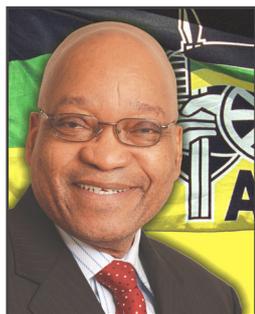




NEC BULLETIN

LEKGOTLA

Produced by the African National Congress



POLITICAL OVERVIEW **BY PRESIDENT JACOB ZUMA**

At the NEC Lekgotla, St. George's Hotel, Pretoria, 27 July 2012

Moving towards a National democratic society

Deputy President and all ANC Officials,

NEC members and leadership of the Leagues and the Alliance,

Deployed cadres,

Good morning,

We welcome you to this 2012 NEC Lekgotla.

Let me begin by extending our condolences to the people of Ghana and the continent as a whole on the passing on of President Atta Mills. This is the second Head of State we lose in a short space of time, after the death of President Bingu wa Mutharika of Malawi. It is a sad period indeed for the African Union and its peoples.

Comrades, we will be reviewing the work done since the 2011 lekgotla as part of implementing the mandate of the ANC to build a National Democratic Society, a non-racial, non-sexist, united, democratic and prosperous society.

We meet just a few days after celebrating the 94th birthday of President Nelson Mandela. We must be inspired by Madiba's life and that of many illustrious leaders of our movement to strengthen the ANC and enable it to meet the objectives of the NDR.

We also meet just a few weeks after the successful

National Policy Conference, which reminded us of our critical tasks to refine and improve our policies as we prepare for the national conference.

However with regards to this lekgotla, you will recall that the NEC decided to hold the ANC lekgotla in July so that the movement can provide a broad political framework to guide the programmes of the three spheres of government.

The July lekgotla is therefore a very important intervention as it helps us to ensure that government in its entirety sticks to the mandate of the ANC and executes it efficiently and effectively. Comrades, in 2009 we said we would select five priorities namely education, health, rural development and land reform, the fight against crime and creating decent work.

We need to honestly and seriously look at how we have fared in recent months. We know that we have done very well in many of our programmes, and that life has improved for millions of our people over the years.

But we also know that given the backlogs of the past and also our own implementation challenges in some areas, much more still needs to be done.

Other than the five priorities, local government is the

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closest sphere to our people and that is where they judge us daily. We must therefore not neglect this sensitive sphere.

During the elections last year, we said we would turn local government around and improve services.

How are we doing so far?

Our monitoring and evaluation system indicates that we must work harder and faster to improve delivery especially in previously underserved areas. Some 94.7% of households now have access to water. However, the rate of delivery of water infrastructure has been slowing down recently, putting our target of 100% by 2014 at risk.

The main blockages are a lack of bulk infrastructure in the remaining areas that have not yet received services. This is being attended to as part of our massive infrastructure programme, but we need to move faster as water is a basic necessity, a basic human right enshrined in the constitution.

Another challenge is the lack of capacity in municipalities for maintaining, operating and building new water systems. The biggest threat is that, due to the neglect of maintenance and poor upgrading and refurbishment of infrastructure, only 74% of those who have access to water infrastructure have a functional service.

You find that households have a tap in the yard but no water because of operational and maintenance backlogs.

With respect to sanitation, 84% have access which is impressive. However, the rate of delivery is not fast enough, thus jeopardising the 2014 target of 100% access. In terms of access to refuse removal services we are doing well, with 72% access achieved against a target of 75% by 2014.

With regard to access to basic electricity we have achieved 85% access. The increase in access is however also not fast enough mainly because of limited national electricity generation capacity, and inadequate bulk infrastructure and distribution networks.

Water, sanitation and electricity are among the factors fuelling the high levels of dissatisfaction in communities. By mid-year 2012 we had had more service delivery protests than during the whole of 2011.

It is clear therefore, Comrades, that in order to meet our commitment to improving access to basic services, we seriously need to strengthen the planning and management of the delivery of basic services across all three spheres.

The recently established Municipal Infrastructure Support Agency will need to be assisted to improve service delivery management structures for basic services, so that we can meet our targets, especially in the 23 rural districts with the highest backlogs.

We also need to improve financial management in local government, as evidenced by the report of the Auditor General for the 2010/2011 financial year. The report

indicated minimal improvement, despite our commitment to the clean audit campaign.

Local government therefore should receive our serious attention.

Comrades, most of the challenges we face in government, point to the need to improve monitoring mechanisms so that we can have formal early warning systems to deal with problems before they reach crisis levels.

During the local government elections, poor monitoring and management was also exposed by the discovery of open-air toilets in some municipalities. The need to improve our basic administration and monitoring system has also been brought sharply to the fore by the recent unfortunate and embarrassing crisis over the delivery of textbooks in Limpopo and now in other provinces as well.

We are also still working to resolve the serious problems in Eastern Cape education.

Such problems unfortunately drown our successes. For example, we have been most successful are in facilitating universal access to primary education in line with the Millennium Development Goals.

What is more impressive with the achievement of this target is that the proportion of girls attending primary, secondary and tertiary education has improved significantly, with the participation of girls being one of the highest in the world.

Our matric pass rate is gradually improving; access to higher education improves each year with the expansion of bursary schemes for children of the poor at universities and free access to Further Education and Training Colleges. Some provinces are also doing very well with the programme of eradicating mud schools.

The establishment of two new universities Nelspruit and Kimberly will further open the doors of learning to our children.

Let us deal with the problems remaining in education speedily, all of us in all provinces and nationally so that we do not become sidetracked from the good work we are doing.

We must reflect on all these issues without finger pointing, but with a view to finding a solution so that we can implement our mandate successfully. We also need ANC branches to be vigilant and aware of issues affecting communities and be part of our monitoring mechanisms on the ground.

While calling for improved ANC performance, we must congratulate ourselves where we are doing well. A case in point is in the fight against HIV and AIDS in our health priority. We warmly welcome the report on the drop of the transmission of HIV from mother to child 3.5 to 2.7 since 2010. This has effectively saved the lives of more than 100 000 babies. Also impressive is the report on dramatic improvements in the HIV Counselling and Testing campaign.

We have all welcomed the report that the percentage of

people tested for HIV has increased from 55% in 2009 to 64% in 2012, giving us a figure of 17.4 million people. Of those tested, the survey found that 61% tested in the last 12 months. This represents a total of 10.6 million men and women and youth aged 16-55 years.

This shows that the testing campaign launched in April 2010 is working effectively. With increased visibility, we can reach an even a bigger number of people.

We should urge our people to celebrate this success by continuing to turn the high levels of HIV awareness into action as they are doing, and to stick to healthy lifestyles. Comrades while celebrating the success of the HIV and AIDS programme, we must also fast-track the improvement of the infrastructure and services at our hospitals and clinics.

The refurbishments as well ensuring that health personnel treat our people with care, dignity and efficiency will prove that health is indeed one of our five key priorities.

The National Health Insurance development programme has taken shape with the launch of pilot sites and is our strongest armoury in proving health care in the long term.

In implementing economic programmes we are guided by the knowledge that to create a better life for all, we have to eradicate poverty, inequality and unemployment. As we discuss economic development we do so against the background of some improvements. We have reduced the numbers of people experiencing the worst levels of income poverty significantly, and have in fact achieved the Millennium Development Goal target of reducing the number of people living on less than one US dollar a day.

Most of the achievements in reducing extreme levels of income poverty can be ascribed to government's comprehensive social protection programme such as social grants, access to free education and primary health care for the poorest and the provision of free basic services to indigent members of our society.

As we discuss how to eradicate the triple challenge, we must be more aware of the global economic situation and the challenges of our own economy.

The points to note are the following;

- ❑ The state of the global economy is worsening and the situation in Europe remains gloomy and largely unresolved. The situation in Spain is worsening. The UK economy has contracted further. Economic growth prospects for the European countries have been revised down.
- ❑ The recovery in the USA is still weak and there is uncertainty about how its debt situation will be resolved by the end of the year. Economic growth in China, India and Brazil has performed below expectations.
- ❑ While the African economies are doing relatively well, these developments present a potential challenge to our own growth and jobs outlook. It will make it more difficult for us to sell the products our economy produces and will affect investment decisions by the private sector.

Therefore our focus needs to be on those programmes that will make us grow faster, create more jobs, make our economy more efficient and more competitive so that we can deliver on social services. One of the most important discussions at the 2010 Lekgotla was on infrastructure development, one of the job drivers in the New Growth Path.

We recognized that investment in infrastructure provides the physical platform for growth, development and above all, for job creation.

Indeed, comrades, can recall the Polokwane resolution on Economic Transformation, which calls for a state-led infrastructure investment programme to be rolled out.

The Lekgotla called for a Cabinet-level coordination of infrastructure. Guided by this decision, the subsequent Cabinet Lekgotla established a new coordinating structure, namely the Presidential Infrastructure Coordinating Commission (PICC).

The ANC government has now finalized a country Infrastructure Plan, containing 17 Strategic Integrated Projects, or SIPs as we call them.

They contain more than 150 key projects, covering rail, road, ports; dams, irrigation and sanitation systems; energy; information and communication technologies, as well as social infrastructure such as health and education facilities, over a 20 year period.

One of the more significant decisions of last year's Lekgotla was to resolve as an interim measure, that we should centralize implementation of a number of projects.

The PICC identified three such areas.

The first is in the health build-programme. Three projects have been identified for centralized delivery, such as the building of mega hospitals, nursing colleges and the National Health Insurance pilot districts.

The second is the building of schools including the elimination of mud schools. The third is the basic infrastructure needs of the poorest 23 districts in the country to improve sanitation and other basic requirements.

In each of these areas of health, education and local infrastructure, we are putting in place a centralized delivery system.

The infrastructure Plan is important but its real value will be achieved through how we implement it.

The lekgotla should discuss and provide guidance to the PICC on taking this massive programme forward successfully. This plan has the potential of changing the face of our communities and the landscape of our country in general.

You will recall that at the 52nd national conference we stated that defeating crime was in the best interests of the National Democratic Revolution. Measures such as improving community policing, building one police service, improving security at our borders and the integrity of our population register among the ongoing

work that will help us improve the fight against crime and build safer communities.

Already we have shown our potential in fighting crime decisively given the drop in levels of serious crime. But we cannot be complacent. The ANC needs to run visible campaigns against crime, such as encouraging our people to report suspects to the police and also not to buy stolen goods.

We need to work closely with our communities as well in areas such as Cape Town. The eradication of the gang and drug problems in Cape Town will require the implementation of comprehensive social, economic and security programmes in all affected communities. It cannot be a security solution alone.

There cannot be a part of our country that is a haven for gangsters and druglords therefore, a more comprehensive response is urgent to arrest the situation. There are other communities facing other peculiar crime challenges which also require attention.

The fight against corruption must also continue to form part of our struggle against crime.

The ANC must step up measures in the fight against corruption within its ranks and the state. The reason there is so much focus on corruption in our country is because the ANC has prioritised the fight against this scourge. We should take credit for the successes in this regard.

The National Policy Conference in June has made strong recommendations on promoting integrity and ethics within the ANC. The establishment of the ANC integrity committee is another critical task that we must be engaged with and finalise without delay.

Within the State, the biggest problem seems to be in the area of supply chain management and in particular the tendering system, which has caused major harm to the image of the ANC and its government.

Our January 8, 2009 anniversary statement and our Manifesto enjoin the ANC to review the tendering system, to ensure that ANC members in business, public servants and elected representatives do not abuse the state for corrupt practices.

We need to design the system in a manner that ensures that there is clear delineation of roles and responsibilities between executive authorities, who should not be involved in supply chain at all, and those of officials.

Preferably, our legal frameworks ought to prevent those involved in decision making on tenders from doing business with government or entities related to it. The ANC government is taking concrete steps to improve the supply chain management system in line with the undertakings made in January 2009:

First, spending agencies are now required to publish the reasons for awarding bids to specific service providers, which increases transparency.

Secondly, agencies are also required to publish the

identities of companies that have won tenders.

Thirdly, where possible, all prices quoted in competing bids get published when the contract is awarded.

There is a lot more that can still be done. We trust that the lekgotla will discuss this matter so that we can move further in improving the way the government supply chain works at all three spheres of government.

In rural Development and land reform, already proposals are in place to reverse the patterns of land ownership in the country.

Our programmes must include comprehensive support programmes to change the lives of the landless, the rural poor, farm workers, farm-dwellers and small farmers, especially women.

The lekgotla will help us review progress made since last year especially in the proposed land legislative framework.

On international relations, from 1906 when President Pixley ka Isaka Seme wrote his seminal Regeneration of Africa essay, South Africa has played a progressive role in African affairs.

The ANC played a consistent role in the Organisation of African Unity, and the ANC government has also since 1994 made its mark in promoting unity, development and peace in the continent.

We have prioritised the promotion of development through the New Partnership for Africa's Development and good governance through the African Peer Review Mechanism of which our national chairperson Comrade Baleka Mbete is a panel member.

From the promotion of good governance and development to ending conflicts, we need to continue working as a force for good in the continent, working in humility within the ambit of the African Union.

To promote development, the 19th Session of the African Union Summit in Addis Ababa last week, discussed the progress of the AU/NEPAD Presidential Infrastructure Championing Initiative which South Africa chairs. We champion the North-South Road and Rail Development Corridor in particular.

The heads of state championing various regions reported on progress with regards to cross-border infrastructure projects that have a high impact and result. Through the Programme for Infrastructure Development in Africa, we have collectively agreed on the priority projects that need urgent attention.

We are optimistic that these and many other developmental programmes of the AU will now be moved further forward. The Summit was also historic for us as it elected a new chairperson, Comrade Nkosazana Dlamini-Zuma.

Other than the fact that we believed it was Southern Africa's turn to play a role in leading the AU Commission, we also had a strong view that we needed to increase the voice, visibility and impact of Africa in international affairs.

The year 2011 was amongst the worst for the continent, where events in West Africa such as Cote d' Ivoire and North Africa in the form of the eruptions in Libya, put enormous pressure on the African Union due to the intense and aggressive interference by other powers in African affairs.

The time has come to re-assert the authority of the AU on African affairs. The AU has also implemented its own decision as it declared this the decade of women in Africa. The ANC will support the new chairperson in her task as she works tirelessly to rebuild and strengthen the AU Commission, enabling the AU to meet its mandate.

The ANC continues to play a positive role in party-to-party relations in the continent be it in Zimbabwe, Mozambique or Tanzania, mostly at the levels of Secretaries-General. With regards to peacekeeping we are continuing to assist the people of Zimbabwe, Madagascar, Somalia and other parts to find solutions to their political problems.

With regards to the Middle East, the region remains volatile since the uprisings in North Africa.

Currently, violence is spiralling out of control in Syria. The only way to stop the killings is through the Koffi Annan plan for a political transition. A military solution can never be an option in Syria. Ultimately, the parties in Syria will have to negotiate a settlement.

