

POLITICAL OVERVIEW BY ANC PRESIDENT CYRIL RAMAPHOSA TO THE ANC NEC LEKGOTLA

29 JANUARY 2023 ESSELEN PARK

National Chairperson comrade Gwede Mantashe,
Deputy President comrade Paul Mashatile,
Officials of the African National Congress,
Members of the NEC,
Leaders of the SACP and COSATU
Leaders of the ANCWL, ANCYL and ANCVL,
Leadership of the MK Liberation War Veterans,
Leadership of SASCO, COSAS and CONTRALESA
Ministers and Deputy Ministers,
Metro Mayors and leaders of SALGA,
Deployed Comrades
Comrades and Friends,
Fellow South Africans

Welcome to the first ANC NEC Lekgotla of 2023.

Our Makgotla bring together the political leadership and senior government officials to assess the performance of the ANC-led government against our policies and targets.

The primary aim of this Lekgotla is to track implementation of previous Makgotla decisions, develop a plan of action to operationalise the 2023 priority areas and discuss strategies to advance the interests of the people through both the government and the organisation.

This lekgotla takes place less than a month after the ANC concluded its 55th National Conference on 5 January 2023.

We also come together at a time when our country is going through some of the most challenging times in the history of our democracy.

The ANC government has made a measurable impact on the lives of South Africans and we must articulate a number of successes in improving the lives of South Africans.

Some of the more notable successes include broadening access to basic and higher education, especially through initiatives such as no-fee schools and financial aid to higher education students.

We have widened access to healthcare and increased access to the social wage in the form of social grants, free basic electricity, water, housing and community infrastructure and services.

Latest available statistics reflect that there are nearly 18 million beneficiaries of state grants such as the old age pension, child support and disability grants. In addition, around 7.4 million people receive the R350 social relief of distress grant.

In total, nearly 25 million people receive some form of support from this government. This is indicative of both the extent of hardship experienced by the people and the efforts of the ANC government to address such hardship.

Unemployment remains unacceptably high and many people have lost hope of finding employment. The youth is especially affected by such unemployment, with nearly a third of young people between 15 and 24 years are not in employment, education or training.

The electricity crisis continues to undermine economic growth and investment. Load-shedding damages businesses, disrupts households, compromises the provision of social services and affects the safety and well-being of the people.

Load shedding also has a negative impact on food production.

Lawlessness, criminality, illegal mining, construction site extortion, cable theft and violence mean that many people – and especially women and children – live in fear.

Due to the rising cost of living, many households are finding it difficult to meet their most basic needs such as food, transport and energy.

Many municipalities are failing to perform their basic functions such as delivery of clean water, regular waste collection and road maintenance.

Several communities are severely affected by climate change in the form of extreme weather conditions such as drought, fire and floods that destroy their homes, schools, roads and bridges.

Racism and other forms of discrimination continue to become more prevalent, undermining the values of our constitutional democracy and fuelling anger and frustration.

The 55th National Conference, recognising the scope and depth of the challenges facing the people, has firmly resolved that urgent and decisive action must be taken to place our country back on a development path that puts the interests of the people first.

The Conference also resolved that to adequately respond to the difficulties facing the people of this country, as the ANC we must deal decisively and fearlessly with our own weaknesses.

The NEC, building on the mandate of Conference, therefore declared 2023 to be '**The Year of Decisive Action to Advance the People's Interests and Renew our Movement**' and identified the following priorities for the year in the 2023 January 8th Statement:

- First, we must undertake specific initiatives and programmes to deepen and broaden the renewal of the ANC.
- Second, we must accelerate the work underway to end load-shedding.
- Third, we must mobilise social partners to increase employment and investment and deepen empowerment and transformation.
- Fourth, we must improve delivery of basic services and maintenance of infrastructure.
- Fifth, we must strengthen the fight against crime and corruption.
- Finally, we must take action to build a better Africa and a better world.

The scale of the challenges before us is enormous and we cannot do everything that needs to be done all at once, especially taking our resource challenges into account. Should we attempt to

address everything with the same urgency and at the same time, we are likely to fail to address anything in any meaningful way.

