



FRONTLINE AFRICA **— ADVISORY —**

Weekly Political and Economic Review 28 August 2020



1. Policy/Legislative Updates

1.1. National Assembly Passes Disaster Management Tax Relief Bill and Disaster Management Tax Relief Administration Bill

- The National Assembly (NA), during its hybrid plenary sitting on Tuesday, the 25th of August passed the Disaster Management Tax Relief Bill and the Disaster Management Tax Relief Administration Bill;
- The two Bills, commonly referred to as the COVID-19 Tax Bill and the COVID-19 Tax Administration Bill, were introduced by the Minister of Finance, Tito Mboweni together with the special adjustment budget on the 24th of June 2020;
- The adjustment budget was promulgated to deal with and minimise the impact of the COVID-19 lockdown and the resultant economic downturn;
- Before passing the Bills on Tuesday, the NA first had to adopt a resolution to suspend Rule 290(2)(a), which provides, inter alia, that the debate on the Second Reading of the Bill may not commence before at least three Assembly working days have elapsed since the committee's report was tabled;
- The Standing Committee on Finance, following careful consideration and public participation, adopted and tabled its reports on the two Bills with amendments on Friday, the 21st of August;
- The two Bills have now been sent to the National Council of Provinces for concurrence.



1.2. Four New Laws Proposed for South Africa

- In a media briefing on Thursday, the 27th of August, Minister in the Presidency Jackson Mthembu announced that cabinet has approved a number of Bills for submission to parliament;

The Bills outlined below include:

- **Electoral Law Amendment Bill**-which amends the Electoral Commission Act of 1996; Electoral Act of 1998 and the Local Government Municipal Electoral Act of 2000;
- The amendments will amongst others introduce innovations in electoral practices in keeping with best practices to improve the IEC's efficiency in managing elections, he said;
- In June, the Constitutional Court ruled that the country's Electoral Act was unconstitutional as it does not provide for adult citizens to be elected to the National and Provincial Legislatures as independent candidates;
- In July, the Electoral Commission of South Africa (IEC) said that it is considering the introduction of electronic voting in an effort to increase efficiencies in the elections process in South Africa;
- **Sectional Titles Amendment Bill**-which amends the current Sectional Titles Act which provides for the establishment of sectional title schemes;
- The Minister said that the proposed amendments would provide clarity and give additional protections to tenants and other people who hold the lease of a property;
- **Agricultural Produce Agents Amendment Bill of 2018**-which seeks to protect the rights of the producers from unregulated aspects of the fresh produce agents;
- Once passed into law, the agents will amongst others be compelled to take out fidelity insurance and keep trust accounts;



- The proposed changes will also improve market access opportunities for smallholder producers and previously disadvantaged market agents, traders and hawkers.

1.3. Children’s Amendment Bill

- The Department of Social Development announced its intention to table the Children’s Amendment Bill to Parliament soon;
- The Bill has faced controversy in the past because of its harsh stance on corporal punishment in the home;
- A draft version of the Bill published in 2018 indicated that any punishment, within the home or other environment, in which physical force or action is used and intended to cause some degree of pain or harm to the child is unlawful;
- While it is not clear whether corporal punishment will be covered in the latest version of the Bill, an explanatory summary indicates that the following issues will be addressed:
 - To provide for children’s right to privacy and protection of information;
 - To further provide for the rights of unmarried fathers;
 - To extend the children’s court jurisdiction;
 - To further provide for medical testing of children in need of care and protection or adoption;
 - To provide for additional matters relating to children in alternative care;
 - To further provide for matters relating to adoption and inter-country adoption;
 - To further provide for the hearing of child abduction matters;
 - To further provide for matters relating to surrogate motherhood.

1.4. EFF Introduces Bill to nationalise SARB

- On the 25th of August, The Deputy President of the opposition Economic Freedom Fighters, Floyd Shivambu, introduced a private members bill to



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the national assembly that proposes to amend the ownership structure and other functions of the South African Reserve Bank (SARB), including through the expropriation of shares without compensation;

- In introducing the bill, he stated that “The ownership and control of the state by the white capitalist established has been the cornerstone of the financial sector through formal and informal influence of the South Africa Reserve Bank;”
- The bill comes three years after the EFF head, Julius Malema, gave parliament notice to reveal the SARB Amendment Bill;
- The amendments proposed by the EFF would make the state the sole shareholder of the SARB and empower the minister of finance to appoint the board;
- SARB Governor, Lesetja Kganyago, previously came out strongly against the calls to nationalise the Reserve Bank and said that removing private share ownership will not result in higher growth, will not result in education outcomes, and will not result in improved health care;
- Kganyago further warned that it would cost the state around R20 million to buy out private shareholders, and said Reserve Bank is stepping out of the debate and politicians will decide;
- In 2017, the ANC’s 54th national elective conference reaffirmed the resolution of the 53rd National Conference Resolution on the mandate of the South African Reserve Bank which resolved that the Reserve Bank should be 100% owned by the state
- Joe Maswanganyi, chairperson of the Standing Committee on Finance and Select Committee chairperson Yunis Carrim revealed the bill would be treated like any other bill introduced by a minister.
- Parliamentary legal advisor Noluthando Mpik Ashe advised that the EFFs bill to nationalise the Bank may not “pass constitutional muster” in its current form.