We also need to keep a close watch in North Africa and to provide support to the people of Libya and other parts of the region that are going through transitions.

As an anti-imperialist organisation, the ANC will also continue working on other outstanding and ongoing issues such as the Palestinian-Israeli question, the Saharawi self-determination question and the Cuban situation including ending the blockade and the release of the Cuban five.

Our membership of BRICS and the India-Brazil-South Africa forum provides an opportunity to boost South-South relations.

Next year in March we will host the BRICS summit, and need to begin planning now what a BRICS meeting in Africa would mean. We would want for example to see the finalisation and launch of the BRICS development bank.

This year marks the 12th anniversary of the formation of the Forum on China-Africa Co-operation. At the last summit in Beijing last week, South Africa took over chair of the Forum on behalf of Africa, replacing Egypt, which had done very well in managing this relationship.

We look forward to a successful tenure as chair, boosting areas of cooperation especially infrastructure development in the continent amongst many.

Comrades, social transformation remains a pivotal component of our work. From social security reforms to social cohesion or sport development, the ANC must prioritise this work to build a new caring society.

Government hosted a social cohesion summit recently,

bringing together political parties and civil society formations to promote nation building and a South African identity.

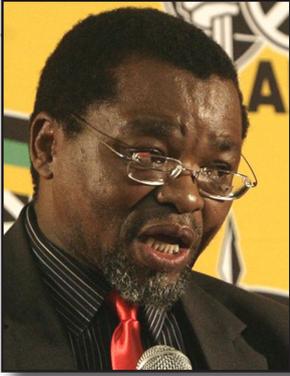
There are various other matters for discussion in the commissions which will shape our programme for the next 24 months.

However, we should discuss all the policy tasks against the backdrop of the draft National Development Plan which will be released in a week's time. It is critical that our immediate and medium-term tasks are looked at against the background of the long-term vision that our society should have.

The ANC and the Alliance should lead in promoting the vision for a better life, which for us, should entail the realisation of a National Democratic Society. Vision 2030 should place South Africa on that path.

Let us return to plenary from commissions this weekend with recommendations that will advance the NDR and take us steps closer to the National Democratic Society that we have a responsibility of building.

I thank you.



Overview and Focus of the Lekgotla

BY SECRETARY GENERAL GWEDE MANTASHE

1. INTRODUCTION

- 1.1. The ANC National Executive Committee decided that its Lekgotla would be in July every year. This decision was informed by the desire to ensure that the output of the Lekgotla should influence the budget processes, from the mid-term budget to the next annual budget. For this reason, the starting point would be to recall the resolutions taken in the July 2011 Lekgotla.
- 1.2 The reports from the various sub-committees of the NEC should detail progress made, challenges encountered and the reasons for failure to implement the plans, and further outline the plans for the coming financial year, the next 24 months and urgent interventions needed. This will enable effective monitoring and the concrete quantification of progress.
- 1.3 The focus should consistently be on the five priority areas for the term. We must, however, appreciate the fact that human settlements and water provision have been added as priorities by government.

2. MORE JOBS, DECENT WORK AND SUSTAINABLE LIVELIHOODS

- 2.1 At the time the New Growth Path was adopted and the ten job drivers looked promising, the economy faced challenges from the global financial crisis, with over one million jobs lost as a result thereof.
- 2.2 The July 2011 Lekgotla decided that job creation should be analysed per sector and areas of resistance should be reported. We, therefore, hope for the reports to give that breakdown.
- 2.3 Infrastructure rollout and maintenance were identified as key job drivers. In the January NEC meeting a detailed plan for infrastructure rollout was presented. The report should cover the progress made since then.
- 2.4 State Owned Enterprises and Development Finance Institutions were identified as critical for the infrastructure rollout. The expectation is that the report on infrastructure roll will highlight the role of the various SOEs and DFI. The amount of skills generated during this period should be quantified.
- 2.5 The Lekgotla resolved that the PosBank should be given a banking licence so that the state can have a visible footprint in the financial sector.

3. EDUCATION

- 3.1 The set objective was that of giving access to and ensuring continuous improvement of quality of education for the South African child, the African child in particular and Black child in general.
- 3.2 Since the Lekgotla we saw improvement in the matriculation results. The Eastern Cape remained the only province with a pass rate of less than 60%. Against the backdrop of the set objective an analysis of progress, or lack thereof, in rural and township schools, should be presented.
- 3.3 Some detail on the results of the Annual National Assessment for grades three, six and nine should be presented. The problem is not the budget because South Africa has a higher budget compared to the economies of the same development status as itself.
- 3.4 The question of skills shortage and skills needs of the economy was highlighted as a major challenge for the country. The following issues were specifically decided upon:
 - ❑ Unbundling MEDUNSA from the University of Limpopo. Progress report in this regard is expected.
 - ❑ Building a Medical School in Limpopo.
 - ❑ Building new universities in both Mpumalanga and the Northern Cape.
 - ❑ Re-opening and revitalisation of nursing, teacher and agricultural colleges.
 - ❑ Progress made in the revitalisation of FET colleges. It should be noted that it is difficult to make even an elementary observation on the progress or lack thereof as the yearend results are never publicised.
 - ❑ Restructuring and streamlining the SETAs captured headlines at a particular point, almost indicating a major shake-up of the sector, but has now gone quiet. It is therefore critical that a progress report should be presented in terms of skills generated and funded.
- 3.5 It is important for the Lekgotla to pay attention to the books crisis in Limpopo and the interventions in various provinces.

4. HEALTH

4.1 In addition to the overall improvement of quality of health services four specific areas were identified as in need of urgent attention:

- Progress towards implementation of the National Health Insurance
- Progress made in the fight against HIV and AIDS, covering all aspects
- Skills shortage and skills mismatch in the sector
- Quality health provision in general and for the poor in particular.

4.2 Note that the July 2011 Lekgotla specifically decided to include research, science and technology in the reports of the Education and Health sub-committee. The report on SKA should be integrated into the report of the sub-committee.

5. RURAL DEVELOPMENT AND LAND REFORM

5.1 The expectations in the area of both rural development and land reform are basically focusing on ensuring that there are systems and a capacity to deliver.

5.2 In rural development the emphasis was on the following:

- Basic infrastructure rollout
- Food production and food security mainly for consumption, and some surplus in exceptional cases. Develop markets for any surplus production.
- Develop rural towns into viable economic nodes
- Policy on the land tenure system and promulgation of the relevant legislative framework (the proposed land tenure systems were endorsed by the January 2012 NEC meeting).
- Progress made in the establishment of the office of the Land Evaluator General and related institutions as endorsed by the January 2012 NEC.
- Progress report on the projects but emphasis should be on moving beyond projects.
- The NARYSEC programme report including impact made on denting youth unemployment.

6. CRIME AND CORRUPTION

6.1 Is the ANC making any progress in changing the perception that it is soft on corruption, especially in relation to it being viewed as focused on "looking after 'its own'"?

6.2 Have we developed a mechanism of processing allegations of corruption against leaders and prominent members of the movement in a

reputable way? Have we become bolder in our pronouncements and actions?

6.3 All these require the movement to move beyond positive noises and structures that deal with corruption.

7. LOCAL GOVERNMENT AND PUBLIC SERVICE

7.1 The Auditor-General has just released the annual audit report for Municipalities. The ANC monitoring and evaluation has also just completed a study on the state of local municipalities.

7.2 We suggest that while discussing this matter here, the main debate should be in the special NEC meeting scheduled for the end of August, which will focus on this report and the one on the local government list process.

7.3 There are few key issues that are emerging, which need serious attention:

- Bad deployment skills coupled with a shortage thereof at local government level
- We must make sense of what poor leadership means in practical terms
- The funding model for municipalities in general, and those with no revenue base in particular
- Progress made in forming a single public service

8. CONCLUSION

8.1 Ministries should also remember that the Budget of 2013/2014 is an elections budget. This requires a serious step change with regards to implementation. There must also be a visible attempt to deal with capacity issues in Government.

REPORTS OF THE COMMISSIONS

A. PEACE AND STABILITY

1. Introduction

The fight against crime and corruption remains pivotal in realising the goals of the National Democratic Revolution. It is imperative that all South Africans are able to feel safe in their homes, places work and in their communities, wherever they reside. Advancing a developmental state that is active in fighting crime and corruption creates the ideal foundation for promoting socio-economic development and for creating job opportunities.

The Security Cluster has, on the whole, done well in meeting the targets set at 2011 ANC NEC Lekgotla. The report articulating movement towards the achievement of these targets were well received by the commission.

2. Correctional Services

The Commission noted that:

- ❑ Overcrowding of prisons remains a serious problem; South Africa currently has the highest prison population in Africa.

The commission recommends:

- ❑ Overcrowding should be reduced through the reduction of the length of detention of awaiting-trial detainees and the use of community services and correctional supervision in relation to minor crimes. Previous decisions pertaining to the establishment of community courts must be fully implemented.

3. Defence

The commission noted that:

- ❑ The securing of our borders remains a serious challenge and is essential to the maintenance of security and stability of the country.

The commission recommends:

- ❑ The South African National Defence Force (SANDF) should prioritise Border security and should expedite the patrolling of the borders along the KZN/Mozambique border, Mpumalanga and Limpopo/Zimbabwe. The presence of the SANDF along the borderline should be implemented as soon as possible.
- ❑ Home Affairs should be deployed at all South African border posts; whether high or low priority areas.

4. Military Veterans

The commission noted that:

- ❑ The Department of Military Veterans was established under the auspices of the newly reconfigured

Ministry of Defence and Military Veterans. However the current budget of the department remains inadequate to carry out its mandate.

The commission recommends:

- ❑ Steps must be taken to ensure that the Department of Military Veterans is adequately resourced to be able to service military veterans. Systems, plans and regulations in the Department must be adopted as soon as possible to accelerate the resourcing and budgeting of the department. A dialogue is needed with other line function departments that will be working closely with the Department of Military Veterans in rolling out benefits to ex combatants. This exercise must be carried out as soon as possible.

5. Home Affairs

The commission noted that:

- ❑ Businesses in South Africa do not require legislation to be established.
- ❑ Foreigners who own or run businesses are not obliged by law to register them. This results in their vulnerability to attacks, including xenophobic attacks in some parts of the areas they reside in.

The commission recommends:

- ❑ There is a need for business owners to register their businesses. Non-South Africans should not be allowed to buy or run small or larger businesses without complying with local laws. Laws and by-laws have to be formulated in a way that impacts positively rather than negatively on the informal economic sector.
- ❑ The economic and governance cluster should be tasked to look at this matter with urgency.

6. Border Management Agency

The commission noted that:

- ❑ Managing the border environment is complex and a number of Departments are involved on the border line and at designated ports of entry. Communities along the border need to be secured and actively involved in support of the system.
- ❑ Maritime safety is one of our weak points when it comes to entry into our country and this needs serious attention.
- ❑ South Africa has over 300 private air strips, some of these air strips are used for illegal activities thus posing a threat to our air space. There are parts our air space that are not monitored.
- ❑ The threat of piracy in our coastal areas remains a constant challenge to Peace and Stability.

The commission recommends:

- ❑ The appointment of the Department of Home Affairs as the lead department will give the needed impetus to accelerate the conclusion of a permanent solution to risks that we are facing as a country at our borders. It should be possible to come up with a comprehensive diagnostic analysis in the next 3 months if the existing Inter Agency Clearing forum is instructed accordingly.
- ❑ Home Affairs should lead and strengthen personnel to deal with the points of entry of the country and continue to engage with security cluster partners on the conception of the principles that should inform the establishment of a Border Management Agency; we need to come up with a coordinate approach within the security cluster.
- ❑ A Maritime strategy should be developed as soon as possible. This strategy must also incorporate the other departments in the security cluster as well as Department of Transport and SARS. This needs to be developed as soon as possible.
- ❑ Legislation must be drafted to regulate the number of airstrips that we have in the country.
- ❑ Through the Department of Science and Technology, our state research entities such as the Council for Scientific and Industrial Research (CSIR) should also be utilised to assist us in developing solutions to strengthen border management.

7. Justice & Constitutional Development

The commission noted that:

- ❑ On the whole, South Africa's current extradition laws are sound and functioning well; however individuals who face charges relating to capital crime can cause a challenge to the state. Some individuals take advantage of our laws and Constitution due to the fact we do not practice capital punishment. As a result some seek refuge in our country.

The commission resolved that:

- ❑ Further in depth work needs to be done with regards to developing options related to this challenge. The Peace and Stability Committee will establish a task team to deal with this matter.

8. Information Communication Technology within the Security Cluster

The commission noted that:

- ❑ Currently, the Information Communication Technology (ICT) systems within the security cluster are not integrated with each other; this poses a threat to fighting crime and corruption within the cluster and the state in general.

The commission resolved that:

- ❑ A strategy that looks at linking the South African State Information Agency (SITA) and interfacing the

ICT within the Security Cluster must be developed within the next four months. The ICT infrastructure of the security cluster must be moved away from South African Information Technology Agency SITA.

9. Police

The commission noted that:

- ❑ There is progress in the regulation of the private security industry; a bill already exists.

The commission resolved that:

- ❑ There is a need to engage our branches, the ANC Caucus in Parliament and society in general to be united in supporting the bill on the private security industry.
- ❑ Over and above the recommendation to put in place a National Security Strategy, the Commission proposes that National Key Points and security departments be secured by SAPS. Furthermore, the SAPS should regulate tightly private security industry.

10. State Security

The commission noted that:

- ❑ A report was received as an update on progress of the State information Bill and General Intelligence Amendment Bill.

The commission resolved that:

- ❑ Both bills should be processed and finalised with some urgency.

11. Fighting corruption

Commission noted:

- ❑ That the challenge posed by corruption is serious and that the fight against corruption is integral to the realisation of our national priorities.
- ❑ That corruption is a complex matter with deep-seated historical and systemic causes.
- ❑ Notwithstanding the numerous statements, policies, laws and structures that have been established by the ANC government and notwithstanding the fact that these measures are responsible for exposing the greatest number of instances of corruption, there is nonetheless a growing perception that the ANC is soft on addressing corruption. This perception is causing serious harm to the good standing of the organisation and its leadership. The ANC needs to develop a holistic and robust approach in dealing with this perception of corruption.
- ❑ This perception arises in part from the reality that there are corrupt elements within our ranks but also from inadequate communication about how these matters are being dealt with by both the state as well as the ANC.

- Whilst the Anti-Corruption Task Team has been established to co-ordinate the work of the many different departments and agencies involved in combating corruption it has yet to achieve the level of effectiveness that is expected.

Commission recommends that:

- The co-ordinating role of the Anti-Corruption Task Team must be accelerated and that the Justice Crime Prevention and Security (JCPS) Cluster should oversee this work.
- The ANC must establish mechanisms to ensure that accusations against its members are investigated speedily with due regard to the principle that persons are deemed innocent until proven guilty. This should include both an ethics committee as well as swift interventions by appropriate leadership structures. The outcomes of such interventions should be communicated swiftly.
- Listening campaigns on the issue of corruption to branches should be initiated so as to guide and re-in force the zero tolerance approach of the organisation to corruption.