We must therefore prioritise and make choices about the pace and scale with which we will address such challenges.

Prioritisation must be informed by one, the urgency with which matters must be addressed; two, focus and paying requisite attention to each task and thirdly; what trade-offs must be made in order to meet the challenges before us.

Once we have agreement about this prioritisation, we must be honest with the people and inform them of our reasoning, our plans and programmes and what targets against which to measure our performance.

In just over a year from now, our country will be holding national and provincial elections. The ANC will then have to engage in probably the most difficult election campaign that we have fought. The outcome of that election will have profound implications for the direction of the National Democratic Revolution and the future of our country.

Although no party has had an official launch, we observe that the campaigns for the 2024 elections are well underway. We need to get into election mode without delay.

Through our actions now, we need to send a clear message and signal to voters that the ANC is taking all necessary steps to deal with the challenges they are confronted with, specifically unemployment, rising cost of living, crime and instability, and poor service delivery. Our focus must therefore be on action and urgency.

The <u>renewal and rebuilding of our movement</u> is non-negotiable and we must ensure that it is irreversible. This is an existential issue; if we do not renew our movement, it will perish.

Only an ANC that is united, strong and vibrant can effectively address the needs of the people and advance the National Democratic Revolution.

We must unite our movement and move beyond the factional considerations and contestations that have plagued our organisation in recent years.

We speak here of principled unity and a common commitment to the revolutionary values and principles of our movement. It must be built on a programme of action that is rooted within communities and speaks to their needs.

Building unity starts with NEC members and leadership at all levels, who must be activists, disciplined and in touch with the people. In addition, deployed cadres and the public service must contribute to building national unity through serving the people diligently, with integrity and distinction.

The NEC co-opted a number of new members so that we can broaden representation and I congratulate

We must remain mindful of the constitutional imperative that the ANC must be, in all aspects, democratic, non-racial and non-sexist and that we must combat any form of racial, tribalistic or ethnic exclusivism or chauvinism.

Our movement must represent the best in society and we must become more responsive, more disciplined. We must be a well-governed, well-resourced, ethical and caring organisation. The people must see us reflecting the legacy of our heroes and heroines in our words and actions.

Resolving the <u>energy crisis and putting an end to loadshedding</u> is one of our most immediate and pressing challenges.

As a result of loadshedding, companies are reluctant to invest, productivity is dampened, economic growth cannot be sustained and jobs cannot be created on the necessary scale.

Critical services like water provision, health care and education are disrupted. Persistent loadshedding also adds to safety and security concerns, especially in areas plagued by gangsterism and criminality.

Government held briefings with a number of stakeholders over the past two weeks. The National Energy Crisis Committee and Eskom led these briefings to update stakeholders on progress made in implementing the July 2022 Energy Action Plan and outline the work currently underway to accelerate this work.

There are several areas of progress that we must acknowledge:

- We have signed agreements with independent power producers for 26 renewable energy projects, which together will generate around 2,800 MW.
- An additional 300 MW has been imported through the Southern African Power Pool, and negotiations are underway to secure a potential 1,000 MW from neighbouring countries.
- Eskom has also launched a programme to purchase up to 1,000 MW of power from companies with existing generation capacity.
- We have cut red tape and streamlined regulatory processes, reducing the timeframe for environmental authorisations, registration of new projects and grid connection approvals.
- A team of independent experts has been established to work closely with Eskom to diagnose the problems and take action to improve plant performance, particularly at the six power stations with the most breakdowns.

These interventions will take some time to have an effect and we must be honest with the people that loadshedding – in one form or another – will be with us for some time. Our objective is to lower the stages of loadshedding to the lower levels whilst we address the overall challenge of ensuring security of energy supply.

We need to explain that, in addition to the historical reasons for load shedding, another factor contributing to the current levels of load shedding is Eskom's effort to correct the mistakes of the past. Eskom has intensified its maintenance programme to reduce unplanned breakdowns and extend the life of power plants. Maintenance is crucial for energy security and this has meant that more generating capacity is taken off-line to be maintained.

