# **AUG/SEPT/OCT 2021**

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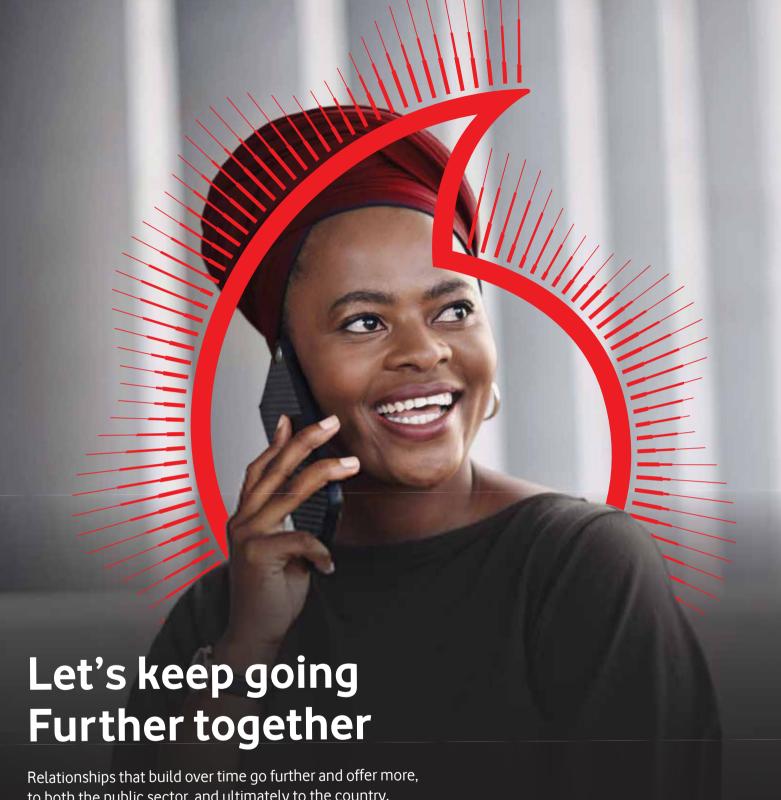












to both the public sector, and ultimately to the country.

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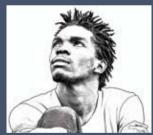
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## I am because we are

September is a time of renewal. In this edition of Service, we look at what is about to be renewed, in the process of being renewed, and in need of renewal in South Africa.

SALGA's focus is on renewal as South Africa readies itself for the 5th term of a people-centred local government. Read about the deliberations involved in building a democratic nation on page 6. Service congratulates Cllr Thembi Nkadimeng for her appointment as the new Deputy Minister of Cooperative Governance and Traditional Affairs (CoGTA). Cllr Nkadimeng, SALGA's outgoing President, was appointed as the deputy to Minister Dr Dlamini-Zuma by President Ramaphosa in August. We wish her all the best in her new role.

The CSIR Energy Centre is the catalyst in making the nation's transition towards a more sustainable energy system happen. The transition will ultimately lead to renewable energy being a primary source of our electricity supply. Service spoke to this team of trailblazers to find out more (page 15).

A recent newspaper article reports that the looters are planning a renewed offensive on our country. This time the plan is to attack the SAPS and military force.

I ask myself, is it not time to renew South Africa? To renew our attitudes, inbred beliefs and animosities? Where would we even begin constructing a masterplan of renewal for South Africa? We are facing a stagnant economy, poverty, pandemic and a myriad of ever-increasing problems. Minister Ebrahim Patel says on page 30: "Strengthening the economy in a society with significant legacy challenges and deep levels of inequality requires extraordinary measures. Growth requires deeper inclusion so that our base of enterprise is widened."

Our article on youth development (page 28) states that the pandemic may result in a lockdown generation, characterised by structurally higher youth poverty. Youth unemployment is one of South Africa's most intractable challenges with an unemployment rate of almost 74% (including those who've given up looking for work).

Dr Moyo, Minds Institute, deems it necessary to rekindle African solidarity to evolve perceptions of Africa within a global context: "Let us not perpetuate the lack of belief in self for our children through poor performance. Rather let us create the environment for pride and belief in self through setting high standards of service delivery by all those we put in positions of responsibility."

He says that it is important for us to understand that excellence by Africans in the African space is a critical component of imbuing the youth with confidence in themselves. We are losing competent human capital to other societies by not celebrating merit (page 22).

Youth employment programmes are a crucial contribution in reducing social drift - when people become disconnected from positive social inclusion, which impacts mental health. Sivuka Youth, a youth-training company, considers it important to empower individuals to navigate their lives by first gaining a deeper understanding of who they are, which will in turn impact their communities (page 26).

It is time for all South Africans to stop paying lip service. Let's create an environment for pride and belief in self through setting high standards of service delivery by learning to serve ourselves and others equally, to replace our hostility and judgement of others with a spirit of community and camaraderie. Let's rekindle African solidarity through one extraordinary measure: playing lip service - service with a smile.

South Africans need understanding not vengeance, ubuntu not victimisation.

Alexis Knipe **Editor** 

> Excellence by Africans in the African space is a critical component of imbuing the youth with confidence in themselves.

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## SERVE AND DELIVER

## **EXXARO CREATES OPPORTUNITIES FOR SA FUTURE LEADERS**

Empowering the youth is vital to reducing the country's unemployment crisis by bridging the skills gap, hence the significant investments in youth development through skills programmes, learnerships and internships. In 2020, Exxaro sponsored 411 engineering, 33 miner, 90 operator and 19 business administration learners as part of its formal engineering and mining learnership programme. Of these, 89% of learners were black, including 38% black female youth.

To acquire practical experience in the industry, Exxaro also provides internships for recent graduates, equipping 110 internstitutions.

with impactful workplace exposure and hands-on training in 2020. All the interns were black and 45% were black female youth.

Exxaro remunerates its interns as an investment in the future of not only itself but the country.

"So much has changed in our industry over the years and more young black people are attracted to a career in mining and engineering. And with digitalisation, the mining sector is about to get even more exciting and appealing for the youth," explains



## 2021 MUNICIPAL SALARY AND WAGE NEGOTIATIONS

SALGA filed dispute papers in July, in terms of Section 74 of the Labour Relations Act, following a stalemate during the last round of municipal wage negotiations in the Local Government Bargaining Council. The last round of negotiations ended abruptly on day one when the South African Municipal Workers Union (SAMWU) pronounced that it had no interest to continue with the

negotiations and intended to declare a dispute and request for a strike certificate.

The declaration of the deadlock by SAMWU followed various rounds of negotiations between the parties which culminated in the issuing of a Facilitator's proposal. The proposal called for a 4% across the board salary increase, linked to a multi-year agreement – but was not

accepted by any party. SALGA opted for Section 74 referral in terms of the Labour Relations Act.

In August, SALGA acknowledged receipt of the Conciliator's recommendations that advocated for a multi-year agreement and inflation-linked increases, as well as elements of containment measures in areas around employee costs in municipalities.



# THE NEW DEPUTY MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Cllr. Thembi Nkadimeng has been appointed as the new Deputy Minister of Cooperative Governance and Traditional Affairs (CoGTA).

Cllr. Nkadimeng, SALGA's now outgoing President, was appointed as the



Deputy to CoGTA Minister
Dr Nkosazana Dlamini-Zuma by
His Excellency President Cyril
Ramaphosa in August.

She filled the vacancy left by Parks Tau when he was appointed as Deputy Minister of CoGTA, and subsequently appointed by Gauteng Premier David Makhura as the Member of the Executive Council (MEC) for Economic Development on 2 December 2020.

The dedication and ability that brought her to the helm of SALGA will continue to serve her well as she moves along a new and exciting path in service to her country.

## **SEIFSA WELCOMES CABINET RESHUFFLE**

The Steel and Engineering Industries Federation of Southern Africa (SEIFSA) is looking for forward to working with new Minister of Finance, Enoch Godongwana.

SEIFSA also welcomes President Ramaphosa's decision to pull the security cluster into his control, especially following July's violent unrest that led to the disruption of businesses and manufacturing activity.

The Absa Purchasing Managers' Index came in at 43.5, clearly demonstrating the massive level of disruption in the supply chain caused by the inability to deliver much-needed raw materials to industries and other customers of final manufactured goods.

Commenting on Godongwana's appointment, SEIFSA Chief Economist Chifipa Mhango said his background in government administration and his role as part of the ANC's Economic Transformation Committee, coupled with his education background in economics, makes him a suitable candidate for the finance portfolio.

"SEIFSA looks forward to the continued drive towards infrastructure investment in the economy, as when measured in terms of fixed investment levels to GDP, it is still below par when compared to other emerging economies. We hope under Mr Godongwana, there will be real efforts made to ramp up investment," he said, adding that there also needs to be more focus on the implementation of policies that will support the manufacturing sector and drive job creation, considering the massive unemployment rate in South Africa.

## SALGA CONCERNED ABOUT THE STATE OF MUNICIPAL FINANCES

SALGA has expressed its disappointment at the deteriorating levels of accountability in the recent audit outcomes of local government for the period 2019/20 and calls upon on Mayors and Speakers to extract accountability and implement consequence management as empowered by the legislation, as well as National Treasury and Cooperative Governance and Traditional Affairs (CoGTA) to exercise powers vested in them in terms of the Municipal Finance Management Act (MFMA).

Councils must employ competent people and take appropriate steps where officials fail to carry out their responsibilities. Mayors and Speakers must hold the administration accountable and act decisively to implement consequence management and National Treasury and CoGTA must implement measures as provided for in the MFMA to extract accountability.

An analysis of the audit results paints a worrying picture about the state of municipal finances. The number of municipalities receiving unqualified audit outcomes has declined from 147 in 2016/17, 123 in 2017/18, 114 in 2018/19 to 116 in 2019/20. Although there is a slight improvement in the number of unqualified audits received by municipalities for the period 2019/20, the AG's report, however, indicates an overall regression in comparison with the previous years, mainly due to the 57 audits that were not finalised by the cut-off date.

There is a net improvement in audit outcomes of 30 municipalities with better audit outcomes compared to the prior year, with Limpopo (eight municipalities) and the Eastern Cape (six municipalities) being the

two provinces with the greatest net improvements in municipal audit outcomes compared to the prior year.

## Pockets of excellence

Of the 200 municipalities that had finalised audits, about half (116) received unqualified audits, of which 27 of them received clean audits. These 27 municipalities are pockets of excellence whose success stories must be celebrated. These 116 municipalities account for 77% of the overall local government expenditure budget.

#### Consumer debt throttles municipalities

One of the biggest challenges that has confronted local government over the past 20 years is that of municipal consumer debt. The AG's 2019/20 report continues to contextualise this problem and demonstrates how it affects municipal governments' budgets, ability to render services and accounting processes.

The aggregate municipal consumer debt stood at R230-billion as at 30 December 2020. This is the precarious financial environment in which municipalities find themselves, which contributes to the low collection rate, and thereby affecting their budgets. This underscores the call that SALGA has been making towards a review of the financing model for local government.

Source: Salga

## DO YOU WORK IN GOVERNMENT?

## Mobile data for you

A new transversal mobile communications services contract means that government employees can buy uncapped mobile for R278 per month. South Africa's four major mobile network operators are providing uncapped data at extremely affordable prices.

The RT15-21 is the government's new communications contract with South Africa's main mobile providers, Vodacom, MTN, Telkom, and Cell C.

To qualify for the contract, these providers had to be able to provide 3G network coverage of at least 80% of the population at the start of the contract, with plans in place to grow to 100% coverage. They also had to be able to offer users uncapped data packages without a fair usage policy (FUP).

In addition, civil servants must be able to purchase personal voice and SMS bundles at a flat rate from the provider, up to a maximum of R500 per user per month.

The contract will be in effect for five years – running from 1 April 2021 to 31 March 2026.

RT15-21 succeeds the previous agreement – RT15-16 – which government had in place with Vodacom since 2016. Under that contract, the country's largest operator had the exclusive right to provide government's mobile packages. It offered enterprise-style bundling that had departments sharing allocations of data and voice minutes. According to a contract circular provided to organs of state by the National Treasury, civil servants will now be able to choose from eight different mobile packages – two from each operator.

Vodacom will continue supplying its
Always Connected Anytime and Always

Civil servants will now be able to choose from eight different mobile packages — two from each operator.

Connected Work Plus packages, while MTN will be providing Enterprise Sharing and Business All Day plans. Cell C will be offering Pinnacle and Epic packages, while Telkom will let state entities choose from Naledi Gold and Naledi Platinum packages.

These plans will be offered on device only, SIM-only, or device and SIM plans. State entities who wish to make use of the transversal contract will need to acquire details on the packages available from all the service providers but will be free to choose products from any of the providers.