B. LEGISLATURE AND GOVERNANCE

1. Need for More Action

It was noted that for the most part we constantly raise the same issues. We reviewed progress since the July 2011 Lekgotla and concluded that, for a variety of reasons, progress is far from satisfactory. The report on progress was covered in the document presented to the Lekgotla. This report, we decided, has to be more action-oriented.

This report will therefore focus mainly on decisions taken and be brief. A fuller report on the discussions in the Commission will be provided separately.

The decisions taken at the July 2011 Lekgotla were re-affirmed and will be included in the L&G programme for the next 12 months and beyond.

There needs to be timely reports from government departments and legislatures to L&G to ensure better preparation for the annual NEC Lekgotla.

A consistent theme in the Commission was the need for decisive action to be taken by ANC and government structures against politicians and officials who fail to perform. Unless we are tough on this, we will not be able to accelerate service delivery and development and advance the NDR.

The L&G Programme for the next 12 months and beyond is set out in the sections below. It will be fine-tuned at the first L&G Subcommittee after the Lekgotla.

It was noted that a Special Local Government Workshop will be held in August in preparation for the Special NEC Meeting at the end of August which will focus on local government – and some of the issues covered in this report will be taken further in the Special Local Government Workshop.

L&G Subcommittee needs to be Strengthened and its Work More Comprehensive

For the L&G Subcommittee to be effective, the SGO needs to capacitate the L&G with resources, including at least one full-time activist based in Luthuli House. This person needs to be appointed urgently!

The PEC L&G Subcommittees need to work more closely with the NEC L&G Subcommittee and implement its decisions more actively. The PEC L&G Subcommittees need to engage with RECs more effectively on these decisions.

The L&G Subcommittee has focused, understandably, mainly on local government, but its mandate is to focus on governance generally across the 3 spheres of government. The L&G Subcommittee needs to focus far more on the role of the legislatures and the public service in advancing the NDR. The L&G Subcommittee needs to actively draw in NEC members and others who are crucial to governance and service delivery issues and make them feel that they have a stake in the work of the Commission, even if they are not directly involved in local government. In particular, the Ministers and/or Deputy Ministers, especially those in the NEC, of human settlements, water, energy, roads and finance need to be active in L&G for it to be more effective, and the SGO is requested to facilitate their participation.

2. More Activist Legislatures

To accelerate service delivery and development and ensure more active community participation legislatures have to be more activist. The current school textbooks crisis also highlights the failures of the legislatures to effectively fulfill their role.

Legislatures are organs of Peoples Power and must more actively contribute to deepening and advancing the NDR, including by being far more effective in holding the executives to account and putting topical national issues more assertively on the agenda.

The political understanding and technical skills of public representatives needs to be significantly improved.

The accountability of ANC deployees needs to be considerably strengthened. The NEC needs to develop clear guidelines on this.

Legislatures need to account to the L&G Subcommittee more effectively.

ANC Chief Whips in all three spheres need to have monthly reports on the performance of public representatives, and an overview of these reports should be provided every quarter to the Provincial and National

L&G Subcommittees for processing to the SGO.

Chief Whips need to submit quarterly reports on PCOs to the Provincial and National L&G Subcommittees for processing to the SGO.

Decisive action needs to be taken against public representatives who fail to perform.

The L&G Subcommittee will develop guidelines on how to give effect to these proposals and others taken previously on the need for more effective legislatures.

3. Towards a More Effective and Single Public Service

The Commission stressed the need for greater progress on creating a single public service and urged the L&G Subcommittee to act on this. The Commission noted that at the ANC Policy Conference it was decided that: "Outstanding issues relating to the creation of a single public service should be finalized through further consultation within the Tripartite Alliance within 6 months of this Policy Conference and a report be presented to the 53rd National Conference". This has to be acted on immediately.

The Commission noted that DPSA is working on a Public Administration Management Bill that is to be discussed with stakeholders over the next six months and be finalized by June 2013. The L&G Subcommittee will consider the Bill and monitor progress.

The Commission noted that DPSA is undertaking a business efficiency exercise to eliminate wastage and duplication within the state and unlock potential for improved service delivery. This process will begin within 3 months time and be completed by July 2013.

DPSA intends to establish a School of Government by February 2013.

DPSA will be developing a Public Service Charter with social partners in the public service in pursuit of high productivity, work discipline, improved management capacity, and better accountability.

The L&G Subcommittee will contribute to these DPSA projects process and monitor their progress.

4. Skills Audit and More Effective Deployment

There has to be an audit of the technical and political skills and experience of public representatives in all 3 spheres of government.

Government needs to finalise work on the skills audit of officials in all 3 spheres of government.

The ANC needs to develop an appropriate skills database of its members.

These audits should be used to ensure more effective deployment of public representatives and officials.

Higher structures of the ANC need to act decisively against lower structures that deploy people to positions that they are not competent to fulfill.

To effectively deploy people the ANC needs to develop a cadre policy.

5. Relationship Between ANC structures and Local Government and Other Spheres of Government

ANC structures need to exercise political and strategic oversight over government structures without micro-managing them. This micro-managing occurs mostly at local government level. This section will deal with the ANC's supervision of municipalities, but some of the issues raised here also apply to the provincial and national spheres.

For local government to be effective ANC structures from branches upwards have to be far stronger.

RECs mainly, but also PECs and BECs should exercise political and strategic oversight of municipalities without micro-managing them or treating them like subcommittees of the ANC. This oversight is exercised in various ways, including through Local Government Election Manifestoes, choosing appropriate candidates as councilors, ensuring regular report-backs by councillors to ANC structures, ensuring effective Political Committees in councils, political education of councilors, ensuring councilors abide by ANC policies, acting against errant councilors in terms of ANC disciplinary rules, and contributing to shaping the human resource policies of municipalities. RECs should have broad oversight of the appointment of Municipal Managers but should not decide on who gets appointed as officials and staff in municipalities, nor should they decide on tenders. ANC structures must implement the provisions of the Municipal Systems Amendment Act, which deal with the professionalization of the local government administration.

The abuse of power by ANC structures on deployment must be curbed. Lines of accountability must be clear and transgressions dealt with decisively and timeously. Higher structures of the ANC must deal decisively with abuse of power by lower structures.

The guidelines referred to here need to be developed further and fine-tuned at the Special ANC Local Government Workshop in August for consideration and finalization by the NEC.

6. Auditor General's Report on Municipalities

While, overall, the AG's report on municipalities is negative, there are also some positive aspects, so there needs to be a balanced understanding of what the report says about the state of local government.

The AG's Report will be given full attention at the Special Local Government Workshop in August. However, the Commission agrees with the AG's findings that the poor performance of municipalities is due in large part to:

- Minimum competencies and skills for officials in key positions in municipalities

- ❑ Lack of consequences for poor performance
- ❑ Failure by political leadership (mayors and councillors) to take ownership of financial and audit issues.

There is a synergy between the AG's report, the ANC's internal evaluation of municipalities and the ANC's assessment of the strength of our branch and other structures.

There is close relationship between how functional ANC branches are and the performance of municipalities.

ANC PECs and the provincial governments have to take greater responsibility to improve the audit performance of municipalities.

The relationship between community protests and audit performance of municipalities needs to be examined.

The Special NEC meeting on Local Government in August needs to consider NEC members reaching out to municipalities to deal with issues that emerge in the AG's Report and other local government issues.

Change in Role of the Municipal Demarcation Board (MDB)

The Commission re-affirmed the need to review the role, scope and composition of the MDB.

The Commission noted that government would be announcing the appointment of a panel to conduct the above review within 2 weeks.

The first phase of the Panel's work will entail identifying the challenges in the role of the MDB by 1 October 2012. The second phase will deal with a full review of the role, scope and composition of the MDB and offer proposals, following consultation with the relevant stakeholders and the public. The deadline for this is 1 July 2013.

The L&G Subcommittee will actively monitor the process and contribute to ensuring the ANC takes an active part in the process.

ANC Policy Conference Issues to be Addressed before the Mangaung Conference

The Commission noted that, in terms of the L&G Report adopted at ANC Policy Conference, the following issues need to be addressed before the Mangaung Conference:

- ❑ The Monitoring, Support and Interventions Bill – "The NEC should provide guidelines to government on its draft Bill on national government interventions in provincial government and provincial government interventions in municipalities as soon as possible."
- ❑ "L&G and CRATA need to meet as soon as possible to finalise proposals on traditional leadership to take to the 53rd National Conference."
- ❑ "Outstanding issues relating to the creation of a single public service should be finalized through

further consultation within the Tripartite Alliance within 6 months of this Policy Conference and a report be presented to the 53rd National Conference"

7. Aspects of the Review of the Local Government Financial System.

The L&G Subcommittee will attend to these issues as part of its programme for the next 12 months.

In respect of the review of local government financial system, the Commission noted this issue has been on the agenda for a very long time with little progress. The Intergovernmental Fiscal Review Summit set for September 2011 was postponed to February 2012, and has been postponed again. The Commission urges that this Summit be held by February 2013.

8. Monitoring, Support and Interventions Bill

The Commission recognized the urgency of the Bill, but in view of its complexity, felt that there should be further consultation on it and mandated the L&G to finalise its consideration of it within 8 weeks.

9. LGTAS

The Commission noted that the LGTAS has become more focused on a five-point agenda: accelerating service delivery; enhancing good governance; promoting sound financial management; fighting corruption; and facilitating sustainable infrastructure development. 108 municipalities have been targeted for special support and CoGTA teams are visiting them at present, with the cooperation of other sector departments and the provinces. Provinces need to do more to implement LGTAS and CoGTA is contributing to improving the LGTAS Action Plans.

The LGTAS needs to more effective in reducing community protests and managing them better.

Many of the problems at local government level have to do with political tensions within the ANC and Alliance and stem from the broader political terrain, and require political intervention that goes beyond what government is able to do. LGTAS is not just a government programme but an ANC and Alliance programme, and ANC and Alliance structures need to do more to implement the LGTAS more effectively. The L&G Subcommittee Rapid Response Team needs to be better resourced and more effective in contributing to the implementation of the LGTAS.

The L&G Subcommittee needs to monitor progress on the LGTAS more effectively.

10. Special Local Government Workshop in August

The August Local Government Workshop will focus primarily on responses to the AG's Report and related

issues, the ANC's internal evaluation of the performance of municipalities; and the ANC report on the 2011 local government elections lists process.

Ministers responsible for human settlements, water, electricity, roads and finance and representatives of their departments must participate and will be invited. A report will be processed for consideration by the Special August NEC on Local Government.

11. Programme of Action

The programme set out below is presented in a pointed form and must be set against the background of what has been set out above.

Some of the issues below can be addressed over the next 12 months, others within 24 months, and others will take longer. In short, there are short, medium and long term objectives; and links between them as part of an overall strategy needs to be fine-tuned.

The elements of the Programme include:

- ❑ Implementing the outstanding decisions from the July 2011 NEC Lekgotla as set out in the original report to the Lekgotla.
- ❑ Organise the Special Local Government Workshop in August.
- ❑ Finalise with the SGO appropriate resourcing of the L&G Subcommittee, including the appointment of a full-time organizer at Luthuli House.
- ❑ Greater co-ordination of the NEC L&G Subcommittee and the PEC L&G Sub-Committees and ensure effective implementation of decisions taken.
- ❑ L&G to focus not just on local government but also more role of legislatures and public service.
- ❑ Engage further with SGO to facilitate participation of NEC members, Ministers and Deputy Ministers dealing with human settlement, water, electricity, road and finance issues.
- ❑ Issues related to ensuring a more activist parliament set out in section 3 above to be finalized within 6 months, including more effective accounting of legislatures to L&G Subcommittee; strengthening of accountability of public representatives; quarterly reports from Chief Whips on performance of public representatives and PCOs to Provincial and National L&G Subcommittees; and decisive action to be taken against public representatives who fail to perform.
- ❑ Engaging with and monitoring progress on Public Administration Management Bill; DPSA business efficiency exercise; DPSA proposal on a School of Government; and Public Service Charter.
- ❑ Audit of technical and political skills and experience of ANC cadres to ensure more effective deployment; linking cadre development policy with deployment;

guidelines on ANC higher structures taking decisive action against lower structures that deploy people to positions that they are not competent to fulfill.

- ❑ Further develop guidelines in section 6 above on relationship between ANC structures and local government and other spheres of government and finalise by August Local Government workshop for consideration by the NEC.
- ❑ The finalization of our response to the AG's report on municipalities at the August Local Government Workshop.
- ❑ Engage in and monitor progress on the review of the MDB as set out in section 8 above.
- ❑ Finalise consideration of Monitoring, Support and Interventions Bill within 8 weeks.
- ❑ Finalise outstanding issues related to the establishment of a single public service as set out in section 4.1 and report on this at the Mangaung Conference.
- ❑ Meet with CRATA to finalise proposals on Traditional Leadership to take to Mangaung Conference.
- ❑ Engage with Treasury and CoGTA to organize the twice-postponed Intergovernmental Fiscal Review Summit by February 2013.
- ❑ More effectively support LGTAS and monitor its progress as set out in section 11.

C. INTERNATIONAL RELATIONS

1. INTRODUCTION

- 1.1. The ANC's international relations policy is informed by its domestic policy and vice versa. The ANC believes in a better Africa and World that is humane, equitable, just and free.
- 1.2. The commission reviewed progress on the programme of Action (Action) to date and the challenges faced by ANC international relations in the implementation of the POA. It further looked at capacity, resource and decision making issues. Following, this it focused on the strategic interventions that are necessary for ANC international relations to function efficiently and effectively to ensure that the ANC's goals in this area are attained.
- 1.3. The report would therefore focus on the Key strategic intervention based on the six pillars of international relations, the POA for the next 12 – 24 months and the areas that should be budgeted for to ensure the implementation of the POA.
- 1.4. It should further be noted that once again the commission was very poorly attended and if the ANC is to take itself seriously more cadres should participate in International Relation discussions.

