

# BULLETIN

JANUARY 2020



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

## “We are Irrevocably committed to implementing the National Democratic Revolution”



This Lekgotla and the Cabinet Lekgotla taking place at the end of the month together serve to streamline our annual programme and turn commitments made in the January 8th Statement into a clear programme of action for both the ANC and government.

We have declared this to be the ***Year of Unity, Socio-Economic Renewal and Nation Building***.

We must, therefore, focus all our energies on strengthening unity in our movement, alliance and nation, working for the radical transformation of the socio-economic conditions under which our people live and building a more cohesive South African nation.

Our interactions with the people, while mobilising towards the ANC's January 8th Rally took us all over the Northern Cape and illustrated clearly that the people still love the ANC and they look towards the ANC government to continue improving their lives for the better. We also saw this in the overwhelming victory in the Mamusa by-elections where ANC dominated other parties. The people still have enormous confidence in the ANC.

Our visit to the Northern Cape however also served as a stark reminder of how much remains to be done.

We were confronted by conditions of abject poverty and situations where our people live in unacceptable squalor. There were situations where 42 people lived in shacks in one yard. We must also be cognizant of the stark fact that half a million of a population of 1.2million in the province are grant recipients.

This poverty and squalor are however sometimes exacerbated by the neglect, disinterest and recklessness of public representatives and public servants, by what we fail to do as officials and elected representatives of the people.

I was deeply disappointed that some of the responsible public representatives and public servants seem to see very little wrong in allowing sewage to run freely in the streets in Pampierstad. We heard about dysfunctional local government structures and infighting with comrades fighting for positions and tenders.

The leadership of the ANC and the Alliance can all relate their own experiences of public representatives not serving the people and being more pre-occupied with their own internal fights. These incidents occur throughout our country and all too regularly.

The January 8th statement also highlighted the need for a capable state. It is time that we address this challenge head-on. As the ANC we are Irrevocably committed to implementing the National Democratic Revolution. In the January 8th statement we said that building a capable state is No. 1 priority. The State is the vehicle for achieving our revolutionary objectives.

If we fail to build a capable state there is a risk that this country will also fail. There are many reasons why we do not have a capable state, including, for example, deployment of people who may not have the requisite skills. Studies have also been done highlighting the

number of changes in key positions at cabinet level and DG level. Some have done own their own ratios and the tenure of DG's is said to have been somewhere between 23- 30 months on average. We need to understand the instability that arises as a result. In some cases, we have just deployed the wrong people – incompetency, lack of discipline, accountability, consequence management. We always talk about these things but never follow through. This is true in departments, SOE's and regulatory bodies. A week doesn't pass without reports filtering through.

The incapability of the state is most keenly felt at local government level where our people live and work. This is also where investments ultimately happen.

It is no longer sufficient to acknowledge that we falter in implementation. What are we going to do differently to address this poor implementation? At the conclusion of our 54th National Conference we said it's all about implementation. We will need to give an update at the NGC about resolutions from 54th Conference and will find that implementation is our Achilles Heel.

We must focus on the capabilities, commitment and integrity of all public representatives and civil servants if we are to build a government that truly serves the people.

We shall receive a presentation from Comrade Nkosazana Dhlamini on strengthening local government and the lessons learned from the District Development Model pilots. The ANC needs to do much better in addressing the challenges at local government level. We need greater co-ordination and economies of scale. Should we not be thinking of districts as the real centers of municipal gov and execution? Is this not the way to enhance the capability of state by embracing fewer municipalities and resorting to districts? Metros have given us economies of scale and capability.

This is important, not just because of the 2021 Local Government Elections, but also because we must have functioning structures of local government to serve the people properly.

The ANC government must ensure that cadres we entrust with executing the mandate of building a better life for all, are those with the necessary drive, qualifications and skills to fulfil their duties.

Members of the executive and senior public servants must know that severe consequences will attach to non-performance. Failures manifest in spectacular ways with services not delivered. Sewerage spills in streets and yards remain forever and a day without being addressed. What should our posture be when things like these continue to happen? We can no longer be paralysed. Action is required. We must start here in the ANC.

We have seen some confidence-boosting signs as some provinces have taken the proverbial bull by the horns, making deployed comrades account for those failures and

removing those who have not achieved goals. This is a new trend and I would like to see this continue. We want this accountability to spread throughout the country. Two provinces have done this to good effect, ensuring that accountability is not just a word but a practice with comrades accounting in a structure of our movement and where they fail, they are replaced. I will be signing agreements soon with Ministers. We now need to be serious and ensure our decisions are implemented.

We need interventionist national and provincial government which will use the instruments we have at hand. This is a process we must embark upon as a matter of urgency if we are to build a capable state.

Comrades,

The conditions of poverty and squalor in which many of our people live ultimately also mirror the dire state of our economy.

They reflect the devastating legacy of apartheid dispossession and disempowerment, but they also reflect our own inability to restructure and transform the economy over the last 25 years.

