



# BLSA BULLETIN

## BLSA EXECUTIVE TEAM



Strategic Projects

Policy Update

BACSA Update

PR, Comms and Marketing

## Foreword by the CEO

We focus on issues of national priority in this quarterly bulletin, highlighting the work that BLSA is doing with various government units and NGOs to address crime and corruption, the energy crisis, our dysfunctional transport and logistics system and improving the country's water resources infrastructure.

Those four areas are BLSA's priorities for 2023 and we feel that it is unfortunate but necessary to elevate crime and corruption to the top of that list, for it affects the other three areas and indeed, is plaguing all business sectors across the economy. This directly affects BLSA members and that is why BLSA agreed to fund an assessment of the risks to Eskom from criminality when approached to do so in 2021 by then Eskom CEO André de Ruyter. He stated that corruption and organised crime were a material part of the problems afflicting Eskom, worsening loadshedding, and skilled, external resources were required to investigate it. Eskom had no such resources and the response by law enforcement authorities was lackadaisical at best.

Loadshedding of course is directly causing massive damage to the economy on a daily basis but the bottom line is that the energy crisis cannot be resolved as long as crime syndicates continue to fleece Eskom while sabotaging plant and machinery and stealing copper cables at will. Similarly for our transport and water and sanitation systems.

De Ruyter's priorities were aligned with BLSA's. We believe that helping to end the electricity crisis and supporting institutions of law and order will bring the strongest benefits to our members.

Our efforts have also focused on support for the NPA and of course, the abject failure of the state's case in the Nulane trial on the legality of a R24.9m payment made to Nulane Investments, owned by Iqbal Sharma, a central figure in the Guptas' state capture network, is a massive blow in the fight against corruption.

We are undeterred: BLSA will continue supporting the fight against corruption in whatever ways it can but particularly in improving the capacity of the NPA and other anti-crime units. Apart from prosecuting those involved in state capture through the Guptas during Jacob Zuma's presidency, BLSA will also push hard to unmask and ensure the prosecution of those complicit in the "coal mafia" and other crime syndicates that are severely undermining the country's efforts to reform three of our key network industries – energy, transport and water.

Government complicity of course makes this challenge far more difficult and is one of the key reasons why progress has been so unsatisfactory. But no matter how powerful, no matter how high up they may be in government, the

people involved in these treasonous acts against organs of state and state infrastructure need to be identified and expunged from positions of power, along with those who may be protecting them.

BLSA's fifth priority for the year is the professionalisation of public service. Progress here has been agonisingly slow and BLSA is working on four fronts, outlined below, to assist President Cyril Ramaphosa in his stated goal of creating a public service staffed by qualified, skilled, committed and ethical employees, which, he said in his state-of-the-nation address in February, "is critical to an effective state and ending corruption, patronage and wastage".

One area of good progress has been in reforming the skills visa process. This project has concluded and a close-out report has been submitted to the board. We are offering further support to OV in areas related to the rollout of legislation, regulations and on-the-ground change.

Yours sincerely

*Busisiwe Mavuso*

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## Strategic Projects

### 1. 2023 BLSA Workplan

This is a short version of the BLSA 2023 work plan, in line with the key priorities of the BLSA 2023 financial year.

#### **Key Priorities 2023:**

1. Reduce, through cooperation with and capacitation of law enforcement, the negative impact of criminality and corruption on South African businesses and society.
2. Increase electricity supply availability and reliability.
3. Create a conducive framework, in the short to medium term, for a measurable improvement in South Africa's ports, and the operational efficacy of the transport and logistics sectors.
4. Increase the capacity of government and the resilience of water infrastructure to minimise disruptions to water supply.
5. Professionalise public service.

**Objective 1: Reduce, through cooperation with and capacitation of law enforcement, the negative impact of criminality and corruption on South African businesses and society.**

No.	Activity	Expected Outcome	Partner(s)	Current Status
1.1	NPA Support	Capacitating prosecutorial and law enforcement authorities to address the scourge of corruption and the legacy of state capture.	NPA	<p>PWC completed its review of the Zondo report and provided feedback to the NPA in the form of a documented summary and presentation on 22 March 2023. The NPA was positive and grateful for the work that PWC had done and had already sent the cases identified in the summary to its various regions. Further feedback is awaited from the NPA on what assistance it will need to take certain priority cases forward.</p> <p>BLSA has also procured the services of Aurex to assist the NPA with the development and rollout of GBV centres as part of the fight against the scourge of GBV. GBV is one of the priority issues for the NPA.</p>
1.2	Whistleblower Support	Encourage whistleblowing with the aim of combatting corruption in both the public and private sectors, thereby supporting the maintenance of law and order.	The Whistleblower House	In principle support by BUSA and its major funders (members) obtained in recognition of the critical role of whistleblowers in combating corruption and the lack of an appropriate framework (legal and otherwise) for whistleblower protection.
1.3	Business Against Crime Eyes and Ears Initiative	Grow E2 membership by 5% by the end of 2023. The inclusion of the E2 in the rural safety strategy with at least three rural districts implemented. Implementation of a performance measuring tool to monitor and improve the utilisation of the information by the SAPS. Growth of 10% in the information received.	SAPS, Security Companies	Progress for the year so far has been excellent. A performance measurement tool has been developed and will be implemented in Gauteng during April. The membership has grown by 3% and the E2 was implemented in two of the three planned rural districts. On a year-over-year basis (March 2022 – February 2023), the information received increased by 127%, suspects arrested by 504% and vehicles recovered by 396%. It should be noted that increased information utilisation and information recording on the E2 platform both contributed to the percentage rise in arrests and vehicles recovered. It is expected to stabilise over the course of the year.
<b><u>Objective 2: Increase electricity supply availability and reliability.</u></b>				
2.1	NECOM support	Stable electricity supply.	B4SA (RMF)	BLSA has pledged R25mil of the R100mil fund raised by business to capacitate NECOM.