KEY STRATEGIC INTERVENTIONS BASED ON THE SIX PILLARS OF INTERNATIONAL RELATIONS

The ANC's International Relations is based on six pillars namely:

1. Building a better Africa and World
2. Continental and International Solidarity
3. Party-to-Party and Multilateral Relations
4. Transformation of the Global Governance
5. Policy Development Issues
6. Campaigns

1. Building a better Africa and World

Building a better Africa

■ African Union (AU)

The ANC remains committed to the African Union (AU) and Southern African Development Community (SADC). SADC should be congratulated on the unified stance it took to ensure that their nominated candidate as Chairperson of the AU Commission (AUC) was realised. This is a milestone for the AU to have their first Southern African AUC Chairperson, Comrade Nkosazana Dlamini-Zuma and the first woman as chairperson. Therefore:

- ❑ The ANC should provide support by establishing the AU Task Team in the ANC NEC International Relations (IR) Subcommittee (Subcom).
- ❑ Key focus areas for Government in relations to the AUC are:
 - To review the work of the AU over the past 10 years;
 - The AUC should look at the mobilisation of Resources and Human Capital to ensure the Independence of the AU to enable it to fund its programmes and rather direct donor funding to specific projects;
 - To assist to improve the Corporate Culture of the Institution;
 - South Africa should identify key strategic projects under the AU Peace and Security Council;
 - To build on the good will and unity displayed during the election of the AU chairperson particularly that shown by SADC to improve the stature and image of the Institution; and
 - Strengthen the South African Mission in Addis Ababa.
- ❑ Party-to-Party relations should be used to unify policy implementation and harmonisation of all AU programmes, in particular NEPAD and the African Peer Review mechanism.

■ Pan-African Parliament (PAP)

- ❑ PAP has made progress in many areas but remains

a consultative body which, limits its functions as envisaged during its inception to be a legislative body.

- ❑ The ANC should continue to play an important role in PAP to ensure it transforms from a consultative body to a legislative body.
- ❑ The ANC IR Subcom established a PAP Task Team to focus on the various challenges in PAP.

■ Pan-African Youth Union (PAYU)

- ❑ PAYU offices are in Khartoum and the AU has declared 2008 – 2018 the decade of the youth. Therefore the ANC should continue to support this programme.
- ❑ It should be noted that the ANC Youth League plays an active role in the PAYU and is the current President of PAYU.

■ PAN African Women's Organisation (PAWO)

The South African Government (DIRCO) should immediately ensure the operationalisation of the hosting of PAWO. Immediate action in consultation with the Secretary General and President of PAWO should ensue on the following:

- ❑ Setting up the Office and providing of all necessary resources for operations and programmes; and
- ❑ Strengthening the political capacity of PAWO.

■ SADC

- ❑ South Africa should assist SADC to fast track the Social, Political and Economic Integration programmes.
- ❑ The ANC and ANC led government should continue to advocate for the transformation of the SADC Parliamentary Forum to a fully-fledged SADC Parliament with legislative authority.

- Building an African Union Precinct to host PAP, PAWO, NEPAD Secretariat and the APRM should be urgently implemented by government.

Peace building, Post Conflict-and Reconstruction

The ANC continues to advocate its peace building and conflict resolution positions in political party bilateral and multilateral forums, both organisationally and governmentally. The ANC has been actively pursuing on a political party level conflict resolution, peace building and reconstruction situation in:

- ❑ Zimbabwe: The ANC note the partial lifting of sanctions by the European Union (EU), we call for the unconditional lifting of all sanctions imposed

on Zimbabwe. The ANC continue to support the SADC mediation efforts as led by the South African facilitator President Jacob Zuma.

- ❑ Sudan and South Sudan: The ANC should implement agreements in the signed MOU's with Sudan People's Liberation Movement (SPLM) and National Congress Party (NCP). The MOU with SPLM South Sudan should urgently be revised. The ANC need to continue our discussion with both parties to resolve the current conflict in Sudan and South Sudan. We need to urge NCP to unban SPLM Sudan and recognise them as a legitimate political organisation. The ANC should further ensure it understands the situations that have evolved in Darfur, Blue-Nile and Southern Kordofan by doing research and analysis.

2. Continental and International Solidarity

The ANC continues to pledge solidarity with the peoples of Swaziland, Palestine, Western Sahara, Cuba, Myanmar (Burma).

Swaziland:

- ❑ The ANC NEC Subcom on IR has established a Swaziland Task Team to develop a paper on the current situation in Swaziland for purposes of effective intervention.
- ❑ The ANC should work closely with the alliance partners, coordinate our activities with the alliance partners and consolidate the Swaziland Solidarity Movements in South Africa.
- ❑ The ANC should engage all role players.
- ❑ The ANC support all levels of engagement.

Palestine

- ❑ The ANC supports the PLO to lead the liberation of the people of Palestine.
- ❑ The ANC maintain our relations with Al Fatah and engagements with Hamas in the process to unify the people of Palestine.
- ❑ The ANC further support the decision of the Non Aligned Movement to categorise and correctly label products from the occupied territories.
- ❑ The ANC discourage organisational and governmental institutional visits to Israel.
- ❑ It would therefore be imperative for the ANC to strengthen its participation and coordinate with the alliance partners a combined programme of action that would allow for an umbrella body led by the alliance to be formed.
- ❑ The ANC encourage continuous dialogue with various role players from Israel to ensure progress on the Two States Solution.

Cuba

- ❑ The ANC continue to pledge solidarity for the lifting of unjust Economic Blockage, and the release of the Cuban Five.
- ❑ South African Parliament should urgently pass the motion calling for the release of the Cuban Five.

Western Sahara

- ❑ The ANC continue to support the people of Western Sahara led by POLISARIO FRONT in their plight for self-determination and ensure the function of the solidarity movement together with the Alliance partners.

3. Party-to-Party and Multilateral Relations

3.1. Party-to-party relations

North Africa

- ❑ The ANC should research and analyse the activities in North African countries taking into consideration recent developments including the Arab Uprising in order to develop a strategic approach both to relations with South Africa and the overall plan to bring peace, security and stability in the continent.
- ❑ The ANC should engage all role players in this region to broaden our understanding and to influence the direction to human rights and democratisation.

Relations with Ruling Parties who may not Share the same Ideological perspective

- ❑ The ANC should maintain historical relations with parties in those countries and build dialogue with ruling parties

Progressive Parties

- ❑ The ANC must strengthen the links with progressive and like-minded parties in the continent and the world.

Latin America and Caribbean's

- ❑ The ANC should continue to establish links and formalize our party – party relations with all progressive parties in Latin America and the Caribbean.

Asia and Middle East

- ❑ The ANC should broaden our relation in Asia with Special attentions to United Malays National Organisation (UMNO).
- ❑ The ANC should develop guidelines on how we build relations in the Middle East.

3.2 Multilateral

a. Former Liberation Movements Southern Africa

- ❑ The ANC must work towards implementing all decision and programmes of this structure.
- ❑ The ANC is hosting the Meeting of Secretaries' General in January 2013.

b. Socialist International

- ❑ The ANC should strengthen our participation in the Africa Committee as this will assist to consolidate our position as a group in the Organization.
- ❑ We are hosting the SI Congress from the 29th August – 01st September 2012
- ❑ The ANC should deploy comrades to all strategic committees of SI.
- ❑ The ANC should look into the unjust exclusion of the membership of ZANUPF, Zimbabwe and Ivorian Popular Front (IFP), Cote d'Ivoire.

4. Transformation of the Global Governance

- ❑ The ANC's call for the transformation of the United Nations and all Global Financial institution remains central. As the ANC, through party-to-party and other relations, we advocate for this transformation.
- ❑ The ANC encourage and support the formation of the BRICS Development Bank. The ANC should strengthen the relations with political parties in IBSA and BRICS by formalising relations through MOUs.

CAPACITY OF INTERNATIONAL RELATIONS

- ❑ The areas of capacitating the ANC International Relations Unit as reflected in the report should be implemented. The ANC should ensure that it becomes a full-fledged department with adequate human and financial resources.
- ❑ A task team to development an ANC Protocol guideline for all ANC structures and cadres engaged in International Relations.
- ❑ DIRCO must coordinate and harmonize International Relations work better between all structures in the government.
- ❑ The ANC International Relations should coordinate with DIRCO and other cluster departments involved in international work.
- ❑ The ANC International Relations should look at ways of including SASCO in international relations and assist in strengthening SASCO in understanding and implementing international relations.

INSTITUTIONAL SUPPORT

- ❑ The ANC needs to revitalize progressive think tanks and institutions of International Relations and pursue dynamic relations in order to achieve our progressive agenda. The ANC International relations should urgently engage the Department of Science and Technology on the role of the Africa Institute of South Africa (AISA).
- ❑ The ANC needs to re-establish the Global Trends Task Team composed of inter-NEC Subcommittee members and a report is drafted before National Conference.

PROGRAMME OF ACTION FOR THE NEXT 12–24 MONTHS

- ❑ The programme of action of ANC International relations for the next 12–24 months is based on the tasks that are standard, the key strategic interventions and the areas identified in the report to ANC Lekgotla 2012 but would be amended accordingly post the ANC's 53rd National conference decisions.

Budgetary Implications

- ❑ The budget should include the standard programmatic issues, the strategic intervention, areas identified in the report to ANC Lekgotla 2012 and the capacity areas as agreed upon.
- ❑ Urgent for implementation are the capacity and resource issues as reflected in the section covering Obstacles in the report, which are the following.
 1. Office Space and equipment
 2. Personnel
 3. Provincial IR Rollout
 4. Language Training and Staff development
 5. Support to NEC members on International Relations Work.

D. ECONOMIC TRANSFORMATION

1. Introduction

The Commission accepted that the Polokwane resolution on economy guides all deliberations. It was also acknowledged that the ANC NEC Lekgotla 2012 will take into account the Policy Conference recommendations to the 53rd National Conference. It was further acknowledged that these matters are still being discussed in the structures. It was noted that some of these policies may need immediate attention. The Commission welcome the National Development Plan because it is giving effect to Polokwane resolutions that said we must mobilise society around a common vision. To this end, the Commission adopted the following approach:

- ❑ Macroeconomic policy will be discussed later in the year and will also engage Alliance partners
- ❑ Report on progress and what needs to be done
- ❑ Report on progress on employment and infrastructure
- ❑ Ownership and control matters as outlined in the State Intervention in the Mining Sector (SIMS) report will be taken to the National Conference

2. Reports

2.1 Report on Employment and Infrastructure

The presentation on Employment and Infrastructure indicated that there has been considerable job losses since the New Growth Path was established, however there has been employment growth since last quarter of 2010. There are serious weaknesses in the global economy. The manufacturing and construction sectors have lost a significant number of jobs. The presentation also outlined progress made since ANC NEC July 2011 Lekgotla with regards to Infrastructure. Presidential Infrastructure Coordination Commission (PICC) has since been established and developed a National Infrastructure Plan with 17 Strategic Integration Projects (SIP's) including health and education. The Plan lays a foundation for major build across all infrastructure programme. It seeks to improve coordination. The plan also recommends national agencies to drive key projects.

Infrastructure plan incorporates developmental criteria, with all provinces covered, emphasis on poorer provinces. It also focuses on increasing local procurement as well as supporting productive activities ("infrastructure-led industrialisation"). SIP 6 targets 23 poorest districts, while others focus on establishing new rural corridors. The implementation of the Plan will require careful management of financing as well as more co-ordinated implementation.

The Plan also focuses on sectoral infrastructure like water, ICT, energy and transport. Taking into consideration that ANC NEC Lekgotla resolved that "steps must be taken to centralise implementation of a number of projects that

are currently devolved but where institutional capacity is weak", the PICC Infrastructure Plan adopted in February 2012 provides for three infrastructure focus areas to be driven centrally, namely:

- ❑ Health – six mega-hospital projects; 122 nursing colleges and NHI pilot district health infrastructure;
- ❑ School-build programme; and
- ❑ Basic infrastructure in 23 poorest districts.

This presentation recommends that the ANC NEC Lekgotla 2012 supports the approach of the Infrastructure Plan and mobilise cadres across government to implement it. It further recommends that regulatory interventions such as Expropriation Bill and Infrastructure Development Bill must be developed in 2012. It also recommends that there should be a coordinated approach to licences and regulatory permissions: eg EIAs, water licences, zoning in a one-stop-shop. Further, the presentation made the following recommendations:

- ❑ Additional resources should be made available for infrastructure, in part by reprioritising state spending and mobilising retirement funds and private sector funding;
- ❑ Policy framework to ensure that natural resources are benefited to a greater extent: eg on coal, address security of Eskom supply;
- ❑ Invest heavily in ICT infrastructure;
- ❑ Finalise the Skills Plans and mandate contractors to produce specified numbers of artisans, technicians and technologists, and employ young engineering graduates; and
- ❑ Endorse the broad framework of the Infrastructure Plan.

The presentation further elaborated that in the past 12 months (up to 31 March 2012) 304 000 new jobs were created in the economy. However, the composition of jobs growth still cause for concern. There has been growth in agriculture, mining, government, transport, business services and trade. However a decline in manufacturing with further pressure from EU performance was a cause for concern. Prospects for mining are bleaker in period ahead.

In order to accelerate employment creation, the presentation made the following recommendations:

- ❑ Focus on domestic and African opportunities;
- ❑ Fiscal, monetary, industrial, trade and labour market tools to be sharpened in expectation of slowdown;
- ❑ Build on Framework for SA's Response to Global Economic Crisis: country should be better prepared than 2008/2009 downswing;
- ❑ Infrastructure build-programme to be speeded up and expanded, as a key response, with
 - centralisation of build-programme in specified health, school-build and municipal infrastructure;
 - Focus on labour-absorbing activities, eg road

maintenance; and

- ❑ Expand CWP/EPWPs as part of the youth brigades to boost youth employment.

2.2 Report on Sectoral Issues

The next presentation acknowledged that the Policy Conference recommended that ownership and control issues will be discussed at the national conference. The presentation then focused on recommendations for the ANC NEC Lekgotla 2012.

On minerals, the presentation recommended the following:

- ❑ Strategic minerals need to be supplied into our economy at cost plus prices or at most, export parity prices;
- ❑ Minerals for manufacturing like iron ore for steel, coal, oil and gas for polymers must be made available for local beneficiation;
- ❑ There must be a comprehensive Mineral Resources Asset management;
- ❑ Granting of Mineral Rights must be transparent with “one stop shop” licensing regime. The discretion that could be exercised by government officials should be limited;
- ❑ Strict and proper timelines should be adhered to;
- ❑ There must be clear developmental objectives such as backward and forward linkages, fiscal linkages, community development and BEE;
- ❑ ANC NEC Lekgotla 2012 should support the call to increase capacity of the Council for Geosciences to map the mineral resources of the country;
- ❑ There should be consequences for “speculating and squatting” through enforcement of use it or lose it principle and 50% Capital Gains Tax on speculators amongst other measures;
- ❑ The call for banning of export scrap must be supported; and
- ❑ Export tax should be imposed on chrome;

On energy, the presentation recommended the following:

- ❑ The security supply of energy must be prioritised both in quantity and quality at a reasonable price;
- ❑ The mines closer to the power stations must have the first right of refusal;
- ❑ The projects in the region must be prioritised;
- ❑ Exploration of shale gas to establish the extent and nature of the resources should proceed;
- ❑ We need to give effect to the IRP;
- ❑ We need to develop the next coal fired power plant;
- ❑ With regards to nuclear power, we need to finalise

as a matter of urgency whether we are going to procure a fleet or not;

- ❑ With regards to liquid fuels, we all agree that we need additional refining capacity however the timing is important;

With regards to the **ICT infrastructure** the presentation made the following recommendations:

- ❑ Government must make direct investment in the ICT infrastructure;
- ❑ State institutions in the ICT sector must be consolidated; and
- ❑ There is a need to scale up digital learning, E – learning and E – government;

With regards to **localisation**, it was recommended that the Department of Trade and Industry designation must be enforced. There must be forward and backward linkages and an Inter Ministerial Committee led by DPE to ensure localisation is undertaken must be established.