Later today, we will receive a presentation outlining the depth and scope of our economic and fiscal crisis. We share this information with you so that we can all move forward with a common understanding of the crisis and what needs to be done.

We need to understand that our current economic crisis has deep roots.

In 1970, for example, GDP per head in South Africa stood at just over half that of the G7 countries, at 53%.

By the end of the 1980s, SA's relative GDP per capita had shrunk to 32% of the G7, and at the dawn of democracy to 27%.

In other words, output per head had moved from just over half of that of the G7 countries of Canada, France, Germany, Italy, Japan, UK, US in 1970, to a third by the end of the 1980s to just a quarter by 1994.

Meanwhile, South Korea had overtaken us in the late 1980s to achieve 34% of G7 GDP per capita and then 81% by 2018.

China rose from single digits to overtake us in 2014.

Economic theory tells us that less wealthy countries should converge to the living standards of more prosperous countries. Our history is of stunning divergence from the rest of the world.

Unlike many other emerging economies – especially those of East Asia – we did not reach our middle-income status through a sustained manufacturing boom.

We developed through a resource-based economy.

The economic model that produced the South African economy of today is not adequate for taking us forward.

We will not achieve the growth that we need unless we change the structure of our economy.

Among other things, we need to diversify our export base, invest in the development of human capabilities as the basis for competitiveness and productivity and to embrace green economy.

We have to embark on a fundamentally different growth path while responding to an immediate and severe fiscal crisis.

The Medium-Term Budget Policy Statement estimates that we need a R150 billion fiscal adjustment over the next three years.

We cannot achieve this adjustment – nor can we realise any of our economic objectives – without clear and far-reaching efforts to constrain costs and boost revenue, and to shift the composition of spending away from compensation towards capital spending and delivery.

There is an argument that is to be made that in challenging times, one must invest more. We need to be bold and take risks. We need to set up the Sovereign Wealth Fund we decided upon at NASREC; however little we put into it. We must also make progress on establishing the Infrastructure Fund. We must demonstrate that we are a developmental, entrepreneurial and intelligent state.

Fundamentally, it requires a single-minded focus on growth and job creation.

There is no more time. There are very few options.

The time has come to acknowledge that we are at a crossroads and South Africa requires us to make clear and hard decisions. If we continue to delay making certain decisions and taking certain actions, the continued existence of our democracy is at risk.

However, we must not wallow in despair. We must make the required decisions boldly and with the knowledge that smaller sacrifices now by all – government, business and labour – shall reap the rewards of an economy that will be radically transformed and be more inclusive.

The empowerment of women is critical. A recent report says the empowerment of women could add 12 trillion dollars to the world economy. The empowerment of women is therefore not only a moral and ethical issue. It has enormous economic implications. This is a latent energy we have thus far been unable to unlock as a nation. Women are half the nation and we have a clear mandate on this matter.

We have also had a public employment scheme in place for a number of years. This is a government initiative which

has introduced people to the world of work and given a measure of hope. In light of the low job trajectory we need to massify schemes like this and crowd the private sector in as well. We must also rid these processes of corruption and abuse. We need to embark on massive projects like road building, thus creating an eco-system to address unemployment.

Leadership must go out and explain our collective decisions to the people. We must show them that we are also prepared to make sacrifices now to ensure economic recovery and sustainability.

As we said in the January 8 Statement:

*“The creation of jobs remains our central priority for 2020.*

*To achieve a far greater pace of economic growth, we will step up our investment drive, launch a massive infrastructure build programme, reduce the cost of doing business, and see to the creation of jobs and expand pathways for young people into the world of work.*

*We will unlock the potential of small business, cooperatives and the township economy. We will continue to revamp and re-open industrial parks to enhance job creation.*

*We will continue to promote sectors like manufacturing, tourism, agriculture and the oceans economy as major areas for employment growth. More Special Economic Zones will be opened for further employment creation.”*

All these things must be done, they must be done speedily and they must be done effectively.

A vital condition for the implementation of all these measures is the achievement of energy stability and security.

The crisis at Eskom not only presents a serious threat to our fiscus, but also a grave – and potentially existential – threat to our economy.

It is therefore essential that we resolve this crisis as a matter of urgency.

We must take whatever steps necessary to, firstly, restore Eskom’s generating capacity so that demand can be consistently met; secondly, bring new additional generating capacity online without delay - we are confronted with a gap of 5 – 7000 MW which must be plugged in the next 6 months - and, thirdly, find a sustainable solution to Eskom’s debt and liquidity challenges.

The ANC government must be clear about the developmental mandates and principles along which the SOEs must be run. There must be no ambiguity about what developmental roles we expect our SOEs to fulfil. SOE’s will continue playing key role in our economy.

We must also be clear about putting progressive boards and top management in place to run our SOEs along the mandates and principles that we have agreed on.

Our job is not to micro-manage the SOEs. We must leave the operational decisions to the boards and management of these SOEs. Our resolution from NASREC about no political interference must be implemented.

Let us not put our heads in the sand; some of our SOEs are in deep trouble. However, these troubles are not insurmountable, and we must all work together to make these SOEs operational.