No.	Activity	Expected Outcome	Partner(s)	Current Status
<b><u>Objective 3: Create a conducive framework, in the short to medium term, for a measurable improvement in South Africa's ports, and the operational efficacy of the transport and logistics sectors.</u></b>				
3.1	Operation Vulindlela support on transport and logistics	Expedited implementation of pro-growth structural reforms in the transport and logistics sectors to the benefit of the business and the broader South African political economy.	OV (National Treasury and the Presidency)	Contracting finalised with technical experts relating to: <ol style="list-style-type: none"> <li>1. Coordination of transport reforms.</li> <li>2. Transport regulatory issues (including third-party access).</li> </ol>
<b><u>Objective 4. Increase the capacity of government and the resilience of water infrastructure to minimise disruptions to water supply.</u></b>				
4.1	Operation Vulindlela Support: Maintenance of water infrastructure	Expedited implementation of training to government officials on the maintenance of water infrastructure.	OV (National Treasury and The Presidency)	Contracting finalised with technical experts relating to training and capacity building to improve infrastructure procurement in DWS.
4.2.	Operation Vulindlela Support: Business case for the establishment of a National Water Resource Infrastructure Agency (NWRIA)	Expedited establishment of an NWRIA and transfer of debt from the Trans Caledon Tunnel Authority (TCTA).	OV	Contracting finalised with technical experts. Engagements with lenders ongoing.
<b><u>5. Special Projects</u></b>				
5.1	Professionalisation of the Public Service	Professionalising (depoliticising) recruitment/promotion in the public service – focus on the senior management service – thereby contributing to the development of a capable state.	National Department of Public Service and Administration / National School of Government	BLSA has established contact with the National School of Government to determine the possibility of assisting with training public servants.

No.	Activity	Expected Outcome	Partner(s)	Current Status
5.2	PSEC Support (resourcing Coordination Crisis Management (CCM) Workstream)	Support the SOE reform process with a view to ultimately improving government's service delivery and South Africa's fiscal (macroeconomic) position.	PSEC TAMDEV	(Ongoing from 2022.) 2023 support envisages the finalisation of reports on each SOE covered as well as the appointment of part-time advisers on SOE restructuring. The NBI has been contracted to proceed with phase 2 of the project.
5.3	Support Presidential Red Tape Reduction Team	Reduction of red tape to increase the ease of doing business.	Presidency	BUSA / BLSA met with Sipho Nkosi and delivered high-level red tape identified by BUSA members. BLSA contributed extensively to the BUSA input. Discussed setting up of an office, with BLSA and broader business support to maximise the impact of the office. There was, however, no tangible project or support identified due to the lack of initial progress in the establishment of the Red Tape Reduction Team during 2022. It is anticipated that some progress will be forthcoming in 2023.
5.4	Support to OV on general and critical skills visa reform	Enable skilled migration to the benefit of the economy. Assist OV to identify improvements that could be made to the policy framework and processes for work visas.	Mavuso Msimang	Project concluded. A project close-out report has been submitted to the board. Awaiting OV on the possibility of further assistance pertaining to the rollout of legislation, regulations, and on-the-ground change.

## 2. Strategy Review – Near-term outlook

What's happened recently?

### Public sector wage bill

Two events occurred in March. First, unions agreed to abandon their objections to 2022/23 unilaterally imposed wage and move forward with outstanding objections to be included in the 2023/24 negotiations which then commenced. Second, the Department of Public Service and Administration (DPSA) made an offer of a three-year wage deal of 7% followed by CPI+0.5% and then CPI+0%. Unions returned to the negotiating table following intervention from President Ramaphosa.

### S&P Global revises SA's credit rating outlook to stable from positive

In March S&P Global revised SA's credit rating outlook to stable from positive (in May 2022) and affirmed the debt grade at BB-. This means that the country has now reached the lowest rating levels across all major rating agencies (including Moody's and Fitch) since 1994. The main reasons for the downgrade were infrastructure constraints exacerbated by severe load shedding, the slow pace of structural reform to improve state-owned companies' performance and rising government debt.

### Eskom and the JET strategy

Key people behind Eskom's Just Energy Transition (JET) strategy have exited the power utility and the focus of Eskom's new board has been on efforts to fix the coal-fired power stations to get units back online and increase the energy availability factor (EAF). At this stage, the status of the JET at the power utility is somewhat vague. Moreover, the president officially announced in Parliament that the Department of Mineral Resources and Energy (DMRE) will now oversee the state's power utility thus adding to the many different nodes of policy-related action on energy matters, but no evidence of a policy consensus between all the players. There is NECOM, OV, the Presidential Climate Commission, the National Energy Regulator of South Africa, the Eskom board, the DMRE and now the electricity minister. This also brings into question whether Eskom will ever be fully unbundled.

Lastly, there are some suggestions that the operationalisation of the National Transmission Company South Africa (NTCSA) will not be possible before the promulgation of the amendments to the Electricity Regulation Act (ERA), No 4 of 2006, which could take up to a year or more – the bill is now entering parliament. Furthermore, transmission investment has been a key constraint on ending loadshedding and new power on the grid. National Treasury is now working on a PPP investment model that will see private investors fund NTCSA's Transmission Development Plan rollout.

### **Climate Change Bill public consultations**

The Portfolio Committee on Forestry, Fisheries, and the Environment started with its nationwide public hearings on the Climate Change Bill in February. The bill was tabled in Parliament in 2022. It coincides with the global framework for climate change. The revised version is expected to reach the National Assembly in September.

What's next? (Key events in Q2)

### **Operation Vulindlela's next quarterly report**

The fourth quarter report by Operation Vulindlela (OV) was due to be released in April. Remarkable progress in most of the reforms is not expected, notwithstanding some developments, especially on the cannabis framework. State-owned enterprise (SOE) restructuring (i.e., the SOE bill) could also be another area where there has been movement.

### **ZEP is to be terminated soon**

The Zimbabwean exemption permit (ZEP), which was introduced more than a decade ago, is set to expire at the end of June. This currently stands as the cut-off date for all ZEP holders who have been encouraged to apply for regular SA visas. The initial ZEP expiry date was 31 December 2022, but the Department of Home Affairs (DHA) extended its validity for a further six months. If ZEP holders don't have visas by the deadline, they risk being detained, deported, or arrested.

### **Water infrastructure**

Reforms in the water sector are moving at a snail's pace and their status will only be clarified once OV releases its next progress report.

### **Water User Licence Agreements (WULAs)**

The Department of Water and Sanitation (DWS) is currently working on its turnaround plan for WULAs. The president made a declaration that water use licence applications should be finalised within 90 days (from 300 days). WULA processing turnaround time has always been identified as a stumbling block to economic development. Based on the latest 2022/23 report, the DWS was able to process at least 83% of licences within 90 days. This indicates some progress.

