lead a national dialogue on the future of the SABC in the digital era, in particular: the separation its public service mandate and its commercial service, funding of the SABC, the role of government, as well as the role of the Minister and Parliament;
- The National Task Team must make recommendations regarding a governance model for the SABC as a public broadcasting service advancing the vision of a creating a united, non-racial, democratic, non-sexist, and prosperous society.

2.2.13 CLIMATE CHANGE

The commission reiterated our commitment to the Paris Agreement and agreed that the priorities for COP26 must address all three goals of the Paris Agreement – finance, adaptation and mitigation.

The commission noted – The report on climate and economic risks and opportunities related to climate change and the green economy.

That consultation in Nedlac around the Climate Bill has been concluded and this bill is now due to serve before Cabinet and the National Assembly

That as a responsible global citizen, South Africa must contribute its fair share to ambitious climate action by means of the proposed update of South Africa's first nationally determined contribution (NDC).

The commission further noted reports that other countries, including key allies and trading partners, had adopted commitments to net carbon zero by 2050.

There are opportunities that will be presented to exploit renewables and the green economy for job creation and industrialisation.

2.2.14 STATE OWNED ENTERPRISES (SOEs)

SOEs must be given clear targets and timeframes. Strategic SOEs must be determined.

SOEs must be rationalised.

2.2.15 EMPLOYMENT OF IMMIGRANTS

There are laws regulating the employment of immigrants, but, many employers, especially in construction, agriculture, retail and hospitality to name a few sectors, do not abide by the minimum requirements. We urge government to speed up existing regulations and introduction of other measures without discriminating against Foreign Nationals. In addition, the issue of foreign nationals working in South Africa needs to be linked to government policy around regional development and integration aimed at stimulating growth and job creation for the region as a whole.

2.2.16 BOLSTERING STATE CAPACITY

The commission noted with concern policy implementation challenges. The commission identified bottlenecks to the state's capacity to implement, these included: lack of state capacity; high level of corruption; and lack of consequence management and lack of consistency

The commission supported the recommendation that there must be frequent interactions with ANC and Alliance structures on the progress of implementation of resolutions.

The dashboard must have clear targets for implementation and timeframes. Linked to this process, the ANC must build its own monitoring and evaluation capacity.

3. SOCIAL MOBILISATION AND SOCIAL COMPACTING

The commission noted the importance of social compacting, and that government, must always take social partners on board, namely business, labour and civil society on board programmes for sustainable economic development and growth.

The commission noted the role of NEDLAC to provide the platform for social compacting.

The state has financial constraints which impact on its ability to roll-out initiatives that can create employment. The state will look into Public Private Partnerships (PPPs) to amongst other priorities: (1) create employment, (2) stimulate economic development and growth; (3) and to narrow the infrastructure deficit.

4. GENDER EQUALITY AND FIGHTING GBV AND FEMICIDE IN 2021

The following are tasks to advance gender equality and fighting GBV and femicide in 2021:

4.1. Gender equality must be advanced

- 4.2. Equal pay for equal work. This will aid close the gender wage gap. There is a commitment by the President from last year, that unequal pay for equal work is a criminal act
- 4.3. Paternity leave for men should be structured in a manner that enables them to take on responsibility for raising their children
- 4.4. Beneficiation and industrialisation must focus on local manufacturing capacity particularly on textiles for women empowerment
- 4.5. Subsistence farming can aid women to sustain livelihoods and also offer food security to them.

5. 2021 – A YEAR OF CHALLENGES AND OPPORTUNITIES

In the short-term key for the recovery of the economy is dealing with COVID and funding the vaccine roll out. The plan must seize the opportunities that the vaccine roll out provides to build greater inclusion in the economic production of health materials needed for the vaccine roll out. An immediate industrial approach to manufacturing these within the Republic as well as economies of scale that may emerge from demand in sub-Saharan Africa.

The five key priority areas underpinning the ERRP and their related sector master plans will remain the key focus of attention. These are infrastructure, investment, programmes of mass employment, dealing with crime and corruption and the capability of the state.

The key issue is the need to improve the living conditions and opportunities for the majority of the people through an economic transformation programme that builds inclusiveness, builds the asset base particularly of the poor and commits to ongoing reconstruction of the economy which will result in greater levels of equity on race, class and gender lines.

The Commission acknowledged that electricity remains a constraint to economic recovery, and that urgent procurement of additional capacity is required. Implementation of regulatory approval is urgent.

On African Free Trade (AfCFTA) measures must be taken to build industrial capacity to utilise the opportunities that comes from the implementation of the AfCFTA and steps must be taken to combat both transshipment measures and tax haven arrangements

On food prices must be carefully monitored and where price spikes take place, regulators should be requested to address these

The Public Procurement Bill must provide a strong framework for localisation – both through national and sub-national procurement policies - to enable the state to support local industries in the procurement of goods and services.

The commission acknowledged that building the capability and capacity for implementation among government agencies and the need for co-ordination and integration at the level of the Presidency is urgent to ensure joined-up implementation.

On the National Credit Guarantee Scheme, this scheme needs to be restructured renegotiated and banks address the restrictive measures that have led to minimal uptake despite government standing a surety. This includes improving accessibility of the scheme. Non-bank SMME funders should be included in the scheme.

On the matter of the CCMA, the negative impact of the cutting back of funds has led to the collapse of part time commissioners and workers constitutional rights have been seriously threatened. A review of the R600m cut over a three-year period needs to be urgently undertaken.

That the need for impact and outcome targets around equality, which means specific attention on job creation, wages, asset ownership, a more equitable education outcome and post school skilling for inclusion in the economy. These all need to find resonance in the MTSF as a core message of meeting the undertakings given in the 2019 Manifesto.

The promotion of the township economy will continue to receive attention through specific interventions linking these interventions to mainstream economy activities.

The drive for further agrarian transformation will be intensified through taking forward initiatives that realise the productive use of both state and commercial land, and the legislative programme on finalising amending section 25 and introduction the law of general application, the Expropriation Bill. This will include further allocation of State Land to black farmers, youth, women, people with disabilities and organic farmers in rural areas. The National Policy on Comprehensive Producer Development Support will be taken forward prioritizing training and support of black farmers. In the immediate term, to assist farmers in financial distress, R1.2 billion has been allocated to farmers who are in financial distress because of the pandemic and the employment stimulus package which assisted distressed farmers is currently under operation. The Agricultural Sector Master Plan is nearing completion, with the private sector and social partners and will be launched within the first quarter of 2021.

The commission agreed that there is a need for an Economic Summit convened which critically looks at what Covid has merely accentuated, poverty, inequality and unemployment. That this Summit

should examine heterodox economic methods to deal with the economic fall-out of Covid. Proposals put forward at such a Summit should be based on the balance of evidence-based research. What Radical Economic Transformation means could be spelt out in such a Summit and the relationship between a fiscal and monetary policy that is mutually reinforcing.

6. CORRUPTION, CRIMINALITY AND RACKETEERING

Tasks to prevent and deal decisively with corruption, criminality and racketeering in the sector of the Commission and more general in all programmes and priorities this year are detailed below:

The commission acknowledged that work is being carried out in a number of government agencies to deal with corruption. The recent bringing together of agencies to co-ordinate work in this regard has produced some results but far from what is needed. Illicit financial flows and illegal base profit shifting whilst certain arrests have taken place much more needs to be done to stem the flow of money out of the country and to boost revenue.

The Commission acknowledged that crime and corruption are not conducive to an environment in which investment, growth and job creation can occur and that government will need to be seen to be taking more rapid action against crime and corruption.

The destruction of Rail infrastructure requires urgent intervention so as to continue enhancing the movement of goods from road to rail as a policy initiative.

The Commission expressed concern with budget cuts of the security cluster given that the level of crime and corruption that has to be combatted.

Procurement remains a major area in which corruption occurs and this will need to be combatted.

On families of politically exposed persons having the right to do business with the State. This matter is under discussion and further engagement is required on this matter given the Constitutional implications.

7. CONCLUSION

- The **Sectoral Trends provide a mixed picture**, the productive sectors of the economy indicate a recovery whereas the services sectors are in distress. The outcome will depend on how we manage the virus in the long-term.
- The fiscal outlook is bleak that means we need to **re-prioritise the budget** to achieve the objectives of the Lekgotla. The principal question that arises from the pandemic and the response by the ANC government and social partners is how do we stimulate inclusive growth and a macro-economic configuration that promotes robust growth and development.
- Securing **COVID vaccines** and developing a logistic framework for its delivery is an important priority for this year.
- We need emergency measures to **stabilise energy supply**.
- **Massive employment creation** is an **urgent priority** and the **most important policy goal**. The fact that major infrastructure commitments have been made in the Economic Reconstruction and Recovery Plan (ERRP), means that the construction sector and manufacturing are expected to be the catalyst of job creation. The interlink between sectoral interventions and job creation must be strengthened.
- The issue of **strengthening and expanding transport and logistics infrastructure**, improving the efficiency of services, building value chains around it to exploit the economies of scale that this brings will be key.
- An **Economic summit/workshop** must be held to address amongst other matters, Black Economic Empowerment (BEE), the transformation of ownership, management and control patterns in the economy, the promotion of entrepreneurs and industrialists.
- Finally, it will be by **implementing our Economic Transformation policies** in the year ahead that we will best be able to advance our vision of creating a **better life for our people**.