The NEC discussed how to bring partners on board and looked at how other countries including China and Singapore are managing their SOE's.

At the same time, we are also accelerating our land reform programme to become more effective.

The comprehensive programme on land reform must contribute to creating more inclusive economic growth and focus on bringing those who have historically excluded into the mainstream economy.

The process towards the amendment of s25 of the Constitution is far advanced and will be concluded hopefully in the next few months. We do not have a 2/3rds majority so will need consensus with other parties on the precise wording of the amendment.

This will be an important milestone in the implementation of the resolution of the 54th National Conference on the issue of land expropriation without compensation.

It will help to provide the clarity and the certainty that South Africans seek.

The land must be returned to the people in a manner that grows the economy, enhances food security and strengthens agricultural productivity.

The SGO will be managing process of mobilisation as our people make inputs to parliamentary process of public hearings in February.

South Africa is chairing the African Union this year and we must use this opportunity to really drive African unity and solidarity on a number of issues.

Firstly, let us use this platform to enhance the empowerment of women throughout the continent. We want to partner with progressive women's formations, led by the ANC Women's League, in taking forward this goal and will set up a series of engagements and projects throughout the year.

Secondly, the economic integration of the region and continent must continue and be strengthened. We have already committed the ANC to working with fraternal organisations across the continent to ensure the full implementation of the African Continental Free Trade Agreement to strengthen economic ties across Africa.

Silencing the guns and working for lasting peace across Africa, and the world, must be a central tenet of both the ANC's and this government's programmes.

Certain pockets of the world are showing increasing volatility and parts of Africa is experiencing conflict. We will continue our work to resolve conflicts in Libya, South Sudan, Somalia, the Eastern DRC and other regions that are affected by terrorism and unrest.

While we are cautiously optimistic that the United States and Iran have stepped back from their outright belligerent stances; we cannot stop our efforts to bring about peace in the Middle East.

South Africa must be bolder in building a global alliance of progressive forces in the face of increasing unilateralism and nationalism across parts of the world. This increase in narrow nationalism has been particularly prevalent in parts of the "developed" world and will increasingly affect us negatively if we do not build a bulwark of progressive states in opposition to it.

South Africa will use our membership of the UN Security Council to advocate for the reform of that body. We must also build African unity in support of a complete overhaul of multilateral institutions in favour of a more equitable and humane world.

We must always remember that our mission is to serve the people. The ANC is not an electoral party; we are a liberation movement.

We must put shoulder to the wheel and completely liberate the people from the oppressive yoke of poverty and deprivation.

This imperative to serve the people must drive every public representative and civil servant to perform their tasks diligently.

In May last year, the people of South Africa gave us a firm mandate to restore the economy to health, to end state capture and corruption, and to embark on a path of renewal.

This Lekgotla is entrusted with the responsibility to develop a clear and decisive programme to advance that mandate.

Allow me to conclude with what we said in the January 8th Statement:

***"This is a decisive moment for our country as we begin a new decade of hope and expectation, of promise and opportunity.***

***"Despite the hardships we face, our nation remains united in its resolve to overcome the challenges of the present and realise Vision 2030 of the National Development Plan...***

***"While we dare not ignore the challenges we face, our programme of transformation remains ambitious and our determination to succeed must be unwavering."***

I thank you.



# STATEMENT OF THE ANC NEC MEETING HELD ON 17–18 JANUARY 2020 AND THE NEC LEKGOTLA HELD ON 19–20 JANUARY 2020

The National Executive Committee (NEC) of the African National Congress (ANC) held its annual Lekgotla from 19–20 January 2020.

The Lekgotla brought together the ANC NEC, Alliance partners, and ANC deployees in national, provincial and local government as well as strategic sectors in society, including business, SOEs, civil society, and traditional leaders.

The Lekgotla held robust and constructive discussions aimed at developing a concrete programme to implement the priorities outlined in the January 8 Statement.

The seven priorities identified in the January 8 Statement are: Building a capable state that serves all the people; Building a united and cohesive society; Investment, jobs and inclusive growth; An effective land reform programme; Eradicating poverty and improving people's lives; Education and skills for a changing world; Social cohesion and safe communities; Better Africa, better world.

The meeting took place at a pivotal moment for our country, when our economy is facing severe challenges and many of our people continue to endure great hardship.

The Lekgotla was preceded by a two-day meeting of the ANC NEC on 17–18 January 2020, that focussed on the most import issues of concern to the nation: the economy, jobs, state-owned enterprises (SOEs), and building a capable developmental state, in particular the strengthening of local government.

The NEC received detailed reports on the state of SOEs, Eskom and SAA in particular. The NEC deliberated extensively on approaches to ensure that SOEs deliver on their developmental mandate and that ANC policy on the role of SOEs is implemented.