### **National Framework**

#### **Towards Professionalisation of the Public Sector**

The DPSA released the National Framework Towards Professionalisation of the Public Sector in October 2022, which calls for a merit-based public sector system. The policy is expected to be fully implemented over the next three years. It is intended to ensure that only qualified and competent individuals are appointed to public service positions. The policy has been extended across all spheres of government and state institutions. The policy coincides with the response by President Ramaphosa to the recommendations of the Zondo Commission.

#### **Transport and logistics**

OV is working on a SONA announced “roadmap” which is expected to borrow from the private sector’s dealings with Transnet on specific lines as well as general feedback on the bankability of third-party rail access, maintenance contracting, PPPs etc. This document should be a positive vision for a different balance of the roles of the public and private sector but is meeting with enormous resistance from the Department of Public Enterprises (DPE) while Transnet is largely “uncooperative” at best. It’s expected to emerge in the third quarter, likely from the Presidency/OV as an authoritative white paper.

**Private sector participation & bond issuance**

Transnet is cutting back its 20,000km freight rail network by around 35% given that so much of it is loss-making. This means it plans to trim the rail network by 7,000km. The parastatal will offer a 20-year concession to the private sector to run the container corridor (the line between Johannesburg and Durban). It has put out a request for information for this. Many have hailed this as a great step forward, but it is problematic for several reasons, one of which is that Transnet has taken everyone by surprise with this move, and it appears that there has been little if any, consultation with or approval from government.

**3. Strategy and reform tracker**

Listed below are some of BLSA’s priority interventions, their status and further insights.

Activity/area	Current status
OV reforms	<p>The next quarterly report on all key reforms by OV was expected to come out in April for Q1. The last one was released in December last year for Q4.</p> <p>The draft NWRIA Bill to establish the independent water agency has been in the consultation phase since March this year. The revised bill is expected to be finalised and tabled in Parliament by the Department of Water and Sanitation (DWS) in the coming months.</p> <p>Energy reforms have been included in the National Energy Crisis Committee (NECOM) now (see below) where progress is solid but communications challenging.</p> <p>Visa reform is separately dealt with below.</p>
Professionalisation of the Public Service Framework	<p>The framework was launched last October.</p> <p>It is expected to be fully implemented over the next three years.</p> <p>The DPSA had been without a minister since Ayanda Dlodlo left nearly two years ago. Noxolo Kiviet is the new minister expected to run the department, but as she is now under SIU investigation for the Fort Hare University admission fraud scandal; it is expected that little progress will be made in the short term.</p> <p>Currently, attention is focused on the National School of Government which is the most active for now in this area.</p>
Presidential State-Owned Enterprises Council/PSEC support (resourcing Coordination Crisis Management (CCM) Workstream) & SOE Shareholder Management Bill	<p>There has been no update yet from the Council on the SOE restructuring agenda.</p> <p>The draft SOE bill by the DPE was ready in the middle of 2022 and is nominally currently in the consultation phase but has not been published or entered Nedlac.</p> <p>No update from the DPE has been provided yet on when it will be tabled in Parliament. It would be unlikely to pass before the elections next year and so would lapse – meaning either that it will be introduced now and</p>

	<p>parliament will simply ignore it rather than waste time on processes that need to be repeated post elections, or if committees fancy some grandstanding, then one would simply see a repeat post elections.</p>
Support Presidential Red Tape Reduction (RTR) Team	<p>No public updates yet on the RTR task team, headed by Siphon Nkosi, since appointed in 2022 by the President.</p> <p>It is understood that since the SONA, Siphon has now completed a wide range of departmental interviews supported by the OV team and National Treasury to identify and prioritise red tape that must be cut. He has been told to steer clear of anything related to labour laws and has been focusing on SMME issues. A report of recommendations is being prepared for some time mid-year by him for the president.</p>
National Labour Migration Policy & Employment Services Amendment Bill (immigration bills)	<p>No public update since gazetted for public comment in 2022, as such these negative bills continue to hang over SA.</p> <p>It is understood that they are still in the works in the Department of Employment and Labour (DEL), though the DHA is concerned more currently with producing the skilled visa reform implementation plan for OV which is ready, though OV has been distracted with NECOM and Transnet.</p> <p>There is a risk that these are resuscitated around the time of the elections for populist gain.</p>
FATF grey listing	<p>The FATF grey listed SA in February this year for failing to meet anti-money laundering requirements.</p> <p>There has been no public update yet on solutions to address the eight areas of strategic deficiencies identified by the FATF. National Treasury has promised a roadmap document at some point.</p> <p>Since the budget, the debate has really focused on National Treasury saying that SA can get off the grey list within six months vs more realistic voices. This timeline is impossible given how the FATF review process works. There is a much greater likelihood of more than a year - which means that macroeconomic negative effects start to be felt as foreign banks adjust internal ratings.</p>
Companies Amendment Bill	<p>There has been no public update since the bill was gazetted for public comment in 2021.</p> <p>It has however been within Nedlac for discussions in the past month and is expected to be sent to cabinet mid-year and to parliament in Q4. However, this runs the risk of it lapsing with the elections.</p> <p>The Department of Trade, Industry and Competition (DTIC) is unlikely to make changes and it still features in Minister Patel's speeches and on his agenda.</p>
NHI Bill	<p>Since introduced in Parliament in August 2019, it is still under consideration by the National Assembly's Portfolio Committee on Health though that process is now drawing to a close (time of writing end of March).</p> <p>The ANC caucus in the committee has been confused about conflicts between their political mandate and the legal advice they are receiving on issues like the status and constraints on private medical aid, the structure of the fund etc.</p>