The subscription periods for the plans had to be flexible from a minimum of six months to a maximum of 48 months (four years).

The circular from National Treasury provided an overview of the packages that operators are offering government entities. Several mobile plans offered very low-cost pricing. For example, a Cell C Epic R150 SIM-only contract is available to government entities at R278 per month, which includes:

- Uncapped data without an FUP
- 1 000 voice minutes between Cell C and Cell C numbers
- Unlimited SMSs
- R150 airtime
- Unlimited voice minutes within a closed user group

Below are some of the packages, values and pricing.



## 5 elections

# Guiding the Transition

A special meeting of the South African Local Government Association focused on renewal in the runup to elections.

SALGA President Councillor Thembi Nkadimeng called for practical plans for improvement in municipal performance as the South African Local Government Association (SALGA) convened for special National Members Assembly (NMA) earlier this year.

The hybrid two-day event brought together people from government, heads of Chapter 9 Institutions, civil society and the research community with a limited number of delegates attending in person.

The event was held under the theme, "Guiding the Transition: An opportunity to renew as we usher in the 5th Term of Democratic and People-Centred Local Government." The aim of improving service delivery was at the centre of deliberations.

Councillor Nkadimeng stressed that practical actions plans would strengthen municipal capacity and performance, which in turn will help improve service delivery outcomes over the next five years of local government.

Public sector workers and government officials need to obtain the requisite skills and qualifications to perform their duties and desist from corrupt practices.





"As we are all aware, the local government elections were scheduled to take place towards the end of this year. It has therefore become necessary to prepare for the transition that municipalities will experience before, during and post the elections," Cllr Nkadimeng said.

As the 4th term of democratic local government nears an end, the NMA assessed preparations for the upcoming local government elections and adopted a management and transition framework for the 5th term of democratic local government.

"Our intention, therefore, commencing with this Special NMA, is to ensure the development

ALG



of a comprehensive programme of guidance and support, in response to potential challenges that may be faced by municipalities during the transition."

Cllr Nkadimeng also announced that the Statutory Affairs Committee of SALGA was tasked with the role of drafting governance and reputation management protocols that will guide the organisation's handling of National Executive Committee (NEC) and Provincial Executive Members (PEC) members facing serious allegations of impropriety and unethical conduct.

She added that the NMA would take these protocols a step closer to reality.

Delivering the keynote address, Chairperson of the National Council of Provinces (NCOP) Amos Masondo pointed out that many countries across the globe and international institutions such as the United Nations (UN) regard South Africa as having one of the most progressive constitutions in the world.

He said South Africa's Constitution enjoys high acclaim for how it defines a constitutional democracy with a threetier system of government and an independent judiciary.

"Under our Constitution, a municipality has the right to govern, on its initiative, the local government affairs of its community, subject to national and provincial legislation," said Masondo. Panel discussions triggered an exchange of ideas, collaboration and engagement on a broad range of topics in the field of local government. Panel moderators, Sakina Kamwendo and Clement Manyathela, were tasked with the responsibility of keeping the conversations on track throughout the two-day event.

#### A critical reflection

During discussion on this topic, SALGA President Nkadimeng outlined the role of SALGA in supporting, promoting and improving local government in line with the organisation's mandate. She honed in on SALGA's efforts to improve the financial reporting quality and processes of their members' municipalities across the country.

After noting SALGA's eight clean audits in a row she asked, "What are we trying to do now? We're transferring what we are good at, adopting municipalities. With the limited resources we have, we'll adopt 10 municipalities per financial year, and take our expertise as SALGA to municipalities to assist. We can't be bystanders when we realise that there's a problem."

Masondo said that despite the numerous critical local governance challenges that needed immediate attention, local government has made meaningful progress in transforming the lives of the country's black majority, who had been denied participation in political and economic life under apartheid.

"People who are saying that there's nothing at all that has been done are removed from reality. If you open a tap, there's water, there's electricity. There may be problems about supply and outages, but there are roads, rubbish gets picked up regularly," said Masondo

"This is not to say that there are no problems, problems are there but we must not also deny the reality of things and progress that has been made since 1994."

Professor Jaap de Visser, Director of the Dullah Omar Institute, University of the Western Cape, recommended political parties to improve their candidate selection lists ahead of the municipal elections, where councils for all district, metropolitan and local municipalities in each of the country's nine provinces will be elected. He argued that such mechanisms would sift the "opportunists" from the "real leaders".

"Political parties would have to distinguish the opportunities from the real leaders," Prof de Visser said. "Political parties must ask themselves what should disqualify a person to run for election."

Lechesa Tsenoli, Deputy Speaker of the National Assembly, emphasised the importance of SALGA's Integrated Councillor Induction Programme, which caters for newly elected and returning councillors with the aim of improving professional practice and institutional capacity in local government.



SALGA Chief Officer Municipal Finance Khomotso Letsatsi

## S elections

"SALGA often conducts induction programmes for councillors so that those who are new are able to catch up fast and they learn from those who were there and equally they learn from others who have moved on to other spheres of government who can provide them with the perspective of the necessary intergovernmental relations that are a critical part of local government."

#### The state of readiness for the electoral transition

Thabo Manyoni, chairperson of the Municipal Demarcation Board (MDB), briefed the NMA on the delimitation of the municipal wards in preparation of the 2021 municipal elections.

Wards are delimited every five years in metropolitan and local municipalities for electoral purposes caused by changes in the number of registered voters as a result of migration and the enrolment of new voters on the voters' roll.

"On 1 December 2020, the MDB handed 4 468 ward boundaries to the IEC to prepare for the Local Government Elections," said Manyoni.

Glen Mashinini, chairperson of the Independent Electoral Commission (IEC), updated the NMA on the institution's state of readiness for the elections.

"The commission will be taking into cognisance the many uncertainties of the current environment, especially how Covid-19 is turning out. But up until we have received a scientific report and indications from CoGTA and the Department of Health, we as the commission feel that we cannot deviate from what is expected of us by the constitution. We have to discharge our duties accordingly."

Representing the South Africa Police Service (SAPS), Major-General Nhlanhla Mkhwanazi also gave a status update on the SAPS's safety and security state of readiness. He expressed confidence that all safety and security measures have been put in place to create an environment for free and fair elections to take place and that hotspots in the country have been identified and will be prioritised.

"Historically, all previous elections have experienced challenges unique to the specific context during which those elections were held, but were declared to be free and fair," said Major-General Mkhwanazi.

## A reflection on the implications of legislation

Senzo Mchunu, Minister of Public Service and Administration (DPSA), expressed disappointment that the growing distrust and poor image associated with the public sector continues.

He said public sector workers and government officials needed to obtain the requisite skills and qualifications to perform their duties and desist from corrupt practices.

"In the public service you are expected to produce an assessment for something, only to find out that you are not trained for the purpose. You still need to be trained in such a way that your training is tailor-made to produce high productivity.

"That's the only way that we can make strides in the march towards a developmental state and it does not end there. We need to train public servants to resist corruption," said Minister Mchunu.

Cllr Xola Pakati, Executive Mayor of Buffalo City Metropolitan Municipality, said of efforts underway to professionalise the public service, "Since 2019, we have been engaging in the establishment of an office conducting standards and compliance and the issue of doing business with the state and the disclosure of financial interests."

Cllr Bheke Stofile, speaker of the Matjhabeng Local Municipality and SALGA NEC member, said of the discussion, "We've always been engaging with the sector being professionalised. Part of this professionalisation of the sector is to accept that certain things happening in the sector that are wrong had to be dealt with. That is why we firmly participated in the amendment of the Municipal Systems Bill that is before Parliament."

## Managing the transition

Nkosinathi Mthethwa, Minister of Sports, Arts and Culture, spoke about the transformation of South Africa's heritage landscape. He emphasised that to build a truly non-racial, non-sexist, democratic and prosperous society, processes of removing the vestiges of colonialism and apartheid racism were important.

He also spoke on how certain monuments, symbols, signs and statues in public spaces carried a history of oppression and tyranny and that it was important for South Africans to begin having conversations on what their role should be in a democratic dispensation.

"Do we create a concentration camp of unwanted statues with a narrative or do we leave it to those who still value them to preserve them thus running a risk of reigniting old right-wing nationalism by privatising public property? Do we allow for a juxtaposition of these statues as it is the case in the Union Building where President Mandela is given prominence and centrality while Hertzog was moved to a less prominent space?" he asked.

Dr Nkosazana Dlamini-Zuma, Minister of Cooperative Governance and Traditional Affairs (CoGTA), at the time spoke about the feasibility of conducting free and fair elections in the shadow of the Covid-19 pandemic. She emphasised that while the country was ready to hold elections in 2021, several





"We will have to look at the way it goes and we have to make an assessment on whether the election is possible in 2021 depending on where we are. If we look at the second wave, it started in November but by March we were not in the second wave, so it depends on how long the third wave remains with us," said Dlamini-Zuma.

"The considerations will be determined by the infection (rate). It may be that we will be over the third wave by then when the election date has been gazetted but if not, there will be consideration on whether we can have elections and if the answer is that we can't because of the pandemic, then we will have to consider going to the Constitutional Court to ask for an extension because 27 October is actually the last constitutionally accepted day we can have elections."

### Managing key aspects of the transition

SALGA Chief of Operations Lance Joel outlined the process of once-off gratuity payments to non-returning councillors.

Joel explained that the payments, which would be based on pensionable salary, would be preceded by strict screening which including the tax status of individual councillors with SARS.

He added that the purpose of these payments is to provide financial relief to

non-returning councillors so that they can adjust at a time where they are no longer in the public office, and to assist them to meet their financial obligations.

A total of R139-million was paid to eligible recipients from 2011 to 2014 with more than 4 000 applications having been received. In 2016/17, more than 5 500 individual applications were screened and a total of R274-million was paid.

## The United Nations regard South Africa as having one of the most progressive constitutions in the world.

For 2021, a request for funding to the National Treasury was made and R350-million has been set aside, based on three months of salary.

Rio Nolutshungu, Chief Officer: Municipal Capabilities and Governance at SALGA, outlined some critical elements of the SALGA Transition Management Plan for the 5th term of democratic local government.

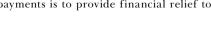
He explained that the purpose of the induction programme is to help ensure that new councillors understand their duties and responsibilities in the field of municipal governance, that they understand local government policies and procedures and to equip them with the skills and knowledge needed to undertake their role as a councillor.

"The 2016 Integrated Councillor Induction Programme appreciated the journey of councillor induction as a first step in a series of learning interventions, which was best expressed via the Inductive Learning Pathway diagram. The purpose of the model is to assist councillors with identifying developmental areas to enhance their leadership and governance competencies," said Nolutshungu.

Elias Msiza, from the Municipal Councillor Pension Fund, explained the role of the fund, saying it was intended to service the retirement needs of councillors. He explained the various benefits are offered to its members, which include housing loans, funeral and death benefits among others.

Cllr Nkadimeng brought the NMA to a close, saying she was confident that the discussions emanating from the NMA would translate into actionable strategies to improve service delivery outcomes over the next five years of local government.

"This Special NMA has witnessed an unprecedented and major convergence of views that is groundbreaking for local government. Despite the complexity of using this hybrid format of engagement, from a content perspective we all agree that we must not only adopt and embrace the Special NMA Declaration, but also take bold and proactive steps to implement and accelerate it."



# SERVICE WITH PRIDE City of Johannesburg: a government of local unity

The City of Johannesburg Metropolitan Municipality is the engine room of the South African and regional economy. The city with thriving energy and unique African character is the place of gold, and of green and gold when we won the World Cup in 1995. The City is one of contrasts, home to rich and poor, elites and exiles, corporation and crime.

#### **CITY VISION**

To contribute to the City's motto of "Service with Pride" by being responsive to the needs of the community, through regional coordination, integration, monitoring and enforcement of service delivery standards at grassroots level within communities thereby ensuring a clean, green, healthy and safe urban environment.