1. The ANC has long held the position that public enterprises need to play a developmental role, especially through their production of goods and services. There should be a proper assessment of the public enterprises' strategic importance for the developmental agenda. Their mandates should be clear, costed and monitored consistently to ensure successful restructuring programmes.
2. As a group, 25 national SOCs and DFIs control around a fifth of the national capital stock, with Eskom, Sanral

and Transnet accounting for three quarters of the total. They employ 175 000 workers directly, with around 50 000 each at Transnet and Eskom.

3. Transfers and subsidies to the SOCs account for around 4% of total expenditure, with two thirds going historically to Prasa and Sanral. In terms of debt guarantees, the 25 national public enterprises represent 14% of the national debt, with Eskom alone accounting for 11%.
4. The public enterprises as a group face significant financial challenges, which arise in part from the broader economic slowdown, which reduces their revenues and in part from inefficiency, high debt incurred to maintain investment over the past decade, and in some cases from corruption that pushed up their cost structures.
5. Detailed inputs were provided on the situation at SAA and Eskom, with specific proposals to improve their performance.
6. Investigation of historical contracts impacting negatively on SAA, including the lease airplanes and evergreen contracts;
7. The socio-economic mandates of the public enterprises need to be strengthened and costed. Government oversight structures should be streamlined and respond more rapidly and rigorously as challenges arise. Government should ensure the public enterprises are operationally efficient, maintain their integrity, and respond more effectively to national needs.
8. Where necessary, the institutional design and business models of the public enterprises should be reviewed. For this purpose, the strategic sectors and enterprises that are under financial pressure should be prioritised. Appropriate forms of partnership with private companies, investors and workers will be considered where it will enable the public enterprises better to fulfil their developmental role. The government must ensure that necessary skills are available for executive, management and technical roles.
9. Government support is needed to maintain the national resources and capacity that are embodied in the public enterprises. It must, however, be contingent on them doing more to meet the needs of our people

affordably and efficiently. It cannot be a blank cheque that permits continued waste, inefficiency and in some cases corruption at the cost of our citizens, producers, and society as a whole.

10. SAA should be retained as a national airline, which will require substantial restructuring. Cabinet should take the operational decisions needed to achieve that aim.
11. Eskom's new management is supported in taking the measures required to ensure more reliable supply, especially by improving the quality of engineering across its operations. Cabinet should assist by fast-tracking additional, affordable sources of electricity supply, including gas, clean coal and regional partnerships as well as renewables, in order to provide Eskom with the space it needs for repairs and maintenance.

The NEC resolved that the ANC will continue to be guided by the vision outlined in our Ready to Govern policy document, which stated that the balance of the evidence will guide our structuring and restructuring of state owned companies and our decisions on when we need to increase or reduce public ownership in order to advance our economic programme.

The NEC agreed that the following steps must be prioritized:

- That the commercial and developmental mandates of SOEs and SOCs should be clearly outlined and stated and reviewed where necessary.
- The institutional design which will support their developmental mandates should be examined.
- There should be greater and more effective attention to the operational efficiency and integrity of SOEs as well as ensuring that people who are fit for purpose are appointed to various positions.
- We should look to embark on a consolidation and rationalisation process of our SOEs.
- In line with the Resolutions of the 54th National Conference, we must avoid political interference in operational matters, other than interventions in the case of mismanagement and possible company failure.

## MEDIUM-TERM STRATEGIC FRAMEWORK

The Lekgotla received a report on implementation of government's Medium-Term Strategic Framework for 2019 – 2024 which seeks to give effect to the electoral mandate given to the ANC as set out in its 2019 Election Manifesto.

The MTSF is organized around the seven priorities of the Manifesto, discussed at the June 2019 Lekgotla. To improve

coordination and integrated planning and accountability, the MTSF is organized around the approaches of (a) Integrated Spatial Planning; (b) Integrated Resources; (c) Building Social Compacts and (d) Accountability, with the District Development Model at its centre.

The MTSF also set out overarching targets for the five years, in order to make decisive progress in tackling the triple challenges of unemployment, poverty and inequality.

The overarching goals of the ANC government from 2019 to 2024 were articulated by President Ramaphosa at the State of the Nation address in 2019, as follows:

- Decisive progress in the coming decade on tackling poverty, inequality and unemployment.
- No person in South Africa will go hungry.
- Grow the economy at a faster rate than the population growth rate.
- Two million more young people in employment.
- Better education outcomes in schools, with every ten year-old able to read for meaning.
- End violent crime.

## STATE OWNED ENTERPRISES AND ECONOMIC GROWTH STRATEGY

The Lekgotla agreed on the need to prioritize economic growth as South Africa's overall priority in order to accelerate job creation, particularly for women and young people.

Investment promotion efforts must be intensified and barriers to investment must be removed and growth in key job creating sectors must be promoted including manufacturing, tourism, digital economy, mining, construction, renewable energy and creative industries.

Furthermore, SOEs need to be stabilized and restructured in order to be able to effectively contribute towards economic growth and transformation and the process of rooting out corruption must continue so that state structures and SOEs serve the people. It also agreed that strategic partners must be engaged on SOEs.

It also emphasised that a just transition for South Africa must be accelerated.