3. Recommendations

After extensive deliberation, the commission recommended that the following areas need be addressed:

- ❑ Address economic slowdown
- ❑ Regional integration
- ❑ Job creation
- ❑ Tenders and procurement
- ❑ Youth Employment
- ❑ Beneficiation
- ❑ Infrastructure Plan
- ❑ Inequality
- ❑ Agriculture
- ❑ Energy
- ❑ Postbank
- ❑ State Capacity
- ❑ Integrity in South Africa
- ❑ BRICS-led Development Bank

In order to Address Economic Slowdown The Commission recommended that the social accord and other mechanisms for companies in distress, including training layoff funds must be implemented effectively. Taking into account of the economic slowdown that is currently being experienced by our major trading partners (e.g. EU countries), we need to diversify the structure of our trade with greater focus on domestic and continental economic opportunities. We also need to strengthen social dialogue at all levels.

The Commission further recommended that we need to **strengthen Regional Integration** through infrastructure expansion taking advantage of Free Trade Area as part of the development of the industrialisation policy for the African continent.

While acknowledging the economic slowdown, the Commission believes that **the war to create Jobs must be fought and won**. In this regard, the Commission recommended that there should be massive expansion of Community Works Programmes (CWP) and Extended Public Works Programmes (EPWP) by early 2013. At the same time, the impact of the current public works programmes must be evaluated in order to improve them. In this regard, the role of monitoring and evaluation cannot be overemphasised. There should be a link to social protection and job creation measures in order to address poverty coherently. Youth employment in public programmes must be prioritised. The public programmes should be expanded to promote cooperatives, particularly with job potential.

On **Tenders and procurement** the Commission recommended that a major review of the procurement system must be undertaken. The review must include measures to address matters such as identifying areas where capacity can be established to undertake activities and services within the public sector, that is, “in sourcing”. The State must, where possible, buy directly from manufacturers. A culture of procuring from local and community-based service providers (including cooperatives) must be established. In order to obtain better value for money, price benchmarking (Reference pricing) must be undertaken.

While it is acknowledged that some of the proposals at the Policy Conference will be discussed at the 53rd National Conference, the Commission recommended that efforts to increase Youth Employment as a matter of urgency, including fast-tracking finalisation of the proposed Youth Employment Accord call by the Policy Conference should be supported. Taking into consideration private sector accounts for at least 70% of the labour force, the proposed Accord must clearly define the role of the State. While focusing on youth employment, all efforts must be undertaken to increase the number of jobs as a whole. The Commission further recommended the development of skills that are required by the workplace.

The Commission identified some of the constraints that hinder effective Beneficiation of some of our minerals.

The Commission therefore recommended the following:

- 3.1 Simplify regulatory approvals in mining;
- 3.2 Finalise strategic minerals list within 2 months (by next NEC);
- 3.3 Consider setting asides a portion of identified minerals for local beneficiation at developmental prices;
- 3.4 Lower input costs of mineral feedstock are critical. The state must create an enabling environment using such measures as export tax or another mechanism; and

- 3.5 Reduce export of scrap metals drastically and create a affordable access to the resource (scrap) for local use.

The Commission welcome the Infrastructure Plan and developmental criteria. The Commission recommended the following:

- 3.6 Resource allocation formula must be reviewed to reflect the spatial dimension and infrastructure backlog;
- 3.7 On implementation, there should be a centralised support systems for 23 Districts and centralised delivery for schools and 3 health areas;
- 3.8 Maintenance must be scaled up and ring-fenced including some of the programmes like S’hamba Sonke;
- 3.9 Support Water and Sanitation Master Plan must be a new SIP;
- 3.10 There must be a massive investment in ICT infrastructure by the State;
- 3.11 Resources must be mobilised, including retirement funds and private sector;
- 3.12 One-stop regulatory shop to be introduced for Infrastructure projects, and finalise Expropriation Bill, Infrastructure Development Bill and Spatial Planning and Land Use Management Bill (SPLUMB) urgently;
- 3.13 Coordinate and strengthen localisation (led by DPE);
- 3.14 Develop Public – Public Partnerships (e.g. Transnet and IDC) in order to strengthen State capacity and effectiveness, and ensure that Public Private Partnerships are structured to achieve public interest goals;
- 3.15 Skills to be a mandatory outcome; and
- 3.16 State construction capacity to be created.

The Commission acknowledged that South Africa is still the most unequal society in the world. The Commission further acknowledged that Inequality is a threat to our democracy. As part of addressing inequality, the Commission recommended that decent work opportunities should be created. It further reiterated that there should be a link between social protection and job opportunities. The Commission emphasised that education and skills development will remain the biggest arsenal in fighting inequality and all the challenges being faced by the education sector should be addressed as a matter of urgency. The Commission further recommended that taxes should be considered in addressing income inequality as well as taxes on luxury items.

Recognising that there was a significant increase in job creation in Agriculture (53 000 jobs were created), the Commission recommended that pilot projects focussed on small-scale farmers must be undertaken with a special focus at financial supports either price support or input costs.

The Commission reiterated that 52nd National Conference

directed that a strategy to diversify our energy mix must be developed. As part of the implementation of our diversification strategy of energy mix, the Commission recommended the following:

- ❑ The investigation of the feasibility of natural gas, including shale gas and Coal Bed Methane (CBM) be fast tracked;
- ❑ Proceed with exploration, whilst taking into consideration environmental concerns;
- ❑ Implement Integrated Resource Plan (IRP2010);
- ❑ Develop a coal pricing strategy to keep domestic energy costs affordable;
- ❑ Additional refinery capacity must be developed; and
- ❑ Prioritise regional projects (e.g. Grand Inga).

The Commission also reiterated that the establishment of the State Bank was one of the 52nd National Conference resolutions. The Commission recommended that the approval of the business plan and banking licence for the Postbank must be fast tracked.

The Commission recognised that State capacity to implement could be better. It therefore recommended the following:

- ❑ Improve capacity of the State to spend, regulate, implement, monitor and evaluate;
- ❑ Improve capacity of the State to leverage from other groups in society; and
- ❑ Expand skills development in the State and elsewhere and address gate keeping by professional associations.

While the Commission endorsed a “zero tolerance” policy to corruption, it recognised that there is a disproportionate focus on acts of corruption within the State. Taking into consideration that the major infrastructure projects are led by the State with the participation of the private sector, the Commission recommended that Promoting Integrity in South Africa should be a priority. It further recommended the following:

- ❑ Commitment to ethical conduct across all public and private institutions;
- ❑ Step up the fight against corruption;
- ❑ Conclude an integrity pact against corruption, price fixing and tender rigging by both private and public sectors; and
- ❑ Finalise the establishment of the integrity committee of the ANC.

The Commission welcome and support the establishment BRICS led Development Bank. It further recommended that South Africa should offer to host the Bank.

E. EDUCATION AND HEALTH

The Commission noted the clear Political Overview by the President, which is the context in which discussions of the commission took place. The Commission also noted the summary by the Secretary General, which served as a guide for the Commission to evaluate progress made and to refine future plans.

Copies of the report of the subcommittee were used for reference, as the Commission answered questions designed to evaluate progress and plans.

1. BASIC EDUCATION

1.1 PROGRESS

- 1.1.1 Improved access to and attendance at schools during the period 2002 and 2011.
- 1.1.2 Progress in 5 year olds attending an educational institution increased from a national average of 39.3% in 2002 to 84.8% in 2011.
- 1.1.3 Participation of 7 to 15 year olds increased from 96.3% in 2002 to 98.8% in 2011.
- 1.1.4 Progress in pre-Grade R (0 to 4 year olds) increased from 7.5% in 2002 to 34.5% in 2011.
- 1.1.5 The School Nutrition programme has increased significantly to now cover 8.8 million learners in about 21 000 primary and secondary schools.
- 1.1.6 The National Education Evaluation and Development Unit (NEEDU) was established and will enhance monitoring and evaluation capacity in the system.
- 1.1.7 A mathematics, science and technology strategy has been refined and expanded; e.g. the provision of mathematics and science textbooks to all learners in the FET band.
- 1.1.8 Implementation of the revised curriculum (CAPS), including teacher training and resourcing, to improve both curriculum delivery and access to relevant texts.
- 1.1.9 Annual National Assessments (ANAs) were successfully conducted across the country and the results used for implementation of remediation strategies for quality improvement.
- 1.1.10 Over 50 million workbooks were provided to all learners in Grades 1 to 9 for improvement of numeracy and literacy. These were supplemented with workbooks for life skills and language in Grades 1 to 3.
- 1.1.11 National Senior Certificate (NSC) Examination is stabilising in terms of passes and pass rates. 70.2% pass rate in 2011.
- 1.1.12 Calls for the ANC to declare education “an essential service”: The 2012 National Policy Conference received a progress report on

discussions between the ANC and labour on this matter. The Sub-committee on Education and Health continues with open-minded engagements with various stakeholders in search of a solution; including but not restricted to meeting labour, government, and other stakeholders considered relevant.

1.2 CHALLENGES IN THE SECTOR

While the commission noted that the ANC Government has made significant progress in basic education since 1994, it was agreed that certain important challenges continue to militate against the attainment of quality education.

- 1.2.1 Compensation of employees is putting immense pressure on education budgets.
- 1.2.2 Inadequate teacher supply and inappropriate utilisation.
- 1.2.3 Poor capacity to spend.
- 1.2.4 Poor compliance with policy as well as with financial and Human Resources management prescripts.
- 1.2.5 Cost drivers, micro systems and processes not aligned to quality provision.
- 1.2.6 School infrastructure: The continuing state of school infrastructure backlogs continues to be a binding constraint.
- 1.2.7 Capacity of state to deliver: The concurrent nature of education presents significant challenges, in some instances, in the realisation of agreed national priorities.
- 1.2.8 The Limpopo text book account: The Commission noted the problem of failure to distribute books in Limpopo and regarded that as serious. It noted that that the business of schools is to teach and develop learners. It also reiterated that central to teaching is that learners must be able to read, write and count.

The following emerged from discussions:

- 1.2.8.1 The ANC NEC must urgently convene a meeting with the education sector, including the Minister of Basic Education and Education MECs, and ANC Premiers to discuss the state of provision of books.
- 1.2.8.2 The Minister of Basic Education must provide the NEC with a report on the state of textbook delivery in all the nine (9) provinces.
- 1.2.8.3 Common quality assured text books must be standardized for every subject and every grade over the whole country. Serious concerns were raised about the content of syllabi, especially unacceptable history being taught in our schools.
- 1.2.8.4 The selection and acquisition of textbooks must

be centralised to the National Department of Basic Education with provinces taking responsibility for distribution.

- 1.2.8.5 Every child must have a book for each subject that has been enrolled for.
- 1.2.8.6 The Cabinet must mobilise all relevant resources including partners to ensure that all learners in all schools in the country are provided with the necessary 2012 learner materials within the next month. This meeting must also prepare for the procurement and delivery of the 2013 learner materials which must be completed before the end of 2012.
- 1.2.8.7 ANC branches must take responsibility of assisting government to monitor, in every school and in every ward, developments including ensuring the availability of Learning, Teaching and Support Materials (LTSM), to guarantee that learners and teachers have adequate resources for quality education.
- 1.2.8.8 Throwing away and destroying books must be regarded as treason.

1.3 RECOMMENDATIONS

1.3.1 Budgeting and expenditure management:

- 1.3.1.1 Complete the Public Expenditure Review currently underway and report on its findings at the Elective Conference; as recommended by the 2012 National Policy Conference. That must be linked to clear recommendations on how to address expenditure pressures in the system.
- 1.3.1.2 Closely monitor Provincial Planning, budgeting and expenditure management including credible implementation of policies such as PPN; SCM including provisioning, stock management.
- 1.3.1.3 Continue with the focus on equity of funding in education.
- 1.3.1.4 Consider allocating more resources for ECD and Grades R to 9.

1.3.2 Compliance with policies and procedures:

- 1.3.2.1 Re-assert compliance with the monitoring & evaluation functions of the DBE;
- 1.3.2.2 Institutionalise a system of Quarterly Progress Reports on Education to the ANC.

1.3.3 Learners and Teachers Support Material (LTSM):

- 1.3.3.1 Affirm commitment to provide each child with at least one textbook per subject from 2014.
- 1.3.3.2 Confirm the decision to implement central procurement of LTSM through the existing

national LTSM catalogue process for purposes of uniformity, cost-effectiveness and quality management.

1.3.3.3 To rigorously implement a textbook retrieval system in all schools (to be duly monitored by Districts).

1.3.3.4 Develop comprehensive state capacity to design, develop and print strategic LTSM either independently or in partnership with credible institutions.

1.3.4 The commission noted the ideological and financial dynamics in the publishing industry in the provision of LTSM.

1.3.5 School infrastructure:

1.3.5.1 Given the location of education infrastructure in the PICC as a Special Infrastructure Program (SIP), immediate and appropriate financial and legal steps should be taken. To this end a credible and comprehensive school infrastructure plan for the country, which details projected need for rehabilitation of existing schools and construction of new schools must be compiled. The Department of Public Works must deal with its infrastructure backlog before taking on new infrastructure projects. Where necessary, mobile classrooms must be provided whilst waiting for permanent structures.

1.3.6 Teachers:

1.3.6.1 To confirm the decisions of the 2012 National Policy Conference in respect of:

1.3.6.1.1 Implementation of a national process to monitor policy compliance in respect of teachers, text and time (TTT).

1.3.6.1.2 Development of a common approach for the implementation of Post Provisioning Norms (PPN) in all provinces.

1.3.6.1.3 Undertake the necessary work to develop a multi-year perspective on improvement of teachers' conditions of service.

1.3.6.1.4 Ensure credible teacher development for teachers in all phases of the system.

1.3.6.1.5 Improving accountability at all levels.

1.3.6.1.6 To develop teacher development curricula centrally and to make these available for delivery through teacher resource centres; partnership programmes with teacher unions and use of other

providers and stakeholders.

1.3.6.1.7 The ANC and government must enter into a social compact with Teacher Unions to have teachers spending adequate time in class rooms teaching.