## **NATIONAL IMPERATIVES**

The National Development Plan (NDP) 2030 serves as a blueprint to enhance the capability of the State and its leaders to solve the country's complex problems by 2030. The NDP highlights the need to strengthen the ability

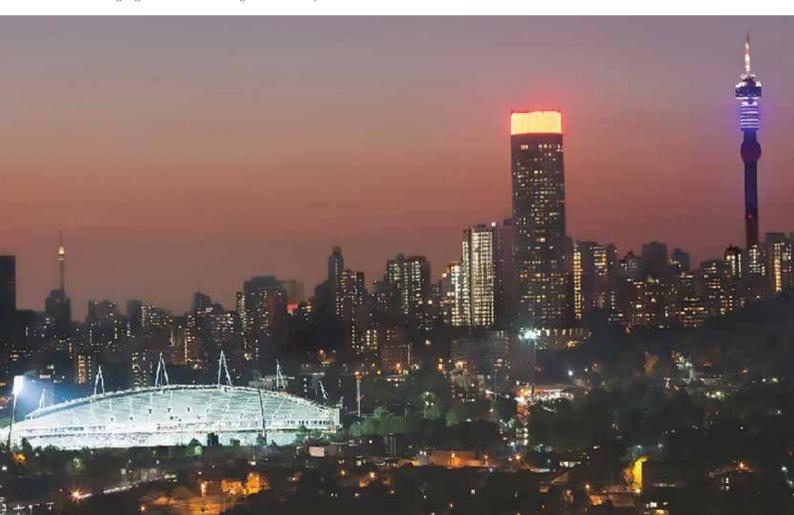
of local government to fulfil its developmental role, by focusing attention on critical priorities in the NDP that relate to the mandate of local government, such as spatial planning, infrastructure and basic services.

#### **CITY GOVERNANCE STRUCTURES**

The legislative function is made up of ward councillors and are proportional representatives' councillors chosen every five years during the local government elections. The Council, led by the Council Speaker, formulates policies and oversees its implementation. The legislative functions focus on public participation related to Council matters.

## VIBRANT METROPOLIS

- Most powerful commercial centre in Africa
- Economic capital of South and Sub-Saharan Africa
- Home to 74% of corporate headquarters
- Medical care is first-world



SALGA said in a statement that Mayor Makhubo gave an honest rendering of his time and energy on the front-line of local democracy in the City of Johannesburg, serving residents and communities in a way that gave them more say in the services they received. His contributions to the local government community were so profound and far-reaching that SALGA considers his passing an irreparable loss to the entire sector.



Member of the Mayoral Committee (MMC) for Health and Social
Development Eunice Mgcina has been appointed as acting mayor.

The executive work of Council is led and coordinated by the Executive Mayor, who is elected by Council to provide strategic direction and is accountable for the performance of the City. The Executive Mayor is assisted by the Mayoral Committee, which is made up of 10 councillors. Each councillor is responsible for a particular portfolio within the city structure. The committee ensures that service delivery takes place, including but not limited to improving efficiency, enhancing credit controls and revenue, and strengthening the administration of the Municipality.

### **GROWTH STRATEGY: JOBURG 2040**

The Johannesburg 2040 Growth and Development Strategy (GDS) provides a lens to view the Johannesburg of the future. It is an aspirational document that defines the type of society the City aims to achieve by 2040. The long-term strategy guides the direction of the City's work and outlines its goals and objectives.

The City has made significant strides in terms of service delivery, backed by accelerated capital investment through the implementation of a 10-year capital programme and as a result, over 92% of City's households

have access to basic services.

Each year, Council passes a budget and decides on development plans that fit into the Joburg 2040 strategy.

The Municipal Systems Act (Act 32 of 2000) requires that a municipality develops a five-year Integrated Development Plan (IDP) to guide it in executing its constitutional mandate of a developmental local government. The IDP is reviewed on an annual basis so that it is aligned to national and provincial strategies and responds to continuous changes.

The City responds to these changes by reflecting them in the reviewed IDP and outlining clear steps to address the challenges. The City's long-term strategy, the GDS 2040, serves as the anchor from which the IDP draws its development agenda guided by for the five-year period.

The 2020/21 IDP Review marks the fourth iteration of the five-year IDP now driven by the Government of Local Unity, which comprises of the following political parties:

- African National Congress
- Inkatha Freedom Party
- African Independent Congress
- Congress of the People
- Patriotic Alliance
- United Democratic Movement
- Al Jama-ah

CITY OF

JOHANNESBURG

## POPULATION AND URBANISATION

The current population of Johannesburg is 5 927 000, a 2.49% increase from 2020. The migration rate is 35.3%, with 3 027 migrants entering the City every month. The youth (aged 15-24 years) make up 40% of the population.

Johannesburg is South Africa's largest metropolitan municipality

in terms of population, size and economy. The city provides the highest number of jobs compared to other cities in the province. A total of 2.13-million people in Gauteng (41.88%) work within the Metro.

Unemployment in the city is currently at 32.7% and youth unemployment is estimated to be over 40%. Slow formal sector growth is the major cause of youth unemployment. The majority of youth, due to their low skills, are employed in wholesale, retail, trade and in private households, which accounts for 16%.

Only 5% are employed in the highly-skilled manufacturing sector, thus pointing to a need for education and skills development targeting the youth. The skills deficit in Johannesburg is a crucial challenge.

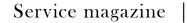


**COMMUNITY CARE** 

• 394 public sports

facilities

swimming pools
 126 community
 health clinics



#### POVERTY, INEQUALITY AND FOOD SECURITY

Johannesburg struggles with high levels of poverty and inequality, social exclusion and substandard levels of human advancement. These issues are further exacerbated by unequal development, long and costly commutes, as well as insufficient basic services.



Food insecurity affects millions of city dwellers – an estimated 23% have inadequate or severely inadequate food access. This contributes to massive social costs in the form of healthcare, loss of productivity and earnings, social tension and compromised educational attainment.

The Gini coefficient is a summary statistic of income inequality. If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high- and low-income earners within the population. In contrast, if the Gini coefficient equals one, income is completely inequitable.

The Gini coefficient in Johannesburg is currently 0.65. Income inequality has virtually remained the same for 20 years. The consequences of Covid-19 lockdown restrictions that have resulted in lost incomes and businesses closing down, may worsen inequality.

## SPATIAL DEVELOPMENT AND TRANSPORTATION

Johannesburg's urban form is a consequence of apartheid planning, which contributed to urban sprawl with race-based townships deliberately developed on the periphery of the city. Accordingly, the digressive city is also a divided one with places of work that are far from where most of the population lives.

Johannesburg has some of the lowest urban densities when compared to global cities. Average densities within the metropolitan region indicate 521 persons per square kilometre. Average densities in the inner city are estimated to be 2 270 within 10km radius.

A total of 45% of Johannesburg residents commute with mini-bus taxis. The minibus taxi sector is seen as unstable and is often besieged with violence, crime and poor quality of roads. A total of 28% use private cars with only 4% and 0.4% who use Rea Vaya or Metrobus and the Gautrain respectively. The increased use of private cars and minibus taxis has resulted in increased traffic congestion.

The City's transport sector continues to be the highest carbon emitter (38%) when compared to the industrial (28%) and residential (26%) sectors.

#### **SAFETY AND SECURITY**

Safety and security are an ongoing concern in the City, compounded by factors such as historical, geographical, social and economic inequality. Residents experience relatively high levels of crime and have moderately high levels of fear of crime. Robbery is Johannesburg's key crime problem, followed by assault.

#### **HOUSING**

Approximately 1.4-million (75.1%) of all households in the City live in formal dwellings. The housing backlog is a major concern for the City. The formal dwelling backlog (number of households not living in a formal dwelling) is currently at 24.9%. This has worsened from 18.5% in 2017. The housing backlog is estimated at 448 200 units with an average delivery of only 3 500 housing units per year. This shortage has led to the development of over 211 informal settlements. The housing backlog comprises of informal settlements, overcrowding in the hostels, the non-regulated backyard rental, inner-city overcrowding and homeless people in general.

## HERITAGE AND HISTORY

- Joburg was founded in 1886 – one of world's youngest major cities
- 40% of the entire world's human ancestor fossils have been found in areas adjoining the City
- 150 heritage sites, half of which are national monuments
- 40 000 tons of gold have been found in Witwatersrand, the reef on which the City was built





City of Johannesburg Transport MMC Nonhlanhla Makhuba.

9 247km of roads, of which 1 040km is not tarred

90% of City's people
have to walk less
than 1km to
access mode
of transport

Average travel time for commuters is 72 minutes

1780 traffic lights

180 000 streetlights

554 buses on 80 routes transport 20-million passengers per year



Traffic congestion has increased by 26% since 1999

Two active power stations with a total capacity of

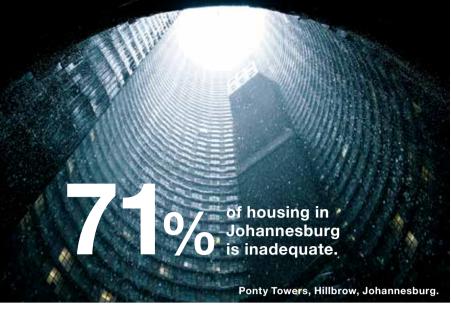
## **600MW**

electricity continues to be most prevalent in informal dwellings and settlements.

One of the critical challenges the City faces is the cost and demands of constant maintenance and upgrading of the energy infrastructure within the city to enable appropriate, secure and reliable distribution. This challenge is worsened by illegal connections, cable theft and vandalism. City Power has commissioned several feasibility studies to investigate the potential use of renewable energy sources to reduce the emission of greenhouse gases and to ensure sustainable use of energy.



Cllr Mpho Moerane, Member of the Mayoral Committee for Environment, Infrastructure and Services.



## ACCESS TO SERVICES

Provision of basic services to the community of Johannesburg is comparatively high with most households (both formal and informal) enjoying access to piped water (98.8%), sanitation (96.4%) and electricity (92.3%). There continues to be a deficit, particularly in informal settlements, where less than half of the households have access to basic sanitation.

#### Water and sanitation

A total of 1.47-million (98.4%) households have access serviced through yard connection in formalised areas and through communal standpipes within a maximum walking distance of 200 metres in informal settlements. The City has been successful in decreasing the water backlog (represented by the number of households that do not have piped water within 200 metres of their dwelling) over time.

A total of 1.36-million (92.7%) households in Johannesburg have access to sanitation through individual sewer connection to properties in formalised areas and at basic level through VIPs and ablution blocks in informal settlements.

Water consumption remains constant at 285 litres per person per day year-on-year. The City has 100% compliance with sludge disposal requirements. Ageing infrastructure remains one of the key challenges.

100 water towers and reservoirs 8 000km of water pipes 8 149km of sewerage pipes

## **Electricity and energy**

A total of 1.6-million households (92.3%) have electricity, which they use for multiple purposes, while 12 806 households (0.8%) have electricity for lighting only. Approximately 133 540 households (7.7%) have no electrical connection. On average, this figure has increased at 0.45% per year since 2007. A lack of



The Human Development Index (HDI) combines three basic dimensions of human development: a long and healthy life, knowledge and a decent standard of living. A maximum value of one indicates a high level of development, while zero indicates no human development.

The current HDI figures underscore the 2021 target by 1.39% at 0.73.

The quality of life index seeks to measure the satisfaction level of residents using broad concepts like living conditions, social cohesion, social exclusion, attitudes towards institutions and other topics.

The current quality of life figures (6.34) underperform the 2021 target (6.50) by 0.16%.





## 5 municipality

#### Waste management

The City collects and removes 1.72-million (92.9%) households' refuse weekly. An additional 11 100 (0.6%) households have their refuse removed less often than weekly; 94 351 (5.1%) make use of communal refuse dumps, while 14 800 (0.8%) use their own refuse dump, and 9 250 (0.5%) reportedly have no refuse removal. A total of 131 352 (7.1%) households experience backlogs (below formal once-weekly collection). Over a 10-year period, this rate has increased.

The City collects 1.8-million tons of garbage each year:
244 200 tons in the form of illegal dumping and
1 779 tons is street litter.



"The City of tomorrow is one where there are new landmarks for opportunity. It is a place where all homes are digitally connected and where Joburg is a safe city for all its residents. Let us work together to make this a reality. We must ensure that we are smart, clean and green, empowering the youth and vulnerable, supported by an accountable government, and an active, engaged citizenry."

Executive Mayor Makhubo (recently deceased),
 State of the City Address, 6 May 2021

### **PLACES OF INTEREST**



The **Apartheid Museum** opened in 2001 and is acknowledged as the pre-eminent museum in the world dealing with 20th-century South Africa, at the heart of which is the apartheid story.



Constitution Hill is a living museum that tells the story of South Africa's journey to democracy. The site is a former prison and military fort that bears testament to South Africa's turbulent past and today is home to the country's Constitutional Court, which endorses the rights of all citizens.



**Gold Reef City** is an amusement park in Johannesburg. Located on an old gold mine which closed in 1971, the park is themed around the gold rush that started in 1886.



The Nelson Mandela Bridge is 295 metres long and can carry  $3\,000$  cars per hour. The total cost of the bridge is R120-million and construction took 18 months.



**Soweto** is a sprawling conglomeration of houses and shack settlements about 20km south-west of the City. A plan for the creation of a Soweto Heritage Precinct that takes place in important historical sites in Orlando West in particular, has been approved by the City.