We also need to address the perception that we are called upon to make a trade-off between energy security and a just transition to a low-carbon economy; that we must make a choice between coal and renewable energy.

We must not forget that South Africa's future mix of energy sources is outlined in the Integrated Resource Plan 2019. It envisages a diversity of energy sources, including coal, renewables, nuclear, gas, hydro, storage, bio-mass and other forms of energy.

In terms of the IRP19, several coal-fired power stations are due to be decommissioned between now and 2030, as they have reached the end of their life-cycle.

We have now embarked a process of repurposing some of these coal-fired power stations to extend their life-cycles. We will also re-skill and retrain some of the workers at these power stations to safeguard jobs.

This is necessary not only to reduce carbon emissions, but to address the deteriorating performance of older coal plants which are nearing their end of life.

Most of our coal-fired power stations, including Medupi and Kusile, will remain in operation and will continue to provide the 'base load' supply.

As a matter of principle, the pace and the form of our just transition must be informed by our national interest and by the imperative of energy security. It must be informed by the country's developmental needs, by the availability of resources and by the need to protect the livelihoods and well-being of communities.

This Lekgotla needs a focused and in-depth discussion on how we can accelerate implementation of the Energy Action Plan and what additional measures we need to take in the immediate term to reduce the severity and frequency of load shedding.

As directed by Conference, our steps must be concrete and grounded amongst the people.

The ANC and government must lead campaigns on how to manage our electricity usage, including campaigns against illegal connections and promote steps that every South African can take to conserve energy.

The installation of prepaid meters must be seen as part of our efforts to manage the demand for electricity.

ANC members and structures must also work with communities and law enforcement to bring criminals and crime syndicates operating around power plants to book. We cannot allow these unscrupulous criminals to devastate the well-being of our nation, its people and the economy.

Our duty during this crucial period, where South Africans are understandably frustrated and concerned about the severity and persistence of loadshedding, is to reassure the people that we have a clear path to ease loadshedding over the next few months and ultimately achieve energy security.

In doing so, all of us must speak with one voice, providing people with confidence that it is within our ability to address this crisis.

The ANC has a duty to mobilise <u>social partners to increase employment and investment and deepen empowerment and transformation</u>.

Unemployment is the greatest challenge we are facing. It is only through getting people, especially young people, into jobs that we can hope to significantly reduce poverty, advance social cohesion and stability, and realise the full potential of our economy.

The Economic Reconstruction and Recovery Plan provides a robust, ambitious and focused programme to rebuild our economy in the wake of the COVID pandemic. It is a plan that was guided by the ANC and its Alliance partners and developed through engagements with social partners. While we have made progress in several areas of the plan, our task now is to accelerate and deepen implementation.

This Lekgotla needs to reflect on the progress that has been made and identify those areas that require greater and more sustained attention.

We will need to look critically at those actions that have the greatest potential to drive growth and create jobs. These include investment in infrastructure, reducing regulatory burdens for small businesses, cooperatives and the informal sector, and promoting greater localisation of production.

We must examine the structural reforms that are necessary to make our economy more competitive and efficient, especially in the export sector. In addition to the far-reaching reforms underway in the electricity sector, we need to address the severe challenges in the operations of our railways and ports.

We need to finalise the digital migration process and improve our visa regime so that we can attract the skills the economy needs and grow our tourism numbers. Only by attending to these reforms with urgency will we be able to begin to realise the potential of our economy to meet the people's needs.

We need to use the power and capabilities of the state more effectively. It is true that several of our strategic SOEs are in great difficulty, but they have the potential to drive the economy of our country. As we pursue sustainable turnaround plans in our SOEs, we need to undertake the broader reform of our SOE architecture to ensure that these vital public assets serve the national interest.

We have also seen over the past 15 months how effective public and social employment programmes can be in complementing efforts to encourage private sector job creation. The Presidential Employment Stimulus and other programmes have demonstrated what a capable developmental state can achieve. We must sustain and build on this work.

