



FRONTLINE AFRICA **— ADVISORY —**

Weekly Political and Economic Review 04 September 2020



1. Policy/Legislative Updates

1.1. Committee Members have rejected the Private Member's Bill on Independent Electricity Management Operator.

- On Tuesday, the 1st of September, Members of the Portfolio Committees on Mineral Resources and Energy and Public Enterprises rejected the Independent Electricity Management Operator (IEMO) Bill;
- The Bill was tabled in Parliament on the 24th of October 2019 by the Democratic Alliance (DA) Chief Whip, Natasha Mazzone;
- The IEMO Bill is a private bill which sought to provide for an independent system operation and allow metropolitan municipalities to purchase electricity directly from Independent Power Producers;
- The Bill sought to open up the electricity generation market to other stakeholders and give independent power producers the opportunity to have the same electricity market access as Eskom;
- Before deliberating on it, the Committee allowed the Department of Public Enterprises (DPE) to present its response on the Bill to the joint meeting on the 25th of August 2020;
- Minister of DPE, Pravin Gordhan highlighted the inconsistency in the IEMO Bill between private and public ownership;
- The Minister stated that whilst the original Independent System and Market Operator (ISMO) Bill was premised on the ISMO being a state-owned entity, the IEMO Bill took the model and superimposed private ownership structure;



- Majority of the members from both the Committees shared a similar view to the DPE on the EIMO Bill;
- They felt it discriminates between metros and other municipalities and by taking electricity generation back into private hands, the Bill will reverse the gains of democracy;
- The Democratic Alliance (DA) in a statement issued on the 1st of September 2020 expressed their deep disappointment in the rejection of the bill;
- In the statement, The DA stated that it is of the belief that the process followed was not in keeping with the Rules of Parliament (specifically Rule 286) and would be writing to the Chairperson of Committees, Cedrick Frolick MP and the Speaker of Parliament, Thandi Modise MP;
- Furthermore, the party believed that members of both Committees had already formulated their positions before the presentation was made and were unwilling to compromise;

1.2 Committee Discusses Three Pieces of Legislation Aimed at Addressing GBV

- On Tuesday, the 1st of September, the Justice and Correctional Services Portfolio Committee discussed three pieces of legislation that would boost plans on tackling Gender-Based Violence (GBV) in the country;
- **The Committee was briefed on the following Bills:**
- **The Sexual Offences and Related Matters Amendment Bill** – the Bill introduces, amongst other things, a new offence of sexual intimidation to protect persons from threats of imminent sexual harm;
- It further aims to extend the ambit of offences of incest in order to provide additional protection to children;
- In terms of the National Register for Sex Offenders (NRSO) – the proposed amendments in the Bill aim to expand the scope of the NRSO



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- to include particulars of all sex offenders not just sex offenders of children and people who are mentally disabled and vulnerable such as female persons between the ages of 18 and 25, those that are physically, mentally and intellectually disabled as well as persons 60 and older;
- The Bill proposes an increased period for which a sex offender must remain on the NRSO before being removed;
 - **The Domestic Violence Amendment Bill** – seeks to optimise collaboration between departments in order to streamline the provision of services within existing mandates;
 - It makes provision for a secure online application for a protection order;
 - **The Criminal and Related Matters Amendment Bill** – makes provision for evidence to be provided through intermediaries as it is viewed as an effective procedure to protect witnesses and complaints against victimisation during court proceedings;
 - It further makes provision for the use of audiovisual link which ensures for availability of witnesses, whether inside or outside the country, in court proceedings;
 - The Bill further seeks to include evidence in the form of gestures and other non-verbal expressions in respect of a victim who may not be able to give evidence orally;
 - The proposed amendments aim to address the several shortcomings in the Act, including the release on bail before the person's first appearance in court;
 - Committee members emphasised the passing of GBV legislation as being of national importance;



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2. Outcomes of the ANC's Special NEC Meeting