	<p>Based on the NHI committee, opposition parties will be allowed more time to obtain legal opinions on the draft bill after the FF Plus sent a legal letter to Parliament.</p> <p>The bill is likely to be passed by the committee (carried by the ANC with others voting against it) shortly and then move to the NA. It can then clear the NCOP after a further six months given that the NCOP will want to carry out extensive public consultations. As such it's unlikely to be sent for assent until the very end of 2023 or early 2024. There will probably be extensive legal challenges at that point.</p>
<p>Review of the Public-Private Partnership (PPP) regulations</p>	<p>There was a significant announcement buried in the budget that the new Public Procurement Bill being presented to Parliament (supposedly) in March will repeal PFMA Reg 16 and will enable a new two-tier regime for &gt;1bn and sub-1bn PPP projects to make them easier to procure for all levels of government. This is long overdue and very welcome as per BLSA's agenda on this issue.</p> <p>The bill has been re-edited after the start of 2020 public consultations by National Treasury, and in interim work since then with the industry (including BLSA members/banks especially) on the PPP issues which only concluded in Q3 2022.</p> <p>There have been some delays in the cabinet cycle however and so the bill is expected to be passed in Cabinet and then tabled in Parliament. As with other bills, it may not pass before the elections though it is being tagged as a very high priority by cabinet and the caucus and given that the Standing Committee on Finance is generally more efficient, there is a high likelihood that it will be passed. As such, assuming assent occurs before the elections, we could see a new regime for PPPs enter into force in April 2025.</p>
<p>NECOM- implement the Energy Action Plan</p>	<p>In January this year, the committee released a progress update on the implementation of the energy action plan showing solid progress since the publication of the plan by the President in July last year.</p> <p>No new public updates have really occurred since then – though there was a long tail of press and business interactions.</p> <p>The key forthcoming new event after Easter will be the Electricity Regulation Amendment Bill (now approved by Cabinet) being lodged in parliament. The problem here is the agenda for the Department of Mineral Resources and Energy (DMRE) committee already is full and so the risk of this bill lapsing is very high.</p> <p>NECOM has been busy in the past month writing to municipalities to stress their need to have wheeling and net billing frameworks in place. The wheeling workstream has probably been the most proactive in meeting with businesses.</p> <p>The Resource Mobilisation Fund (RMF) resources are due to be deployed after Easter (utilising BLSA as a key donor) which will accelerate the work of NECOM in many areas.</p> <p>NECOM is outsourcing much of the transmission reform issues like PPPs to National Treasury post-budget.</p> <p>Demand management discussions with businesses are now starting through Nedlac and BUSA.</p>

	<p>The appointment of Kgosientsho Ramokgopa as electricity Minister is not having much impact on NECTOM itself which is getting on with its work. Organised business connectiveness with NECTOM in a systematic way has still not yet occurred given NECTOM's stance on this issue. While some structures may end up being put in place, one should be sceptical of how much influence these will really have given NECTOM is ultimately an "over the wall" policy making process.</p>
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*\*Many risks arise in BLSA's agenda based on parliamentary timetables and the lapsing of bills through the elections.*

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## Policy update

## 2 ENERGY AND ENVIRONMENT

### 2.1 National Energy Crisis Committee ("NECOM")

The latest NECTOM feedback meeting was held on 19 January 2023. The amendment to Schedule 2 of the Electricity Regulation Act was published which lifted the threshold for embedded generation completely. Project agreements were signed for 19 projects from Bid Window 5 and six from Bid Window 6. Embedded generation projects as Strategic Infrastructure Projects (SIPs) were gazetted, reducing the timeframe for environmental authorization to 57 days. An additional 300 MW was procured from the Southern African Power Pool and a further potential 1,000 MW through bilateral agreements.

NERSA concurrence received for ministerial determination was 14,771 MW of new generation capacity from wind, solar and battery storage. The Pipeline for private sector generation projects has increased to over 100 projects representing more than 9,000 MW of new capacity. Detailed turnaround plans were implemented in six power stations to recover additional capacity. The Transmission Development Plan was updated which will create 2,890km of new high voltage lines and 60 transformers by 2027.

B4SA established the Resource Mobilisation Fund to support NECTOM in the implementation of the Energy Action Plan.

### 2.2 Electricity Regulation Amendment Bill (ERA)

On 25 January 2023, the National Economic Development and Labour Council (Nedlac) held an urgent energy security workstream engagement with all the social partners. Government presented the Energy Crisis Communication Plan, which aimed to achieve energy security and end loadshedding. Businesses are committed to collaborating with social partners to ensure the implementation of energy action plans. The Schedule 2 amendments were promulgated in 2022, and the ERA Amendment Bill was sent to the directors general cluster for consideration and recommendation to Cabinet. The DMRE target date is early April 2023.

### 2.3 Proposed Business Delegation Meeting with Eskom

BLSA, in partnership with BUSA and alongside the Electricity Intensive Users Group, Energy Council, Minerals Council and Ferro Alloys Producers Association, requested an urgent meeting with Eskom before the end of 2022. The meeting was intended to discuss issues surrounding the recent power interruptions, the recent Stage 6 loadshedding and Stage 4 load curtailment. The business delegation wanted to put forward proposals to implement mitigation measures that may minimise the impact of interruptions on our members and allay members' fears of continued interruptions. Eskom responded with a date in February 2023, and BUSA attempted to secure an earlier date but failed.

After the announcement of the Eskom CEO's resignation, it was resolved that the meeting must be held with the board due to the rapidly changing ecosystem around Eskom and the National State of Disaster. The meeting was confirmed for 4 April 2023.

## 2.4 Nedlac Energy Security Workstream

The Nedlac ESWS was set up to monitor the implementation plan of the social compact. However, the evolving crisis and developments in the electricity industry have prompted a change in focus to also deal with emerging issues. On 26 March 2023, Nedlac and other business constituents had a briefing with the Minister of Electricity. The proposed outcomes of the briefing were to mitigate the socio-economic impact of load shedding, build all of society's responses to the energy crisis, wheeling and third-party access, as well as policy and legislative reform. On 28 March 2023, a Special BUSA energy subcommittee meeting was convened to present proposals on the NRS 048-9 Review and demand side management.

The National Recognised Specifications document proposes increasing the loadshedding stages to stage 16 as a control measure to better manage the loadshedding crisis. In relation to the Grid discussions, BUSA, in partnership with BLSA and Eskom are in the process of agreeing on the aspects that define a credible project. Data still needs to be collected to define what constitutes a credible project.

## 2.5 Climate Change

BUSA made submissions on the Climate Change Bill to the Department of Forestry, Fisheries and the Environment (DFFE), Nedlac and Parliament. BUSA gave an oral presentation on the bill at the October parliamentary public hearings.