## ENGAGING ENVIRONMENT

- Year-round daily sunshine
- Average 12 hours of sunlight per day
- Clear blue skies
- Winters are short and mild
- Temperature neither humid nor too hot
- Largest man-made forest in the world with six-million trees throughout the city
- Altitude is 2 000m above sea-level
- 17 nature reserves
- 12 river systems
- 63ha of bird sanctuaries
- 1 000ha of green space
- 4 443ha of open veld
- 80ha of botanical gardens
- 106 dams



## RED Zones for Green Energy

The CSIR Energy Centre is a first port of call for South African decision-makers in politics, business and science for advice on the energy transition. This transition is a move towards a more sustainable energy system and will ultimately lead to renewables making up a significant share of the primary energy supply. Service interviewed the CSIR team to find out more.

Development Plan (NDP), which provided South Africa's plan to accelerate infrastructure development to address service delivery backlogs and facilitate economic growth. The NDP would be achieved through the implementation of strategic integrated projects.

Linked to this, to ensure that environmental authorisations are not a cause for delay, the Department of Forestry, Fisheries and the Environment (DFFE)\* embarked on a programme of Strategic Environmental Assessments (SEAs) for large-scale developments. These SEAs are aimed to preassess environmental sensitivities within the proposed development areas at a regional scale to simplify the site-specific Environmental Impact Assessments (EIAs) when they are undertaken and to focus the assessment requirements on the sensitivity of the sites.

The SEAs led to the promulgation of 11 REDZs and seven Electricity Grid Infrastructure (EGI) corridors. ■

In 2012, government adopted the National National Strategic Environmental Assessment REDZs and Transmission Corridors in South Africa Windhook BOTSWANA Renewable Energy Phase 1 REDZs Mtrabane (Lobamba Phase 2 REDZs Electricity Grid ESWATING Infrastructure Phase 1 Gazetted Transmission Corridors Central corridor Eastern corridor International corridor LESOTHO Northern corridor Western corridor Phase 2 Gazetted SOUTH AFRIC mission Corridors Expanded Western corridor Expanded Eastern



## STRATEGIC ENVIRONMENTAL ASSESSMENTS

## PHASE 1 SEA: WIND AND SOLAR PV ENERGY (2013-2015)

REDZ and coordinate the legislative (Upington, Kimberley and Springbok), Western Cape (Overberg and Komsberg), Eastern Cape (Cookhouse and Stormberg) and in the North West province (Vryburg).

## PHASE 1 SEA: ELECTRICITY GRID **INFRASTRUCTURE (2014-2016)**

responsible power line and substation planning within pre-assessed corridors. energy planning challenges:

**CSIR 2021** 

- energy mix and needs to be expanded

EGI SEA: Central, Eastern, Western, were mapped within these corridors

Management Programmes (EMPrs) to

- · Substation infrastructure for the

## PHASE 2 SEA: WIND AND SOLAR PV ENERGY (2016-2019)

national-scale wind resource data

to as the Emalahleni, Klerksdorp and Beaufort West REDZs.

## PHASE 2 SEA: PHASED GAS **PIPELINE NETWORK AND EXPANSION OF ELECTRICITY GRID INFRASTRUCTURE** (2017-2019)

May 2021). A generic EMPr for gas gazetted for implementation as

\*The Department of Forestry, Fisheries and the Environment (DFFE) was renamed in 2021, from Department of Environment, Forestry and Fisheries (DEFF). In June 2019, the DFFE incorporated the forestry and fisheries functions from the Department of Agriculture, Forestry and Fisheries into the Department of Environmental Affairs. DFFE is used throughout this article.

#### THE CSIR ENERGY RESEARCH CENTRE

The centre's growth plan responds directly to the challenges identified in the NDP by providing unbiased decision support to solve the long-term sustainable energy needs of South Africa.

## **S** energy

## DR CLINTON CARTER-BROWN: HEAD OF THE CSIR ENERGY CENTRE

Dr Carter-Brown has received worldwide acclaim for his work in energy systems, distribution electrical utility management, power system simulation, expansion planning, generation procurement and grid integration. As head of the technical unit in the South African Department of Energy Independent Power Producer Office, he oversaw the implementation of the internationally renowned Renewable Energy Independent Power Producer Procurement Programme (REI4P), as well as the Baseload Coal. Cogeneration and Liquified Natural Gas-to-Power IPP programme



#### Please share some achievements of the CSIR Energy Centre.

With the growing role of energy storage in the South African energy system, we are developing an "Energy Storage Test Bed" to provide a testing and demonstration platform for new and emerging energy storage technologies. We will thereby support the growing local energy storage industry and market. This test bed is being developed with VITO (Belgium) and the first equipment is due to be installed in early 2022. We are doing development work in offshore wind to start to evaluate the potential that this resource offers South Africa. This is an exciting new area of opportunity.

Several projects are underway looking at the prospects that green hydrogen presents South Africa, and the identification and support to initial projects. We are assisting the KfW (German development bank) in shortlisting high-potential green hydrogen projects to catalyse the local green hydrogen market. Furthermore, we are developing pilot-scale technologies in waste-heat recovery to assist the South African industry in the utilisation of waste-heat and thereby improve their competitiveness and reduce their environmental footprint. Our first pilot and demonstration technology are well progressed and due to be installed this year with an industry partner.

## How is the CSIR connected to the IRP?

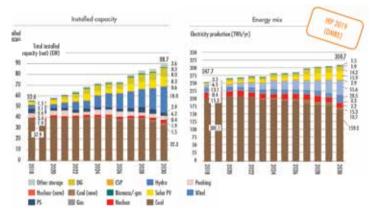
The CSIR has provided various comments on, and inputs to, the IRP processes with related formal submissions to NERSA and the DMRE. We have provided a range of perspectives to provide a science and fact/evidence-based analysis of the future power system expansion options. Our analysis confirms that the least-regret lowest net-cost power system will see the coal-fired power stations decommissioned as they reach end-of-life and replaced with a mix of energy supply options including solar, wind and natural gas. Our technical analysis of the future supply options has been complemented with an economic analysis of the related impact on jobs.

The studies show that the implementation of the IRP 2019 will see a reduction in coal-sector jobs as coal-fired power stations are decommissioned, but a net increase in jobs due to new positions created in the new-build sectors, predominately solar, wind and gas. This work is building on the CSIR research into the "Just Energy Transition" to ensure that the IRP is implemented in a manner that protects the communities that will be negatively impacted, and that the benefits in the job creation opportunities can be maximised.

## What are the long-term decarbonisation energy futures?

The CSIR has assessed a range of energy generation scenarios for South Africa to provide an evidence-based view of long-term power system expansion options. This includes the analysis of accelerated decarbonisation scenarios to assess the options, costs and impacts of the decommissioning of ageing coal-fired power stations.

The analysis confirms that South Africa is in a fortunate position to be able to transition to renewable energy sources as part of a least-cost power system. The cost increase due to accelerated transition is relatively low, as enabled by the considerable solar and wind resources in South Africa. Our analysis confirms that the future primary energy sources are expected to be solar and wind and complemented with energy storage and flexible energy supply and demand response.



Fact and evidence-based Integrated Resource Planning.

The electricity system will become the primary energy input to the transportation and heating sectors supporting the decarbonisation of the broader energy system. This will be achieved through the introduction of green hydrogen to decarbonise the "hard-to-abate" sectors and presents substantial export opportunity for South Africa to trade green hydrogen and green chemicals as produced using local renewable-based electricity.

## Please tell us about CSIR's work in the deployment of embedded generation in distribution grids.

We have been working closely with the GIZ [Gesellschaft für Internationale Zusammenarbeit] supporting local municipalities in the integration of embedded generation. This has included optimising their processes for the management of customer applications, and the technical criteria and analysis that are applied in assessing grid integration and compliance with related standards.

As part of our work, we have developed a solar PV procurement guideline to assist municipalities in the approach, criteria and processes to procure their own PV installations. This work has built on the CSIR's own experiences in the procurement, installation and operation of ground-mounted and rooftop solar PV installations on our Pretoria campus that have seen the CSIR reduce its energy costs and environmental footprint while also making a contribution to the supply of energy into the constrained power system.

#### PAUL LOCHNER: ENVIRONMENTAL MANAGEMENT SERVICES GROUP LEADER

Paul Lochner BSc (Civil Eng) MPhil (Env Science) is an environmental assessment practitioner at the CSIR. He has 29 years of experience in a wide range of environmental management studies: planning and assessment for renewable energy, electricity grid infrastructure, desalination, aquaculture, oil and gas, wetlands and coastal zone management, as well as industrial and port development. Lochner has been closely involved in the research and application of SEA in South Africa, in particular recent advances in SEA that have informed national legislative changes.



#### What is the CSIR's involvement with the REDZs?

Over the past eight years, the CSIR has conducted SEAs to improve the effectiveness of environmental planning for national wind and solar PV development. These SEAs led to the 11 REDZs being legislated. The over-arching objective of the REDZs is to identify extensive areas that are best suited to responsible wind and solar development, and then to facilitate more efficient development in those areas.

The CSIR's role was to conduct a holistic assessment that incorporated a full range of relevant aspects, such as availability of wind and solar resources, environmental sensitivity, agricultural land-use, heritage and landscape features, socio-economic development need, grid connection, and technical and engineering suitability. These SEAs were conducted on behalf of DFFE and other departments and state-owned enterprises, such as Eskom. The CSIR undertook this work in collaboration with the South African National Biodiversity Institute (SANBI).

For the REDZs to be effective, it is also essential that they are integrated with the national electricity grid planning. And the remaining capacity on the national grid is increasingly becoming a constraint to bringing new large-scale wind and solar PV projects online. Therefore, two SEAs were also conducted in parallel for the development of EGI. This led to seven EGI corridors being legislated.

An objective of the EGI SEA was to identify areas where grid expansion should be prioritised to best support renewable energy development. The corridors are designed to accommodate a range of plausible energy scenarios in terms of supply and demand. When positioning the power corridors, Eskom had to consider optimising connectivity with the REDZs and the avoidance of sensitive environmental areas, such as important conservation and bird areas.

These two SEAs are a unique approach to facilitating integrated energy planning in a way that promotes sustainable development, while seeking to eliminate inefficiencies in the development of key strategic infrastructure in South Africa.

### Please provide an overview of the SEAs.

The purpose of the SEAs was to facilitate integrated energy planning in South Africa in a way that is based on best-available information, brings together key stakeholders in a transparent process, and improves the quality of decision-making by the relevant authorities.

Each SEA was a very thorough process, conducted over two years, and included engagement with government authorities, state entities such as Eskom and Civil Aviation Authority, representatives of the wind and solar sectors, and NGOs such as Birdlife South Africa. We also conducted roadshows around the country to raise awareness about the study and source inputs from stakeholders.

The SEAs were designed to ensure that the outcomes could be converted into legislation. We didn't want the study to be a report that sits on the shelf. For the outcomes to be implemented, they had to be converted into legislation. The main legal outcomes were, firstly, the REDZs themselves, where the assessment process has been made more efficient. Given that the SEAs provided a pre-assessment of environmental and social impacts in these areas, a basic assessment is now required in the REDZs instead of a full scoping and EIA process.

A second outcome is that the decision-making time by authorities is reduced for applications for environmental authorisation for projects in these areas, given that the SEA has provided a level of prior consultation and pre-assessment.

South Africa is well-positioned to be among regional and global leaders in transitioning to an energy system, whereby renewable energy forms the primary generation. What are the strategic research and development initiatives that speak to technological innovation?

One of the big challenges in environmental impact assessment is to better understand the linkages between components of the socio-ecological system, and how changes in one sector manifest through the system. For many years, this lack of ability to present scenario and system impacts has been raised as a cause of poor decision-making on complex issues. Consequently, the CSIR is conducting a research programme to incorporate systems-thinking tools into the practice of impact assessment. As part of this research, we intend to conduct a pilot study that uses systems-thinking to assess and portray the strategic implications of South Africa using renewable energy to develop a green hydrogen economy, both for domestic use and export.

The systems-thinking research will link with the CSIR's current research into the potential for South Africa to optimise our abundant wind and solar resources to produce green hydrogen. Hydrogen production using electrolysis requires freshwater input. In coastal areas, there is opportunity to source water for green hydrogen from large-scale seawater desalination using reverse osmosis. These coastal desalination plants could be scaled to produce additional potable water for coastal metros and industrial zones. For the inland areas, there is potential for reverse osmosis of contaminated water (such as from mining) to provide the input water for the green hydrogen.