Millions of people across the country depend on local government for crucial services and we <u>must</u> <u>improve service delivery and maintenance of municipal infrastructure</u>.

Too many municipalities have collapsed and our people have to deal with almost daily sewage spills, water restrictions, uncollected rubbish, potholes and inaccurate billing.

Exacerbating these problems is the state of municipal and social infrastructure, and improperly or unskilled people in municipal positions, which badly affects people's quality of life and local economic activity.

This situation cannot continue and we must work with urgency and focus to strengthen government departments, municipalities, state owned enterprises and other public agencies to ensure that they deliver on their mandates.

The collapse of some municipalities and poor service delivery are related to what has been termed the "political-administrative" interface. This means that many of the issues at municipal level can be laid at the door of elected representatives and we must be proactive and resolute in addressing these issues.

It is up to us to ensure we put forward competent and appropriately qualified comrades, with appropriate qualifications and competencies, to become our public representatives. We must also be more diligent in ensuring that competent and qualified individuals take up crucial positions in municipalities.

The District Development Model must be fully implemented across the country to improve integrated planning and coordination.

The provision of basic services such as water and sanitation, municipal waste collection and the repair and maintenance of roads will receive priority.

The delivery of basic infrastructure will be made support localisation, empowerment and the meaningful participation of local communities,

We are building partnerships with the private sector on infrastructure finance and technical support to accelerate the delivery of basic services, especially in rural and poorly-resourced municipalities.

There are a number of actions that we must undertake to <u>strengthen the fight against crime and corruption and ensure the safety of our nation and its people.</u>

We are going to ensure that we give speedy effect to the Conference resolutions to further strengthen law enforcement agencies and criminal justice institutions.

ANC members and structures must mobilise to improve citizen involvement in the urgent work of restoring peace and stability, especially through community policing forums.

We must strengthen and support efforts to deal with violence against women and children. On an almost daily basis, we hear gruelling stories of how women are slaughtered by men. We call specifically on men and boys to become better allies in the fight against this scourge.

We have whistleblowers, such as reflected in today's newspapers, who are railroaded and sidelined.

Corruption takes place in both the private and public sectors. It has become a national disease and all of us must work to combat what has become akin to a national disease.

Corruption is the enemy of the people and the ANC remains committed to taking a tough stance against corruption within its ranks.

The 55th National Conference reaffirmed the step-aside guidelines and resolved to strengthen the Integrity Commission and the ANC's disciplinary structures and processes.

Any ANC member implicated or involved in corrupt activity will be dealt with according to the ANC's rules and policies and must face the full might of the law, without exception.

The ANC reaffirms our commitment to building a better Africa and world. South Africa's growth, development and transformation are tied to Africa's progress and to the realisation of a stable, peaceful and equitable global order.

We will continue to work with our counterparts elsewhere on the continent to ensure the African Union has the necessary capacity to advance unity, development and peace on the continent.

To drive the growth, diversification and development of African economies, we must ensure that the African Continental Free Trade Area is effectively implemented.

Our foreign policy stance is informed by the understanding that multilateralism and respect for international law are key to global political and economic stability. We thus continue to work for the deepening and strengthening of progressive multilateralism and reform of multilateral institutions.

South Africa chairs BRICS this year and will be hosting the BRICS Summit in the second half of this year. We will bring together a number of initiatives to advance African interests and national interests and promote more equitable access for Africa to the global economy.

The ANC will continue to pledge its solidarity with the people of Palestine for freedom, independence, justice and equality. This must be supported by our ongoing programmes and efforts to give concrete, material support to the people of Palestine.

We reiterate the call for the right to self-determination of the people of Western Sahara, and we will continue to strengthen the long and traditional bonds with the Polisario Front.

In conclusion, this Lekgotla must give effect to the directive from the National Conference that we must be decisive and resolute in taking actions to address the challenges facing the people.

Rather than use the Lekgotla as a complaints or lamenting forum, I urge us to use it as platform to advance the projects that advance the interests of the people.

I wish you good discussions.

I thank you.