Critical considerations for BUSA concerning the bill are:

- Carbon tax and carbon budget alignment
- Extent of regulatory overreach and development of sensitive regulations outside consultation processes
- Penalties and offences and those associated with mitigation plans and carbon budgets don't constitute a double penalty.
- Domestication and representation of international commitments in the national legislation

It is envisaged that the Climate Bill will be taken for provincial consultation in early 2023.

BUSA with the support of BLSA is planning to have a bilateral meeting with the DFFE focused on climate change mitigation systems.

## 2.6 The Presidential Climate Commission

The PCC was established by the President in December 2020 and is housed as a programme under Nedlac until the Climate Change Bill is passed. It is divided into Mitigation, Adaptation and Resilience, Climate Finance and Monitoring and Evaluation. Regarding electricity, the PCC is looking at how the Just Energy Transition can be incorporated into the short-term responses to the electricity crisis, concluding a stakeholder engagement process on recommendations for energy planning, and co-ordinating stakeholder engagement on the JET Investment Plan. The PCC is running an in-depth research and stakeholder engagement process to prepare recommendations on electricity planning. The National Colloquium on PCC Electricity Recommendations is being held on the 14th of April 2023 and will provide stakeholders with the opportunity to interrogate and inform the PCC's consolidated recommendations. The recommendations are in support of the ongoing national Just Transition process and seek to align with the Just Transition Framework approved by Cabinet in 2022.

## 2.7 Water

The DWS DG had a bilateral meeting with BUSA, which focused on identifying issues of concern while agreeing to modalities of engagement. BUSA's recommendation was tabled in a meeting with DWS on 7 December 2022. A bilateral on Water Use Licenses (WUL) has resulted in a possible solution to business concerns about the applicability and appropriateness of the WULs regime. After that, a task team was set up to assist in implementing remedial interventions for WULs for a particular period to test the effectiveness of the remedial intervention. The DWS hopes that the interventions work before it can agree to institutionalise provisional or draft WULs.

Currently, the National Water Resource Infrastructure Agency Bill is at Nedlac for consultation and the Nedlac NWRRIA Bill task team has been established. Nedlac has yet to officially confirm the meetings' scheduled dates.

The National Water Act will be made available for public comment.

BLSA members were requested to submit inputs/comments on the Draft National Water Resource Infrastructure Agency bill by 17 April 2023.

## **2.8 SOCIAL POLICY**

### **2.8.1 National Health Insurance (NHI)**

BUSA, with the support of BLSA, will continue to pursue a meeting with the president (setting out in detail the need for the meeting, attaching the BUSA NHI presentation that is currently being finalised and indicating that the Minister of Health may be present at the meeting), and in addition request a joint meeting with the Ministers of Finance, Health and Trade, Industry and Competition.

- On the 16 March 2023, the correspondence between the Presidency and BUSA CEO was shared with all BLSA members for information and notes
- Internally it has been agreed that BUSA will develop a more strategic communication plan which will involve input from several business leaders including the BLSA CEO, expressing their support for universal healthcare coverage as a concept while stating their concern about the current formulation of the NHI. In addition, research will be conducted into the possibility of low-income medical schemes as an alternative to the NHI or other possible alternatives so that business has fact-based alternatives to the NHI to propose to government. In March 2023, a special NHI meeting was convened, and two alternative models were presented by service providers.

The NHI Bill is currently moving through the parliamentary legislative approval process.

### **2.9 Presidential Health Summit Compact**

The Summit is planned to take place in May 2023. BUSA, in partnership with BLSA, submitted inputs on the Health Compact in March 2023. BUSA attends all planning meetings.

## **2.10 ECONOMIC POLICY**

- TRADE, TRANSPORT AND LOGISTICS
- Cargo Movement Updates

BUSA continues to issue a weekly BUSA Cargo Movement Update Report, which details commercial activities in South African ports of entry as well as trends affecting global logistics. The report is highly appreciated by BUSA and BLSA members, and it has a growing audience. As the transport, freight, and logistics infrastructure crisis worsens and has a significant impact on business, BUSA continues to receive a favorable response from members for making the Cargo Movement Report available on a weekly basis.

### **2.11 Transnet operational updates**

A meeting took place on 27 March 2023 for the purpose of identifying Transnet's challenges affecting BUSA/BLSA members, particularly at various port terminals, freight, and rail networks.

It was decided that meetings would be held monthly, with a six-month evaluation following. Additionally, it was agreed that if there were any business concerns that needed to be addressed between meetings, e-mails would be directed to specified role players who would escalate the issues to Transnet to ensure a prompt response.

The next meeting is scheduled for 24 April 2023.

## **2.12 BUSA/ Operational Vulindlela (OV) Logistics Working Group**

OV is consulting with businesses on key questions as they finalise the logistics roadmap. They have requested that key business experts be present at bi-monthly meetings (e.g., on corridors) and want BUSA's input on the solutions and structure of change needed in the roadmap. In addition, BUSA, with the support of BLSA, will be convening logistic and transport sessions to prepare a business submission on the trade, transport and logistics issues.

## **2.13 Country Investment Strategy (CIS)**

- The inaugural Country Investment Strategy (CIS) was approved by Cabinet for public consultation in May 2022
- Nedlac Trade and Industry Chamber and the Public Finance and Monetary Policy Chamber had an engagement with the Presidency on the Draft Country Investment Strategy on the 15 February 2023. The basis of the engagement was to discuss the consolidated comments received from the public including BLSA and BUSA, and this will be presented to Cabinet by the end of March 2023. Once approved, various role players will be included in various workstreams to ensure the successful implementation of the strategy.

## **2.14 Expropriation Bill**

The Select Committee on Transport, Public Service and Administration, Public Works and Infrastructure has invited interested persons and stakeholders to submit written comments on the Expropriation Bill. The bill seeks to provide for the expropriation of property for a public purpose or in the public interest, regulate the procedure for the expropriation, including payment of compensation, identify certain instances where the provision of nil compensation may be just and equitable, repeal the Expropriation Act, 1975, and provide for matters connected therewith. BUSA, with the assistance of inputs received from BLSA members, submitted written input on the Draft Expropriation Bill which was forwarded to BLSA members on 23 March 2023. The amended definition of "expropriation" limits what can be regarded as expropriation and does not allow for a transfer to third parties. Property owners with mortgages and other bonds on properties that may be expropriated face severe liabilities due to their loan agreements being secured by mortgages over the property.