Renewable energy costs are decreasing and given that approximately 50% of the cost of seawater desalination is the energy input, the use of renewable energy to provide energy for these desalination plants is a significant opportunity. This opportunity is further supported by the economics of green hydrogen production where the costs of water desalination are a very small portion of the total costs. This provides an opportunity to oversize the water production which can support local water augmentation during periods of drought and water shortages.



## ABULELE ADAMS: PROJECT MANAGER FOR THE PHASE 2 REDZ SEA

Adams MSc (Geography) has been an environmental assessment practitioner at the CSIR since January 2014. She has worked on the national strategic infrastructure projects including the Phase 1 and 2 National Wind and Solar PV SEA, Electricity Grid Infrastructure SEA as well as the Square Kilometre Array SEA.



## The Phase 2 SEA identified areas best-suited for wind and PV development. What were the assessments based on?

The SEA identified areas based on the assessment of a wide range of opportunities and constraints.

## Opportunities

- · Availability of wind and solar resources
- Areas within 50km of projects selected in REI4P rounds 1 to 4b
- Areas within 50km of projects with an approved EA from DEFF
- Access to the electricity grid (substations and gazetted EGI corridors)
- Areas within municipalities with clusters of previously mined land (that could potentially be used for PV) and priority industrial zones.

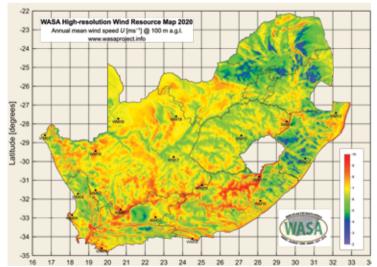
#### Constraints

- Environmental sensitivities, such as flora, terrestrial and aquatic biodiversity birds and conservation-planning priorities
- · Agriculture, landscape integrity and visual impacts
- Heritage including archaeology, paleontology and cultural heritage
- Civil aviation, including airfields and radar
- Defence
- · Telecommunication and weather services
- Square Kilometre Array radio-telescope and potential electromagnetic interference
- Noise impacts on sensitive receptors.

## Please tell us about the sensitivity maps and assessment protocols that were generated by the SEAs.

The sensitivity maps indicate areas within the REDZs that contain sensitive receptors that developers should avoid when constructing wind and solar PV projects. The aim is to encourage development to occur in areas with low sensitivity.

Another outcome of the SEA process was the gazetting of the assessment protocols. The protocols set out information requirements



Annual mean wind speed in m/s at 100m height above ground level as modelled by the Wind Atlas for South Africa project.

for theme-specific specialist reports. The need for the development of protocols arose because there was no standardised approach in South Africa for the assessment of impacts in specialist studies in Environmental Impact Assessments (EIAs). The following protocols were gazetted in March 2020:

- Agriculture for wind and solar photovoltaic developments
- Agriculture for all developments
- Avifauna
- Noise
- Defence
- Civil aviation

The terrestrial plant and animal species protocols were gazetted in October 2020.

#### How do REDZs affect localisation?

The SEA did not specifically consider localisation in the renewable energy sector in South Africa. A PhD study by Dr Stanley Semelane, Senior Researcher, CSIR, is relevant. His study evaluates available PV business opportunities in coal phase-out regions: *An energy transition case of Steve Tshwete Local Municipality in South Africa*.

Our CSIR analysis of the jobs impacts of the national power generation expansion plan (the IRP 2019) confirms that while there will be a reduction in jobs in the coal-mining sector (as ageing coal-fired power stations are decommissioned), there will be a net increase in jobs in the wind, solar and natural gas new-build deployment. The just energy transition presents considerable opportunity for renewable energy technology localisation and economic growth. The transition will need to be carefully managed to mitigate the impacts of the coal phase-out in Mpumalanga.

## Why is the declaration of Emalahleni as a REDZ viewed as important for the just transition?

We did the SEA that led to the Emalahleni REDZs in 2017 to 2019, and since then there have been some significant new initiatives that should be incorporated. The Emalahleni REDZ is currently only for solar PV, and not wind. We would like to further refine this REDZ by assessing impacts related to wind turbines and adding the sensitivity mapping for wind energy, and potentially expand the boundary of the REDZs to consider recent "pull factors" for renewable energy such as the access to grid infrastructure where coal power stations are planned to close and the increased demand for renewable energy in the Secunda area.

As part of our work, we have developed a solar PV procurement guideline to assist municipalities in the approach, criteria and processes to procure their own solar PV installations.

### ROHAIDA ABED: ENVIRONMENTAL ASSESSMENT PRACTITIONER

Abed has 10 years of experience in environmental management. She is conducting environmental assessments for port infrastructure, bulk liquid storage facilities and renewable energy. Abed has been involved in screening studies, applications for amendments to environmental authorisations and management programmes, legislative reviews and specialist studies. She was the project manager for the gas pipeline and electricity grid infrastructure expansion SEA (Phase 2).



## Please give an overview of the environmental management programmes that guided the construction of the electricity grid infrastructure.

One of the outcomes of the 2016 EGI SEA was the compilation of generic EMPrs for the development of overhead electricity transmission and distribution as well as substation infrastructure. These EMPrs were gazetted for implementation in March 2019 and are intended to be used as part of the environmental assessment process for EGI-related activities that trigger the need for an environmental authorisation.

The EMPrs pre-approve generally accepted outcomes that can be used for the management of impacts associated with the development of EGI. The generic EMPrs improve efficiency and reduce the need for the environmental assessment practitioner to prepare, and the competent authority to review individual EMPrs for such applications. Provision is made in the generic EMPrs to capture any site-specific impact management actions that may need to be included.

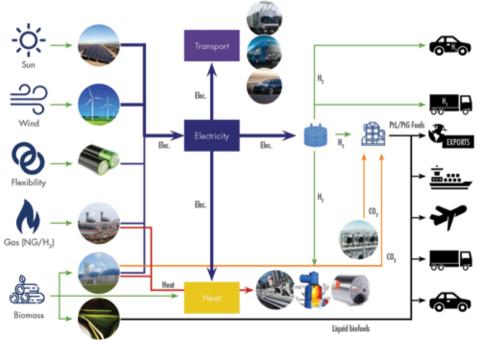
## The SEA in 2017-2019 led to the gazetting of two extended power line corridors and nine gas transmission pipeline corridors this year. Please tell us more.

The SEAs aimed to address the challenges and delays around obtaining environmental approvals for gas pipeline and EGI by developing a streamlined environmental assessment and decision-making process, while ensuring the highest level of environmental protection.

The SEAs identified and pre-assessed corridors that are best suited for gas transmission pipeline and EGI development from an environmental sensitivity and engineering constraints perspective. The gazetting process concluded in 2021, resulting in 100km-wide corridors wherein a basic assessment process is permitted for such energy-related infrastructure development, as well as a reduced 57-day decision-making time (instead of 107 days).



A generic EMPr for gas transmission pipelines was also developed that provides a pre-approved template for the environmental assessment, with the aim of improving efficiency and assuring best-practice management measures are captured in sufficient detail.



Possible future: Hypothetical energy-flow diagram (Sankey) for South Africa's future energy system.

The CSIR has assessed a range of energy generation scenarios for South Africa to provide an evidence-based view of long-term power system expansion options.

To date, the DFFE, through the CSIR and SANBI, has successfully undertaken several national-scale SEAs for the renewable energy, freshwater and marine aquaculture, EGI, shale-gas development, natural-gas pipelines and the Square Kilometre Array radiotelescope. The series of SEAs conducted by the CSIR has become a benchmark for strategic environmental assessment, both nationally and internationally. This is evidenced by CSIR, DEA and SANBI receiving an international award in May 2018 from the International Association for Impact Assessment for advancing SEA in South Africa.

## S oil and gas

# SA's oil and gas guardian

Government has designated Petroleum Agency SA (PASA) as the custodian of South Africa's oil and gas resources. Its mandate is to attract investment to South Africa's upstream industry and to regulate the activities of oil and gas explorers and producers in our country. Service Magazine interviews Dr Phindile Masangane, CEO of PASA.

## What is the thrust of PASA's new five-year strategy?

The Agency has identified five new strategic objectives below to enable it to effectively deliver on its mandate by capturing the opportunities being presented by the changes in the environment as well as ensure that the Agency overcomes the challenges that it faces.

These are:

- Increasing exploration activity to move the industry from a predominately exploration phase to a development and production phase.
- Sustainability to ensure the company has sufficient financial and human resources to carry out its responsibilities into the foreseeable future.
- Advocacy to provide input into policy and regulations that impact the industry we regulate.
- $\bullet$  Digital transformation to adopt new, more efficient technologies.
- $\bullet$  Operational excellence to ensure efficiency of our process.

These five strategic objectives will position the Agency as a strategic entity of government in its goal of diversifying the energy mix and developing the domestic gas market, embracing digitisation and automation to improve efficiency, rising to the requirements of the new legislation and finding a place in the global transition towards a low-carbon future.





## Please describe the changes that are happening internally at PASA and in the industry, and why these changes are necessary to move forward.

The Agency has been restructured internally in line with the new strategy. IT has been elevated beyond its former role as a support function, to drive the company's digital transformation. In addition, the Agency will now have a communications and stakeholder engagement function to respond to the negative perception about the oil and gas industry. South Africa's energy mix is coal-dominated therefore gas is a transition fuel to a cleaner energy future.

## With a strong international focus on decarbonisation, what is PASA's position on the continued exploitation of fossil fuels?

The transition to cleaner fuels and renewables is inevitable if the world is to reduce the negative impact of climate change. South Africa is a signatory of the Paris Agreement and has committed to a "Peak-Plateau-Decline" carbon emission trajectory. The government policy is to diversify the country's energy mix, which is currently coal-dominated, to a lower-carbon future by introducing proportionately higher renewable energy resources such as wind and solar, into the energy mix as well as gas-to-power.

Gas burns with less than half the CO2 emissions from coal and additionally has no sulphur oxide emissions. It is thus a suitable transition fuel towards a lower-carbon economy for South Africa especially since gas-to-power technologies are flexible and would complement the intermittent renewable energy being added to the national grid.

## What conditions are contributing to the sense that the market for gas in South Africa is set to grow exponentially?

The two recent world-class discoveries on our South Coast places South Africa at pole position to be a notable gas-producing country. Once indigenous gas becomes available, it becomes much easier for the domestic gas market to develop including beneficiation of the gas to chemicals.



#### Is there international interest in South Africa's oil and gas resources?

Definitely - you need only take a look at the exploration map on our website [www.petroleumagencysa.com]. You will see international companies such as Total, Shell, ENI, Kosmos, Africa Energy Corporation, Azinam, Impact Oil and Gas, CNR, Qatar Petroleum, New Age and others all hold interests in our exploration acreage. In addition, we have agreements in place with international service providers to acquire seismic data.

Please outline the implications of the passing of the Upstream Petroleum Resources Development Bill by the South African parliament: does it provide greater certainty to investors? Is the link between exploration rights and development rights made clear?

Oil and gas exploration and production is currently regulated under the Mineral and Petroleum Resources Development Act, 2002 (MPRDA). The Bill will repeal and replace the relevant sections pertaining to upstream petroleum activities in the MPRDA.

The Draft Bill therefore provides greater policy certainty and a stable environment for investment in the South African oil and gas sector. The Bill provides security of tenure by combining the rights for the exploration, development and production phase under one permit.

What changes are envisaged in the amendment to the National Environmental Management Act of 1998 (NEMA)? How will these changes affect environmental compliance?

The National Environmental Management Laws Amendment Bill, which was revived in June 2020, proposes various amendments to

The two recent world-class discoveries on our South Coast places South Africa at pole position to be a notable gas-producing country.

the National Environmental Management Act, 1998. Proposals that may positively impact upstream petroleum operations include the provisions empowering the Minister responsible for mineral resources to delegate a function entrusted to him in terms of the Act to any organ of state and designate, as an environmental petroleum inspector, any staff member of any other organ of state that executes a regulatory function.

The Minister in this regard may delegate certain competent authority functions to the Petroleum Agency SA, which may improve the turnaround timelines for making decisions on the environmental Authorisation (EA) applications. Furthermore, designating staff members of the Agency as environmental petroleum inspectors means that all compliance monitoring and enforcement functions prescribed in the Act, as far as upstream petroleum operations, would be efficiently executed.

Follow PASA on Twitter - @sa\_petroleum.

## **PASA CEO**

Dr Phindile Masangane was appointed as the CEO of the South African upstream oil and gas regulatory authority, Petroleum Agency SA, in May 2020. Before then, Dr Masangane was an executive at the South African state-owned energy company, CEF (SOC) Ltd, which is the holding company of PASA.