- On the 31st of August, the Top 6 leaders of the African National Congress provided a report of the National Executive Committee of the virtual special meeting held from the 28th to the 30th of August;
- In delivering the report, President Cyril Ramaphosa stated that the meeting addressed 6 key issues as follows:
- **Vigilance needed in the fight against COVID-19** – The NEC, amongst other things, warned that there remains a substantial risk of a 'second wave' of infections as seen in other parts of the world as there is more relaxation on the restrictions on movement and economic activity;
- The ANC will continue to intensify its campaign on awareness and mobilisation against the spread of the virus among communities;
- There will be a wide-spread take-up of the national contact tracing app (COVID Alert SA) which will be launched soon;
- People will be informed by the app, privately and anonymously, if they had been in contact with a person who had tested positive for the virus;
- The NEC welcomed the decision to make public the details of COVID-related tender contracts awarded by all departments and public entities;
- **Economic Reconstruction and Recovery**- The NEC welcomed the progress being made by the social partners working under the auspices of NEDLAC to develop an economic reconstruction and recovery programme;



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- The NEC reaffirmed its position that given the economic damage caused by COVID-19, extraordinary measures are required to protect jobs and create new ones in the immediate to medium term;
- These includes the implementation of a massive infrastructure investment programme, stimulation of local production and manufacturing and a public employment drive;
- The NEC recognises that these measures are inefficient in addressing issues of unemployment, poverty, exclusion and inequality in its totality;
- The NEC will shortly intervene a lekgotla on the economic reconstruction and recovery programme;
- **Renewal of the ANC and the Fight Against Corruption-** The meeting received a report from the National Working Committee on the work undertaken to collate information on the individuals within the organisation facing charges of corruption or other serious crimes;
- The NEC further endorsed the letter of President Ramaphosa of 23rd of August to ANC members, as an articulation of the policies and positions of the organisation and agreed to the implementation of the action points contained therein;
- Cadres of the ANC formally charged for corruption must step aside from their leadership roles in all government structures;
- Cadres said to be involved in corruption and serious crimes must present themselves to the Integrity Commission and should they not provide valid explanations, they shall be suspended;
- Those convicted of corruption must resign;
- Guidelines on the ANC's approach to internal leadership contests in elective meetings and conferences will be developed. Especially rules for lobbying and campaigning;
- Guidelines will be developed on ANC leaders and their families doing business with the state and public entities;



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- **Local Government-** NEC received reports on local government, proposals on electoral reform and the process of selection of ANC local public representatives and preparation for the 2021 Local Government Elections. The NEC will continue discussions on this later in the week;
- **Organisational Campaigns and Programmes-** The NEC took note of the continued organisation campaign against racism and vowed to intensify the promotion of the principle of non-racialism;
- The NEC further reflected on the ongoing programme against Gender-Based Violence (GBV) and urged Parliament to consider and finalise the legislative amendments to strengthen measures against GBV;
- **The African Agenda-** The NEC welcomed the reports on work done around a continent-wide programme on COVID-19, with the AU Commission, Regional Economic Communities and the Africa Centres for Disease Control and Prevention;
- It welcomed the fact that the Africa Continental Free Trade Area office had now been opened, headed by Honourable Wamkele Mene;
- It welcomed notes on the work done to silence the guns in Mali and Libya, and to ensure stability in Zimbabwe, Mozambique and Sudan;
- The NEC supported party-to-party interaction between ANC and ZANU-PF in order to gain a fuller understanding of the situation in Zimbabwe;
- From there onwards the ANC will determine how to assist the neighbouring country. The party must speak to all parties and stakeholders as well;
- Government was urged to effectively address the any security threats for the country and provide support for Mozambique against the insurgencies, should the need arise;
- The International Relations Committee is to provide detailed reports on these two matters at its next meeting;



- The organisation reiterated its support and solidarity with the people of Palestine.