Banks have extended R1.6 trillion in residential, commercial, and agricultural mortgages. Business recognises the need for the State to align the Expropriation Act (No. 63 of 1975) to Section 25 of the Constitution of the Republic of South Africa (No. 108 of 1996). South Africa's definition of expropriation excludes the deprivation of property for the benefit of the nation and compensation below market value, which conflicts with global norms. The proposed amendment to the definition of "public purpose" introduces policy uncertainty and opens the bill to injudicious expropriation. BUSA and its members are concerned about the impact of the R Nil compensation provision on investor confidence and finance and urge the department and the committee to review the bill to remove any policy uncertainty.

## **2.15 Preferential Procurement Regulations**

On 2 December 2022, the Nedlac Public Finance and Monetary Policy Chamber held a dialogue session convened at the request of the National Treasury on the Draft Revised Preferential Procurement Regulations following the Constitutional Court Judgement against the draft regulations in 2021. The National Treasury has undertaken to formally table the Draft Regulations at Nedlac for engagement following the finalisation of the public consultation processes.

## **2.16 Nedlac Process Committee**

The Nedlac Process Committee had been meeting regularly to monitor and assess the progress that had been made by various constituencies on South Africa's Economic Reconstruction and Recovery Plan (ERRP) commitments. Several workstreams had been developed to fast-track the work of the ERRP at Nedlac. This Committee has convened no meetings for this year and no progress has been made in this regard. Nedlac has

indicated that the work of the ERRP has been transferred to the Nedlac Programme Committee to allocate it to Nedlac various chambers.

### **2.17 The African Growth and Opportunity ACT (AGOA) Review**

The Minister of Trade, Industry and Competition convened a meeting on 17 March 2023 with BUSA, BLSA and BBC executives on the impending AGOA Conference taking place later this year. In preparation for the meeting with the Minister, BUSA, with the support of BLSA, developed a briefing note.

### **2.18 Private Sector Participation (PSP) Framework**

BUSA and its members had a workshop/ meeting with the Department of Transport on the Draft Rail Private Sector Participation Framework on 17 March 2023. In parallel, BLSA and BUSA issued a call for inputs and comments to their members on the Draft Rail Private Sector Participation Framework; the inputs and comments from the members were used to develop a business position which was submitted to the Department of Transport on 31 March 2023. In preparation for the Business Position development, BUSA convened a business meeting on 30 March 2023 for the purpose of aligning members' views and positions on the draft framework before submitting it to the Department of Transport.

### **2.19 BLSA Members overview note on the peer learning platform with the International Finance Corporation (IFC)**

Since 2014, the IFC has been building a business case to address the impacts of gender-based violence and harassment (GBVH) on work. To help mitigate this impact, the IFC has conducted research across multiple markets, to demonstrate the cost to business associated with GBVH and encourage private sector businesses to take a proactive approach to address these issues.

The IFC has also developed workplace tools and resources to help companies implement proactive measures, such as model human resources policies, training, communications materials, and monitoring and evaluation tools. The IFC has supported companies in implementing these approaches through advisory services to over 50 businesses through direct client advisory work to tackle these issues and by disseminating learning through peer-learning platforms.

This initiative aims to support IFC clients and the private sector in South Africa to address GBVH to improve client capacity, and outcomes for companies, their employees, and the communities in which they operate. Through a learning series and corporate commitments, participating companies will benefit from skills and hands-on tools to prevent and respond to the impacts of GBVH on work.

In addition, the project aims at scaling workplace solutions by building the capacity of up to 25 individuals on a workplace response to GBVH, who will in turn deliver training and support to at least 50 companies.

For more information, please contact Carole Wanjau [Cwanjau@ifc.org](mailto:Cwanjau@ifc.org) who is the project lead in South Africa.

03

**BACSA update**

### **3 20 March 2023 shutdown**

The shutdown of 20 March 2023 saw business and the security services working together. The Eyes and Ears worked closely with the SAPS National Operational Command Centre, which coordinated the flow of information around the shutdown. The private security industry provided 19 helicopters for air support, drones, armed reaction vehicles and security personnel. This involved the joint integrated approach of all government law enforcement agencies and the private sector, with personnel from BACSA and E2 personnel stationed in the National Joint Operational and Intelligence Structure, the National Operational Command Centre, and Provincial Operational Command Centres to ensure information from the private sector and the SAPS was channelled directly

to senior intelligence and law enforcement structures. The SAPS arrested more than 550 protestors for public violence, intimidation, damage to critical infrastructure, theft, and attempted looting on 20 March 2023.

Gauteng recorded 149 arrests (the highest number), the Northern Cape made 95 arrests, the Eastern Cape recorded 80 arrests, and the Free State 64 arrests. The SAPS senior management complimented the role players within the E2 initiative for the early identification of incidents and coordination of response within the private sector, which allowed violent protests to be detected and subdued quickly. The E2 initiative is firmly entrenched in operational plans by the SAPS and other law enforcement agencies.

#### **4 Extortion businesses (construction mafia/business forums)**

BACSA facilitates the monthly National Priorities Committee, while affected businesses and BACSA provincial offices attend provincial committees. Absence without apologies by SAPS representatives in the National Committee causes frustration. The number of cases reported has significantly decreased at the BACSA KZN office due to law enforcement's rapid response, early notification of the start of work, arrests, and investigations. From January 2023 to March 2023, 16 investigations for the KZN region were initiated, six arrests were made, one firearm was found, one suspicious vehicle was discovered, and other offenders and cars were profiled. This has demonstrated to the broader public a reaffirmation that offenders would be brought to justice, leading to an increase in the number of cases opened.

The published guideline has helped to clarify the elements of the crime that must be proven to open an extortion case. In metropolitan regions, the operational response is adequate, but it could be difficult in rural locations. Extortion is said to be widespread in rural regions, yet victims are not empowered to respond adequately.

#### **5 Infrastructure crime**

The National Non-ferrous Metal Crime Combating Committee (NFMCCC) meeting was held on 15 February 2023. Customary reports were presented by all role players. Most significant are the successes reported by the Essential Infrastructure Task Teams (EITTs). This positive feedback confirms that some crime types are best addressed by special units. As requested by stakeholders, the SAPS provided contact information for the established EITTs. The availability of this information will support operational collaboration between affected infrastructure businesses and the law enforcement function.