Dr Masangane was responsible for clean, renewable and alternative energy projects. In partnership with private companies, she led the development of energy projects including the deal structuring, project economic modelling and financing on behalf of the CEF Group of Companies. Her responsibilities also included supporting the national government in developing energy policy and regulations for diversifying the country's energy mix.

An alumnus of three universities, Dr Masangane has a BSc (Mathematics and Chemistry) from the University of Swaziland, a PhD in Chemistry from Imperial College, London and an MBA from the University of the Witwatersrand.



## **PROFILE: PETROLEUM AGENCY SA**

PASA has successfully attracted major explorers to South Africa and facilitated the acquisition of many new large seismic surveys and some exploratory drilling, through a period affected by legislative issues and a major oil price crash. The company has grown from an organisation of about 25 staff members

to 85 today and is held in extremely high regard by the local and international oil and gas industry that it serves.

PASA evaluates, promotes and regulates oil and gas exploration and production activities in South Africa and archives all relevant geotechnical data. The Agency acts as an advisor to the government and carries out special projects at the request of the Minister of Mineral Resources and Energy.

PASA plays an important role in developing South Africa's gas market by attracting qualified and competent companies to explore for gas. Another major focus is increasing the inclusion of historically disadvantaged South African-owned entities in the upstream.

Currently, natural gas supplies just 3% of South Africa's primary energy. A significant challenge facing the development of a major gas market is the dominance of coal. Opportunities for gas lie in the realisation of South Africa's National Development Plan (NDP) and the Integrated Resource Plan (IRP).

## **S** development

## MIND THE GAP

For Africa to attain levels of economic growth that uplift its populations, a much higher integration between nations, regions and the continent is needed. MINDS was established to rekindle the spirit of African solidarity and to evolve perceptions of Africa within the global context. *Service* spoke to the institute's founder, **Dr Nkosana Moyo**.



## Dr Moyo, please tell us more about the Mandela Institute for Development Studies (MINDS).

MINDS is a Pan African think tank conceived to fill a perceived gap in exploring the reasons underlying Africa's apparent failure to finding solutions to its development challenges. The platform is used to convene Africans of all persuasions to take part in dialogues based on research and come up with proposals to improve policy formulation and implementation. The key element in the MINDS philosophy is that while Africans should be open to learning from other continents' experiences, there should be a clarity that learning is not the same as copying and pasting.

The pillars of MINDS' operations are a) Africanness b) the youth and c) economic integration.

## We believe the youth should use their demographic superiority to determine the relationships with the rest of the populations of the continent.

We, at MINDS, hypothesise that unless Africa bases its development efforts on the traits of Africanness, its efforts will be in vain. Just as modern Japan is different from modern France or Germany and these are different from modern USA and the United Kingdom, Africa has to base its modernity on its idiosyncrasies rather than on copying other people.

Given the demographics of the African continent, we at MINDS believe there can be no version of the future that is not fundamentally and intimately grounded on the youth of the continent. The twist in the MINDS approach, however, is that we do not take the view that the current system should create room for the youth. We believe the youth should use their demographic superiority to determine the relationships with the rest of the populations of the continent. They, the youth, should take responsibility for creating the future that they would like to see, a future that will work for them.

We think the imperative for economic integration of the continent is a self-evident issue. No matter the challenges of globalisation, economies of scale based on comparative advantage matter. It must follow, then, that an integrated African economy that offers significant economies of scale is a *sine qua non* of any offering that can deliver real prospects for the continent's development.

## Please provide an overview of your thoughts on how Africa can emerge stronger after the coronavirus pandemic.

For those of us with curious minds, the Covid experience has been very instructive. Quite a few lessons are there for the world, and Africa specifically, if we are open to learning. It has been a lesson in the adage that need is the mother of invention. There are also specific opportunities that have become available if one believes there is no cloud without a silver lining or that when one door closes another one will open.

The challenges around supplies for dealing with Covid-19, arising out of the global over-concentration of manufacturing in China has been a reminder of some basics in risk management. We have all heard about not putting all your eggs in one basket. Africa has an opportunity to offer itself up as an additional basket in the creation of a better structured distribution of global facilities in the value chain of manufacturing.



"It is my hope that the Mandela institute for Development Studies (MINDS) will make a real difference in the resolution of the challenges that confront Africa through a vibrant and robust debate, interrogating current paradigms, and offering new approaches."

Former President Nelson
 Rolihlahla Mandela

The realisation of this opportunity, however, depends, as one might expect, on Africa doing a few things to make itself fit for purpose. The necessary and appropriate infrastructure would have to be put in place. A better integrated African economy would have to be made a reality, rather than just being spoken about. The integrated economy would offer better economies of scale at the "domestic" market level and hence create a platform for global supply at scale.

# Excellence by Africans in the African space is a critical component of imbuing the youth with confidence in themselves.

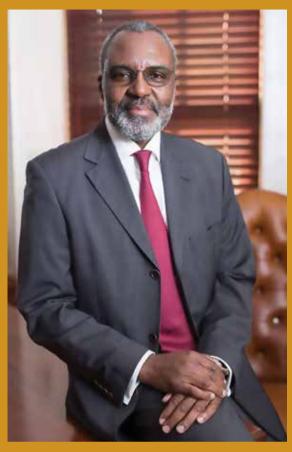
Additionally, Africa would have to better understand how to manage prices through competition rather than through legislation. The continent would also have to get comfortable with hosting rather than owning investments. These two perspectives on investment would produce an environment much more likely to attract global private capital, which currently has truly little opportunity for attractive returns, especially in the more industrialised countries. Given the heavy Covid-related expenditures in these economies, the policymakers are unlikely to move interest rates upwards anytime soon. This creates a window of opportunity for Africa to offer more competitive investment opportunities even after factoring in the inevitable risk premiums.

You have said before: "Let us not perpetuate the lack of belief in self for our children through poor performance. Rather let us create the environment for pride and belief in self through setting high standards of service delivery by all those we put in positions of responsibility." Please elaborate on this.

Belief in self, or confidence, results from acknowledged achievement. This achievement can be a personal, team, societal or country achievement. When one sees success by those one identifies with, it is easy to see why this would normally lead to a belief that one can also be an achiever. In other words, role modelling is easier in these circumstances.

The other characteristic of achievement is that it creates pride in, and identification with, the achiever. This can be observed in sports. When a country's sports individuals or teams do well, the population has pride and appropriates the achievement. Africa's less than acceptable performance in the management of its affairs is a big hindrance to our youth really believing in themselves.

If their lived reality is that most, if not all, aspects of their experiences of African institutions are unpleasant and suggestive of underperformance, then we cannot



#### **BIOGRAPHY**

Dr Nkosana Moyo, a national of Zimbabwe, founded MINDS in 2010. He holds a PhD in Physics from Imperial College, University of London, and an MBA from Cranfield School of Management, UK. Dr Moyo served as an advisory board member of the London Business School as well as the School of Oriental and African Studies, University of London.

Until August 2011, Dr Moyo was the vice president and chief operating officer of African Development Bank (AfDB). Before joining AfDB, he worked at Actis Capital LLP as managing partner for the African business and served on the boards of several companies.

Dr Moyo was the Minister of Industry and International Trade of Zimbabwe in 2000. He was the co-chair of the World Economic Forum African Regional Agenda Council, was a founding trustee of the Investment Climate Facility and is on the Board of the Africa Leadership Institute.

expect them to get positive energy from that. It is important for us to understand that excellence by Africans in the African space is a critical component of imbuing the youth with confidence in themselves. Africa is losing its competent human capital to other societies because we are not seen as celebrating and rewarding merit.



# South Africa's efforts to tackle joblessness can be more effective: here's how

Youth unemployment is one of South Africa's most intractable challenges, made worse by Covid-19. Prior to the pandemic, the unemployment rate (including people who had given up looking for work) was just under 70% for people aged 15 to 24.

ade people o 24.

By Lauren Graham, Ariane De Lannot and Leila Patel

A year later the rate had increased to 74% – despite government investments. It is crucial to understand what interventions are working. But how do we evaluate whether youth employment programmes are successful, particularly when unemployment is caused by the structure of the economy?

The obvious answer is whether a programme results in a young person getting employed. This is logical and easy to measure. It can easily be linked to the release of funding to programmes. And it allows for programmes to be compared. This was done in a systematic review of 113 programmes internationally.

However, as we have explored in several recent studies, there are many drawbacks to relying solely on job placement as an indicator of successful intervention. Doing so misses out on outcomes that are equally important, or more so, amid high structural unemployment. These lessons are particularly important in economies that have been severely affected by the Covid-19 pandemic, where youth employment recovery will take time.

## Inadequate measure of success

We make this argument based on a number of studies. The first looked at long-term employment outcomes of 1 892 youth between 18 and 25 who participated in youth employability programmes over the period 2017-2018. These are programmes run by NGOs, business and the state. They typically include technical and soft skills training.

The proportion of participants who found jobs and stayed in them over time was just 28% – somewhat better than a matched sample from the quarterly labour force survey data, but still low. But we also found evidence that programmes had other important outcomes. These included a continued positive orientation to the labour

market, as well as improved self-esteem and self-efficacy – important attributes for managing the protracted transition to work in a low-growth economy.

The second involved analysis of the quarterly labour force survey and general household survey data to understand the nature of young people not in employment or in education and training. It found that while many such youth have never worked, a significant portion find themselves in and out of work without making much longer-term progress.

No matter how well a programme trains and supports a young person, if there are limited jobs, young people are unlikely to be employed.

The third study draws together several qualitative studies conducted in the past 10 years. It shows that young people are frustrated by the constant cycle of finding and taking up training and employment opportunities, without making progress towards a longer-term career.

Together, these studies show that job placement alone is an insufficient goal and measure of the success of youth employability programmes. Four reasons for this argument emerge from these studies.

First, job placement says more about demand than supply. A young person's ability to find a job does not depend only on their skills but also on whether the labour market is creating sufficient demand for employees. No matter how well a programme trains and supports a young person, if there are limited jobs, young people are unlikely to be employed.

Second, if a programme is getting young people into jobs even though job numbers are not growing – as in South Africa – these placements may be

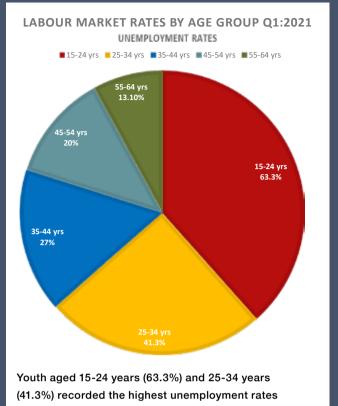
There are several drawbacks to relying solely on job placement as an indicator of successful intervention.

e call on society to play your part in availing opportunities for our youth, to ensure an inclusive and transformed society. We cannot ignore our youth dividend if we are to see our society progress. Therefore, all of us must play our part in creating an inclusive society, which allows engagements, improves the mental health of youth and persons with disabilities, and increases access to economic opportunities for the youth.

"Government recognises the power and ability of the youth. We therefore continue to invest in youth development programmes through agencies such as the National Youth Development Agency (NYDA) to bring positive changes to the lives of the young people of our country. The NYDA recognises challenges faced by the youth better and recognises the potential that the young people possess. It is for this reason that the agency continues to implement programmes that bring change to the lives of our youth.

"Furthermore, the Presidency, working with the Department of Women, Youth and Persons with Disabilities, continues to work across government and private and social partners to coordinate and drive an integrated plan to create two-million new jobs for young people during the next decade, over and above average job growth. Young people hold the key to transforming our economy, boosting growth and fostering social cohesion, creativity, and innovation.

"The Presidential Youth Employment Intervention is government's plan to address this challenge. It is designed to effectively transition young people into the labour market, aiming to significantly reduce the high rate of youth unemployment. It is our aim to transform society and build a country filled with opportunities for the youth.



"We want to encourage young people to seek entrepreneurial and skills opportunities. We believe that with the available opportunities, young people can become job creators and not only become job-seekers."

 Youth Month keynote address by Minister Nkoana-Mashabane in the Presidency for Women, Youth and Persons with Disabilities, 1 June 2021

at the expense of other work seekers. Individual programmes can get people into jobs while the overall youth unemployment rate stays stagnant or rises. In the context of a rapidly contracting economy in the Covid-19 era, this is a particularly important argument against job placement as the only measure of a programme's success.

Third, using this single indicator takes attention away from longer-term pathways towards sustainable livelihoods. Many jobs in South Africa, especially at entry level, are insecure, part-time or casual. There is a risk of disregarding whether a job is decent and has prospects for learning and career development.

Young people typically do not stay in jobs. This is either because the job is not a good fit or is for a short term only. Other barriers, such as transport costs, also account for why they are unable to stay in jobs.