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3. Auditor General Kimi Makwetu releases COVID-19 relief funds audit

- Auditor-General (AG) Kimi Makwetu gave a media briefing on Wednesday, the 02nd of September and released displeasing findings on COVID-19 relief funding;
- The findings detail the rot and corruption in relation to Personal Protective Equipment (PPE) tender procurement processes;
- The AG’s office found that contracts in the R22.4 billion PPE budget have been largely misappropriated and there were clear signs of overpricing, unfair processes and potential fraud in state procurement;
- Makwetu further stated that “Delays in the delivery of personal protective equipment and quality concerns could have been avoided through better planning and management of suppliers;
- The Auditor-General highlighted the various issues needing further investigation in the education and health departments. These include:
 - Suppliers not having valid tax clearance certificates;
 - Quotation and competitive bidding processes not being correctly applied;
 - Inadequate or inaccurate evaluation criteria, and the wrong application thereof;



- Conflicts of interest;
- In health, the awarding of tenders to companies with no previous experience in supplying PPE
- Specified PPE items ordered by the health department were substituted by the supplier with items of lower specification, yet the department continued to accept and even pay a higher price than the originally ordered item;
- Of the budgeted R22.4billion, only R6.7 billion was actual expenditure;
- Makwetu said the Special Investigating Unit's (SIU) investigation on PPE corruption would be comparable to his findings.



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4. The DA's John Moodey Announces Resignation from the Opposition Party

- The Democratic Alliance's (DA) Gauteng leader and federal leadership candidate, John Moodey resigned from the party on Wednesday, the 02nd of September;
- Moodey made the announcement at a press briefing stating that the DA's inability to deal with issues of redress in an unequal society is only but one of the reasons for this departure;
- in response to the announcement, the party's interim leader John Steenhuisen, stated that Moodey's sudden resignation was due to the serious charges he was facing within the party;



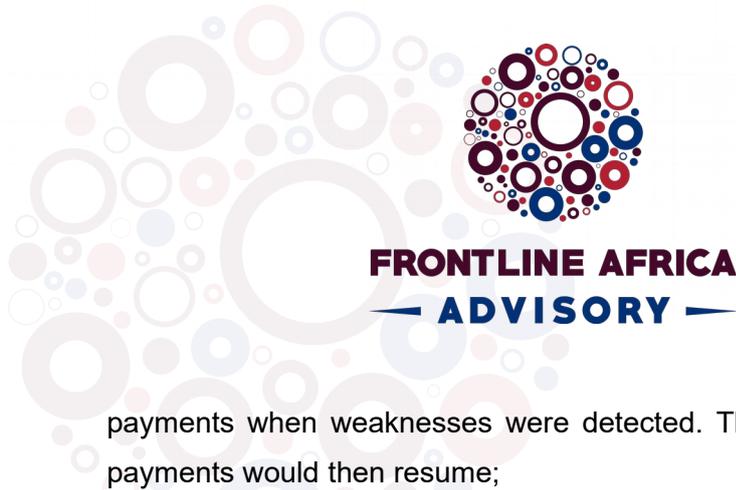
- Amongst the charges faced by Moodey were a case of misconduct related to the framing of a political opponent in a sex for work scandal and attempting to bribe councillors into giving false evidence.



5. Unemployment Insurance Fund (UIF)

5.1. Government vows that UIF payments will resume soon following a halt for probe

- Minister of Employment and Labour, Thulas Nxesi briefed Parliament's oversight Committee on Employment and Labour on the 2nd of September;
- He stated that the Unemployment Insurance Fund (UIF) will soon resume its Temporary Employer/ Employee Relief Scheme (TERS) payouts;
- The UIF-COVID-19 TERS payouts are a COVID-19 relief measure introduced by the government to provide employers with cashflow to continue to pay their employees;
- The UIF had to halt payments to employers following a preliminary audit of the payments of TERS benefit funds to companies, by Auditor-General Kimi Makwetu;
- Deputy Minister of Employment and Labour, Boitumelo Moloi, acknowledged that the system had been faced with challenges of overpayments, underpayments, fraudulent activities and delays;
- The Department's Director General, Thobile Lamati, told the Committee that the halt was not indefinite, and it was normal practice to freeze



payments when weaknesses were detected. These would be fixed and payments would then resume;

- He added that government was working with the Government Tactical Advisory Centre at National Treasury to improve data analytics and ensure payments go to the right people;
- Business interest group, Business 4 South Africa, expressed their disappointment, stating that the backlog on payments from April were already significant and payment delays from July and August will exacerbate the issue.