COMMISSION 2:

LOCAL GOVERNMENT AND BASIC SERVICES

1. INTRODUCTION AND BACKGROUND

The Commission welcomed the presentations in plenary, with important thoughtful matters that indeed requires our attention. 2021 is a year of local government elections, short term service delivery issues must therefore be addressed urgently.

The Commission welcomed the report on decisions of previous Makgotla, as part of building accountability and responsiveness to communities and citizens about our undertakings.

It was proposed that for the future, at the end of each administration, a comprehensive report of the outgoing term be presented containing things done, strengths, and what needed to be done differently in the new term to improve.

The Commission agreed with the general approach, issues and recommendations raised in the presentations and that we must build on these. Some of these recommendations were highlighted for emphasis, elaboration and agreement.

The Commission furthermore emphasised that we are building a capable, ethical, responsive, viable and particularly developmental state and we should continually evaluate our programme and projects in terms of those objectives.

The Commission noted, however, that there was a need to

- 1) Move away from rhetoric and clearly show in action our intentions of creating a capable and viable local government system that is geared toward the realisation of the strategic goal of a better life for all.
- 2) Have greater focus on improving implementation and delivery of municipal services;

- 3) Have an intensive focus on improving municipal budget performance: It is simply not acceptable that over 200 municipalities have at least one major reason for Section 139 intervention for financial reasons!
- 4) Improve governance and accountability performance;
- 5) Implement immediate and ongoing consequence management; and
- 6) Prepare for local government elections.

2. POLITICAL FRAMEWORK AND ENVIRONMENT

Local government forms part of the ANC's overall socio-economic transformation agenda and is the sphere of government closest to the people.

The Commission noted previous Conference resolutions and reflected that there was an urgent need to rationalise the local government system. The continuing problems with the allocation of powers and functions, fiscal split across the three spheres of government, the lack of financial viability of many, particularly smaller, Category B municipalities, all suggested the urgent need for the ANC to develop and adopt a framework to rationalise municipalities. Central to such a framework is to ensure the fiscal split of financial resources must empower municipalities to deliver, and that ideally funds should be directly transferred to municipalities, where such municipalities are properly managed. The rationalisation framework should build on the President's call that the District Development Model (DDM) not only be confined to being a means of coordinating a one-government approach, but that it takes on a new institutional form.

Importantly, too, given that councillors will be selected in the next few months, the Commission noted that the selection of candidates must take into account previous behaviours of existing councillors in allowing municipalities to be dysfunctional. The ANC must learn from past results of candidate selection. The issue of consequence management is therefore critical and requires the alliance as a whole to be involved in ensuring that we implement consequence management and select the best quality candidates who are recognised by their communities as a whole as the best candidates to serve them.

The location and service delivery agenda of local government is key to the realisation of the goal of creating a better life for all communities. However, we have noted a weakness in the poor working relations between the alliance components which impact on the ability of municipalities to deliver on its mandate.

One of the key issues permeating discussions was a recognition that we are not working together as we should as the Alliance and also with other progressive structures. All ANC structures must therefore ensure regular engagement across the Alliance, including monitoring of ANC deployees in government at a local, provincial and national level.

As a critical intervention to turn things around, establish an alliance task team in each District and Metro (ANC Regions) to meet at least twice a month, with primary purposes to:

- Monitor service delivery and accountability of the political and administrative deployees so as to address issues facing communities within these regions and metros;
- To resolve conflicts, support urgent resolutions of immediate issues required by the community.
- Address legitimate problems faced by workers in this sphere of government, including outstanding third party payments, also addressing worker morale.

- Evaluate operations of the Troikas and objectively review the overall competence and ethics of cadres, keep an audit of the performance of comrades and the municipality they are running. This evaluation must inform evidence based decisions.

This Alliance District/Metro Task team will be separate from the internal structures of councils. Meetings should urgently be called to heal relations between trade unions and the movement.

An urgent meeting between the ANC and COSATU to frankly discuss ways to address issues raised and find solutions so as to not have the local government elections processes being affected.

The authority of the ANC in the running of these municipalities – acting in consultation with its alliance partners – must be asserted. Previous decisions relating to principles of continuity and change, ensuring institutional memory must be reasserted to improve governance, and reclaim people's confidence.

The selection of candidates and their appropriateness must be handled together in the Alliance, with a view to select the best cadres, avoid conflict and in some instances avoid a backlash from communities. In this process the alliance would be guided by revolutionary morality, encourage comrades to act always in the interests of collectives, of the people. In cases of wrong doing to act decisively and this must happen everywhere.

Our subjective, alliance issues requires action urgently to ensure stability on the ground and our ability to solve people's problems. We must encourage our deployed comrades to handle labour relations sensitively. We must also acquire paralegal skills to be able to intervene effectively in communities such as is often done in advice offices.

Overall, then, some of the broad challenges we face in local government at a political level then include:

Broad issue and challenges	Recommendation/resolution
<i>The lack of a framework to guide the rationalisation of local government</i>	<ul style="list-style-type: none"> • That the ANC urgently embark on a process to review the local government system and develop a framework for rationalising non-viable municipalities, including the proper resourcing of powers and functions. • The framework should explicitly recognise the differentiation across municipal contexts, particularly when it refers to the decentralisation of powers and functions • The overall framework should be done to also strengthen the DDM.
<i>Consequence management weaknesses which could impact on local government elections</i>	<ul style="list-style-type: none"> • All PECs should provide to the SGO a municipal performance review for each municipality and indicate what consequence management processes are underway. This must be completed by mid-February 2021. • An urgent NEC to be convened to review all municipalities in terms of weaknesses, challenges, corruption and the like. • Reportback on the outcomes of that urgent NEC to be provided to the June NEC meeting.
<i>Unaccountable leadership in some councils evidenced through poor reporting to communities, poor service delivery, arrogance, etc.</i>	<ul style="list-style-type: none"> • The Alliance Task Team, which should not including serving councillors, must receive fortnightly reports from the Mayors, Speakers, Municipal Managers and Chief Financial Officers outlining: (i) key challenges affecting service delivery and what solutions are being proposed and (ii) what actions need to be taken against councillors or officials who are alleged to be transgressing the Conduct. The outstanding payments on third party matters must be prioritised and reports urgently received. On a two monthly basis the Alliance Task Teams will meet and provide summary reports on the outstanding issues which need resolution at a provincial or national level. This process should also include monitoring the work of MPs and MPLs. • The monitoring of metros should be directly undertaken by ANC national given the significance of Metros economically and socially.
<i>There is a need for as much continuity as possible in selecting councillor candidates for elections, however, not at the expense of good governance or having persons who are corrupt and/or divisive deployed as councillors</i>	<ul style="list-style-type: none"> • All existing councillors must go through an intensive evaluation in cases where allegations of corruption have been levelled against them or their colleagues, and/or where the municipality has performed poorly. • ANC should prioritise recruitment of skilled and knowledgeable political candidates above trying to manage municipalities after they have deployed political leaders. • There should be a set of minimum criteria for councillors. • Introduction of a performance management and accountability-based remuneration regime for councillors and Senior Managers.

Broad issue and challenges	Recommendation/resolution
<i>Challenges in working in contexts in which the ANC is not in majority</i>	Well before the elections we should have a coalition strategy in place in areas in which we may not get a majority vote.
<i>There is limited consequence management and accountability supporting mechanisms in municipalities</i>	<ul style="list-style-type: none"> • Strengthen MPACs, by assigning them powers similar to SCO-PA, so that they can play an effective oversight role. • DPSA to urgently act against officials in the employ of the state conducting business with municipalities. • Strengthen SCM systems to enhance transparency and decision-making, e.g., introduce digital online SCM Systems. • Introduce compulsory membership of Professional Bodies for key municipal officials, e.g., MM, Section 56 Managers, Heads of SCM, Risk and Internal Audit; and • Strict enforcement of the listing of municipal officials and service providers implicated in mal-administration.

3. LEGAL AND POLICY FRAMEWORK

Broad issue and challenges	Recommendation/resolution
<i>The legislative environment in local government is complex and could be simplified and made to be more developmental in orientation.</i>	<p>A review of existing legislation must be undertaken to rationalise the responsibilities of municipalities in areas such as:</p> <ul style="list-style-type: none"> • Provisions such as the implementation of Sections 100/139/154 of the Constitution; • The intergovernmental framework act • Integrated development planning - departments pooling skills, resources and aligning planning, including ensuring the geo-location of all projects or governmental projects. • The spatial development framework act (SPLUMA) • The PFMA & MFMA • The Waste Act – management, cleaning and greening cities & towns can't only be left to government – reduce, reuse, recycle are areas that require our creativity and ingenuity • Environmental health – role of municipalities, potential additional job creator, public, community involvement needed – its already happening in some places • Sector Education and Training Act - skills to build capacity, for SMME's, coops, reduce complexity and revise curricular with key stakeholders • The Demarcation Act – decentralize functions, assessment of capacity and recommendations for its development, reduce frequency of redemarcation • Disaster Management Act – proactive preventative actions, long term planning, arising out of the President's suggestion for scenario planning. • Waste Act • Housing Act • Etc.