It underscored the importance of improved levels of service delivery and the capacity of the state.

The Lekgotla recognised that the operationalisation of the African Continental Free Trade Area promises great opportunities for industrialisation, infrastructure development, economic growth and intra-Africa trade.

The Lekgotla called for formation of a Pact for Investment, Growth and Job Creation, uniting government, labour, business and communities.

The Lekgotla identified the following priority areas: (i) Agrarian transformation and land reform strategies; (ii) the mining sector; (iii) energy security; (iv) innovation; (v) tourism; (vi) manufacturing and trade interventions; (vii) the quality of investment and the outcomes that are being achieved; and (viii) the strategic functioning of State-Owned Enterprises and Companies (SOEs).

The Lekgotla agreed that in order to grow the economy the following measures needed to be implemented in order to stimulate increased investment, boost consumer demand and lower the cost of doing business.

The following measures must be prioritised:

- Ensure that spectrum release should lead to lower data costs to realise the extension of access to online service and put more money in consumer pockets.
- Easing of visa requirements and related changes to encourage tourism and the inflow of needed skills into South Africa should be accelerated.
- Implementing the Integrated Resources Plan (IRP) and improving energy security;
- Creating increased investor certainty in key sectors such as automotive, mining and gas exploration;
- Improved governance at SARS and law enforcement agencies;
- Urgently crack down on tax avoidance and illicit capital outflows;
- Manufacturing continues to be a major sector of South Africa's economy and that government should continue to support and boost the manufacturing sector as it seeks to transform the structure of manufacturing;
- Build new growth sectors such as renewable energy, creative industries, aviation industries including the use of advanced ICT;
- Furthermore, the Lekgotla called for the strengthening of BEE and other policies to transform racial, patriarchal and monopoly ownership patterns in the economy;
- A renewed emphasis must be placed on localisation in all areas of economic development;
- Take strong action to deal with criminal activities of people who describe themselves as business groups that go to infrastructure projects demanding 30% stakes, threatening violence. Government must explain properly the nature of the 30% setasides;

- Strengthen government and SOEs procurement and leverage private sector procurement to support local enterprises, township and village enterprises, and black industrialists;
- Support all initiatives aimed at reducing youth unemployment at national, provincial and local level.

## EFFECTIVE LAND REFORM PROGRAMME

The Lekgotla welcomed progress with the implementation of the resolution of the 54th National Conference calling for the amendment of section 25 of the Constitution.

It was agreed that the ANC must embark on an intensive programme to popularise and explain its position on the amendment of section 25 of the Constitution.

The ANC calls upon all South Africans to participate actively in the forthcoming public hearings on the amendment to section 25 of the Constitution to provide for expropriation without compensation.

The Lekgotla endorsed the recommendation that the power to determine issues related to expropriation of land without compensation should reside in the executive.

The Lekgotla endorsed several programmatic priorities for the forthcoming year. Some of these include:

- The allocation of land to smallholders and subsistence farmers who are already working the land as well as those areas where there have been evictions.
- The transfer of land in terms of the Transformation of Certain Rural Areas Act (TRANCA land) to remaining communities will also be prioritised. Redistribution must be used to benefit those claimants who missed the 1998 cut-off. The rights of women to own, inherit and use the land must be emphasized in relation to security of tenure. Concerted efforts must be made to encourage land claimants to opt for land rather than financial compensation.
- Improved post-settlement support measures will be implemented to ensure that restituted and redistributed land is brought to production through post settlement support and to improve integration and co-ordination of the land reform programme. Special attention will be given to women and young people;
- The development of black farmers will be prioritised through training, capacity building, the provision of blended funding, revisiting share equity schemes and trade agreements with other countries.
- The question of urban land will be addressed to deracialize the towns and cities and transform apartheid spatial patterns through measures such as the expropriation of well-located urban land and the targeting of derelict buildings in cities and towns.

- The challenges of climate change will be prioritized through the promotion of sustainable and smart agriculture as well assisting farmers with adaptation to climate change and effective water use through, amongst others, alternative technologies.
- The following legislative and policy measures will be prioritized: finalization of the Communal Property Associations Amendment Act; review of the State Land Disposal Act and the Government Immovable Asset Management Act to streamline national land administration, and the finalization of the Agricultural Sector Master Plan.

## SOCIAL COHESION AND SAFE COMMUNITIES

The Lekgotla identified a number of measures to build social cohesion which is about the well-being, development and safety of communities. Therefore the ANC calls on government to provide comprehensive social protection programmes.