1.3.7 Other recommendations: More focus must be placed on meeting the needs and adequately resourcing schools for learners with special needs, and schools for the Disabled must be linked to programs that provide long-term needs of these learners. Various stakeholders must enter into a social compact to assist school principals to manage and to remove pressure from principals when performing their duties, e.g. ensuring discipline amongst staff. Principals must be appointed by HoDs and not SGBs. Parents must contribute and take pride in their involvement in the education of their children. Government must consider reviewing the process of grading of members of the Senior Management Service (SMS) and the return of central allocation of posts of senior managers. History must be compulsory for all learners. Free education must also be covered in the report on Basic Education and costs thereof must be determined and communicated to the NEC and ANC structures.

1.3.8 Proposed areas for centralization: textbook procurement and provision; infrastructure delivery; educator development and leadership development.

1.3.9 Calls for the ANC to declare education “an essential service”: Proposals generated from discussions between the ANC, labour, government and relevant stakeholders on this matter must be tabled to the 53rd ANC National Conference.

1.4 WAY FORWARD

1.4.1 The Commission noted that to build on our progress in Basic Education the ANC needs to give concrete expression to the elevation of Basic Education as the number one priority.

1.4.2 Government and the Cabinet needs to mobilise all of its capacities within Government machinery in supporting the attainment of the priorities in Basic Education.

1.4.3 The adoption of a clear business management plan with specified dates for each of the process steps up to the final delivery in schools for 2013.

1.4.4 The national office of the ANC should convene a meeting, within a month, of the Minister of Basic Education, all Education MECs and

Premiers to agree on the implementation of the resolutions adopted by the ANC Lekgotla.

2. HIGHER EDUCATION

The Commission was reminded of the context in which work is being carried out in the higher education sector, namely that the mandate of the sector is to establish a single, integrated, coherent and well-articulated post-school system that is located within the following:

- a. The expansion of post-school provision to improve access.
- b. Strengthening institutions to improve quality.
- c. Setting out a vision and pathways for achieving a coherent post-school system with articulation, collaboration and coordination between the different components, as well as alignment between the various institutional types and between education and training institutions and the labour market.

2.1 PROGRESS

2.1.1 **New universities:** Two university seats for Mpumalanga and the Northern Cape have been announced by the President on 01 July 2012. The process of identifying land has begun. Steps to put these universities into operation for their first intake in 2014 are advanced.

2.1.2 **Unbundling of MEDUNSA from the University of Limpopo:** A Technical Task Team has been established.

2.1.3 **The building of a medical school in Limpopo:** A business plan has been produced by the Working Group working on this project. Accreditation to offer MBChB is at an advanced stage. Partnership with the Limpopo Provincial Department of Health has been established.

2.1.4 **Re-opening of colleges:** Work is being done to identify legal aspects and an appropriate model for the incorporation of Nursing and Agricultural Colleges into the DHET as a national competency.

2.1.5 **Towards free education:**

2.1.5.1 Extending the provision of free education to cover students in other years of study: The first draft report was submitted. A model for enabling fee-free education has been developed and the full cost for rollout is being calculated.

2.1.5.2 Covering full cost of study for poor students in scarce skills areas: Providing full cover of costs of study to NSFAS students in their final year was implemented in 2011. This matter is being addressed further in the in

the proposal on Free University Education for the Poor in South Africa.

2.1.5.3 Loan repayments: The sector insists that students must pay back their loans to make the NSFAS sustainable. The low loan recovery rate remains a challenge. However, this is also addressed in the proposal on Free University Education for the Poor in South Africa.

2.1.6 **Promoting Research and development:** Focus of the Research Development Grants is on human capacity development. Institutions have submitted proposals and these have been assessed. Fundamental changes will be required in the way in which research funds are allocated..

2.1.7 **The development of a new generation of academics:** Poor Black and deserving students are often unable to afford to pay for their studies towards an Honours or B.Tech. qualification. The DHET has set aside R50 million for current postgraduate students, as loans through the NSFAS. The NRF and the Department of Science and Technology are also providing financial assistance to postgraduate students working towards Honours, Masters and Doctoral degrees. Additional resources being provided for postgraduate students are also part of our strategy to encourage Black graduates to take up careers as academics. Further strategies are being considered by the DHET and DST to provide support to existing academics to acquire senior post graduate qualifications. Post graduate students are being supported to develop a new generation of academics, especially through the expansion of a pool of black academics.

2.1.8 **Student accommodation in the post-school system:** The DHET has committed R2.5 billion for the refurbishment and/or building of new structures including student residences in priority twelve (12) FET campuses. A minimum of R7.5 billion is required in FET College sector to deal with the backlog of student accommodation, refurbishment, and building of new classes and workshops.

2.1.9 **Further Education and Training (FET) Colleges:** The DHET and DBE are providing information and career guidance advice relating to the role of FET Colleges in skills development. This aims to change perceptions by learners and society of FET colleges. These programs also educate learners about the centrality of VCET in tackling youth employment. It includes wider communication campaigns to provide information about exit pathways and greater

opportunities for employment of students who graduate from FET colleges. ESKOM is making good progress in contributing to the DHET program of placing in industry and business at least 12 000 college students over the next 12 months.

2.1.10 **Increasing throughput rates:** The concept of Academic Support to increase pass rates has been entrenched in FET Colleges over the last 3 years. Several colleges are now offering academic support programmes in Mathematics and First Additional Language. The focus of Foundation Provision Programmes is mainly on first-time entering university students and that of Teaching Development Grants is on the teaching expertise of lecturers.

2.1.11 **Payment of skills levies by all government departments:** The Department of Public Service and Administration has developed a directive for the utilization of the 1% of payroll for skills training aligned to the SETA Grant Regulations. If approved will be implemented from 1 April 2013. The Skills Development Act and Skills Development Levy Act will be amended.

2.1.12 **Internships:** The intake of interns into the public service, municipalities and SOEs has resulted in 19 278 interns and learners being placed in National and Provincial departments in the 2010/11 financial year.

2.1.13 **NSF and SETAs:**

2.1.13.1 **Skills Levy:** Progress has been made toward effective utilisation of the skills development levy resources to support public institutions of education and training. R2.5 billion allocated towards FET Colleges for expansion of access and programme offerings. R2.5 billion towards FET College infrastructure.

2.1.13.2 **Individuals Entering Learnerships in 2011:** Employed: 17 750; Unemployed: 26 864.

2.1.13.3 **Individuals Completing Learnerships in 2011:** Employed: 9 497; Unemployed: 18 402.

2.1.14 **Intensifying the Campaign against Corruption:** Four (4) FET Colleges and five (5) Universities are under administration. Qualified accountants have been placed at all the FET Colleges in KwaZulu-Natal and Eastern Cape. Placement of accountants has commenced in Limpopo.

2.2 CHALLENGES IN THE SECTOR

2.2.1 Resources and capacity are the two most important hurdles to improving throughput rates in

FET Colleges and Universities. We should provide for student support and academic programmes in FET colleges. Existing support programs rely on donor-funding which targets only a selected number of colleges.

2.2.2 Some of the SETAs are conducting their business in a manner that is unsatisfactory.

2.2.3 Poor Quality Assurance of training and curricula in FET colleges.

2.2.4 Concern was raised about the employment of some academics and the “juniorization” of academic posts in some universities and faculties, especially the employment of some “professors” in the Health Science Faculty in the University of Limpopo.

2.3 PLANS

2.3.1 **Unbundling of MEDUNSA from the University of Limpopo:** The Ministerial Technical Task Team will meet within the next 2 weeks to advise the Minister on governance and management aspects on MEDUNSA as a new university.

2.3.2 **Extending the provision of free education:** The DHET is working on a proposal to enable the implementation of fee-free education. The proposal will be submitted to the 53rd ANC National Conference for consideration.

2.3.3 **Promoting research and development:** The DHET is working on plans to realise closer alignment between the research funding strategies of the Department and the National Research Foundation (NRF).

2.3.4 **Payment of skills levies by all government departments:** The DHET is working on proposals for the amendment of the Skills Development Act and the Skills Development Levy Act.

2.3.5 **Intensifying the Campaign against Corruption:** The DHET is working on amendments of the Higher Education Act to further ensure that Council members and management declare their business interests to prevent them from benefiting from contracts with institutions. Student governance rules will also be put in place to stop students from being part of tender committees.

2.4 RECOMMENDATIONS

2.4.1 **Funding of B.Tech Students:** It is recommended that Lekgotla endorse the decision that the current funding for postgraduate studies be made available to B.Tech. and Honours students.

2.4.2 **Funding of higher education:** The DHET must be overall responsible for the funding of higher education.

2.4.3 **Loan repayments:** That Lekgotla endorses the

policy position that students must pay back their loans to make the NSFAS sustainable.

- 2.4.4 **Student accommodation in the post-school system:** That the sector reports to the 53rd National Conference on progress made on this matter.
- 2.4.5 **Transformation of Higher Education Institutions (HEIs):** This must continue to be a priority. Councils and governance structures of these institutions must be evaluated against transformation targets. Other models of training should be explored to make the system agile and flexible, e.g. training could be done “without walls”.
- 2.4.6 **Membership of tender committees on HEIs:** Lekgotla should endorse the position that student governance rules be put in place to ensure that students are not members of tender committees in Higher Education Institutions.
- 2.4.7 **Further Education and Training (FET) Colleges:** All government departments must creatively use FET colleges for infrastructure maintenance and skills development, in the context of “every work place a training space”. Students should serve from their first year of tertiary education. The DHET programs of placing students in SOEs, industry and business must be intensified and popularized especially amongst the youth.
- 2.4.8 **Quality Assurance in Colleges:** That the ANC and government must focus on Quality Assurance in colleges, especially as it relates to curricula and training. Bogus colleges must be acted against strongly and criminalized.
- 2.4.9 **New universities:** Lekgotla should note the progress report given. Further reports must be submitted to the NEC and the 53rd National Conference.
- 2.4.10 **Unbundling of MEDUNSA from the University of Limpopo and the building of a medical school in Limpopo:** The DHET and the DoH must meet urgently to address these issues plus the concern about unacceptable awarding of “professorships” by some HEIs and submit a report to the NEC and the 53rd National Conference.
- 2.4.11 **Internship:** There must be central coordination of internship and this must be monitored or controlled in all departments throughout all levels of government.
- 2.4.12 **The Anti-Gatekeeping Bill** that served before Cabinet in the past and which focuses on, amongst others, engineers must be reviewed and fast-tracked for enactment.
- 2.4.13 **Reviving the Human Resource Development capacity of the ANC:** The ANC should consider re-establishing the ANC Department of Manpower Development as the Department

of Human Resources Development in the Office of the President of the ANC to focus on the training, development and production of patriotic professionals and managers from amongst the ranks of ANC members and Alliance for the defence of our revolution, within the context of human resources being a strategic and security issue.

- 2.4.14 **Teacher education and teacher development strategy:** The subcommittee must provide the NEC and stakeholders with progress reports on teacher education and teacher development strategy.
- 2.4.15 **Anti-Corruption Campaign:** Lekgotla should note and endorse the report of the campaign by the DHET against corruption.

3. HEALTH

The Commission was reminded of the framework provided by questions posed to all sectors by the Secretary General and the introduction by the Commission Chairperson. It was also stated that focus would be placed on issues that emerged and recommendations made at the 2012 ANC National Policy Conference.

The Commission was informed that proposals made are to:

- Improve the quality of health services.
- Accelerate the implementation of the National Health Insurance (NHI).
- Ensure that critical and essential posts are filled and that the current skills mismatch is dealt with.
- Intensify the fight against HIV, AIDS and TB.
- Improve maternal, child and reproductive health.
- Build a social compact to reduce the disease burden and promote healthy lifestyles.
- Re-engineering and strengthen Primary Health Care (PHC).
- Improve health infrastructure and its maintenance.
- Ensure that the ANC and Alliance take the lead.

3.1 PROGRESS

The Commission concluded that significant progress has been done, but that more could have been done. It was also obvious from deliberations that more still needs to be done.

- 3.1.1 **Improve the Quality of Public Health:** The Bill on the Establishment of the Office of Health Standards Compliance is before the National Council of Provinces (NCOP). The audit of all public health facilities on all quality standards, including the six (6) core standards has been completed. Facility Improvement Teams have been established and inspectors have been trained.
- 3.1.2 Develop policy, legislation and implement NHI

pilots: The Green Paper on the NHI was published in 2011 and the White Paper and draft legislation on the NHI are being developed. The Departments of Health and Communications are in the process of establishing a dedicated Health Television Channel. NHI Pilot sites have been established in 10 districts throughout the country from April 2012.

- 3.1.3 Deal decisively with skills mismatch: The designation of hospital facilities into five (5) categories and setting minimum requirements for hospital management has been finalised through regulations. 78000 Community Health Workers (CHWs) have been evaluated and 5000 trained in preparation for integration and deployment. These CHWs are being integrated into municipal ward-based PHC Teams.
- 3.1.4 Fight against HIV, AIDS and TB: The HIV epidemic is at early stages of stabilization. There is 60% reduction in Mother-to-Child Transmission of HIV through the use of various management modalities. 1.7 million patients are on Anti-Retroviral drug treatment. The 2012-2016 National Strategic Plan on HIV, AIDS, TB and Sexually Transmitted Infections (STIs): Vision of 4 Zeros was launched in December 2011.
- 3.1.5 Improve maternal, child and reproductive health: The Campaign on the Reduction of Maternal Mortality in Africa (CARMMA) Strategy has been launched. PHC efforts have been intensified to improve these health services. These include the appointment of District Specialist Teams of Obstetricians, Paediatricians and Advanced Midwives.
- 3.1.6 Reengineer and strengthen Primary Health Care: The three streams of reengineered PHC are municipal ward-based PHC-agents, District Specialist Teams and School-based PHC teams.
- 3.1.7 Improve health infrastructure development and maintenance: Work is in progress on the six Flagship Projects which are the building of a new medical school and Academic Hospitals: namely Limpopo, Dr George Mukhari, Chris Hani Baragwanath, King Edward VII, Nelson Mandela and Nelspruit. 122 Nursing Colleges and nurses' homes are being revamped. Work is being done to maintain buildings and equipment, with the employment of engineers and technicians plus the establishment of workshops in facilities focusing on equipment and building maintenance. NHI pilot districts are prioritised for implementation of these infrastructure projects.