Broad issue and challenges	Recommendation/resolution
	<p>This must reduce reporting requirements and the intervention should include:</p> <ul style="list-style-type: none"> • A comprehensive review and assessment of regulatory obligations imposed on local government. • A comprehensive review and assessment of reporting and compliance obligations. • A comprehensive review of powers and functions of municipalities with particular focus on functions delivered by municipalities on behalf of national and provincial government. <p>Most importantly, should steer away from using the law to fix a problem that can be best resolved by alternative means, including where a political intervention will bear more fruit.</p>
<p><i>The fiscal split between the three spheres of government creates particular challenges given that the local government level has taken on most developmental responsibilities.</i></p>	<p>The review of the fiscal split in favour of providing additional resources to municipalities is long overdue. Overall, there must be a review of the Budget – its quantum is inadequate, its gender sensitivity – implement urgently, urban rural impact, levels and quality expenditure, redirection of unspent moneys needs to be reviewed as It breaks our contract, commitment to and with the people. Interventions would include:</p> <ul style="list-style-type: none"> • To review the equitable share formula and review the fiscal architecture of the state, especially in so far as it affects local government. <p>The revision of existing Powers and Functions is imperative towards creating an ideal municipal functionality model after which funding should follow & Transfers for assigned functions must be directly transferred to municipalities.</p>

4. RESPONDING TO THE APARTHEID SPATIAL LEGACY

As part of the legacy of the democratic government, we must start to develop new cities that will be reflective of our non-racial character society we seek to create as part of the realisation of the National Democratic Society (NDS); we need to start to explore the development of new cities.

A number of large scale initiatives exist which will change the apartheid spatial basis of our country.

One of these, for example, is the idea of developing the first Coastal City in OR Tambo/Ugu. Work is at a preliminary stage and further updates will be provided as the feasibility and preliminary planning unfolds. In addition are other large scale projects such as SEZs and smart cities and all of these must be distinctly post-apartheid cities.

In terms of addressing the apartheid spatial legacy the following are key challenges and recommendations on how to address them:

Broad issue and challenges	Recommendation/resolution
<i>A significant constraint on addressing poverty, unemployment and inequality is the apartheid spatial legacy</i>	<p>Need to urgently implement IUDF across all urban areas in particular, and introduce a coordinated response to the spatial legacy which enhances integration across the planning frameworks and across all spheres of government, by:</p> <ul style="list-style-type: none"> • Developing a roadmap with provincial growth and development strategies and • Integrated Development Plans (IDPs) from local government to address spatial imbalances of the past. • Drawing previous efforts by all spheres of government on what has worked and what has not worked. • Arising out of the OR Tambo Pilot DDM project, supporting the coastal city initiative on post-apartheid democratic principles, which will be developed between Ugu and OR Tambo, with attention being given to ensuring that speculators do not try and manipulate the process. • Support needs also to be given to other initiatives around developing possible new smart cities and/or SEZs. • In pursuit of these post-apartheid cities, the government invests in Wi-Fi connectivity, broadband and bulk infrastructure to stimulate economic growth and job creation.

5. DISTRICT DEVELOPMENT MODEL

The 54th ANC National conference, resolved that: District Municipalities must support local municipalities and may be differentiated in terms of the Powers and Functions they exercise.

The silo approach by government departments

and the three spheres of government as identified by President in his 2019 budget speech, we have developed a new approach of 'District Delivery Model' which will ensure an integrated district-based delivery approach.

Based on the understanding of the objectives of this approach and need to speed up service delivery to our people, we agreed propose:

Broad issue and challenges	Recommendation/resolution
<i>Need for legislative framework for the DDM</i>	<ul style="list-style-type: none"> DDM is an intergovernmental structures in terms of the Intergovernmental Framework Relations Act and COGTA is in the process of finalising Regulations to specify the functioning of DDM structures.
<i>There is a need to clarify the roles and responsibilities of ANC alliance structures in the DDM process</i>	<ul style="list-style-type: none"> The Alliance Monitoring structures described above should provide guidance where needed in the development of the DDM.
<i>Communication weaknesses on the key elements of the DDM</i>	<ul style="list-style-type: none"> ANC to publicise key findings and deliverables from the pilot DDMs. ANC to implement & monitor DDM as part of election drive with Champions playing a facilitative role.

6. ECONOMIC DEVELOPMENT AND MUNICIPALITIES' BUDGETS

Broad issue and challenges	Recommendation/resolution
<i>Fiscal dumping by the Provincial and national government</i>	<ul style="list-style-type: none"> More effective intergovernmental planning must be undertaken to reduce such fiscal dumping.
<i>Increasing the local production and distribution possibilities in the supply of goods and services for municipalities</i>	<ul style="list-style-type: none"> Analysis of municipal Expenditure patterns analysis and identification of possibilities for increasing the roles of women and young people in the delivery of products and services for municipalities should be undertaken in all municipalities.
<i>Reduction of small scale and informal business through the increased involvement of foreign nationals in informal businesses</i>	<ul style="list-style-type: none"> Municipalities and provincial governments should regularise the formalisation of all businesses, including informal business and specific measures should be undertaken to assist particularly women and young people in the development of SMMEs.
<i>The need to broaden the economic base, particularly in terms of women and young people</i>	<ul style="list-style-type: none"> Building the social solidarity economy through cooperative development model linked to the DDM is underway to ensure upward mobility for those trapped in poverty. Pilots in Msunduzi and Ugu municipalities.

7. CLIMATE CHANGE AND ENVIRONMENT

Broad issue and challenges	Recommendation/resolution
<i>Unfunded and unplanned expenditure and impacts arising out of disasters and climate change</i>	<ul style="list-style-type: none"> National analysis should be undertaken of the impacts disasters, climate change related initiatives and the COVID pandemic should be undertaken to develop strategies and action plans to mitigate the effects of such unplanned programmes. Campaigns at a District/Metro level should be held to educate communities around SDGs and the Paris accord issues, including explaining the municipalities' strategies and action plans to mitigate and adapt to climate change.

8. SKILLS NEEDED FOR CAPABLE AND DEVELOPMENTAL LOCAL GOVERNMENT

Broad issue and challenges	Recommendation/resolution
<i>Lack of skills in high priority areas (engineering, planning, accounting, ICT, etc)</i>	<ul style="list-style-type: none"> Municipalities should focus on skills retention and skills attraction initiatives in the areas of high demand.
<i>Addressing skills base of local government councillors</i>	<ul style="list-style-type: none"> The ANC should ensure that cadres deployed to the local government sphere have requisite capacity and capability to deliver on the ANC mandate, as informed by the approved IDPs. A specific focus should be on skills in monitoring, strategic planning, financial analysis and policy development are critical.
<i>Distortion of EPWP programmes where political pressure is brought to bear to employ on a full-time basis all EPWP employees</i>	<ul style="list-style-type: none"> EPWP is, and should remain, a short-term employment opportunity for people who are currently not economically active. The intention is for EPWP workers to be employed for a limited period and for them to move on and get further skills and should not be automatically employed on a full-time basis in municipalities unless there are existing funded vacancies as this is making municipalities even more unsustainable.
<i>There is a need for a baseline of the skills and capabilities required in a municipality</i>	<ul style="list-style-type: none"> There is need for determination of criteria for an ideal municipality which will be used to measure municipal capacity and performance. Regular municipal assessment must be undertaken by MDB as prescribed in law so as to detect emerging institutional challenges and allow for introduction of proactive remedial measures. The MDB must be financially resourced to undertake this task. This exercise will reduce the number of section 139 interventions prevalent at local government level.

Broad issue and challenges	Recommendation/resolution
	<ul style="list-style-type: none"> Creation of an environment for attracting professionals. Encouraging acquisition of skills, government to government co-operation - the skills in the army for example, requesting and supporting the Water Commission to help small and other municipalities. Research institutions to be roped in to share their insights from borehole water as well.

9. CRIME AND CORRUPTION

Broad issue and challenges	Recommendation/resolution
<i>Gender responsive programmes</i>	<ul style="list-style-type: none"> Facilitate that Municipal budgets are gender responsive – ANC to monitor this process.
<i>Gender-based violence</i>	<ul style="list-style-type: none"> ANC to champion the finalisation of the Gender based Council Bill and that it finalised by the end March. Each DDM to have a team that focuses on issues of Gender based violence Thuthuzela centres must established in all District Fastrack the establishment of community structures to deal with GBVF and they should be championed by Mayors and Premiers (multi-sectoral) ANC to ensure that budgeting for GBVF is done by government – regular reports by Social Transformation Sub-committee to Presidency
<i>Vandalization and destruction of infrastructure</i>	<ul style="list-style-type: none"> Political leadership and crime fighting agencies must be mobilised to stop all attempts to inhibit municipal service delivery and other actions stopping the execution of contracts. This intensified law enforcement must be against unscrupulous local suppliers such as Amadela Ngokubona who hijack municipal projects and at times extort money from legitimate service providers. These structures also delay infrastructure projects resulting in budget overruns and/or unfinished projects.
<i>Increased crime and corruption</i>	<ul style="list-style-type: none"> The ANC to institute consequence management against those officials and public representatives involved in corruption activities. The RECs should exercise oversight over the performance of municipalities and execution ANC resolutions on these matters. In addition, there should be no interference by ANC and alliance leadership and members in the disciplinary activities against councillors and officials.