Qualitative and quantitative evidence shows that young people find jobs that are typically short-lived, before having to look again for their next placement. Policymakers should consider whether these short-term experiences add up to something longer term – or there is a risk of perpetuating the cycle of underemployment.

Finally, and perhaps most importantly, evaluating programmes on the basis of job placement alone underestimates the multidimensionality of poverty. Evidence repeatedly shows how many barriers and challenges young people face as they leave the education system and begin to find their way towards a job, and perhaps even a career.

These barriers are not only related to the labour market or education system. They also include issues such as food insecurity, income poverty and care responsibilities, among others. Each of these limits the ability of young people to look for work. These interrelated challenges influence young people's ability to take up training or job opportunities. Taken together, these challenges require far more intensive support than simply training and placing a young person in a job.

## youth

### Alternative approaches

It is crucial that funders, policymakers and programme developers invest in more intensive support that can help young people meet the challenges they face in seeking work. They must also insist on measures beyond job placement as indicators of success. International evidence bears this out. It shows that across 113 programmes reviewed, multidimensional programmes that seek to provide more comprehensive



support to youth are more effective than those that offer training only. They are particularly successful when they target the most vulnerable youth.

Further, our research recognises the crucial contribution such programmes play in keeping young people connected to opportunities, and reducing social exclusion and social drift. This is when young people become increasingly disconnected from the labour market, training opportunities and positive social inclusion, which in turn can have negative consequences on mental health.

Given this evidence and the fact that South Africa is facing a stagnant economy for some time, it is crucial that funders, policymakers and those working on youth employment interventions evaluate and invest in programmes based on their ability to keep young people positively oriented towards the labour market. The programmes should help improve their employability, even if the young participant is not yet able to find an actual job. Outcome indicators that can more adequately measure these factors include enhancing job-search resilience, promoting self-esteem and self-efficacy, and reducing discouragement.

## Evaluating programmes on the basis of job placement alone underestimates the multidimensionality of poverty.

There are ample reasons to move away from evaluating employability programmes based on employment outcomes alone. Rather, a range of indicators should be

used to track whether young people remain engaged, believe in themselves and keep trying to find a job. This, while developing the personal attributes that will make them attractive to future employers.

Each of these outcomes is more difficult to measure than a simple count of job placements. But it is not impossible.

Lauren Graham is associate professor at the Centre for Social Development in Africa, University of Johannesburg. Ariane De Lannoy is Senior Researcher: Poverty and Inequality Initiative, Southern Africa Labour and Development Research Unit, University of Cape Town. Leila Patel is professor of Social Development Studies, University of Johannesburg.





## Ashalia Maharaih

## Founder & CEO

Sivuka Youth



Sivuka is a youth-training small business driven toward transformation in South Africa through pragmatic, human-centric interventions.

#### What is Sivuka's objective?

We empower individuals to navigate their life and careers and make decisions by first gaining a deeper understanding of who they are so they may make a deeper impact in their communities and organisations.

### Your primary focus is self-mastery. Why?

To impact the world we must first crucially understand ourselves. Specifically for our South African youth, we must help them acclimatise to the working world and to understand their new environment and the role they play.

## How so?

A systems approach: in work we see young people that are placed in jobs struggle to perform, and not due to a lack of training - but based on our research, it is due to the type of development interventions: how the young hire is integrated into the workforce.

For example, young people are paired with managers that have certain preconceived expectations of the young hire. However, given the pervasive systemic barriers that our history leaves us with, that young person may not even be aware of their "non-performance", nor do they have the self-awareness or communication skills to identify and articulate their gap areas and ways to address this with their manager. This leads to massive frustration for the manager and the employee.

So, we not only need to develop the young person's self-awareness and communication skills we also need to develop the support system within organisations for deep and long-lasting systemic change and upliftment.

#### What is your philosophy?

Our philosophy is simply self first. We nurture, hold space and allow the development of a young person and their support system so that real behavioral shifts can take place. Our backbone is encouragement.

# Restricting digital media is a gamble for African leaders

Covid-19 pushed much of the world into the digital realm for everything from schooling and work to religious worship and dating. At the same time, many governments were turning data connections off. Full or partial shutdowns of the Internet and social media are increasingly common parts of the "digital authoritarian" toolkit.

By Jeffrey Conroy-Krutz, Associate Professor of Political Science, Michigan State University

Many leaders seem threatened by the way digital media makes it possible to share information and organise. Research shows that 2020 saw 156 full or partial shutdowns of the Internet or social media like Facebook, Twitter and WhatsApp. South Asia accounts for almost three quarters of these shutdowns, with India leading the way.

Africa was the next most affected region, with 20 shutdowns affecting 12 countries. Disruptions lasted from as short as a day or less, in Burundi, Egypt and Togo, to nearly 90 days in parts of Ethiopia's Oromia region. A recent blockage of social media in Chad lasted for more than a year. And 2021 has seen shutdowns in Niger, Senegal and Uganda.

Governments have given varying justifications for these moves. These include: combating hate speech and fake news in Chad and Ethiopia, suppressing violence in Sudan, and preventing exam cheating in Algeria and Sudan. Disruptions in Mali in 2020 coincided with anti-government protests, while shutdowns were timed around elections in Burundi, Guinea, Tanzania and Togo.

In some cases, official reasoning has shifted over time. When Uganda shut down digital media surrounding its January 2021 elections, foreign affairs minister Sam Kutesa initially said the move was retaliation for Facebook's and Twitter's actions against government accounts. Investigations had alleged the government was behind "coordinated inauthentic behaviour" using fake accounts to spread disinformation and intimidate the opposition. After the election, however, Kutesa said the move was "a necessary step to stop the vitriolic language and incitement to violence".

#### Views on digital media limits

Online commentary usually harshly criticises these shutdowns. But these posts are not necessarily representative of general public opinion in affected countries. To get a sense of broader opinion on these issues, we analysed data from Afrobarometer. This is an independent African research network that conducted nationally representative surveys in 18 countries in 2019/20. About 27 000 Africans participated in these surveys.

A larger share of respondents supported access to digital media. When given a choice between two statements, 48% agreed that "unrestricted access to the Internet and social media helps people to be more informed and active citizens and should be protected". Only 36% agreed that "information shared on the Internet and social media is dividing (our country), so access should be regulated by the government".

Majorities in 10 countries supported unrestricted access. Support was highest in Cabo Verde (64%), Gabon (63%), Côte d'Ivoire (63%) and Nigeria (61%). Majorities supported regulation in only three countries: Mali (53%), Ethiopia (53%) and Tunisia (59%).



Research shows that 2020 saw 156 full or partial shutdowns of the Internet or social media.

# How Covid-19 is likely to slow down a decade of youth development in Africa

Until Covid-19 hit, the quality of life of youth (age 15-24) in Sub-Saharan Africa had been steadily improving. According to the World Bank, by 2019 the youth literacy rate stood at 73%. Gross secondary school enrolment rates increased from 13% in 1971 to 43% by 2018. Youth unemployment rates have remained stable, at around 9%, even below the world average of 13.6%.

By Wim Naudé, Professor of Economics, University College Cork

Across Sub-Saharan Africa, extreme poverty among young workers declined from 60% in 1999 to 42% in 2019. Moreover, the youth literacy gender parity index, measuring the ratio of females to males aged 15-24 who can both read and write, has improved significantly, reaching 93% in 2019. And for the first time, the unemployment rate of young women is similar to that of young men (9.4%).

As an economist interested in entrepreneurship and technological innovation, I recently contributed to the UN's 2020 World Youth Report. Chapter 4 of the report concerns how the youth can leverage new digital technologies for social entrepreneurship to advance sustainable development. Though written before the Covid-19 pandemic, the message may have become even more urgent. This is because Covid-19 may slow down or even reverse the positive trends in youth development noted.



There are fears that the pandemic will result in a lockdown generation, characterised by structurally higher youth poverty and unemployment. Lockdowns, by slowing down the spread of the disease, generate benefits that "accrue disproportionately to older households". But, the costs of reduced economic activity are disproportionately born by younger households. They bear the "brunt of lower employment".

## Reinforcing inequalities

Younger people, especially young women, are more intensively employed in sectors such as hospitality and entertainment. About 80% of youth jobs in Sub-Saharan Africa are in the informal sector. These sectors – hospitality, entertainment and informal – have been among the worst affected.

Lockdowns also interrupt schooling and education. In one calculation, this could generate global future

"learning losses with a present value of US\$10-trillion". The closure of schools will reinforce social and economic inequalities and exclusion.

Youth from more well-off households may be less affected, for instance in having access to private Internet and laptops.

While these impacts are troubling everywhere, in Africa they are magnified due to the high rate (21%) of youths who were already not in employment, education or training before the pandemic struck.

## Youth entrepreneurship

With formal employment growth sluggish at the best, countries are pinning their hopes on entrepreneurship. But entrepreneurship support policy remains

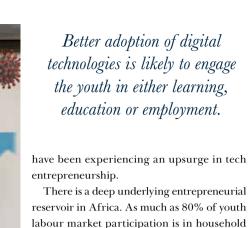




With the world's youngest population at a time of unprecedented innovations in digital technologies across the world, the African continent has a unique opportunity. It has two key advantages: digital savvy and a willingness to take risks.







## Digital entrepreneurial ecosystems

20% in standard wage employment.

Youthfulness itself should not be a serious liability for entrepreneurship any more. Given the scarcity of resources on the continent, turning potential into reality and best addressing the market failures mentioned will require countries to prioritise investment in, and regulation of, their digital entrepreneurial ecosystems.

enterprises or as self-employed activities; only

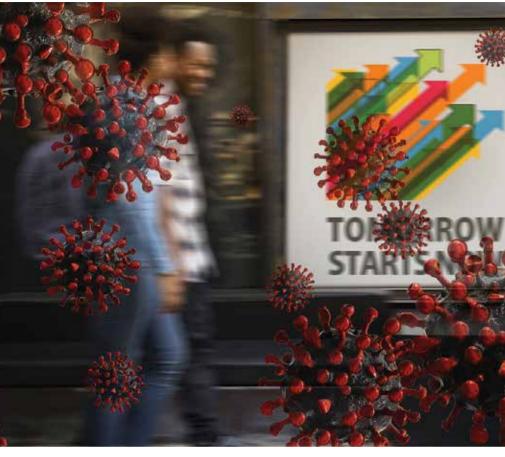
It will require redoubling efforts to expand access to new digital technology and infrastructure, including the data needed on which to build new products and

services. It will also require investing in information and communications technology skills – fixing market failures in provision of public goods and education.

Increasing digital absorption in this way will pay good dividends. As I argued in the UN's 2020 World Youth Report: consider for instance, that countries that do better to absorb digital technologies also tend to have a lower share of youths not in employment, education or training.

The direction of causality between digital adoption and utilisation of the youth is likely bi-directional. Better adoption of digital technologies is likely to engage the youth in either learning, education or employment. Better engagement of the youth is likely to lead to faster adoption of digital technologies – propelling a virtuous cycle.

With the Covid-19 pandemic threatening to halt a decade of progress in youth development in Africa, at a minimum a three-pronged approach is now urgent. This entails bridging the digital divide, and investing more in youth education in the information and communications technology and science, engineering and mathematics fields. It also requires building digital entrepreneurial ecosystems.







a notoriously complex topic. This is especially true when it comes to young people. Younger entrepreneurs are on average more likely to fail, and older entrepreneurs' firms on average perform better. This is often due to market failures. Banks do not have information about the quality of younger entrepreneurs (who often lack collateral). In education, meanwhile, the market will under-supply in the absence of subsidies.

Where these market failures are prevalent, the youth may fail to obtain finance for their ventures or accumulate enough skills. Supporting youth entrepreneurship would, therefore, require not policies to focus exclusively on entrepreneurship per se, but to fix market failures elsewhere in the system.

The benefits of catalysing youth entrepreneurship could be huge in Africa. With the world's youngest population at a time of unprecedented innovations in digital technologies across the world, the African continent has a unique opportunity. It has two key advantages: digital savvy and a willingness to take risks.

Young people may have a comparative advantage in adopting new digital technologies. Many African countries have not only leapfrogged in the adoption of mobile communication tech, but



## Living lekker locally

Proudly South African turns 20 this year. The company was born out of the 1998 Presidential Jobs Summit convened by the late former President Nelson Mandela, and its existence is informed by the socio-economic agenda of the country. Service Magazine speaks to CEO, Eustace Mashimbye, about localisation, the strategy at the core of government's economic recovery.