5.2 UIF Commissioner, CFO and COO Suspended & Nxesi calls for SIU Investigation

- Minister Thulas Nxesi also confirmed that the Unemployment Insurance Fund's (UIF) Commissioner, Tebogo Maruphing has been suspended;
- Maruphing's suspension comes in light of the findings of Auditor-General Makwetu – who found evidence of wrongdoing in the spending of COVID-19 relief funds;
- At the same time, DG Lamati has also suspended the UIF management: the CFO, the COO and the head of supply chain;
- The audit report detailed corruption and fraud in the system that paid out R41 billion over nine million beneficiaries thus far;
- The report faulted government's IT systems for not being able to respond to the challenges of distributing the relief package;
- Minister Nxesi has requested an investigation by the Special Investigation Unit (SIU) into the irregularities and processes of the matter;
- The Congress of South African Trade Unions (COSATU) made it clear that there should be no scapegoats in the UIF debacle but rather broader accountability including in the Ministry;



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- Matthew Parks, COSATU’s parliamentary coordinator said “There has to be political accountability and responsibility. From the Ministry, to the department, to the UIF”.

AFRICA WATCH



1. COVID-19 Updates in Africa

1.1. Ghana Reopens International Airport After Five Months

- The Government of Ghana on Monday, the 31st of August announced the re-opening of the Kotoka International Airport (KIA) to international passenger traffic, after five months of closure;
- The airport was closed to international passenger traffic five months ago as part of restrictions to curb the spread of the coronavirus;
- Delivering his 16th address to the nation since the outbreak of the COVID-19 pandemic, President Akufo-Addo announced that government had decided to re-open the airport because public health officials could now conduct rapid tests to enable the isolation of passengers who might arrive in the country with the virus;
- “I am glad to announce that KIA will reopen and resume operations from Tuesday, September 1st, 2020. This decision has been communicated to international airlines across the world. After weeks of thorough work, I am satisfied that it is safe to do so,” the President said;
- He added that passengers would need to be in possession of a negative COVID-19 test result and the test would need to have been done not more than 72 hours before the scheduled time of the flight;
- Two weeks ago when Akufo-Addo addressed the nation, the President said there were ongoing stakeholders engagements on measures to be put in place to assure a safe re-opening of the country’ borders;
- President Akufo-Addo announced safety and protocol measures to be adhered to by airlines wishing to resume flights to Ghana;



- In a COVID-19 media briefing on Monday, the 31st of August, the Ministries of Information, Health and Aviation, and their respective agencies, the Ghana Health Service, the Ghana Airports Co. Ltd., and the Ghana Civil Aviation Authority spelt out in further detail the protocols surrounding the re-opening of our international airport, and the procedures to be adhered to by passengers arriving in Ghana;
- “For the avoidance of doubt, our borders, by land and sea, will continue to remain closed to human traffic until further notice,” the President said.

1.2. Algeria to Lift Ban on Some Cultural Activities as Part of Easing Lockdown Restrictions

- Algerian authorities on Monday, the 31st of August announced that they would carry out further measures to ease the coronavirus lockdown from 1st September, including lifting a ban on some cultural activities such as reopening museums and libraries;
- Nurseries would also be reopened with 50% of their capacity but prohibit the use of air conditioners and access to children by family members;
- The new steps will also end a paid leave for pregnant women and those with children under 14 years;
- Algeria has already eased restrictions linked to COVID-19, including reopening some businesses, mosques, leisure venues and beaches;
- The country so far has reported 44 494 infections and 1 510 deaths.