Broad issue and challenges	Recommendation/resolution
<i>Addressing areas where there is a lack of an ethical, responsive, accountable, efficient and effective state</i>	<ul style="list-style-type: none"> This includes the role of branches to hold local councillors accountable. The PCOs should also serve as nodal point for engagement between local government and communities.

10. COVID-19 PANDEMIC

Broad issue and challenges	Recommendation/resolution
<i>COVID-19 has impacted adversely on the ability of municipalities to generate revenues and as a result could not meet their service delivery commitments. At the same time, some businesses could not afford to pay for rates and services, while others have been forced to close down.</i>	<ul style="list-style-type: none"> COGTA should assist municipalities in assessing both the impact of the pandemic on municipalities as well as learnings that should form the basis of future pandemics and/or disasters.
<i>Lack of clarity on the role of municipalities in the vaccine roll-out strategy</i>	<ul style="list-style-type: none"> The government should develop a coherent communication strategy on the rollout of vaccine in response to 501.v2 pandemic. The strategy must also clarify the role of the municipalities during the implementation of the programme.
<i>Communication and mobilisation around COVID-19</i>	<ul style="list-style-type: none"> District Based communication strategy is needed urgently for service delivery updates as well as for combating fake news and persuading people to accept vaccines when they are distributed. Such a strategy must be ongoing beyond the election.

11. MOBILISATION TOWARDS 2021 LOCAL GOVERNMENT ELECTIONS

Broad issue and challenges	Recommendation/resolution
<i>For the last 4 local elections there have been the discovery of incomplete/unfinished projects, whilst funding has been allocated. This is largely linked to poor project management and misappropriation of funds.</i>	<ul style="list-style-type: none"> • A need to conduct a comprehensive audit of unfinished infrastructure projects. • Establish capacity in government to complete unfinished projects. • ANC to establish special interventions task team to oversee the execution of finish projects prior to elections. • Fast-track the promulgation of the Systems and Structures Amendment Bills and the Intergovernmental Monitoring, Support and Interventions Bill before the end of the current term of local government. • Given the prominence of the challenges in Alexandra before the last elections, reportbacks and engagements with ANC and alliance comrades must be conducted urgently. • Expedite the institutional and policy mechanisms to roll-out the District Development Model. • Government to support and resource SALGA's Profiling Campaign on key successes on municipal service delivery projects that have improved the quality of lives of citizens.
<i>Need to mobilise and communicate programmes to communities</i>	<ul style="list-style-type: none"> • Redesign and implement CWP to promote employment creation and skills development.
<i>PR-Ward seats</i>	<ul style="list-style-type: none"> • The challenges arising out of winning many wards with fewer proportional seats being allocated remains an issue, bearing in mind the Constitutional principle of proportionality. • In terms of an existing NEC resolution, a report must be provided to the NEC before the LGE of 2021.

12. ACCESS TO BASIC SERVICE DELIVERY

While great progress has been made since the advent of democracy, there are still many areas that suffer from a lack of housing, access to electricity, water and sanitation, and social infrastructure. The poor access to poor service delivery is mainly affecting townships, informal settlements and rural areas.

We must examine the root causes of problems in municipalities and in communities if our solutions are to be spot on. Reassertion of the importance of maintenance of infrastructure in addition to its

expansion (e.g. access roads, sanitation, boreholes) especially in the rural areas is critical).

Urgently identify outstanding, incomplete projects and in an integrated manner, various departments working together, complete these projects. Rapid response teams with a diversity of skills should be deployed by these departments to help weaker municipalities. Some of the reasons for not completing projects are their lack of technical capacity, sometimes because imali ehle ngomlenze.

It recommended that we create an environment for

attracting professionals. Encouraging acquisition of skills, government to government cooperation – the skills in the army for example, requesting and supporting the Water Commission to help small and other municipalities. Research institutions to be roped in to share their insights from borehole water as well.

The president spoke before about even dreaming larger than trying to redress the effects of the past apartheid spatial reality, including thinking of smart cities, a new coastal city, etc.

District Based communication strategy was needed urgently for service delivery updates as well as for combating fake news and persuading people to accept vaccines when they are distributed. Such a strategy must be ongoing beyond the election.

Examples of some of the challenges facing municipal service delivery include:

■ Water (1759 schemes):

- ❑ 9% Dysfunctional
- ❑ 48% require refurbishment and improved maintenance
- ❑ 43% in a relatively functional state

■ Sanitation (826 schemes):

- ❑ 38% need attention
- ❑ 20% high risk failure
- ❑ 64% urgent refurbishment and improved maintenance
- ❑ 90% non-compliant

■ Challenges to be addressed:

- ❑ Water resources deficits: due to water

wastage, insufficient and neglected infrastructure and no water efficiency action plans in place.

- ❑ Non-revenue water: estimated to be an average 36.6% of the water supplied.
- ❑ Blue Drop (2014) risk rating, 26% (275) of the systems are in the high and critical risk category, these risk levels in terms of drinking.
- ❑ Water provision and quality are serious.
- ❑ Wastewater systems Green Drop assessment (2014), 57% (471) of the systems are in the high and critical risk category, exceptional.
- ❑ Poor performance, resulting in poor quality of effluent being discharged into river systems (pollution).
- ❑ The lack of sufficient technical staff and inadequate budgets for operations and maintenance impacts on the ability of Municipalities to implement risk abatement plans.
- ❑ Extensive renewal of aged and dysfunctional infrastructure is required and there is need to focus on operation and maintenance activities.
- ❑ Similar to the Electricity function, introduce a water regulator to treat water as an economic good.
- ❑ Review the Water Service Authority and Water Service Provider status of district municipalities and low-capacity municipalities.

Broad issue and challenges	Recommendation/resolution
<i>A number of communities especially the rural and the poor still continue to experience challenges in relation to access to water</i>	<ul style="list-style-type: none"> • Repurpose municipal infrastructure grants (MiG, WSIG, RBIG, USDG and Human settlement development grant) to focus on water provision through mainstreaming of ground water i.e., drilling of bore-holes and protection of springs (2021/22 programme).
<i>Pollution and sewer spillage to water sources in a number of communities – communities are approach courts to force government to deliver services</i>	<ul style="list-style-type: none"> • Relaxation of conditions of these grants to allow for repairs and maintenance of the existing infrastructure especially waste water and water treatment plants.
<i>Poor and inappropriate spending of Municipalities infrastructural grants – linked to under-pricing and corruption as well as the lack of technical expertise</i>	<ul style="list-style-type: none"> • Mobilisation of technical capacity through DDM by creating a shared service at district level to support struggling municipalities.
<i>Access to reliable electricity supply which is caused by number of factors including the illegal connections and sabotage of the infrastructure.</i>	<ul style="list-style-type: none"> • Conduct audit of electricity infrastructure and implement pre-paid meter system. • Government to take drastic measure in dealing with individuals who are vandalising and destroying government infrastructure. • National government and Provincial government departments to be given tighter deadlines to settle their electricity bills they owe to municipalities. • Businesses that owe municipalities to be barred from doing business with the state and that their licenses not to be renewed • Individuals working for the state as leaders should be sanctioned – ANC and government to explore legal mechanisms to enforce payment of debts owed to the municipalities – this should include provincial and national leaders and officials. (naming and shaming of all leaders who are defaulting on payment for municipal services). • Government and ANC to rollout a social mobilisation and education of citizens to promote the culture of payment and care for resources.
<i>High interest rate demanded by Eskom from Municipalities</i>	<ul style="list-style-type: none"> • Support the work being done by the task team led by Deputy President • Eskom needs to be persuaded to have incentives for municipalities and individuals who are paying their debts • Government to Fast-track service delivery agreement between Eskom and municipalities

Broad issue and challenges	Recommendation/resolution
<i>Eskom not cooperating with municipalities – when there are challenges of payment by communities</i>	<ul style="list-style-type: none"> • The ANC to work on the strategy aimed at fostering strategic engagement between municipalities and Eskom to address societal issues in the Eskom supply areas. The subcommittee is also exploring viable options to bail out municipalities owing Eskom for electric services.
<i>Debts owed to and by Municipalities by organs of state and payments to service providers</i>	<ul style="list-style-type: none"> • Ongoing and continual facilitation is required to ensure that disputes between municipalities and organs of state are urgently addressed. Reports should be provided to PCC and Premiers Coordinating Forum • SALGA and municipalities and Eskom should find ways to reduce interest charged particularly to social service • In addition, ways should be found to reduce costs of services. • In addition, SMMEs must be paid within 30 days
<i>Poor road infrastructure in the rural and communities in the poor municipalities</i>	<ul style="list-style-type: none"> • Government to ensure that all municipalities are supported to have their own plants to take care of rural roads • Using the labour-intensive approach – paving local roads – creation of jobs • Use of EPWP and CWP skilling programme to improve our road infrastructure in the rural areas as well as urban areas in the poor municipalities.
<i>Repairs and Maintenance expenditure remains below 8% of PPE</i>	<ul style="list-style-type: none"> • COGTA is designing a mass infrastructure maintenance programme
<p><i>There are challenges in the housing programmes, including incomplete houses being built</i></p> <p><i>In many instances SCM implementation does not have 30% set asides</i></p>	<ul style="list-style-type: none"> • There is a need to fast-track land release programme by giving serviced stands to those persons who want to build houses for themselves. Only those persons who are vulnerable and have failed means test should benefit from low cost housing programme. • The 30% set aside should be to local suppliers of women, youth and disabled, and/or other sectors after clarification, and must follow the policy guidelines.