## Congratulations on 20 years of success. Please share Proudly SA's milestones over the years.

Since 2016 when I became CEO and this board came in, we have worked hard at repositioning the campaign. This included reviewing the entire membership value proposition and as a result we adjusted the fee structure significantly, starting at only R500 per annum for SMMEs with a turnover of under R5-million per annum, rising to a

maximum of R100 000 for large corporates with a turnover of R100-million and above.

We introduced a tender monitoring system that monitors all tenders and Requests for Quotes issued by any government entity for items that are designated for local content (procurement) under the terms of the Preferential Procurement Policy Framework Act (PPPFA). We are also able to alert members in those sectors who qualify to tender for these procurement opportunities.

We are finalising our integration with the National Treasury's Central Supplier Database, which means that any member wishing to do business with government will automatically be entered on to the Central Supplier Database by virtue of having been "vetted" by Proudly SA.

We launched our online shopping and e-commerce platform www.rsamade.co.za in 2018, a site exclusively for Proudly SA member companies to list and sell their products.

We work extremely closely with the dtic and have been part of the formulation and/or implementation of several sectoral masterplans (poultry, sugar, retail, clothing and textiles, among others).



"Strengthening the economy in a society with significant legacy challenges and deep levels of inequality requires extraordinary measures. Growth requires deeper inclusion so that our base of enterprise is widened. If we are to develop the national consensus on growth that we urgently need, and the sense that we are in this together, it needs to be based on communities, the unemployed, workers, black entrepreneurs, women, young people and the rural poor seeing a path to jobs and prosperity." Minister of Trade, Industry and Competition, Ebrahim Patel, at the **Black Business Council Annual Summit,** 3 June 2021



#### What is Proudly SA's mandate?

Our mandate is to drive up levels of local procurement in the public sector by driving compliance levels with the PPPFA. We work with corporate South Africa to encourage a greater uptake of local goods and services through entire supply and value chains. We also have consumer awareness campaigns including a television commercial shot during lockdown last year, starring Dr John Kani, called *Game Time*.

## How does Proudly SA's advocacy align with government's objectives?

Government's objectives are to reduce inequality, poverty and unemployment. Proudly SA works actively to promote local procurement as a means of creating jobs, which in turn, assists in alleviating the other two.

#### What are the current focus areas for Proudly SA?

Proudly SA will be launching a new consumer campaign midyear, called Living Lekker Locally. It illustrates a day in the life of an average South African who can eat, drink, wear, consume, read, watch, listen, drive, etc using only Proudly SA member company products. From cosmetics and toiletries to cars, cell phones, garden equipment and much more. We aim to illustrate how easy it is to support local.

## Why buy local?

Buying locally grown, produced and manufactured goods and services means that we are creating jobs in South Africa. If we buy imported goods, we export jobs. Buying local also ensures that the rands we spend remain in circulation in the country, contributing to the fiscus and greater economic growth.

## How is localisation a driver of economic growth?

Essentially, it creates jobs, which means more economically active citizens who spend their money on goods. It grows the tax base. A higher demand for locally made goods



"We must launch joint efforts towards an economy that creates jobs; towards a society that cares by helping the unfortunate in its ranks to help themselves."

Former President Nelson Mandela, Opening of Parliament, 6 February 1998

and services leads to the growth of companies and more investment – it is a virtuous economic cycle.

#### How is local content applied?

As far as membership of Proudly SA goes, at least 50% of the content must be incurred locally. Although we acknowledge that some components of certain items are imported, at least 50% of the cost of assembly or final cost of producing the item must have been incurred here in South Africa.

## Do you advocate export for South Africa?

If a company is export-ready and has a product that meets international standards, we are delighted to encourage export and flying the South African flag overseas. Promoting exports is not part of our mandate, however, as our focus is on domestic consumption.



"We have to step up our efforts not just to get locals to buy local, but to improve the entry of our goods, products and services into export markets as well. We have to save existing jobs and stimulate the economy for new ones to be created

"Businesses that were on the brink of collapse during Covid-19 have to be rebuilt, and new ones formed. It is for all of these reasons that localisation and local procurement is accordial."

President Cyril Ramaphosa, Proudly South African Summit and Expo, 9 March 2021

## **S** economy



"It is not enough to preach the 'buy local' message. We need to practise it. As government, as state-owned enterprises, as individuals and as leaders, we need to set an example. We need to demonstrate that buying local is about investing in quality, in sustaining local businesses, and in keeping jobs at home. We have to step up our efforts not just to get locals to buy local, but to improve the entry of our goods, products and services into export markets.

"There is an express undertaking to increase local procurement over the next five years. Apart from its own procurement commitments, government is working to lower the barriers to entry to make it easier to establish and grow a business in South Africa. To support existing manufacturers, we are enforcing measures to stop the illegal

importation of goods, which weaken our local market.

"Whether public or private, we need to appreciate that choosing to procure locally through and across value chains is a solid investment in our economic recovery. It grows our economy, creates jobs, broadens markets and creates numerous opportunities for business expansion.

"We must ask every South African to take a conscious decision to buy local goods. Our message must be that wherever you may be in the country, be Proudly South African. Wear local, travel local, eat local, watch local content, read local authors, support local music, and use local raw materials in your businesses." President Cyril Ramaphosa,

Proudly South African Summit and Expo, 9 March 2021

Buy local efforts typically have to address more than simply an appeal to patriotism. Consumers look at price and product innovation or quality; investors look to the size of a market and whether it justifies the investment and consumers look to local availability on the shelves and the marketing thereof. The integrated approach seeks to address these complementary elements of the buy local campaign.

To improve local product competitiveness, we have launched a series of industry masterplans to strengthen the supply-side of industry. To address the need for larger markets, the President launched the start of trading under the African Continental Free Trade Area, to enable scale efficiencies to kick in. To address availability of locally produced products, we now have a number of commitments from the business community and retailers to partner with us on the localisation campaign.

One major company, Coca-Cola, will make R240-million available over the next three years to drive the campaign, as part of its competition commitments. This will help us monitor implementation gaps and to identify new opportunities, including products where we can scale up.

Minister Ebrahim Patel, Proudly South African Summit and Expo, 9 March 2021



## Proudly SA's work has taken on great significance with the onset of Covid-19. How so?

When lockdown first happened, everything including ports of entry closed, and many imports were blocked, even from leaving the country of origin, and so we had to rely more heavily on locally made goods and services. We have shown that we can be self-reliant on so many items that we produce locally, but which we continue to import, unnecessarily so. We are now almost completely self-reliant when it comes to medical PPE, for example. It took the pandemic to show us what we really can do and produce to meet local demand.

## What are the benefits of becoming a Proudly SA member?

In addition to carrying the logo, which is a sign of local content and quality, there is a raft of benefits, media exposure, participation in events (both real and virtual), networking and more that comes with membership.

## **GOOD NEWS FOR SMES**

During the announcement in Parliament [18 May 2021] of the government's "buy local" campaign, Minister of Trade, Industry and Competition, Ebrahim Patel, warned that the country's heavy dependence on imports is stifling economic prosperity.

Announcing the mobilisation of at least R240-million from the private sector and government's earmarking of R200-billion over a five-year period to support localisation initiatives, Patel said, "South Africa's import-to-GDP ratio is too high for an economy that desperately needs more jobs. We import [non-petroleum] goods worth 25% of our GDP – our propensity to import is out of line with peer countries and developed economies, and more can sensibly and sustainably be produced locally."

SME service provider Lulalend welcomes government's move and believes that, while there is work to be done, this poses sustainable growth possibilities. CEO Trevor Gosling says, "Under the right conditions, boosting local manufacturing over the next five years is possible for a number of key sectors including paper, wood, motor vehicles, ceramic products, glass, basic iron and steel, and food and beverages."

# Together we will go further

When it comes to connection, time counts. Time nurtures understanding, insight, trust and empathy. These qualities are achieved through a digital transformation journey that is fully implemented using the Digital Maturity Model, which measures digital maturity at various stages from assessments all the way to the last stage of maturity.



Vodacom Business and government are building an enduring relationship so that we can go further together for South Africa. By serving each other, we serve each person that has built a nation that boasts the spirit of Ubuntu despite the challenges faced day-to-day, year-on-year. This is because with time, trust ties us together and together, we will all go further.

At Vodacom we are proud of our relationship with government and what we have managed to achieve together this far. We are equally excited for what the future holds. When we bring our collective capabilities and desire to do even better for South Africans together, we move our country forward.

Our long-standing partnership with government means that over the years, we have acquired knowledge and experience within the public sector. We are proof that when humanity and technology work as one, we all go further together.

National Treasury recently awarded Vodacom with a new communication services contract, the RT-15-2021, which supersedes the RT15-16 established four years ago between the two entities. "Through the previous contract, we successfully delivered significant financial benefits in costs savings, expedited and streamlined the procurement of services and ushered the unprecedented digitalisation of government departments, agencies, state-owned entities and municipalities," says Managing Executive for Public Enterprise at Vodacom Business, Poppy Tshabalala.

# When we bring our collective capabilities and desire to do even better for South Africans together, we move our country forward.

"Throughout the duration of the RT15-16 contract, we have demonstrated the value and effectiveness of smart technologies within several different government departments, SOEs and government agencies. We partnered successfully to address multiple challenges government had previously encountered. These digital solutions contributed to inclusive growth, enhanced education and good governance within South Africa, by not only improving efficiency, but also doing it in the most cost-effective way," adds Tshabalala.

Vodacom Business has a deep understanding of the complexities, challenges and very specific mandates of government departments. Digital services such as the Citizen Engagement Platform have proved to be powerful tools in the public sector's quest to improve service delivery. The platform is designed to automate and enrich interactions between citizens, government contact centres, field workers and senior officials.

The MySAPS app connects communities in a collective effort in the fight against crime. Since the launch of the app in 2019, SAPS has received 6 700 tip-offs from community members.

# Our solutions keep the public sector operationally agile and range from disaster recovery solutions to robust IT security services.

In 2019, Vodacom Business supported the Gauteng Department of Health's objective of creating the Mpilo app, an interactive mobile communication platform aimed at strengthening the patient-care experience across Gauteng health facilities. In the wake of Covid-19, the app was enhanced to increase public awareness of the pandemic, providing a self-screening feature option for patients.

By using Vodacom's Stock Visibility Solution, the Department of Health can now monitor critical supply chains and stock levels of vaccines across 4 100 clinics in the country.



Poppy Tshabalala, Managing Executive for Public Enterprise at Vodacom Business

Vodacom Business's Smart Electricity Metering system was well received with 63 000 meters installed over three years in various parts of the country, improving revenue collection and bill verification from bulk suppliers. The School Management System, Vodacom's easy-to-use web-based solution, fulfils the education department's need for visibility at all their schools.

Our solutions keep the public sector operationally agile and range from disaster recovery solutions to robust IT security services. We provide connectivity to customers in the public sector using an array of access connectivity mediums across geographies and innovative solutions that help you serve your customers efficiently.

## We have the connection for you

Always Connected+ is designed to meet your government department's specific needs from access and flexibility to responsible spending.

## Let's go further together

When out technologies and solutions meet your business vision, we can all go further together. §

# SMME VIRTUAL ROADSHOW

PRACTICAL AND USEFUL INFORMATION ON SMALL, MEDIUM AND MICRO-BUSINESS IN SOUTH AFRICA.

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## ABOUT GLOBAL AFRICA NETWORK

Global Africa Network Media (GAN) is an established authority on business development in South Africa's nine provinces. GAN's online products include its well-established B2B portal, www. globalafricanetwork.com, and its monthly business and investment e-newsletters, with a reach of over 53 000 subscribers.

Each of the nine titles and the national journal, *South African Business*, has been utilised by all levels of government, parastatals, corporates, and national and provincial businesses. GAN is a specialist in small and developing business, and the company is a trusted partner of business chambers and other representatives of organised business in each province.

For information on sponsorship opportunities, email info@gan.co.za

Since 2014, the *SMME Roadshow* has supported small business in South Africa. Following the unprecedented challenges of 2020, Global Africa Network is relaunching the SMME Roadshow in a fully virtual, nationwide format.

The SMME Virtual Roadshow, brought to you by Global Africa Network Media with Nemesis Accounting, SME Warrior and Aurum Wealth Creators, takes the form of presentations and practical guidance from thought leaders and experts in their fields.

Presentations are pre-recorded for quality and convenience and presenters and their teams will be on hand to engage and interact with delegates. Delegates will also be able to network with other delegates.

## Who should attend?

SMMEs requiring support and guidance on the following topics should attend:

- Access to funding
- Access to markets
- Business revival
- Training and skills development
- Compliance and regulatory
- Technology support
- Running a business

Each of South Africa's nine provinces will be represented at the Roadshow, and will showcase incentives, services and opportunities available to SMMEs.