#### **6 Gender-based violence (GBV) and victim empowerment and support**

- **Matla a Bana**

Matla a Bana with the support of BACSA has completed “the Xtreme for Kids Cycle Tour 2023”, which started in Gauteng on 1 March this year and finished in the Western Cape on 12 March. The purpose of this cycle race was to raise awareness of child abuse in South Africa and to reach out to rural communities by speaking at schools en route to Cape Town.

A second victim-friendly reporting facility is being established for the Tembisa Police Station, which will be launched in June 2023.

- **Relaunch of the victim-friendly rooms in the Western Cape**

BSA has made funding available for Business Against Crime Western Cape (BACWC) to upgrade some of the victim-friendly rooms (VFRs). The relaunch of the VFRs was attended by the SAPS head of policing, district commissioners, station commanders, chairpersons of the CPFs, and other community-based organisations. The central message at all the re-launches was the importance of the fight against GBV and the role business can and must play in the prevention of GBV. For the period from November to date, BACWC has upgraded 10 VFRs, bringing the total number funded by BSA to 20. The VFRs that were upgraded are:

17 Nov Rhedelingshuys  
23 Nov DoringBaai  
23 Nov Lutzville  
24 Nov Vanrhynsdorp  
01 Dec MCGregor

05 Dec Albertina  
05 Dec Riversdale  
06 Dec Barrydale  
09 Dec Zwellentemba  
06 Jan Laingsburg

## 7 Eyes and Ears (E2) Initiative

The Eyes and Ears Initiative (E2) is an official joint crime-fighting initiative between the SAPS, BACSA, a division of BLSA, the private security industry and approved non-private security industry role-players to enhance the total situational awareness of the SAPS by utilising the geographic footprint, technology, and resources available in the private sector.

E2 started in 2018 and has become a well-established conduit for most of BACSA's initiatives in collaboration with the SAPS.

- **VUMACAM**

BACSA is partnering with Vumacam to combat crime in SA. Vumacam is installing cameras at 100 disadvantaged townships and provincial local government buildings. A total of 28 camera sites at the Department of Education schools are currently installed and fully operational, assisting law enforcement with effective policing and data analysing.

- **Vehicle Safeguarding Section (VSS) Van Rhyn Deep**

BACSA and Vumacam installed ANPR and CCTV cameras at Van Rhyn Deep vehicle safeguarding unit in Benoni, which was successful. However, the equipment was stolen and damaged on two occasions, and the project is currently under review.

## 8 NPA Support

The objective is to capacitate prosecutorial and law enforcement authorities to address the scourge of corruption and the legacy of state capture. Several stakeholder engagements with the various divisions within the NPA were held during the period under review. Progress is reflected below.

- **Selective project management at the NPA**

One project manager is actively deployed to assist the NPA with several projects which include the following:

### Impact Portfolio Steering Committee

The Impact Portfolio Steering Committee was recently established to ensure optimum impact from the various initiatives. Four initiatives have been worked on to date, with two completed or handed over to the NPA business units and the remaining two evolved into programs. The committee was established to combine the various programs into a single portfolio, with the aim of strengthening perceptions of the rule of law, increasing confidence in the NPA as a state institution, and improving public feelings of safety in South Africa. The focus for the first two months was to properly conceptualise each initiative, ensure the intended approach and mobilisation of resources would reduce risks, and increase chances of success and ensure long-term sustainability. One of the key determinations was when it would be optimal to hand over the management of each initiative to NPA staff members.

### Combating Corruption in South Africa

The Combating Corruption in SA initiative has received approval from the German government, enabling detailed planning and initiation of key activities. The German government has committed €4m over a three-year period to strengthen perceptions of the rule of law and increase confidence in state institutions in South Africa. One of the intended outputs is creating a pipeline of NPA leadership and specialists in crucial areas such as asset recovery. The role played is to ensure that the initiative meets German government requirements and reporting conditions, leaving little margin for error.



## Prosecutorial Prioritisation Policy Pilot Project House Breaking & Robberies

The Prosecutorial Prioritisation Policy Pilot Project House Breaking & Robberies initiative is designed to improve public feelings of safety and increase public confidence in the NPA. It is designed to be undertaken in three phases. Benefits include better management of evidence collection, reduced time frames, and collaboration with the private sector players from the collection of evidence.

## Asset Forfeiture Unit (AFU), Financial Intelligence Centre (FIC) and Directorate for Priority Crime Investigation (DPCI) Hub

AFU/FIC/DPCI Hub's management was handed back to the NPA after a successful kick-off and launch in November 2022. It is the primary focus/intended impact is to deal with financial crimes and asset recovery; this is to be achieved through close collaboration between three participating state agencies. It is also intended to be a beneficiary of the Combatting Corruption in SA's capacity-building focus. There might be a need to extend the lessons from that initiative and tools developed to the rest of the cluster (CJS), especially to the Hub participants.

## Conclusion

The Impact Portfolio Steering Committee is committed to ensuring the initiatives handed over to operations remain sustainable. The individual success of these initiatives could have a significant impact on the country. Overall, the initiatives under the Impact Portfolio Steering Committee have the potential to strengthen perceptions of the rule of law and increase confidence in state institutions, which is critical for attracting foreign investment and promoting economic growth. The initiatives could also have a direct impact on reducing crime rates and improving compliance with international standards. The Steering Committee has begun to take an active role in ensuring that requests for support are better considered and their intended alignment with the country's needs as well as the long-term success of the NPA in its mandate.

- **State Capture (Zondo) Report**

The State Capture (Zondo) Report summary has been completed by PwC. It was delivered and presented to the Asset Forfeiture Unit (AFU) on 22 March 2023. The AFU indicated that the report is of great assistance. Most of the possible cases have already been sent to the AFU branches of the different provinces for further investigation. Furthermore, the AFU has indicated that it might need more assistance but will approach BLSA with a detailed request if needed.

This initiative has been concluded.

- **Assistance to the Investigating Directorate (ID)**

Engagements with the Investigating Directorate (ID) of the NPA started in December 2022 and a follow-up discussion took place in February 2023. The ID is currently busy with a needs assessment that will be workshopped with BLSA and PwC.