COMMISSION 3:

COVID-19



COVID COMMISSION REPORT

The DoH and NCCC and minister have done excellent work and much has been learnt in the first year. We need to step up the campaign and address all gaps and make sure the vaccine roll-out is a massive success.

REPORT FORMAT

- Presentation from Ministry
- 8 things we must get right with vaccine rollout
- Key tasks for government in 8 areas
- Mobilisation and Communication Campaign: tasks for ANC, Alliance, civil society



Presentation by Ministry of Health: KEY POINTS

- The second wave of the global Covid pandemic has almost twice as many people testing positive as first wave in South Africa.
- Hospitalisation is following same trend
- Waves will continue and may grow in intensity until population immunity of about 67%
- All prevention must therefore continue: hand washing, 1.5m distance, masks, limit gatherings
- Vaccine only way to stop Covid - rollout will start by beginning of February
- Planning to vaccinate 67% by end of year – phased with most vulnerable first, start in February
- PHASES:
 1. 1,25m - all health sector workers
 2. 16.6m - all essential workers (including teachers), those who live or work in groups (old age homes, restaurants, hotels, prisons), all over 60, and people under 60 with HIV, TB, diabetes, heart, liver or lung disease, obesity.
 3. 22,5m - rest of population over 18

2



KEY THINGS SA MUST GET RIGHT TO DEFEAT COVID AND LESSEN ITS DEVASTATING IMPACT

1. 67% of population to be vaccinated to stop the epidemic: provide information, and build acceptance
2. Securing enough vaccine supplies – major global competition for stock, securing funding and supplies centrally managed by Treasury and NDoH
3. Safe and effective distribution and administration of vaccine – logistics and fridges
4. Treating Covid patients to bring down mortality – increased capacity
5. Preventing new infections until vaccine effective – return to work and schools safely now
6. Support for those who have lost income or are unemployed – extend relief grants
7. Building long term disaster and epidemic preparedness and capacity
8. FOR ANC AND ALLIANCE WORKING WITH CIVIL SOCIETY AND GOVERNMENT: Massive community awareness, education and social mobilization to get vaccine and continue Covid prevention – civil society, alliance

3



1. 67% of population to be vaccinated to stop the epidemic

Immediate government communication campaign in all languages, all media on vaccine - simple facts to counter myths, provide information, build acceptance, encourage uptake. Target health workers immediately for roll out that must start in February, then community as a whole

- Produce media for social media distribution. Use scientists to explain simply on radio and TV. Recruit social media multipliers from civil society and faith groups
- **Phase 1 Vaccine roll-out:** Clearly explain phases and why health workers come first – “frontline soldiers against the virus”, “they risk their lives for us every day”. Manage potential conflict immediately. Build patriotism and praise selflessness of healthcare heroes. Use key health workers like shop stewards and section heads as role models for taking the vaccine – Unions to assist with mobilizing members
- **Phase 2 Vaccine roll-out:** Use positive role models and slogans – president, faith leaders, ministers, sport and cultural celebrities – positive campaign with slogans that emphasise protecting yourself and others, defeating Covid, responsible actions, healing our country and getting our lives back
- **Vaccine distribution:** safe and efficient vaccine distribution needs refrigeration, training, access, data collection, security, quality control, limit waste and corruption
- SAPS and SANDF clear security plan at community level to support vaccine roll-out

4



2. Safe and efficient vaccine distribution to reach 40m people

- **LOGISTICS:** Need highly sophisticated distribution with reliable, constant refrigeration - Treasury centralized procurement and contract management, with DoH and private sector warehousing, distribution and administration. Need private sector partners who are quality assured and monitored – avoid spoilage and waste
- **DATA:** Accurate data sets for each site, its capacity, target number of vaccines to be administered, storage capacity, trained vaccinators, number of people vaccinated, follow-up data for second dose alerts, systems and plans for mobile teams, monitoring vaccine side-effects, and IT system for everything that must be reported, planned or ordered
- **TRAINING VACCINATORS:** Training and equipping all vaccinators in public and private sector, extending access as widely as possible – pharmacies, clinics, GPs, vaccination centres, mobile units to hospitals, schools, prisons, etc
- **PROCUREMENT:** Ensure that the rollout of vaccines happen in a clean and corruption and racketeering free manner, while building local capacity wherever possible

5



3. Securing enough vaccine supplies

- Vaccine procurement is centrally managed by Treasury and NDoH – cannot afford wastage or corruption as vaccine in short supply globally. Will get through COVAX, African Union Vaccine Initiative and through procurement from pharmaceutical companies.
- All manufacturers from all countries are engaged with as competition for stock is fierce
- First 1.25m vaccines from India's Serum Institute. Ensure that all brands we buy are effective against most common variant of virus in SA, and suitable for local conditions (Pfizer vaccine needs storage at -70 degrees, adequate capacity must be ensured)
- Need to fast-track registration with SAPHRA before release – use approval by other international regulating authorities as well
- Working with medical schemes and major employers to help buy 40m vaccines.
- Good social solidarity - medical schemes asked to buy one extra for the public service for every one they buy for their members – pursued partnerships. Support local production or additions if possible
- Need to engage allies and BRICS countries to speed up development of BRICS vaccine centre in SA and to help build vaccine capacity

6



4. Treating Covid patients to bring down mortality

- We can expect more and bigger waves until we have vaccinated many more people
- Need to still increase capacity of hospitals: intensive care and high care as well as normal wards, oxygen supplies and isolation facilities. Must do so in way that leaves a legacy and can be used for NHI
- Extra beds without doctors and nurses are useless and we should increase rather than reduce health workers, in spite of budget crisis.
- Patients who are not ill enough to be hospitalised should be cared for at home, with clear guidelines published in media, help from community health workers and access to medication. Where home remedies are used instead of medication, try and assure no negative effect and research positives asap. Work with traditional healers. Debunk fake news about medication
- Testing and contact tracing remains crucial, increase capacity as much as possible.
- More psycho-social support, counselling, support groups, etc., for people who are ill, have lost relatives or have chronic conditions or with chronic long COVID-19. Hospital workers can be supplemented with volunteers to help counsel relatives and give support to patients. Can also contribute to capacity to deal with survivors of GBVF.
- Ensure that we continue to pay attention to other diseases, including child vaccinations, HIV and TB treatment regimes, child and maternal health, etc.

7



5. Preventing new infections

- Everyone must be made aware that prevention does not stop until Covid is defeated. Even those with vaccines can carry the virus to others.
- Clear protocols for safety at work, restaurants, bars, shops, government and other offices, and schools must be supported and enforced by all departments involved
- We should continue to limit large gatherings, enforce masks, promote hand-washing, and social distancing, and limit alcohol abuse
- Schools must be opened safely with simple and clear guidelines from the department. Schools without funds must be supported to provide sanitisers.
- Learners and students without data and gadgets must be supported by their institutions with appropriate support to make some remote or online learning viable
- The need for contact tracing and isolation must be explained and encouraged for all who have come into contact with a Covid positive person
- Young people must be encouraged to avoid gatherings and exposure that can cause them to take the virus home to their elders

8



6. Support for those who have lost income or are unemployed

- Percentage of people living in poverty has increased dramatically and caused severe hardship for many families
- Unless we provide some income support, we will see a lot more suffering and an increase in poor health, depression, domestic violence and social ills, even possible social conflict.
- Everything possible should be done to prevent businesses from closing down and workers being retrenched. Many of these lost jobs may never come back. Hospitality, tourism, creative sector already badly affected
- Government must extend Covid relief and TERS grants as long as possible and continue to offer tax relief wherever possible. Tax increases should directly target those who can afford to make an extra contribution.
- Fighting to defeat Covid and investing in a safe and healthy population is first step in rebuilding vibrant economy and achieving growth and economic recovery

9



7. Building long term disaster and epidemic preparedness and capacity

- Pandemics pose long-term and existential threat to humanity
- Need to deal with disasters in a comprehensive way which improves disaster management readiness and coordination
- Role of state in natural disasters has shown that we are not ready for pandemics –the blanket and food response is not enough, and we need to develop systems for better and more modern pandemic readiness.
- Climate change will bring more regular disasters, including extreme weather event, pandemics and famine, and we need to improve the continental capacity to respond
- We need to move towards establishing/strengthening the state-owned pharmaceutical company and develop capacity in the country to manufacture vaccines by seeking support from our BRICS partners
- Use the opportunity to improve the capacity of the health system in preparation for the NHI and the district disaster management capacity to strengthen the DDM

10



8. ANC, ALLIANCE AND CIVIL SOCIETY: Awareness, education social mobilization on vaccine and Covid prevention

GOAL: TO HELP OUR PEOPLE SURVIVE AND DEFEAT COVID BY:

1. Overcoming widespread ignorance and resistance to vaccine and Covid prevention
2. Mobilising civil society and communities everywhere to support and use vaccines and prevention measures, building understanding of vaccine phases and support for prioritizing health workers, older and vulnerable people
3. Building a more caring culture where we take responsibility for each other and look after the vulnerable and needy in every community, including on GBV
4. Assisting people to access governments services, social grants and health care

TARGET GROUPS - All workers, parents, students, learners, older people, shopkeepers, tavern owners, informal traders, traditional leaders, community leaders, faith leaders, healers, etc

PARTNERS - Alliance branches and structures, councillors, ward committees, CDWs, NGOs, CBOs, FBOs, Unions, Associations, sport and culture, traditional leaders, etc. (Do not have to be ANC supporters)

11



Campaign structures

- Convened by ANC structures at provincial, regional and branch level. War rooms should be used (or set up) at ward level to bring everyone together to reach the whole community at street level, and coordinated responses to problems and issues.
- Must include ANC councillors, MPs and MPLs, Alliance partners (individual unions if possible) and Sanco, PYA and all other NGOs, progressive forces and civil society, faith and traditional leaders
- Vaccination campaign and social mobilization coordinated by all spheres of government in line with DDM, and grassroots organizational structures in which ANC and Alliance must play major role. Keep the structures open and inclusive of all in civil society who want to participate (especially at the local level) with work coordinated by each partner in their own field. Create as broad a front as possible for cooperation and action. It is a response to a threat on our nation and we all have to unite and work together. Legacy must be strengthened accountability, community upliftment and empowerment and more resilient and sustainable health system
- **KEY TASKS:** Focus should be on sharing messages media and social media and spreading the message directly to constituencies through contact, door to door work and social media. Make sure government services are accessible to people, monitor and bring delivery issues to the attention of government. Find out what people need and work with faith groups and NGOs to provide food assistance and other help

12



Campaign messages

Key messages that must be contained in our communications in support of government communications:

- We will only be safe and return to normal life once two thirds of our people are vaccinated – meanwhile protect yourself and family – wash hands, wear mask, keep distance, *avoid gatherings*.
- The vaccines we use will be safe and effective. Do not spread fake news and lies about the vaccine – fake news that stop people using the vaccine, will cause many more people to die. Covid has nothing to do with 5G and the vaccine will not harm you or change your DNA. Vaccines cause a reaction in your body that creates resistance to the disease. Some people have light side-effects for a few days: fever, headache, swelling around injection. Everyone will get the same kind of vaccine. Once many people are immune the virus cannot spread. It needs a human host.
- You are only safe when your neighbour is safe. No-one is immune and you cannot beat it on your own. We are responsible for each other. Together we can beat Covid
- Keep the most vulnerable safe – protect older people and those with illnesses. Children and young people do not usually get very ill from Covid, but they can still spread it to others.
- We are here to help: Let us know when you need health care, access to government services, or help to get grants you qualify for (also offer food support if available).

13



Campaign media

- Use and spread Department of Health media about vaccine, Education Department information about schools and learner safety, and other government media
- Make local media to publicise vaccine centres and initiatives and where people can access vaccines – also use loudhailers and door to door to alert people
- The ANC and Alliance Communications Units should create a media pool and download portal so that media can be copied and adapted for use by any organization
- Allow organisations to add their own branding
- Create profile backdrops and posters that can be spread on social media
- ANC should develop speakers and briefing notes for radio and social media speeches and voice notes
- Use SMS and Whatsapp to spread the word and try and post in all local Whatsapp groups

14



TIMETABLE FOR ALLIANCE CAMPAIGN

1. Planning meeting in all provinces – Monday/Tuesday
2. National media production for social media – Monday onwards
3. Action planning a branch level – Wednesday onwards
4. Meeting with partner organisations and sectors in each branch – Friday onwards, then weekly meetings to track plans and progress
5. Targeted local action for sectors - end of January, February onwards
6. Door to door, sectoral and social media in each organisations's constituency
7. Assist with school reopening: monitoring, preparation and reassurance – all of February

15

COMMISSION 4:

THE AFRICAN AGENDA AND A BETTER WORLD

INTRODUCTION

The commission on the African Agenda and a Better World notes that, there have been significant developments on the domestic front, on the continent as well as the global scale that have shaped the balance of forces since the ANC's 54th National Conference (2017) at Nasrec.

The emergence of the COVID-19 pandemic in early 2020 poses a threat to global health, economy and social well-being and is both a symptom of the challenges facing the world today and raises deeper-seated structural anomalies that persist.

The pandemic has wreaked havoc on the global economy, resulting in an astronomical rise in unemployment, poverty and inequality at national, regional and global levels.

While both developed and developing economies are affected, the devastation is felt most acutely in the developing parts of the world, which have been trapped in underdevelopment as a result of centuries of colonialism and neo-colonialism as well as capitalist and neoliberal international orders built on the super-exploitation of developing economies for the benefit of developed economies of the global North.

The commission further notes that right-wingers reject globalism because it will constrain their ability to unilaterally impose themselves on the international community. These right-wing tendencies weaken the principle and practice of sovereign equality of states.

The strengthening and reform of the United Nations and other multilateral institutions remain the most legitimate platform for reversing these challenges and so is the reform of international financial institutions.

On the African Continent:

The commission affirms the commitment to strengthen the African Union (AU) and Southern African Development Community (SADC) as platforms for a progressive African agenda remains crucial on the continent.

No impediments matter more than the widespread poverty, unemployment, inequality and underdevelopment, which give rise to violence, despair and uncontrolled migration and unfortunately COVID-19 further aggravates these.

The continent is relatively more peaceful than before. Stabilisation of various post-conflict countries has gained momentum and in some cases, Africa's citizens are vigilant and proactively promoting democracy.

Many of the challenges noted on the continent are detrimental to the ANC and this has resulted in the ANC-led Government's influence being increasingly undermined. At the heart of this challenge is the persistent questioning of the ANC's revolutionary character, and of our commitment to a progressive and a united Africa. This requires broader reflection and introspection by the ANC.

COMMISSION OUTCOMES: THE AFRICAN AGENDA AND A BETTER WORLD

- The Commission commends the positive contribution that South Africa continues to make on the continent through its Chairship of the AU and its recent non-permanent membership to the UN Security Council. The contributions made include leadership provided in the continental response to the Covid-19 pandemic, the finalisation and implementation of the AfCFTA,

the peaceful resolution of conflict in South Sudan, placing the empowerment of women at the centre of AU programme, advancing the Women Peace and Security agenda combatting violence against women and girls, strengthening co-operation between the AU and the UN, driving the implementation of the Presidential Infrastructure Champion Initiative.

- The Commission notes that the Silencing of the Guns on the continent has been a challenge, with continuing conflicts in Libya, the Sahel Region, the DRC, Niger, the Central African Republic and emerging conflicts in Ethiopia, Mozambique and Western Sahara.
- The Commission is cognisant of players outside who are responsible for the ongoing conflicts in various countries on the continent.
- During our Chairship of the African Union, the South Sudanese warring parties were able to find one another and have found a solution to conflict in their country and ceased fire.
- The Commission notes that many countries of the world want to form relationships with African countries, and the view is that this must be on strategic issues and that these relations must advance the collective agenda of the AU.
- The Commission notes the social, political and economic challenges which face our region and continent. These challenges impact on the stability of the region and the continent.
- The commission notes that South Africa will continue giving support to the incoming Chair of the AU President Felix Tshisekedi of the DRC, as a member of the AU Troika.
- South Africa remains committed to championing the cause for the right to self-determination of the people of Western Sahara, having advanced motions in this regard within the United Nations and the AU. It must however be noted support for this cause in both organisations has dwindled over time.
- Moreover, South Africa sought to advance the partnership between the UN and the AU in the prevention and peaceful settlement of disputes and conflicts on the African continent and the world.
- At the UN Security Council, South Africa sought to promote a multilateral approach to addressing

issues relating to international peace and security, particularly in drawing greater attention to preventative diplomacy mechanisms, as well as post-conflict reconstruction and development.

- South Africa worked to strengthen the Africa 3 (A3) mechanism at the UN Security Council (UNSC) to ensure that common African positions are advanced at the UN Security Council by the three serving African countries.
- In this regard, we forged links with two other African Countries serving on the Council as well as with Saint Vincent and the Grenadines, a country that is part of the African diaspora. This was done to synchronize approaches to issues that affected the continent and also forged a common approach on the Iran matter.
- Global tensions including the Middle East exposed the inability and limitations of the Council to respond to continued Israeli violations and illegal settlements in Palestinian land and the human rights violations of the Palestinian people.
- South Africa played a bridge-building role in the Council, our positions grounded in values enshrined in our constitution and our history of putting people first and seeking diplomatic solutions rather than divisions and conflict

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC):

- The Commission affirms that a stable region provides a conducive environment for the economic and social development and the integration of the continent. This is in line with the AU Agenda of Silencing the Guns and the economic integration.
- Through the African Peer Review Mechanism, the region must deepen democracy by ensuring among other things good governance and constitutional democracy. This should ensure that the region and the continent strengthen institutions, systems and capacity to achieve such.
- The ANC and the ANC-led government must advance the formation of the SADC Parliament in order to use Parliamentary diplomacy to address

social, political and economic challenges in the region.