© Public Protector Busisiwe Mkhwebane. Image via: ANTONIO MUCHAVE / Gallo

2. Judgment Reserved in Mkhwebane's Bid to Halt Parliament Probe into Her Fitness to Hold Office

- On Monday, the 24th of August, judgment was reserved on the Public Protector's bid to stop a Parliamentary probe into her fitness to hold office;
- Advocate Busisiwe Mkhwebane approached the High Court in Cape Town after the National Assembly endorsed a motion by the Democratic Alliance's (DA) Chief Whip Natasha Mazzone for a panel of independent experts to be appointed to assess whether or not Mkhwebane has a case to answer;
- Mkhwebane wants the High Court to halt the process pending a determination on the constitutionality of the National Assembly rules for removing the Head of a Chapter 9 institution from office;
- In terms of the National Assembly rules, an independent panel which can be headed by a judge, must be appointed after a substantive motion has been received;
- However, Advocate Dali Mpofu on behalf of Mkhwebane argued that appointing a judge would be breaching the separation of powers between the legislature and the judiciary;
- Mpofu also argued that the Speaker, Thandi Modise, does not have powers to appoint a judge to serve on any panel;



- Responding to the DA’s argument for the court to award a punitive cost order against Mkhwebane, Mpfu asked the court not to grant the party its wish, saying the DA had been hounding Mkhwebane from day one;
- Last week, the DA expressed that the Public Protector, Adv Busisiwe Mkhwebane, was continuing to waste the South African taxpayers’ money with her appeal to the Constitutional Court that was scheduled for this week;
- The DA added that it had thousands of pages of evidence against Mkhwebane for apparent misconduct, and again called on the Chairperson of the Justice Portfolio Committee to request an update from the Speaker of the National Assembly, Thandi Modise, on the progress of appointing an independent panel to investigate the Public Protector for possible misconduct, incapacity and incompetence.



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3. SAA

NUMSA, SACCA Urge Members at SAA Not to Sign Any Voluntary Severance Packages

- The National Union of Metalworkers of South Africa (Numsa) and the South African Cabin Crew Association (SACCA) on Thursday urged their members at the South African Airways (SAA) not to sign any voluntary severance package agreements before funding for the retrenchment process has been secured;



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- SAA has been waiting for funding from government to pay out the approved packages;
- The cash strapped airline has accepted over 3 000 applications from a total of about 5 000 employees;
- This is part of a business rescue plan that was approved for the airline, which was said to cost about R10 billion at the very least;
- There still has been no clarity on where this money will actually come from;
- NUMSA's Spokesperson, Phakamile Hlubi-Majola said if workers sign agreements, they would effectively be terminating their relationship with SAA with no guarantee of income;
- “Prior to the issuing of voluntary severance packages, the Department of Public Enterprises put us under enormous pressure and they publicly attacked us for delaying the process. They told workers they budgeted R2.2 billion for VSPs and they pushed to agreeing. Now that they must deliver, they still cannot confirm the funding for VSPs”.
- Meanwhile, the South African government expressed that it has received more unsolicited interests from private sector funders, investors and partners for a future restructured SAA and its subsidiaries;
- The Department of Public Enterprises (DPE) said that as of the end of August it had received more than 10 unsolicited interests for SAA and its subsidiaries Air Chefs, South African Airways Technical and Mango Airlines;
- “As the sole shareholder on behalf of government, the DPE had been busy assessing the interests from the several unsolicited local and international Strategic Equity Partners (SEPs) as part of the implementation of the Business Rescue Plan, which was published at the end of June 2020,” it said.



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- The DPE said that such investments in the airline and its subsidiaries will help support key economic sectors, including tourism and solidify South Africa as an African gateway to international markets.

AFRICA WATCH

Mali



1.1 ECOWAS-led Talks in Mali fail to Reach Agreement on Transition

- Negotiation talks held between a mediation team from the Economic Community of West African States (ECOWAS) and the military officers who overthrew President Keita has been ongoing since Sunday the 23rd of August in Bamako;
- A source in the ECOWAS said the military had proposed a three-year transition to review the foundations of the Malian state;
- The transition would be led by a body to be chaired by a military officer, who will in turn also be head of state;
- Former Nigerian president Goodluck Jonathan, also the head of the West African delegation said there was progress on the second day of negotiations, but these did not bring a full agreement;
- With the military spokesperson Colonel Wague, stating that the final decision on the makeup of the interim transitional administration is in the decisive hands of “Maliens”;
- He added that no timeline had been established for elections to return the country to civilian rule.
- It is imperative that the negotiation talks are concluded and an agreement is reached, this will direct whether sanctions will be increased or relaxed on the junta;
- President Keita, who was detained in a military camp in Kati, would be released by the military and allowed to return to his home in Bamako;
- Pressure has been increasing on the Malian military, with the Organisation Internationale de la Francophonie (OIF) having suspended the nation from its member on the 26th of August;
- In a virtual meeting, the leaders agreed that this decision would maintain cooperation that



would help the civilian population and a transition to democracy;

- Moreover, the European Union had suspended its training missions in the country;
- The justification is that the two training missions that were in Mali were provided to stabilise the country and support the legitimate national authorities, an EU official told Reuters on Wednesday;
- The suspensions are temporary and support still remains for neighbouring countries such as Burkina Faso.