The Lekgotla agreed on the following priority actions:

- Ensuring greater alignment and co-ordination of the Justice, Crime Prevention and Security Cluster (JCPS) and the modernisation of systems in the cluster;
- Implementation and a speedy review of the National Crime Prevention Strategy;
- Strengthening the Moral Regeneration Movement.
- Strengthening the partnership between government and civil society, including on eradicating all forms of substance abuse – which is a major contributing factor in the perpetration of violence;
- Within the context of South Africa's sustained programme to eradicate gender-based violence, government must strengthen its programmes to combat sexual harassment at the workplace, including ratification and implementation of international instruments such as the ILO Convention 190 on Eliminating Violence and Harassment in the World of Work;
- Strengthening of border management and all other instruments that seek to protect our territorial integrity, as well as by ensuring that the passing of legislation of on border management is fast-tracked and implemented;
- Promoting urban safety through the eradication and formalisation of informal settlements, including reclaiming of hijacked buildings, and implementation safer cities and communities strategy;
- Enhance programmes aimed at the rehabilitation of offenders;
- Ensure consistency and uniform position on illegal migration and Xenophobia;

- We call upon all ANC structures to work with the police to combat the rampant levels of violence in the communities across the country.

## STRENGTHENING OF LOCAL GOVERNMENT AND IMPLEMENTATION OF THE DISTRICT DEVELOPMENT MODEL

The Lekgotla recognised the importance of ensuring that local government becomes more effective and serves the people better.

The Lekgotla noted that significant progress has been made in establishing structures of local government and expanding access to basic services since 1994. However, the remaining backlogs have been difficult to eradicate due, in part, to increased population growth, institutional weaknesses, budgetary and skills constraints, unplanned migration, as well as the legacy of apartheid spatial planning.

The Lekgotla also recognised that that some communities have experienced regression and deterioration in basic services due to infrastructure failure, aging infrastructure, lack of investment and implementation of operations and maintenance, vandalism, theft, corruption and culture of non-payment of services.

In order to deal effectively with these challenges the Lekgotla agreed that the following actions must be prioritized:

- CoGTA and National Treasury must implement a targeted local government programme focusing on governance, financial management and service delivery and infrastructure.
- Minimum competency framework for deployment of councilors should seriously be considered;
- Consideration of the introduction of performance management system at local level to improve performance and accountability;
- Address political infighting, instability and political killings through working with law enforcement agencies and mandating structures;
- Strengthen community engagement and feedback on municipal performance;
- Strengthen Human Resource systems and enforce compliance with MSA and its regulations on competency requirements;
- Acting firmly against corruption and enhancing good governance;
- Strengthening intergovernmental relations;
- Clarification of roles and functions between political and administrative leadership.



The Lekgotla agreed that debts owed by Eksom should be looked into. A distinction should be drawn between those who can afford to pay and those who are indigent. The Lekgotla called upon those who can afford to pay for services to do so.

Cabinet through CoGTA will intervene directly in municipalities through Section 139 (7) of the Constitution in cases of persistent municipal dysfunctionality and failure by provinces to intervene decisively and effectively.

Furthermore, the ANC will become more stringent in the selection processes for all public representatives, including setting qualification criteria for cadres to be put on ANC lists. The ANC commits to consistent monitoring of performance of all our public representatives and we will apply urgent remedial steps and consequence management for poor performance, ill-discipline and mismanagement.

The Lekgotla agreed that the implementation of the District Development Model must be prioritized as a mechanism for government to serve the people better through coordinating district-based plans and budgets.

The Lekgotla agreed that all departments across the three spheres must actively participate in municipal integrated development (IDP) planning processes and ensure that their plans are part and informed by district IDPs. ANC structures must be at the forefront of supporting the district development model and ensuring active public participation. Budgets must be informed by IDPs. It was also proposed that ministers and deputy ministers and MECs be deployed as district champions.

The Lekgotla agreed that the following actions must be prioritized:

- COGTA to establish National Programme Coordination Unit and District Hubs by end March.
- COGTA and Treasury should also ring-fence funding for maintenance of bulk infrastructure.
- Strengthen intergovernmental structures for better coordination of development efforts
- Review of fiscal incentives, criteria of existing public employment programmes and methodologies applied in government training programmes:
- Redesign the Community Work Programme (CWP) and Expanded Community Works Programme (EPWP) to provide useful skills that empower participants to access job and business opportunities after exiting the programme
- Complete the profiling of the 49 municipalities (42 DM +7 Metro's) between December and January 2020
- Reprioritisation of budgets and programmes to respond to emerging challenges;

## A BETTER AFRICA AND A BETTER WORLD

Lekgotla noted that the current global environment is characterized by increased insecurity and volatility as result of a rise in right-wing nationalism, populism and unilateral trade measures and wars. It reaffirmed the ANC's commitment multilateralism in the resolution of conflicts.

The Lekgotla also noted that, 18 years since chairing the inaugural session of the AU in 2002, South Africa will once again assume this important role at the helm of the AU.