- SADC should develop a common approach to respond to the situation in Northern Mozambique, particularly the Cabo Delgado district.

IMMIGRATION AND BORDER SECURITY

- The Commission affirms the resolutions of the 2020 NEC Lekgotla regarding the Border Management Authority, and calls for the speedy proclamation of the Border Management Authority and for temporary measures must be put in place to implement some parts of the Act.

2021/22 PRIORITIES

The Commission affirms the 2020 Makgotla priorities, recognise and commends progress made and urges the responsible parties to implement outstanding priorities.

ACTION	RESPONSIBILITY	TIMEFRAME
African Agenda and a Better World		
Finalise the National Interest Concept Document	DIRCO/SSA	March 2021
DIRCO and the Department of Justice must implement the existing NEC decision on a strategic retreat to exit membership of the ICC	DIRCO/DoJ	End of 2021
The need for different spheres of government to coordinate the Student Programme for South African students studying abroad.	DHET	
Finalise the implementation of the AfCFTA, especially the legal framework to regulate trade on the continent, with regards to Rules of Origin, Intellectual property.	DTIC	
To encourage investment in the region to create jobs, with due consideration to labour laws.	DTIC, DEL	
Implementation of the BRICS decisions, which include collaboration on intelligence matters, establishment of BRICS TV, strong collaboration on sports, arts and culture, as well as BRICS nations trading with local currencies.	DIRCO, SSA, DTPS, DTIC	Ongoing
As part of advancing international solidarity, the ANC and the ANC-led Government needs to intensify efforts in providing assistance to Palestine, Venezuela, Cuba, Western Sahara, Iran and Zimbabwe	ANC, DIRCO	Ongoing

ACTION	RESPONSIBILITY	TIMEFRAME
African Agenda and a Better World		
South Africa must advance the position taken by the AU that the matter of Western Sahara will continuously be on the agenda of the AU.	DIRCO	Next AU Summit
South Africa should continue to advance economic diplomacy and development on the continent.	DTIC, DIRCO	Ongoing
The recognition of the One China Policy in line with the 2020 ANC NEC Lekgotla.	DIRCO	End 2021
Implementation of the new law on prohibition of foreign military assistance to combat participation of South Africans mercenaries in various parts of the world.	DMV	
The ANC must develop a position on the matter of the Term of Office of the UN Secretary-General which is coming to an end in December 2021.	ANC	End February
Ensure the Implementation of Kiswahili as the language of the continent, as per the AU Agenda 2063.	DBE, DHET	
Popularise the AU Anthem, including through digital platforms.	DIRCO, DAC, DTPS	
Ratification of the ILO Convention 190 on Bullying and Harassment in the world of work.	Parliament	April 2021
Further advance the reform of the AU and the UNSC	DIRCO	Ongoing
Support the implementation of the comprehensive agreement in South Sudan	DIRCO	Ongoing
Support African countries in electoral processes to ensure free and open political processes towards elections	DIRCO	Ongoing
South Africa as a member of SADC Organ Troika and SADC Chairship of the SADC Organ in 2021/22 should support efforts to resolve the situation in Lesotho through SADC facilitation process.	DIRCO	Ongoing
Continue to support efforts in the DRC through the UN peacekeeping Mission (MONUSCO) and its Foreign Intervention Brigade (FIB)	DIRCO	Ongoing

ACTION	RESPONSIBILITY	TIMEFRAME
African Agenda and a Better World		
<p>The ANC-led Government must develop an action plan on the Generation equality and regularly brief the ANC on work being done in the action group.</p> <p>The ANC-led Government should ensure that the commission on the Remuneration of political Office Bearers aligns the retirement benefits of the Heads of all three arms of State.</p> <p>The ANC-led Government should intensify its efforts in the protection and in promoting the rights of persons on the basis of their sexual orientation, gender identity and expression in its national and international priorities.</p> <p>The ANC-led Government should amend legislation on ownership of business by foreigners to ensure that they are directed to partner with locals (least 49%) in order to advance economic growth and development as well as black business ownership.</p>	<p>DIRCO/DWYPD</p> <p>Parliament</p> <p>DIRCO, DWPD</p> <p>DSBD, DTIC</p>	<p>Ongoing</p>
Immigration and Border Management		
<p>Further advance the implementation of Border Management Authority Act</p> <p>South Africa must engage with SADC Member States on the implementation of the adopted pre-conditions for the ratification of the Protocol on Free Movement of People.</p> <p>Harmonisation of the SA Citizenship Act, the Refugees Act and the Immigration Act.</p> <p>Consult with labour unions and NEDLAC for the development of regulations of BMA.</p> <p>Ensure seamless cross border movement for travellers and traders at ports of entry.</p> <p>Ensure continuous monitoring of the borderline</p> <p>Develop Border Intelligence Capability and Support DHA</p>	<p>DHA</p> <p>DHA, DIRCO</p> <p>DHA</p> <p>DHA</p> <p>DHA and BMA</p> <p>DHA, DOD, SAPS and BMA</p> <p>SSA</p>	<p>Ongoing</p> <p>Next SADC Meeting</p> <p>End 2021</p> <p>April 2021</p> <p>Ongoing</p> <p>Ongoing</p> <p>March 2021</p>

ACTION	RESPONSIBILITY	TIMEFRAME
Immigration and Border Management		
Explore possibility of amending our ratification of the 1951 UN Convention relating to the Status of Refugees (add reservations)	DHA	March 2021
Multi-year agreement with UNHCR (efficient status determination and clear backlog)	DHA	Feb 2021
Amendment of the Employment Services Act (inspections of businesses, provide for the enforcement of quota's)	DEL	
Ensure migration from HANIS to an Automated Biometric Identification System (Single Integrated Identity System New Identification Act)	DHA	Closing date for public comments id Feb 2021
Other Peace and Security matters		
Review and finalisation of the PSIRA Bill	SAP/Secretariat	April 2021
Speedily and urgently establish the Railway Police Unit under the SAPS to cater for commercial and passenger rail infrastructure	SAPS	Oct 2021
Special attention be given to the development of the arms industry as a catalyst for economic growth and development and move Denel to ARMSCOR	DPE/DMV/NT	April 2021
Amend the Constitution to align terms of office of CONCOURT judges with that of High Court judges	DoJ	
Finalisation of the National Security Strategy and Cyber Security Bill	SSA	May 2021
ANC Branches should lead society in the fight against crime and threats to national security while advancing moral regeneration	SGO	Ongoing
Regulate the participation of foreign nationals in the small business sector	DSBD	June 2021
Create supporting legislation	DEL	Ongoing
Monitor adherence to Labour Laws	DEL	Ongoing
Enforce By-Laws to ensure compliance	Municipalities	Ongoing

■ *Closing Address by* **PRESIDENT CYRIL RAMAPHOSA**

NOTES FOR CLOSING REMARKS BY PRESIDENT CYRIL RAMAPHOSA TO THE ANC NEC LEKGOTLA

- As this Lekgotla of the ANC National Executive Committee draws to a close, we are reminded of the difficult and painful times through which we are living.
- Earlier today, we bid farewell to one of our most beloved NEC members, Cde Jackson Mthembu. Yesterday, we heard with deep sadness of the passing of Jonas Gwanga, a revolutionary cultural icon. As we mourn their passing, we remember all those within our movement and society who have lost their lives.
- We pay tribute to the health workers and other frontline workers who have worked tirelessly to care for, and protect, all the people of this country.
- We have now come to the end of one of the most critical makgotla that the ANC has held in recent times.
- Many people are looking to this lekgotla to provide direction on the actions we must now take to overcome COVID-19 and to rebuild our economy and our society.
- This imperative is evident in the way that comrades have approached the discussions in this lekgotla, focusing in particular on what needs to be done, by whom, by when and with what resources. There is a clear appreciation of the urgency of implementation, given the dire state of our economy and high levels of poverty, inequality and unemployment among our people.
- For the most part, the reports from the commissions go beyond the restatement of existing policy positions and past decisions. They provide practical measures that can be taken to ANC structures, government departments, public entities and other areas of deployment for implementation.
- This lekgotla has placed the defeat of COVID-19 as our overriding and most pressing responsibility for 2021, which requires both an intensive vaccination programme alongside the intensification of prevention measures, increased screening and testing and the further strengthening of our health system.
- While government must work with all social partners in undertaking this work, the lekgotla has identified a critical role for the ANC and Alliance in a massive campaign of social mobilisation involving all sectors of society on a non partisan basis, to reach every corner of the country.
- We need to build broad acceptance among our people of the vaccine programme and to vigorously tackle misinformation and misunderstanding. To do this, we must ourselves be disciplined in our own public pronouncements, ensuring that we speak accurately and clearly.
- We have agreed that while we work with urgency to undertake these immediate tasks, our planning and preparedness for future crises must be improved. This must include investment in our own vaccine development and production capacity.
- This lekgotla has affirmed that we must place the creation of jobs at the centre of our economic reconstruction and recovery plan. This is the most direct and effective way to respond to the hardship that many families are today facing.
- We have therefore re-affirmed the priority interventions contained in the plan that

emerged from our engagements with social partners last year – infrastructure investment, employment stimulus, localisation and industrialisation, and the expansion of energy generation.