1.3. Zimbabwe to Reopen Schools for Students Preparing to Sit for Final Exams

- On Tuesday, the 2nd of September, the Zimbabwean government announced that it would reopen primary and secondary schools this month for students preparing to sit their final exams, six months after they were closed due to the COVID-19 outbreak;
- The first students to return, on 14th September, will be those taking Cambridge International exams. Those taking locally administered final exams will go back two weeks later;
- “The Ministry of Education is working closely with other Ministries and stakeholders to guarantee the safety of pupils and staff during the examinations period,” the government



said;

- The Education Ministry had previously said it would give priority to pupils taking final exams and has hinted that other students will not return to school until 2021;
- Zimbabwe has recorded about 6 500 cases of COVID-19 and 202 deaths;
- Despite an increase in infections in the past six weeks, most cases were mild to moderate, with a recovery rate of about 80%, the government said;
- Authorities also said that they were looking at reopening airports to support the tourism sector;
- The plan is to start with the resumption of domestic flights and then to restart international flights, the government added, but did not give a date.

2. **Zimbabwe**

Zimbabwe Licences Dollar-Denominated Stock Exchange to Lure Foreign Investors

- Zimbabwe's Markets Regulator on Tuesday, the 1st of September licensed a US dollar-denominated stock exchange to operate in the resort town of Victoria Falls, as part of efforts to lure foreign investors to a country grappling with severe foreign exchange shortages;
- The Victoria Falls Stock Exchange (VFEX), which is owned by the Zimbabwe Stock Exchange (ZSE), was given a licence by the securities and exchange commission and is finalising listing and membership requirements;
- Treasury Officials said that VFEX would initially target mining companies operating in Zimbabwe and other firms with foreign listings, including Old Mutual, PPC Zimbabwe and SeedCo, which were suspended from the local bourse;
- The VFEX is coming at a time many foreign investors are struggling to take out money from the ZSE;
- In June, Zimbabwe further spooked investors when authorities abruptly suspended trading on the ZSE for over a month, accusing some investors of using the bourse to manipulate the local currency;
- Although trading resumed on 3rd August, shares in Old Mutual, PPC Zimbabwe and SeedCo, have remained suspended;
- The government has said it plans to offer incentives to investors on the VFEX, including tax



holidays.

3. Sudan

Sudan Signs Peace Deal with Key Rebel Groups, with Some Holding Out

- Sudan’s coalition government signed a peace agreement with key rebel groups on Monday, the 31st of August, a step towards resolving deep-rooted conflicts from the long rule of ousted leader Omar al-Bashir;
- Three major groups signed the deal, including factions from Darfur, where more than 300 000 people are estimated to have been killed and 2.5 million displaced since 2003, and one from southern regions which say they were also marginalised;
- However, two factions with the biggest presence on the ground in Darfur and the south did not sign, which may see cash-strapped transitional government struggle to pay for the return of millions of displaced people and regional development promised in the deal;
- “The main challenge facing us now is the implementation of the peace agreement, and finding donations to do that,” Jibril Ibrahim, leader of Darfur’s Justice and Equality Movement (JEM), said after he and the other rebel leaders signed the agreement.
- Sudan has been torn apart by regional conflicts for decades. After the oil-rich south became independent in 2011, a gradual economic decline fuelled the protests which pushed Bashir from power last year;
- Civilian and military leaders who have shared power since then say ending internal conflicts is a top priority in the path to democracy for the once-pariah state;
- Analysts have said that Monday’s deal, signed in the South Sudanese capital Juba, was very important but left big gaps;
- Jonas Horner, senior Sudan analyst from the International Crisis Group think tank, called it “a hugely significant sign of progress for Sudan’s transition”, paving the way for the delayed formation of a legislative council;
- He added that it was far from comprehensive and the prominent role of armed groups and the military in peace talks raised questions about its inclusiveness.