Noting that the theme of SA's chairperson of the AU is ***"Silencing the Guns by 2020 – Creating Conducive Conditions for Africa's Development"*** the Lekgotla agreed on the following priorities:

- Strengthening compliance with conventional and non-conventional arms control regulations in pursuit of peace, stability and development on the continent;
- Strengthen economic diplomacy as well as encourage African countries to accelerate the signature and ratification of the Africa Continental Free Trade Area (AfCFTA);
- The declaration of 2020 - 2030 as the Decade of African Women's Financial Inclusion by the AU, focusing especially on women's entrepreneurship;
- Step up national and continental mobilization efforts to raise awareness about and call for the eradication of gender-based violence;
- Support for vulnerable groups including the rights of the LGBTQI+ community on the continent;
- The combatting of xenophobia, racism, ethnic and gender discrimination and all other intolerances, including discrimination against and the killing of persons with albinism;
- Solidarity and the strengthening of relations between the Diaspora and the AU;
- Use the chairpersonship of the African Peer Review Mechanism (APRM) to strengthen the APRM in order to preserve the trajectory of democracy and good governance on the continent.

Furthermore, South Africa must use its seat on the UN Security Council (UNSC), amongst others, to strengthen the call for the reform and transformation of the UNSC in line with the Ezulwini Consensus;

The Lekgotla agreed that the continued relations that South Africa has in a number of multilateral organisation, including BRICS, must be strengthened.

The Lekgotla affirmed the ANC's commitment to the One China Policy, that there is only one China in the world. The Government of the People's Republic of China is the sole legal government representing the whole of China.

The ANC reiterates our support for the oppressed people of Palestine, support the Saharawi in their quest for self-determination and confirm the resolution of the 54th National Conference on support for the Kurdish people.

## INQUEST INTO DEATH OF NEIL AGGETT

Futhermore, the NEC welcomed the opening of the inquest into the death of Neil Aggett in apartheid detention and expressed the hope that the Aggett family, and many other families, will find closure.

Amandla!



**#ANCNECLEKGOTLA2020**  
**EFFECTIVE LAND REFORM PROGRAMME**

“ Redistribution must be used to benefit those claimants who missed the 1998 cut-off. The rights of women to own, inherit and use the land must be emphasized in relation to security of tenure.”

#Khawuleza #BeTheRenewal #BuildingtheSouthAfricaWeWant



**#ANCNECLEKGOTLA2020**  
**ECONOMIC GROWTH STRATEGY**

“ Strengthening of BEE and other policies to transform racial, patriarchal and monopoly ownership patterns in the economy”

#Khawuleza #BeTheRenewal #BuildingtheSouthAfricaWeWant

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

# “We are committed to work hard and address challenges collectively”

Comrades and Friends,

We have just received the sad news that one of our comrades in the Eastern Cape Cde Bicks Ndoni collapsed a few minutes ago and passed away in the ANC office in Nelson Mandela bay. He was the ANC Chief Whip in the Nelson Bay Metro Council.

We have come to the end of our January Lekgotla.

We have had leaders from various structures of our movement present here

- Officials of the ANC,
- Members of the NEC,
- Leadership of the SACP and COSATU,
- Leadership of the ANCWL, ANCYL and ANCVL,
- Leadership of MKMVA, COSAS and SASCO, ANC WL Young Women’s Desk and YCL,
- Ministers and Deputy Ministers,
- Metro Mayors and leaders of SALGA,
- Contralesa,
- Deployed cadres in government.

Our meeting takes place at a pivotal moment for our country, when our economy is facing severe challenges and many of our people continue to endure great hardship.

Prior to this Lekgotla we held an ANC NEC meeting. The NEC meeting was extremely constructive. The NEC was united around the most important issues that concern the nation: the economy, SOEs, building a capable state and strengthening local government.

In the same vein, our Lekgotla was robust, constructive and yielded extremely productive proposals. The Lekgotla benefited from the wealth of knowledge and experience present here.

Through our deliberations here we have forged a clear and concrete programme to address the challenges our nation faces.

We have been frank about the extent of the difficulties in our country. We acknowledged where we have fallen short in the implementation of our policies and have devised realistic measures to address these.

Listening to the reports from the Commissions, it is clear that comrades worked hard to formulate proposals to be taken forward in the plans of government and the movement.

There is a clear commitment by all parties to work hard, address the challenges collectively and communicate our policies and programmes clearly and coherently.

All commissions presented proposals on cross-cutting issues such as the empowerment of women, young people, addressing issues of climate change and the just transition and the socio-economic impact of migration.

We all agreed that we will speak with one voice. We also agreed that we will act with discipline.

We discussed how we should foster economic growth and deal with state-owned enterprises.

We agreed that the creation of jobs and the re-ignition of inclusive growth in the following key areas should be undertaken:

We all agreed that manufacturing continues to be a major sector of South Africa’s economy. The government should continue to support and boost the manufacturing sector as it seeks to transform the structure of manufacturing.

The Lekgotla agreed that we should build new growth sectors such as renewable energy, creative industries, aviation industries and 4IR-related activities.

Tax avoidance and illicit capital flows were seen as an impediment to economic growth. The Lekgotla called on the government to urgently crack down on tax avoidance and illicit capital outflows.

BEE processes must be strengthened to assist in transforming racial ownership patterns in the economy.



The Lekgotla agreed that a renewed emphasis must be placed on localisation, particularly linked to infrastructure projects and to procurement by government and SOCs. The Lekgotla took a dim view of the threatening activities of people who describe themselves as business groups that go to infrastructure projects demanding 30% stakes. These groups often act illegally and threaten violence. This cannot be allowed to continue. We will take strong measures to stop this.