- The Lekgotla stressed the importance of moving swiftly to implementation of commitments. It accordingly recommended strengthening monitoring and evaluation and ensuring more effective consequence management in cases where implementation does not occur.
- The lekgotla highlighted the need to build a durable social compact between business, government and labour so we harness all our energies and resources to ensure the urgent implementation of the plan in the interests of all South Africans.
- We have also said that the current economic reforms must not only address immediate challenges, but must also lay the basis for the achievement of our broader transformation objectives. They must be implemented in a manner that supports and advances radical socio-economic transformation.
- Given the significant fiscal constraints the country faces, which will be placed under greater pressure as we roll out the vaccine programme, there is a need to re-prioritise existing commitments in the budget to ensure we support those in need and stimulate inclusive growth.
- As Parliament works with urgency to finalise the amendments to section 25 of the Constitution to enable the expropriation of land without compensation, we have agreed on the need to tie land redistribution to agrarian reform.
- Land redistribution must be expedited. Land in the hands of government must be released. Land redistribution must bolster the agricultural sector, lead to economic growth, and meaningfully tackle poverty, inequality and unemployment.
- We must make certain that land reform improves food security for poor families and maintains food security for the nation. Agrarian transformation must be promoted including for black farmers – large and small - who should be granted security of tenure

and given farming support such as access to know-how, equipment and markets.

- The effectiveness of our recovery will depend to a great extent on the scale and pace at which we can bring new electricity generation capacity online. The lekgotla therefore agree that we should pursue several measures simultaneously, including the procurement of new generation sources in line with the IRP 2019, including renewables, the procurement of emergency power, improving the efficiency of Eskom, and enabling more embedded generation by firms.
- The lekgotla has agreed that, in the context of the continuing COVID pandemic, we need to consider the extension of basic income relief to unemployed people who do not receive any other form of state assistance. This would depend on the state of public finances and that there should be a clear exit strategy.
- The meeting agreed that the national Loan Guarantee Scheme must be fundamentally restructured to improve its accessibility and it should enable the participation of non-bank SMME funders.
- It also agreed that the Public Procurement Bill must be finalised as a matter of urgency and tabled in Parliament for consideration during 2021. The Bill must cater for set asides for small businesses and co-operatives to support localisation.
- The economic recovery needs to advance gender equality in the economy. We must give effect to the principle of equal pay for equal work and implement the decision to support women entrepreneurs and industrialists through public procurement.
- The Lekgotla welcomed the work being carried out in a number of government agencies to deal with corruption. It agreed that measures to capacitate the NPA and other law enforcement agencies, improve transparency around procurement and improve collaboration between agencies must be strengthened.
- The Lekgotla reaffirmed the ANC's support for the Zondo Commission into state capture and once again called on law enforcement agencies to act without fear, favour or

prejudice in rooting out corruption.

- An important decision of this Lekgotla is to convene an Economic Summit that critically looks at what COVID has merely accentuated: poverty, inequality and unemployment in South Africa. This Summit needs to focus renewed attention on broad-based black economic empowerment, the transformation of ownership, management and control patterns in the economy, and the promotion of black and women entrepreneurs and industrialists.
- The Lekgotla agreed that as a responsible global citizen, South Africa must contribute its fair share to ambitious climate action by means of a proposed update of South Africa's first nationally determined contribution.
- The ANC and its alliance partners will therefore host an urgent workshop on these matters to guide the policy process.
- The Lekgotla debated how best the country should use radio frequency spectrum for development purposes and what should be the correct configuration of public and private sector participation in this sector.
- The Independent Communications Authority of South Africa (ICASA) has released two Invitations to apply, one for the auction and one for the Wireless Open Access Network.
- The Lekgotla urges the government to engage ICASA and the sector in general to ensure that the licensing process proceeds expeditiously through an open and transparent process.
- The applicants for spectrum must be empowered, ie they must satisfy the BBBEE requirements including that of direct ownership.
- The process must lead to economic growth, lowering the costs to communicate, and the promotion of effective competition in the mobile market.
- We have agreed that the capability of the state is vital to an economic and social recovery, and that specific emphasis needs to be placed on strengthening local government.
- The lekgotla emphasised the centrality of addressing all challenges in local government towards economic development and improving the lives of South Africans.
- The district development model must be strengthened by ensuring the financial viability of district municipalities and their ability to raise revenue, and deliver services sustainably.
- Basic service provision will be accelerated through job-creating projects in:
 - Water: Reticulation, borehole construction, spring protection
 - Construction of rural roads
 - Maintenance of public assets
 - Rural bridge construction.
- Public employment programmes such as the Community Work Programme will be redesigned to develop skills and promote local economic development.
- The lekgotla was unambiguous in its resolve to strengthen consequence management and accountability in municipalities through strengthening public accounts committees, acting against public servants conducting business with municipalities, increasing transparency of supply chain management systems, and strict enforcement of the listing of municipal officials and service providers implicated in maladministration.
- It also urged the state to implement drastic measures to deal with individuals who are vandalising and destroying public infrastructure such as schools, water electricity and transport networks.
- An important decision is that the ANC and Alliance need to be working far more closely at local level, together with other structures of the democratic movement, to ensure that municipalities are well governed and managed, that they are accountable and transparent, and that they remain focused on the developmental needs of communities.
- The meeting identified a broad problem that many local development projects have been started, but not completed. We have therefore resolved on a comprehensive audit of unfinished infrastructure projects, which will inform interventions to complete projects and perform necessary maintenance.

- As we approach local government elections, we need as the Alliance to select candidates for local government that are capable, experienced and are respected in their communities. We have agreed that all existing councillors must go through an intensive evaluation, particularly in municipalities that have performed poorly or where there are allegations of corruption.
- We need to speed up implementation of our decision to establish an ANC Electoral Committee to lead the candidate selection process.
- The lekgotla identified the need to provide more resources at a local level to combat gender-based violence and femicide. While national government has reprioritised resources to tackle the epidemic of crimes against women and children, much of the work needs to happen in municipalities and communities. These efforts need to be properly resourced.
- The ANC will continue to mobilise across society for a comprehensive campaign to end gender-based violence and femicide so that no woman or child need live in fear.
- The lekgotla also reflected on another of the ANC's priority tasks for 2021, namely working towards a better Africa and a better world.
- As South Africa's term as the Chair of the African Union draws to a close, the lekgotla agreed that we need to continue to be engaged with several of the priorities of our term.
- These include the continental response to the COVID pandemic and ensuring the access of all African countries to sufficient dose of vaccines.
- We will continue to be actively involved in the implementation of the African Continental Free Trade Area, giving particular attention to our initiatives on the economic empowerment of African women.
- As a country and as an organisation, we will continue to participate in efforts to silence the guns on the continent. We will do this through our participation in multilateral bodies and processes and, where appropriate and where sought, through bilateral engagements.
- The lekgotla raised concerns about the lack of progress in resolving the issue of Western Sahara in a manner that recognises the right of the Saharawi people to full independence and self-determination. We will intensify our efforts in the African Union, the United Nations and other forums to advance this struggle.
- The lekgotla welcomed the positive commitment to renewed global collaboration signaled by President Biden of the USA. We call on America to speedily reverse the illegal recognition and imposition of Morocco sovereignty over Saharawi.
- We trust that this commitment to global peace justice and security will include a focus on the rights of the people of Palestine and the occupied territories.
- The meeting welcomed the decision of the Pan African Women's Organisation to locate its permanent headquarters in South Africa. Among other things, this development presents a valuable opportunity to broaden the participation of South African women's formations in this important continental organisation.
- The lekgotla recognised that a coherent, integrated and efficient approach to immigration and border management is important for economic development and social stability. It agreed that the country's immigration laws need to be implemented more rigorously and consistently, in line with our Constitution and international commitments and in pursuit of our national interests.
- Over the course of the next few days, the decisions of this NEC lekgotla will be consolidated into a report that will be distributed to all our structures, to our Alliance partners and to the broader South African public.
- These decisions give effect to the priorities and tasks identified in the ANC's January 8th Statement, and provide a clear line of march for the year ahead.
- These decisions give expression to our theme for 2021: Unity, Renewal and Reconstruction in the Year of Charlotte Maxeke.
- I would like to thank all the members of the NEC, representatives of the ANC's leagues, Alliance partners and other mass democratic

movement formations, and all the deployees from various different sectors for an enriching and productive lekgotla.

- I wish to thank former ANC Presidents Thabo Mbeki and Jacob Zuma and former Deputy President Kgalema Motlanthe for their participation in this Lekgotla, and for their ongoing contributions to the work of our movement.
- I would also like to thank the members of the planning and technical team at ANC headquarters, who have made this virtual meeting possible.
- It is clear what needs to be done. It is clear what each of us is expected to do.
- Let us go out now and do the work.

I thank you.

#ANC109



UNITY, RENEWAL AND RECONSTRUCTION IN THE YEAR OF **CHARLOTTE MAXEKE**

StaySafe

Issued by the ANC, **Chief Albert Luthuli House**.



Issued by the African National Congress
P.O. Box 61884, Marshalltown 2107.
Tel: 011 376 1000.
© ANC 2021

Produced by the ANC Department of Information and Publicity