

Memorandum

Att: President Cyril Ramaphosa

8 February 2023

Dear Mr President

On 9 February 2023, you will deliver the State of the Nation Address (SONA). This year's SONA comes as the country faces:

- Rolling blackouts;
- A largescale collapse of local government functionality in various municipalities;
- Enduring corruption and state capture;
- Political leaders that remain in powerful positions despite being named and shamed in the Zondo Commission report;
- The ill-effects of state institutions plagued by years of malfeasance and repurposing for personal or political gain;
- Criminal networks, gangs and mafia operators in various sectors;
- Continued attacks aimed at whistleblowers and honest public servants;
- Poor economic growth;
- An electoral system that doesn't allow the public to hold elected representatives accountable;
- A broken passenger rail infrastructure system;
- A disturbing level of wastage of public resources, which is almost treasonous when people are going hungry in our country. A case in point is the recent proposition to pay an overseas soccer team, Tottenham Hotspurs, R1 billion!
- Nationalist and xenophobic mobilisation presenting a growing threat;
- Sabotage and acts of destabilisation now being a regular part of our political vocabulary; and
- A growing national sentiment that the country is in a state of crisis.

This period requires visible and effective leadership at all levels. While we have seen leadership in the form of community activists, humanitarian workers and ordinary South Africans who have risen to the occasion, we have been let down by political leaders.

We would have hoped that you, Mr President, and members of your Cabinet, would have been addressing the nation daily on the energy crisis, reporting back on what plans are in place and what are the accountability measures and consequences should you fail in this regard. But this has not been the case.

Instead, we have all been left literally and figuratively in the dark – it gives us the impression, which we hope is not true – that there simply isn't a plan to deal with the enormity of the crisis the country faces.

As you address the nation at the opening of Parliament, we urge you to ensure that you honestly reflect on the severity of the problems that beset the country. We hope that there will be no

whitewashing of the role of government - both the previous, and the current administration under your leadership - in creating these problems or simply not dealing with them.

In the 2022 SONA, you committed to remain focused on the priorities identified in the SONA of 2021. These were:

- Overcoming the COVID-19 pandemic,
- A massive rollout of infrastructure,
- A substantial increase in local production,
- An employment stimulus to create jobs and support livelihoods, and
- The rapid expansion of our energy generation capacity.

Response to pandemic

In the tracking of the COVID Relief Fund worth R500 billion, the Auditor-General's report found that nearly 30 000 relief grants required "further investigation". The report found the price of personal protective equipment (PPE) was in instances inflated by 1000%, that there was a diversion of funds and a rigging of tenders. By 2022, the Special Investigating Unit (SIU) found more than half of the tenders awarded were irregular and were to be referred for prosecution.

On massive rollout of infrastructure

The South African Institution of Civil Engineering highlighted the failures in infrastructure in the 2022 state of infrastructure report as significant enough for South Africa to be at risk of becoming a "failed state".

Again, it is all too easy to speak of the unconscionable level of corruption that brings about these results such as that of the Passenger Rail Agency of South Africa (PRASA) finding more than 3000 ghost workers believed to have received millions of Rands salaries while our railway lines are barely functional!

On a substantial increase in local production

As infrastructure continues to be dysfunctional, so local production breaks down.

The South African Revenue Service (SARS) found that the year-to-date (1 January to 28 February 2022) preliminary trade balance surplus of R14.67 billion was a deterioration from the R45.21 billion trade balance surplus for the comparable period in 2021. Exports increased by 7.3% year-on-year whilst imports increased by 31.4% over the same period. This difference between the increase in imports and exports means greater dependency on foreign products.

On an employment stimulus to create jobs and support livelihoods

According to StatsSA, in the third quarter of 2022, the unemployment rate in South Africa reached 27.9 percent among workers aged 35 to 44 years with the youth, being the largest share of the labour force, experiencing an unemployment rate nearing 60%.

On the rapid expansion of our energy generation capacity

South Africa is teetering on the edge of a State of Disaster. We convey the depth of disappointment in our government on the energy crisis, given that this problem was predicted first in the 1998 Energy White Paper and has been flagged by nearly every administration since.

The loadshedding schedule was first introduced in 2007 and is in its 15th year with no end in sight.

What is clear from all of the above, is that in each of these priority areas, there has been either further calamity, scandal or deterioration.

We call on you, Mr President, to:

- ➔ Outline a credible and practical plan of action in relation to dealing with the energy crisis.
- ➔ Indicate what are the accountability and transparency measures that will be put in place so that costly, corrupt and environmentally detrimental energy deals are not simply pushed through.
- ➔ Specify who is responsible for implementing the energy plan and what will happen if there is failure in this regard.
- ➔ Detail how government intends to help small and medium businesses against the effects of loadshedding.
- ➔ Outline what measures you will be taking against members of your Cabinet implicated in the Zondo Commission report.
- ➔ Update the country on where government is in its implementation of the Zondo Commission report recommendations.
- ➔ Instruct the SIU to probe potential health sector corruption at all public hospitals across the country.
- ➔ Detail what is government doing in relation to fixing our railways and ensuring that PRASA is protected from further corruption and capture.
- ➔ Commit to meaningful and credible electoral reform for the 2029 elections, preceded by genuine national dialogue and consultation.
- ➔ Outline the plan to reduce the youth unemployment rate.
- ➔ Outline what is national government going to do in the long term to arrest the failure of municipalities and the collapse of public infrastructure.
- ➔ Outline how far is government practically in ensuring strengthened whistleblower support and protection.
- ➔ Detail what is being done to capacitate law enforcement to deal with sabotage, destabilisation and organised crime networks.
- ➔ Commit to a timeline to ensure clean, flowing water and sanitation across the country, particularly in rural areas, and to repairing water infrastructure in urban centres.
- ➔ Put a halt to the Tottenham Hotspurs deal!
- ➔ Provide an update on what has been done to ensure consequences for those behind the July 2021 insurrection.
- ➔ To ensure that government's plans are transparent and that the public is afforded means of monitoring the implementation of such.

South Africa is in a state of crisis on many fronts. As power stations continue to collapse, along with railways and reservoirs, so too do the hopes and dreams of our nation. We urge

you Mr President to present a sober account of the state of the nation, to put forward a plan to lift us out of this spiralling crisis; and to accept that if these plans fail, that the buck stops with you!

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