We agreed that we should strengthen government and SOCs procurement. We should in the process leverage private sector procurement to support local enterprises, township and village enterprises, and black industrialists.

On the mineral resources area, the Lekgotla agreed that the unbundling of the Mineral and Petroleum Resources Development Amendment Bill will provide policy certainty to a mature solid mining industry and has assisted with the development of standalone legislation for the upstream Petroleum Sector, which Bill was gazetted for public comment in December 2019.

On the issue of the spectrum, we should ensure that the spectrum release should lead to lower data costs to realise the extension of access to online service and put more money in consumer pockets.

The easing of visa requirements and related changes to encourage tourism and the inflow of needed skills into South Africa should be accelerated.

The initiative aimed at reducing youth unemployment through the Presidential Youth Employment intervention is fully supported. The Lekgotla welcomed the five pillars this intervention is based on namely: building a national programme for young work seekers, agile work solutions, youth self-employment, workplace experience and expanded national youth service.

It was agreed as follows with regard to the SOEs:

The ANC will continue to be guided by the vision outlined in our Ready to Govern policy document, which stated that the balance of the evidence will guide our structuring and restructuring of state owned companies, and our decisions on when we need to increase or reduce public ownership in order to advance our economic programme.

The Lekgotla endorsed the following proposals with regard to SOEs.

- That the commercial and developmental mandates of SOEs and SOCs should be clearly outlined and stated. Where a review is necessary we should be able to do so.

- We should examine the institutional design which will support their developmental mandates.
- There should be greater and more effective attention to the operational efficiency, integrity of SOEs as well as ensuring that people who are fit for purpose are appointed to various positions.
- We should look to embark on a consolidation and rationalisation process of our SOEs.
- In line with the Nasrec Resolutions, we must avoid political interference in operational matters, other than an intervention in the case of mismanagement and possible company failure.

## ON LAND REFORM

The ANC needs to do more to popularise our position on the amendment of section 25 of the Constitution to clarify circumstances in which expropriation without compensation will take place.

We are encouraged that the Lekgotla endorsed the recommendation that the power to determine the quantum of compensation for land expropriation should reside in the executive.

The Lekgotla endorsed several programmatic priorities for the forthcoming year, which will ensure that land reform contributes to economic recovery. Some of these programmes include:

- Addressing spatial inequalities through the prioritisation of urban land for development of low-income housing.
- Advancement of women in land reform. Women must be considered especially in communal areas and with respect to ownership of land. Women must be at the centre of the land debate.
- Trade agreements with other countries should prioritise black emerging farmers.
- Blended funding must be made available in order to assist black farmers.

## SOCIAL COHESION AND SAFE COMMUNITIES

The Lekgotla agreed on a number of measures to ensure communities are safe and build social cohesion. Some of these priorities include:

- Reviewing and strengthening the moral regeneration programme.
- Government to strengthen its programmes to combat sexual harassment at the workplace.



- Strengthening of border management by ensuring that the Border Management Bill is concluded and comes into effect.

It is important that the review and updating of the National Crime Prevention Strategy is concluded speedily. We must emphasise that the comprehensive strategy must go beyond providing only effective policing. It must also provide for mobilisation and participation of civil society in assisting to address crime.

Within the context of South Africa's sustained programme to eradicate gender-based violence, we must have regard to various international instruments such as the ILO Convention 190 on Eliminating Violence and Harassment in the World of Work.

## **STRENGTHENING OF LOCAL GOVERNMENT THROUGH THE DISTRICT DEVELOPMENT MODEL**

We are all aware of the importance of ensuring that local government becomes more effective and serves the people better.

The District Development Model provides an opportunity for government to serve the people better through coordinating district-based plans and budgets.

At the same time, the ANC will become more stringent in the selection processes for all public representatives, including setting qualification criteria for cadres to be put on ANC lists.

The ANC commits to consistent monitoring of perfor-

mance of all our public representatives and we will apply urgent remedial steps and consequence management for poor performance, ill-discipline and mismanagement.

## **A BETTER AFRICA AND A BETTER WORLD**

South Africa takes over the chairpersonship of the AU at a crucial time for both the institution and the continent, characterised by positive dynamism, opportunities and complex challenges facing the continent.

In support of South Africa chairing the African Union, we will work with progressive political parties on the continent to silence the guns.

We are committed to Africa's economic development and social and political integration of the continent. In this regard, we will work to ensure that the African Continental Free Trade Area agreement is implemented.

The Lekgotla appreciated the continued relations that South Africa has in a number of multilateral organisation, including BRICS, with China. The Lekgotla also reiterated our policy position on a One China policy.

The empowerment of women should be treated with great priority.

The ANC reiterates our support for the oppressed people of Palestine, supports the Saharawi in their quest for self-determination and confirms the resolution of the 54th National Conference on support for the Kurdish people.

**Amandla!**



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