3.2 CHALLENGES IN THE SECTOR

- 3.2.1 A discussion with Ministers of Social Development, COGTA, Rural Development and Land Reform and other departments towards the development of a coordinated integrated national model of a Community Worker in the social sector is still outstanding.
- 3.2.2 Provinces are not keeping their commitment to submit quarterly reports to the Secretary General's Office (SGO).
- 3.2.3 Limpopo and Mpumalanga have not implemented the resolution that directs that Health and Social Development must be separated and each have its own MEC.
- 3.2.4 Some provinces have not established PEC Education and Health Subcommittees.
- 3.2.5 Provincial workshops on key campaigns by the ANC, its leagues and the Alliance still have to take place.
- 3.2.6 Funding of national priority programs: Decentralized funding of priorities which leaves this important function at the discretion of provinces results, in some cases, with shortages of medicines and cleaning material, non-payment of doctors and non-functioning equipment in clinics and hospitals.
- 3.2.7 Accelerating Infrastructure Delivery: Despite a lot of effort being expended on projects and evidence of deteriorating infrastructure, the sector still experiences poor implementation and under-expenditure of infrastructure projects.
- 3.2.8 Advancing reproductive health: Lack of emphasis on Family Planning and more focus on fighting HIV in Sub-Saharan Africa has resulted in high levels of teenage pregnancies, abortions and high maternal morbidity.
- 3.2.9 Promotion of Healthy Lifestyles: Lack of a sustained joint structure on health promotion led at a senior level for a multi-sectoral campaign to promote healthy lifestyles.
- 3.2.10 Transfer and management of central hospitals: Provincial management, funding and control of central hospitals linked to medical schools present a challenge, as these hospitals serve as teaching platforms and national referral centres.
- 3.2.11 South Africa-Cuba Medical Training Program: Poor coordination and management of the program, with students studying in Cuba being managed and provided with resources as if they were from nine (9) different countries.
- 3.2.12 Security and availability of medicines: Poor capacity of the state to ensure security of supplies and availability of medicines.
- 3.2.13 In-house provision of critical support services: Labour brokerage, moonlighting, Remunerative Work Outside of the Public Service (RWOPS) such as locums in private medical practices, and outsourcing of core functions necessary to deliver basic services are risk factors to the delivery quality of care and quality assurance in health facilities.

- 3.2.14 Enhancing the capacity to deliver services: The current complex intergovernmental decision-making and accountability system makes implementation of ANC resolutions and government service delivery programs difficult.
- 3.2.15 Revolutionary leadership and discipline: The challenge of poor discipline and lack of mechanisms and recourse in cases of non-compliance by deployed cadres and those in leadership position is a serious challenge, especially for the ANC and the Alliance in exercising their role as leaders of society.

3.3 PLANS

- 3.3.1 The establishment of a dedicated Health Television Channel will be finalised by March 2013.
- 3.3.2 The department's infrastructure program includes building waiting-mothers areas, Kangaroo Mother Care wards, breast milk banks and special obstetrics ambulances.
- 3.3.3 The National School Health Program and School Health Teams will be launched in August 2012.
- 3.3.4 Funding of national priority programs: A list of non-negotiables has been developed to ensure that all provinces fund priority programs.
- 3.3.5 Accelerating Infrastructure Delivery: There are plans to integrate health infrastructure into the Presidential Infrastructure Coordinating Council (PICC) and to ensure that there is adequate funding of projects once started. Facilities are also director to budget for maintenance.
- 3.3.6 Advancing reproductive health: A program will be launched during this financial year to promote the dual protection approach to family planning, namely the concomitant use of contraceptive drugs and condom to prevent unwanted pregnancies. This will be coupled with the strengthening of reproductive health services targeting mainly teenagers even in schools plus ward-based services linked to mass-based health promotion programs.
- 3.3.7 Promotion of Healthy Lifestyles: A policy document on a multi-sectoral and mass-based health promotion program and campaign will be concluded by 31 March 2013.
- 3.3.8 Transfer and management of central hospitals: The Ministry of Health has discussed with the Ministry of Higher Education and Training and engaged medical schools as institutions of higher learning. Hospitals have been clearly designated and infrastructure development plans are in place for central hospitals.
- 3.3.9 South Africa-Cuba Medical Training Program: The National Health Council (NHC) has mandated the Deputy Minister of Health to strengthen national coordination of this program. The Academic Review Committee on the South Africa-Cuba Medical Training Program has been appointed. Deans of Health Sciences Faculties and Medical Schools are involved in discussions. A health attaché for Cuba will be appointed by 31 December 2012. Academic governance will be improved, with the participation of representatives of South African and Cuban medical schools to ensure better integration in the final year of study.
- 3.3.10 Security and availability of medicines: The departments of Health, Science & Technology and Trade & Industry, together with a private sector partner, are involved with efforts to develop a state-owned pharmaceutical manufacturing entity. In addition, central procurement of medicines has resulted in the health sector saving billions of Rands enabling greater access to medicines.
- 3.3.11 In-house provision of critical support services: Norms and standards have been developed for quality in six (6) core areas. Plans are in place to provide critical services and services such as cleaning in-house.
- 3.3.12 Enhancing the capacity to deliver services: The NHC is piloting a system of non-negotiables aligned priorities and developing more effective monitoring support and intervention. The task identified under the 2009-2014 Ten point Plan of "Overhauling the health care system and improve its management" that the health sector drafts proposals for legal reforms to unify the public health sector will be prioritised by 31 March 2013.
- 3.3.13 Revolutionary leadership and discipline: Proposals on this matter will be submitted by the health sector to the Office of the Secretary General.

3.4 RECOMMENDATIONS

- 3.4.1 Funding of national priority programs: Allocation of funds to provinces for funding of health priorities must be conditional to provinces allocating such funds to health priorities that are approved and agreed upon in the sector. The allocation of such funds must neither be the prerogative of national and/or provincial Treasuries nor that of provincial executive councils or legislatures as of the 2013-2014 budget year.
- 3.4.2 Accelerating Infrastructure Delivery: Given the location of health infrastructure in the PICC as a Special Infrastructure Program (SIP), it is critical and urgent that political, financial and legal steps be taken to realise this objective of centralising infrastructure delivery in order to ensure efficient, cost-effective, well-planned and well-coordinated central delivery of health infrastructure.

- 3.4.3 Advancing reproductive health: That the ANC and Alliance structures be involved in campaigns to promote the dual protection approach to family planning that promotes the concomitant use of contraceptive drugs and condoms to prevent unwanted pregnancies.
- 3.4.4 Promotion of Healthy Lifestyles: That a Presidential Commission on Health Promotion, with dedicated funding and capacity to lead, be established by 31 March 2013; this Commission must focus on reducing the South Africa's disease burden; that government should fast-track legislation to deal with the four risk factors for the development of Non-Communicable Diseases; and that the ANC and government should embark on activities to promote healthy lifestyles through mobilization of individuals and communities to engage in physical activities, good dietary practices and the reduction of harmful use of alcohol and tobacco plus control of substance abuse.
- 3.4.5 Transfer and management of central hospitals: That health academic complexes, inclusive of central hospitals, be a national competency; that the implementation plan must consider the need to decentralise all primary and secondary health services to appropriate facilities; and that these functions be transferred by the 2013/2014 financial year inclusive of a clear transition plan.
- 3.4.6 Human Resource Development: The primary platform for nurse training must be nursing colleges inside hospital premises, and not universities. The department must accelerate the refurbishment of such colleges and urgently open nursing colleges. The health sector must accelerate the training of health professionals and extend the skills development and training platform, where necessary, to other countries through the development of external skills incubators. The ANC should strongly endorse the planned training of 1000 students per annum in Cuba starting in September 2012.
- 3.4.7 South Africa-Cuba Medical Training Program: That this program and function be centralized and turned into a national program, possibly a Presidential Program with the Ministry of Health being responsible for its coordination and management, e.g. Mandela-Castro Medical Collaboration. Health and Higher Education and Training must work together to design, fund, implement and manage this program on behalf of the Presidency and the country. The ANC must ensure that communities of the Western Cape participate in the SA-Cuba medical training program.
- 3.4.8 Security and availability of medicines: The capacity of government to ensure security of supply of medicines must be increased. The state must have a majority share-holding in the state-owned pharmaceutical company. The central procurement system must be expanded to all pharmaceuticals, dry dispensary items and medical equipment and devices, to ensure affordability and the tender system must be scrapped. Medical depots must be done away with, as they are inefficient and out-dated, and be replaced with a system of direct delivery of supplies to facilities.
- 3.4.9 In-house provision of critical support services: Outsourcing of core area services and quality assurance must be reviewed and lessons learnt prior to wholesale outsourcing be taken into consideration when new systems are put in place. This use of nursing agencies must also be reviewed. Critical services that must be provided in-house should include cleaning, security, food provision, laundry and linen supplies.
- 3.4.10 Enhancing the capacity to deliver services: The ANC should learn from lessons of the 2012 World Cup where there was a decisive national authority on implementation of programs that were agreed upon. Clear role clarifications for provinces on agreed national priorities must be defined and non-compliance with implementation be dealt with swiftly and decisively. The stance of the National Treasury that results in its insistence that priorities be funded within the framework of the Division of Revenue Act (DORA) must be reviewed.
- 3.4.11 Revolutionary leadership and discipline: The ANC code of conduct and cadre policy must be extended to include discipline in implementing ANC resolutions if the ANC is to remain the vanguard movement in society. The ANC, government and labour union must deal with the challenge of moonlighting and RWOPS.
- 3.4.12 The National Health Insurance (NHI): It is recommended that a dedicated NHI Fund be set up urgently using state resources; presentations on the NHI be made to all PEC's of the ANC and Alliance structures, regions, branches and communities; and that a progress report on the NHI be tabled to the 53rd ANC National Conference in December.
- 3.4.13 Other areas that the commission focused on: Pricing for health services must be controlled to prevent escalation of costs of delivery of health services.

4. SCIENCE AND TECHNOLOGY

4.1 PROGRESS

- 4.1.1 The Departments of Science and Technology, Trade and Industry, the Economic Development and Health made an announcement in February about the establishment of a state pharmaceutical entity. This is Ketlaphela, a Joint Venture between government and a strategic partner to

manufacture drugs and Active Pharmaceutical Ingredients (APIs). This is a priority project of the Cabinet. A Technical Team has been set up to develop the concept further.

- 4.1.2 The African bid to host the SKA, led by South Africa, was won. This is a success for South Africa and Africa. The SKA phase 1 will have a total of 260 dishes located in the Northern Cape which will be built by 2016.
- 4.1.3 The Commission noted the recommendation of the Ministerial Review Committee set up by the Minister of Science and Technology to investigate the appropriate model for financing, governance of the Science, Technology and Innovation. Once these recommendations have been processed, detailed set of recommendations will be tabled to the Subcommittee.
- 4.1.4 A number of Deputy Ministers meet regularly on issues of Information and Communication Technology (ICT). Focus has been on the use of ICT in rural areas. A lot of work has been done and pilot sites have been established in the Eastern Cape.

4.2 CHALLENGES IN THE SECTOR

- 4.2.1 Poor coordination of the country research and development.
- 4.2.2 Poor coordination of country efforts to develop critical human resources, e.g. researchers and PhDs, necessary for the growth of science, technology and innovation.
- 4.2.3 Poor and expensive service from the National Health Laboratory Services (NHLS).
- 4.2.4 The loss of strategic advantage in animal vaccine production and other innovations at Onderstepoort.

4.3 RECOMMENDATIONS

- 4.3.1 That all NEC subcommittees and the NEC mainstream Science, Technology and Innovation by incorporating it into its work and programs.
- 4.3.2 That the health sector prioritises the amendment of the NHLS Act to improve services.
- 4.3.3 The urgent steps be taken by the DST and the Department of Agriculture to support Onderstepoort as a strategic asset.
- 4.3.4 Cabinet to ensure support is provided to Ketlaphela initiative as a significant step towards realising the Polokwane decision to create a State owned Pharmaceutical company
- 4.3.5 That the ANC identifies services and functions that should be the responsibility of the state and that should not be privatised or corporatized, e.g. laboratory services.

F. SOCIAL TRANSFORMATION

Poverty, Inequality and Unemployment

According to STATS SA, in 2011, South Africa had the most unequal distribution of income amongst countries that recorded Gini-coefficients for the previous decade. (About half of the world's countries)

Profound inequalities resulted from economic systems established under apartheid, which entrenched deeply skewed ownership of productive resources; unusually high joblessness, rigid work organisation and inequitable pay scales; and limited access to skills, healthcare, infrastructure and market institutions for the black majority.

After 1994, the state ended racial segregation in government services and expanded them in poor communities

The relatively steady economic growth between 1994 and 2008 assisted the state's abilities to expand services to poor communities.

18 years into democracy, despite concerted efforts and major achievements largely driven by the state, inequalities have remained stubbornly high.

To achieve greater economic equality would require the creation of greater opportunities for economic inclusion. This would also necessitate more equitable access to educational opportunities, ownership of production assets and access to market institutions and infrastructure.

The persistence of stark inequalities is the root cause of social instability, including the so-called service delivery protests and associated criminal conduct.

The STC has therefore, discussed that unless policies and strategies address systemic economic inequality, poverty and unemployment, the aim of building a socially cohesive society will remain elusive.

Reviewing our Strategies

Based on the context, the broad question that as the movement we need to respond to is: what progress has been made in transforming society, the state and the economy, in addressing issues of class, gender and race?

The Commission, both in this Lekgotla and at the Policy Conference, observed that government's most effective strategy against poverty, inequality and unemployment is the implementation of the Social Wage. This included social assistance, free-basic services, targeted free health services, the provision of housing and access to no-fee paying schools for the poor.

Further to improving the livelihoods of all South Africans and building a more cohesive society, the state's social transformation agenda also included the following:

- Improving the quality of education, especially, expanding access to early childhood development

and education, literacy and life-long learning opportunities.

- ❑ Improving the health status of South Africans through the prevention of illnesses, reducing the burden of disease, promotion of healthy lifestyles and the performance of the health system - Improving the nutrition status of all South Africans.
- ❑ Building safe communities and fighting crime and corruption
- ❑ Developing and preserving our arts, culture, sports.

Impact of Social Wage Strategies: Social Assistance

Given the catalytic effect of the Child Support Grant in tackling inter-generational poverty, the STC considered the following findings of a study on the impact of the Child Support Grant:

- ❑ The country's social grants reduced the poverty gap by 63%
- ❑ Early receipt of the CSG contributed to better educational outcomes for all children, especially the girl child
- ❑ Early Receipt of the CSG contributed to a decrease in risky sexual behavior in adolescence
- ❑ Early receipt and continued participation in the CSG programme, tended to keep children in school longer.
- ❑ Adults in households that accessed some form of social assistance were more likely to seek work opportunities.

The Committee was of the view that if similar impact studies were made in other components of the social wage, similar positive results will be yielded.

People Centred Service Delivery and Development

Despite this progress, the scale of poverty, inequality and unemployment requires a more multi-faceted approach that empowers people to lift themselves from the trappings of the triple challenges;

Government should adopt a people centred service delivery approach that seeks to involve and activate citizens in the development process.

The aim of this approach is to create a more responsive and accountable public service and a citizenry that participates in the development of its communities and societies.

The War on Poverty

The War on Poverty has developed a Methodology which is based on the indices of multiple deprivations associated with poverty.

Based on extensive community profiling, this methodology seeks to combine government service

delivery with community and household action to develop communities.

As the following slide indicates, the model is premised on the fact that effective development action requires synergies between Social Protection Systems, Quality Public Services and strategies to facilitate the Productive/Economic Inclusion of people in poor Communities.