- **Business intelligence tool**

A needs assessment for a business intelligence and management tool started in December 2022.

The Vodacom team working on the business intelligence processes held sessions with identified NPA sections from 13 to 17 March 2023. Current methods for monthly gathering information to be incorporated into a management dashboard were assessed. The Vodacom team is building a process to use Microsoft Power BI for the management dashboard, which will then be used by NPA personnel.

- **Thuthuzela Care Centres**

Engagements took place between the BLSA, NPA and Aurex which is considering assisting with the planning of the setup of Thuthuzela Care Centres (TCCs).

Aurex has visited a few TCCs to be able to do proper scoping and planning. Feedback is awaited from the NPA.

#### 4 BLSA Hub

At least the CEO Weekly Newsletter articles is posted on the BLSA Hub every week as well as occasional media statements. To track the impact, the Hub is filtered on a weekly view over a two-month period (Fig 1.1) The BLSA Hub had a total of 8,465 pageviews in this quarter, with an average session duration of 37 seconds, slightly up from 34 seconds in the previous quarter. The stats for the pageviews are significantly lower than those of the previous quarter (1 November 2022 – 25 January 2023) which had 10,875 pageviews.

The week of 20-26 February 2023 is the top-performing week of this quarter with 1,659 pageviews. This is due partially to the media statement on the Budget Speech 2023 released on 22 February 2023, the BLSA CEO Letter regarding load shedding causing massive economic destruction released on 20 February and the BLSA landing page which received 89 pageviews.

The week of 27 February- 5 March comes in second with 1,421 pageviews. This is due to the high readership numbers from the 27 February CEO letter regarding the JET-IP package being at risk with other countries that are funding it already concerned about SA's international positioning and the 18 February article entitled "Scoring the equaliser after the grey listing own goal will take some doing".

The week of 6-12 February is third with 1,224 pageviews due largely to the BLSA media release on the Sona which received 363 pageviews. This was the only post to receive more than 300 pageviews in that week.

The trendline oscillates throughout the quarter but remains above 176 pageviews per week, up from last quarter's 103.

The BLSA media release: Sona Address regarding the importance for government to limit the use of the extra powers it has granted itself under the state of disaster (9 February 2023) was the second-most viewed page with 398 pageviews, making up 4.7% of the readership statistics.

The media statement announcing BLSA's disappointment upon hearing of Eskom CEO André de Ruyter's resignation (15 December 2022) was the second-most viewed page with 517 page views, making up 4.8% of the readership statistics.

The acquisition trend largely shows a positive relationship between social media and Hub users. Of the 5,716 users, 790 accessed the BLSA Hub through social media and 1,189 were through direct searches, which are visits that arrived on the Hub either by typing the website URL into a browser or through browser bookmarks. Direct links are also links from platforms such as Mailchimp which we use to distribute the weekly CEO letter. This is followed by organic searches (741 users), which is supported by the search engine optimisation component.

Gauteng was the region with the most users with a total of 3,200 users, 3,933 sessions and an average time of 2 minutes 30 seconds. The time users spend on a page is down from two minutes to 31 seconds. This is evidence that people in Gauteng have a keen interest in the articles published on the BLSA Hub. Most of the Gauteng audience (67.9%) accessed the Hub via social media.

#### 5 BLSA CEO weekly letter

The CEO newsletter continues to grow its readership. Newsletter recipients grew from 1,824 on 6 February 2023 to 1,905 on 27 March 2023, adding 81 new subscribers, which is down from the previous quarter's 86 new subscribers.

The top-performing article disseminated via Mailchimp was the BLSA Media Release concerning the Cabinet reshuffle. It had 657 opens. The second highest was BLSA Media Release on the Budget Speech 2023 with 647 opens. Next was the BLSA Media Release: Sona Address with 644 opens.

The CEO letter about the JET-IP package being at risk with other countries that are funding it already concerned about SA's international positioning published on 27 February 2023 was the third-most visited page with 368 pageviews (Figure 1.2). This made up 4.35% of the overall readership statistics.

## **6 BLSA social media overview (1 November 2022-25 March 2023)**

BLSA's digital marketing strategy relies mainly on social media and search engine optimisation (SEO). Social media continues to be the main source of site visitors in this quarter. The previous quarter (1 February 2023 – 31 March 2023) saw an increase in numbers. Social media users compared to the last quarter increased significantly. The content strategy employed by the BLSA content team to lead the conversation rather than follow topical issues continues to work well.

Twitter followers are a combination of BLSA's corporate account as well as BLSA CEO Busisiwe Mavuso's Twitter account. Mavuso's personal Twitter account has 18,729 followers, up from last quarter's 18,455. The BLSA corporate account has 15,545 followers, up from last quarter's 14,943. Despite the number of followers, the Official BLSA Twitter account has not seen the same engagement as Busisiwe Mavuso's personal account. LinkedIn followers climbed to 4,232, up from last quarter's 4,145. There are 32,717 fans on Facebook, up from 32,464 in the last quarter.

The top-performing tweet in this quarter was on the BLSA Official Twitter account, with 83 retweets, seven quote tweets, 354 likes, 23 replies and 4,426 impressions. This tweet was posted on 27 February and highlighted how a cabinet minister was aware of the corrupt dealings of a fellow "senior politician". Despite the low impressions compared to other top Twitter posts, this tweet had an engagement rate of 12.02%. The performance of this tweet suggests that the BLSA audience is extremely concerned about the prevalence of organised crime in South Africa.

Over the past two months, the BLSA official account and Busisiwe Mavuso's personal Twitter account have raked up 425,545 impressions, up significantly from last quarter's 313,264. This page had an engagement rate of 1.85%.

LinkedIn had a total of 7,192 impressions (previous quarter: 8,148) with an engagement rate of 1.66%. This is lower than the engagement rate for Twitter.

BLSA Official's top post on LinkedIn was published on 22 February which announced the interview with Busisiwe Mavuso on Moneyweb discussing business's response to the Budget speech. This post had seven reactions, zero shares and 184 impressions.

Following the positive shift that was seen on the BLSA Facebook page, organic posts are showing positive results. The top post received 1,162 reactions, 199 comments and 77 shares.

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**END**