1.2 Malian Protest Movement Committed to Talks with the Junta

- The country's June 5 protest movement that mobilized against President Keita has given its vote of confidence to the junta that overthrew the country's former leader;
- On Wednesday, the group committed to being ready to join the transition process that should return power to civilians;
- The initial meeting which took place in the headquarters of the Kati camp, would be followed by another meeting on Saturday 29th of August, with the presence of the head of the junta, Colonel Goita;
- The M5-RFP welcomed the coup and now wants substantive discussions to take place of which the junta agreed to and had committed to consulting the people;
- The junta had promised to return power to the civilians in Mali but had not specified a conclusive timeframe;
- However, it has made efforts in consulting with political and social forces as well as representatives of the international community including Mahamat Saleh Annadif, the head of the UN mission in Mali;

2. Cote d'Ivoire

Former President Laurent Gbagbo Removed from the Electoral List Following Court Ruling

- Following a court ruling by the Ivorian judiciary, former Ivorian President, Laurent Gbagbo, has been irrevocably removed from the country's electoral list;
- The former president will not be allowed to seek re-election in the upcoming presidential



elections taking place in October 2020;

- The Independent Electoral Commission’s (IEC) President Ibrahim Coulibaly-Kuibiert confirmed the news on Wednesday, 26th of August;
- Speaking on the matter of the revision of the electoral list in the beginning of August, Coulibaly-Kuibiert stated that “Any person convicted of a misdemeanour or a crime and stripped of their civil rights has been removed from the list”
- The former Ivorian president was sentenced to 20 years in prison by the Ivorian courts on charges of “robbery” of the Central Bank of West African States;
- During the post-elections of 2010, he was acquitted and later moved to Brussels, on conditional release by the International Criminal Court;
- He awaits an appeal in his home country where he hopes to recuperate his national passport and full rights as an Ivorian;
- Simone Gbago, the former president’s spouse had requested that current Ivorian president Allassane Ouattara grant her husband amnesty;
- She justified this by expressing her disapproval of the political and unjustifiable trial that used highly questionable legal arguments to support the removal of Gbago from the electoral list;
- Avid supporters of Laurent Gbago, have formed a pro-Gbago coalition calling themselves “Together Democracy and Sovereignty” declared on Wednesday that they would file candidacy bid in his name for the upcoming elections;
- The presidential bid on his behalf could still hold as one need not be physically present to file.

3. Tunisia

New Mechichi-led Government in Tunisia

- On Tuesday, the 25th of August, Tunisia announced its new government – for the second time in six months;
- The country’s Prime Minister, Hichem Mechichi, formed his cabinet and as he had stated – his team is made up of ideological technocrats that he believes will present urgent



solutions to the country's ailing economy;

- The approval of the nominations by parliament was awaited however tension lingered with the powerful Islamic party, Ennhada feeling angered by Mechichi's disregard to consult them;
- There remains divisions as parties are split between wanting a more political government that would reflect the house, and the need to approve a cabinet instead of the country being dragged into disruptive early elections;
- Mechichi a relatively younger leader at 46, had previously served as the interior government;
- He is the third Tunisian head of government, following the October elections of 2019 that had resulted in a divided parliament.

4. Eritrea

Eretria Steadfast on the Refusal to Sign the African Continental Free Trade Area Agreement

- Eritrea on Tuesday the 25th of August, continued to defend its decision to not sign the African Continental Free Trade Area (AfCFTA)
- The AfCFTA that entered into force on the 30th of May 2019, with the main objectives of creating a single continental market for goods and services, free movement of persons and investments within the continent;
- The Horn of Africa nation remains the only country yet to sign and ratify the treaty;
- According to a tweet by the Information Minister – the country's posture is embedded in the government of Eritrea – which is committed to advocating for regional cooperation over the continental aspirations outlined in the treaty;
- The agreement reached maturity on the 30th of May 2019, when it received a total of 22 signatories;
- The official launch of the treaty is projected for early 2021 – having been moved because of the COVID-19 pandemic;
- West African countries including Nigeria and Benin had signed and ratified the agreement in June 2019 during the African Union Summit in Niamey;



- During the time, Albert Muchanga, the AU Head of Trade shared his enthusiasm in a tweet that read “One more signatory state before all 55 African Union Member States are signatories. One African Market in formation”;
- The AU initiative is aimed at creating a continent-wide market of 1.2 billion worth \$2.5 trillion.