This strategy seeks to leverage the social protection investment the state makes to create opportunities for economic/productive inclusion.

Draft Anti-Poverty Strategy

War On Poverty Approach

That effective development requires the integration of Social Policy with Economic Policy measures to foster active linkages between Social Protection investments with productive activities.

This requires political will, strategic coherence, and Institutional Coordination

The stimulation of the productive inclusion component of the strategy requires state intervention through the passing of measure such as a Local Purchasing Act that will require the public sector to purchase at least 30 percent of its goods and services from local producers.

Therefore, propose that we work through the war room on poverty methodology in the 1300 poorest wards over the next 18 months.

Water Provision and the Green Economy

The need to urgently provide every household with quality clean water which in the short term can include portable purification tanks and water tanks for rain water harvesting to promote food security – This requires the implementation of the current RDP standard.

Process of legislative review and reform is underway to enable us to deal with inequitable access to water as a scarce resource. The reform is very key to the inclusive economic participation.

The Commission resolved on: **Arts, Culture and Heritage**

The Commission suggested that a strategy be developed to enhance economic opportunity based on arts, crafts and cultural talent and that a National Academy for the creative arts to be supported.

In addition the Commission emphasised that:

- ❑ One African language should be compulsory in schools depending on the region.
- ❑ In relation to human rights, that The ANC must initiate dialogue on racism, ethnicity and patriarchy to promote social cohesion. This should include measures to reduce Xenophobia and to protect people from discrimination based on sexual orientation.

- ❑ That the declaration of the Social Cohesion Summit is to be implemented

Sports and Recreation

The commission agreed to adopt all the proposals in relation to sports and recreation plan and further emphasised that:

- ❑ Schools Sports must become compulsory and that Physical Education must be a standalone subject.
- ❑ Companies must set up sports and recreation facilities as part of wellness strategies.
- ❑ MIG and other funding models need to be reviewed with a view of securing public resourcing of sports and recreation by amongst others ring fencing infrastructure grants for sports and recreation. 15% of the MIG to be ring-fenced for sport and recreation.
- ❑ The proposed sports plan must emphasise on (1) sporting quotas as a means to attain sporting excellence and (2) the transformation of franchises, sporting councils and federations. Should not be implemented in a manner where competent sports people are labelled as quota players etc.
- ❑ The High Performance Centres must focus on local talent.
- ❑ All sports facilities must enable access to people with disabilities and that special attention must be paid to children with disabilities.

Improving the Social Wage

That the Job-Seekers Grant be included as part of the Comprehensive Social Security Package as agreed to at the Policy Conference.

Adolescents and Youth

The issue about whether the National Youth Services issues as agreed to at the Policy Conference should be compulsory is still open to debate and would need to be resolved at Mangaung. This includes an assessment of whether the state would have the necessary capacities for a NYS strategy that would be compulsory.

The Commission agreed that National Youth Policy must be implemented.

Human Settlements

The Following issues were added to the policy agreements made at the Policy Conference:

- ❑ Section 25 of the Constitution be invoked where appropriate for privately owned land for human settlement purposes.
- ❑ The current mode of housing delivery, based on the awarding of tenders, is unsustainable. Need to increasingly assume the approach adopted in the People's Housing Process and the use of cooperatives;

On Disabilities

- ❑ ANC to initiate dialogue with relevant stakeholders on the issues re disabilities and policy on disability.
- ❑ Special needs schools must be prioritised. These were done away with through mainstreaming policies of the past.

Transversal Issues

- ❑ The notion of a activist bureaucrat/bureaucracy – seized with the principle of seeing public service as a 'covenant' between the state and its citizens, particularly the poorest citizens that rely more on public services to assist them to improve their livelihoods. This is very different from the 'state official' approach wherein public servants move from the perspective that they are doing the poor a favour – and expect them to even pay extra for their services (corruption).
- ❑ Ensure that we deploy very capable civil servants where government interfaces with the people.
- ❑ Public sector representatives and officials to use public services.

The following are repackaged according to the five government priorities.

1. Health:

- ❑ Promotion of healthy living through exercise in schools and communities, the use of Municipal Infrastructure Grant to build sports facilities at community level
- ❑ Fighting against alcohol and substance abuse, working with civil society to reduce demand through public education work

2. Education:

- ❑ Standardization and normalization of Early Childhood Development and education.
- ❑ Make ECD a public good.

3. Rural Development:

- ❑ Support for legislation that would support the purchasing of products from small scale producers especially the rural farmer.
- ❑ Acceleration of the War on Poverty strategy to all the most deprived areas especially those in rural areas.

- ❑ Resolve that we work through the war room on poverty methodology in the 1300 poorest wards over the next 18 months.

4. Decent Work

- ❑ The Job-Seekers Grant needed need to be linked to skills development and be included as part of the Comprehensive Social Security Package
- ❑ The assistance given to poor households

(Through the War on Poverty) skills development leading a member of a poor household getting a decent work.

5. Fighting Crime and Corruption

- ❑ The notion of a activist bureaucrat/bureaucracy – seized with the principle of seeing public service as a ‘covenant’ between the state and its citizens, particularly the poorest citizens that rely more on public services to assist them to improve their livelihoods. This is very different from the ‘state official’ approach wherein public servants move from the perspective that they are doing the poor a favour – and expect them to even pay extra for their services (corruption).
- ❑ Ensure that we deploy very capable civil servants where government interfaces with the people.

G. COMMUNICATIONS

1. Context

- a. The commission received two major inputs, one which was a presentation led by the NEC Subcommittee and secondly a progress report from Deployed cadres on progress in implementation of ANC Resolutions/Government programmes
- b. The Commission further considered the report of the policy Conference as a basis for its work

The work of the commission was further made easier by having had sight of the GCIS crafted government Communications Strategy

2. Communication Environment

- a. The Commission noted that both the ANC and government communicate in an environment that is mainly anti-ANC programmes.
- b. The commission came to a conclusion that the media has not only established itself as a strong opposition of the ANC but that it is effectively punting for a regime change in its skewed coverage.
- c. The monopolistic ownership patterns of the media have entrenched this view.
- d. There is lack of diversity not only in term of ownership but content and the use of language for instance
- e. Whilst we have stubborn challenges of unemployment, poverty and inequality the ANC and its government have over years made substantial progress in improving the quality of life of our people.
- f. The conduct of ANC members, and some at a senior level, has not been helpful in communicating

ANC Policy, our achievements and challenges where they exist in context.

- g. The leadership needs to explore mechanisms to deal with a pattern of visible co-operation between former ANC members and ANC members in publicly attacking the ANC.
- h. The voice of ANC members and leaders in the public space has waned, especially on critical issues, e.g. our 5 priority areas
- i. The opposition and to a larger extent some NGO's have occupied the space
- j. The public broadcaster is experiencing serious challenges of role play and has allowed the commercial media to set its news agenda.

3. How are we perceived?

- a. According to the Quality of life survey, recently commissioned by Gauteng government to look at the impact the ANC has on society at large it has found the following:
 - i. The ANC has made great strides, we have dented inequality but we do not speak about it.
 - ii. The survey points out that the ANC has provided services where there were no service provision before
 - iii. People in the country are free to live wherever they want to
 - iv. ANC has contributed to wealth creation in the country and has created a black middle class
 - v. We have indeed created a larger constituency of black graduates in this country
 - vi. We have exceeded the MDG targets for water, housing, sewerage and housing
- b. According to the NPC 75% of our national graduates are employed in the public service

4. What is the problem?

- a. The ANC and government communication is coded and closed
- b. ANC comes across as divided, defensive, retaliatory and operates on a knee-jerk basis. In simple terms we are not communicating enough on what the ANC is doing to improve the daily lives of every South African
- c. The ANC and ANC led government does not occupy the space in the media with structured coherent messages that tell our story in simple but informed terms
- d. We are cynical on our own policies
- e. We do not take advantage of positive stories we create to showcase our abilities and the will to improve

- f. We do not choose carefully what we communicate on.
- g. The GCIS is not aggressive enough in communicating government programme and is underfunded.
- h. The is lack of synergy between the ANC as the ruling party and the work of government especially at the level of the weekly programmes of Ministries.
- i. The ANC is not asserting its own voice in terms of the performance of government for example. The negative impact that the text book saga had on the entire country and the perception that education is in a deep crisis. Our immediate response should have been one message that: 'there is an education crisis in Limpopo which was stimulated by the fact that the Limpopo government spent its budget in an irregular manner thus precipitating the text book saga.
- j. The ANC should have apologised and push for action to be taken to improve the situation. Instead, in order to get to the bottom of the issue, government has deployed more than one task team to investigate the same issue. A positive step forward is to address the question, how ready are we for 2013? This Lekgotla must examine this question.
- k. What the story tells us is that we need to decide what we communicate, when do we communicate and how we communicate

5. The Commission therefore resolves:

5.1 On the ANC

- a. With the movement being under such severe attack, there is a need for the ANC to reinforce its communication initiatives. This must be accompanied by a commitment in the first instance to communicate issues that matters to our people.
- b. To endorse, in principle, the formation and terms of reference of the NEC Media Review team. Its composition will be finalised through due organisational processes.
- c. Establish ANC Communications Operations Centre which will look into the following areas in order to advance ANC positions:
 - i. Letter and Opinion piece writing
 - ii. Radio Talk show phone in and sending of SMS's
 - iii. TV programmes
 - iv. Twitter, Facebook, you tube and other social network war
 - v. Pamphlet production and distribution
 - vi. These initiatives to be replicated at lower structures
- d. Members of the ANC COC to receive extensive and regular political training and provide with the requisite support to increase the voice of the ANC in the public domain.
- e. The ANC can no longer afford to be apologetic in its communication but must aggressively put across its achievements to the public.
- f. ANC structures to increase interaction with community media and the use of community media platforms for communicating our programme – REC's of the ANC to drive this initiative.
- g. There must be increased training of ANC cadres in journalistic skill, in graphic art, as cartoonist and in reporting for community radio and television in order to empower our cadres to be able to play a meaningful role in alternative media platforms.
- h. The ANC must on a continuous basis develop a new core of communicators and seek to reach out to the youth more aggressively to communicate our successes
- i. Integrate the use of digital platforms in our communication – the use of You Tube, podcast and video streaming of in messages produced in-house from the ANC President and Secretary General for example, on a monthly basis, on organisational issues
- j. Harness communication platforms of the leagues and alliance partners towards defending our revolution
- k. Increase the use of African languages in our written and spoken communication
- l. Instill discipline in communication – one message, many voices or faces. Communication department to develop thematic areas or messages like we do during election campaigns
- m. The ANC to use ANC Today and Umrahobolo effectively as they provide an unmediated opportunity to communicate
- n. The ANC must go beyond maneuvers of operating in a hostile terrain of a commercial print media and establish its own newspaper
- o. ANC leaders at all levels to receive regular media training and consistent refresher courses to improve weaknesses identified during monitoring
- p. The Centenary Celebrations have provided the ANC with an opportunity to interact with communities on the legacy of the ANC.
- q. The experience of the flame being received by communities across the length and breath of our country as a positive symbol of unity is not being captured and shared with the nation.

5.2 On Government

- a. There must be strategic benefit from being a ruling party that has delivered so much to our people. The ANC can afford to communicate achievement of its

own government and must do so frequently.

- b. This would require that ANC communicators are kept abreast strategically with government progress
- c. That there needs to be funding made available for the implementation of the Government Communication Strategy as drafted by the GCIS
- d. Reaffirm government's decision to centralise government's advertisements through the GCIS and call upon all those governments departments that have not yet submitted to this decision to comply. Government must strategically use it's advertising spend to promote diversity.
- e. To review legislation to allow for increased and compulsory use of community media
- f. Build capacity via the MDDA to help community media to develop requisite financial, tracking and administration systems for accounting purposes
- g. Transform Vuk'uzenzele such that it is an established newspaper, allocate funding for this purpose and leverage on advertisement of things like jobs and tenders to make it a must have paper.



CLOSING REMARKS

BY PRESIDENT JACOB ZUMA

The purpose of the July Lekgotla is to enable the ANC and the Alliance to guide the government programme of action and its implementation, especially the budgeting process in government. This has therefore been a very important and useful exercise.

Education

We say education is our apex priority because success in all priorities depends on how we fare in education. Therefore, we have to get the basics right in education. The simple tools must be available at every school and that includes textbooks, desks, chalk and others. This government gives education the biggest slice of the budget.

This money must be used for the purpose that it is intended. The textbooks fiasco has been most embarrassing for the ANC and government and has been a gross disservice to our children.

I have received a preliminary report from the Presidential Task Team and it does not paint a good picture. Once we receive the full report we will be able to communicate the way forward.

Notwithstanding these challenges, we need to communicate our successes in education. I visited Umzimkhulu and discovered that 25 schools have been built eradicating mud schools. This has not been communicated. Only negative news about education dominates the media currently.

There are basics that we cannot be forgiven for easily. For example, a hospital or clinic must have doctors, nurses and other personnel, medicines and other basics. Without these, it is not a hospital or clinic.

Peace and Stability

Let us support the justice cluster, to reduce and ultimately eradicate criminality in our country. The fight against corruption: the ANC must be visible in leading the campaign and actions against corruption. Amongst measures, we need to attend to our tendering system in government, as it harms the image of the ANC and its government.

The work of the anti-corruption task team in government and other agencies must be supported and strengthened.

Economic transformation

We are agreed on measures we must undertake on economic transformation and we must implement these, with the core objective being the creation of decent jobs.

Amongst programme we are implementing is our infrastructure development programme launched in February this year. By 2013 we should be in a position to provide concrete reports to the nation on what we have done, in terms of concrete projects. This programme must extend water, electricity, roads, schools, hospitals and other social infrastructure. It must also build economic infrastructure to make our economy more competitive. Most importantly, the infrastructure programme must create jobs.

GOVERNANCE AND ADMINISTRATION

The Auditor-General's report on municipalities has indicated that urgent action is needed to correct the situation.

This is not about municipalities alone because we know that once the reports on the national and provincial spheres are released, we may find similar shocks and disappointments. We need to be able to say what we are going to do differently to improve the financial management and administrative systems across government.

National Planning Commission

The ANC took a decision to have a planning mechanism so that our work isn't focused on the achievement of short and medium-term goals only. Therefore, we must support the NPC in its work as it is linked to the goals of our movement and government. However we should be careful in providing this support, that we do not make the product of the NPC an ANC product or a government product as we want it to be a National Plan for the whole country.

INTERNATIONAL RELATIONS

With changes in the AU Commission leadership we have an opportunity to energise continental programmes promoting good governance, peace and stability, sustainable development and the eradication of poverty in the continent.

We have to support to the AU Commission Chairperson in revitalising the Commission, to make the AU more visible, influential and respected in world affairs. We are hosting the Socialist International at the end of August. We must work together to make it successful in working for the transformation of global governance and responding to the global economic crisis in a progressive manner.