

# Cabinet Statement

Statement on the virtual Cabinet Meeting of Wednesday, 6 April 2022



## ISSUES IN THE ENVIRONMENT



**SOUTH AFRICA INVESTMENT CONFERENCE**  
Accelerating Economic Growth by Building Partnerships

### ■ Fourth South Africa Investment Conference (SAIC)

Cabinet welcomed the successful conclusion of the fourth SAIC held at the Sandton Convention Centre, Johannesburg on Thursday, 24 March 2022, which saw domestic and international investors pledging new investments in our country.

**Our country received 80 new investment pledges totalling R332 billion. This takes the total investments pledged to R1.14 trillion, which not only represents 95 percent of our investment target but also places us firmly on the path to exceed our R1.2 trillion investment target over five years.**

- These investment commitments affirm our country's status as an investment destination of choice.
- So far, R316 billion of the commitments have been invested in 46 projects that have been completed and a further 57 projects that are still under construction. Cabinet noted the successes of past pledges as reported at the SAIC, covering among others new production capacity in sectors as diverse as automobiles, food production, pharmaceuticals and digital centres.
- Cabinet called on all sectors of society to support these critical interventions as we work together to reverse our unemployment rate, which climbed to 35.3 percent, according to the Quarterly Labour Force Survey results released recently by Statistics South Africa.

### ■ Lifting of the National State of Disaster

- Cabinet also welcomed the lifting of the National State of Disaster announced by President Cyril Ramaphosa on Monday, 4 April 2022. This milestone was made possible by the resilience of people in South Africa who complied with all Coronavirus Disease (COVID-19) safety protocols designed by government to save lives and livelihoods.
- The pandemic will henceforth be managed in terms of the National Health Act, 2003 (Act 61 of 2003). The draft health regulations that will inform the National Health Act of 2003 are open for public comment until 16 April 2022.

**Cabinet reminded all people in the country to continue taking the necessary preventative measures to safeguard ourselves and others against COVID-19 infections. This includes regularly washing our hands with water and soap or using a 70% alcohol-based hand sanitiser, wearing a mask that covers both the nose and mouth when indoors, keeping a safe social distance of at least one metre, opening windows for ventilation and vaccinating.**

- COVID-19 vaccinations are effective in preventing serious illness, hospitalisation and even death. Protect yourself and your loved ones by visiting your nearest vaccination site to get vaccinated for free, even without an appointment.
- **Migration to digital broadcasting**
  - The deferral on the Analogue Switch-off Date from 31 March to 30 June 2022 provides sufficient time to government to complete the installation of set-top boxes (STBs) for households that have registered timeously and are entitled to receive them before the analogue switch-off.
  - The Department of Communications and Digital Technologies will ensure that all the 507 251 households that registered by 31 October 2021 are connected no later than 30 June 2022. The 260 868 households that registered between 31 October 2021 and 10 March 2022 will be connected to their STBs by 30 September 2022.
  - Cabinet is confident that the completion of this process will support the process of digital migration and the subsequent release of the high-frequency spectrum.
- **Fighting crime and corruption**
  - Cabinet congratulated the country's new National Commissioner of Police,



General Sehlahle Fannie Masemola, following his recent appointment by President Ramaphosa. General Masemola has an outstanding record of achievements in policing across South Africa.

- Cabinet welcomed the preservation orders granted to the Asset Forfeiture Unit of the National Prosecuting Authority (NPA) by the Gauteng High Court against those involved in 'financing' the purchase of Optimum Coal Mine for R2.1-billion in 2016 by the Gupta-owned Tegeta Exploration and Resources company.
- The rulings, which demonstrate the effective coordinated approach of the NPA and the Directorate for Priority Crime Investigation of the South African Police Service, send a strong message about the growing capacity of government to deal with State Capture and ensure accountability for those involved – and to seize, recover and return stolen money.
- In holding those involved in corruption accountable, Cabinet also welcomed the judgement by the Palm Ridge Specialised Commercial Crimes Court in Gauteng against a former Eskom financial controller for defrauding the power utility of R35 million by loading fake invoices for coal transport and the initiatives to recover the stolen monies.
- As an important milestone in our nation's fight against corruption, Cabinet welcomed the handover of the fourth part of the Judicial Commission of Inquiry into State Capture Report. President Ramaphosa will present to Parliament interventions to implement the commission's



recommendations when he submits the full report by 30 June 2022.

### ■ Southern African Development Community (SADC) Extraordinary Organ Troika Summit

- Cabinet welcomed the outcomes of SADC Extraordinary Organ Troika Summit held in Pretoria on Monday, 4 and Tuesday, 5 April 2022. South Africa hosted the summit as Chair of the SADC Organ on Politics, Defence and Security Cooperation. The country's tenure runs from August 2021 to August 2022.
- The summit received, among others, the SADC Mission in Mozambique (SAMIM) progress report. The SAMIM was deployed to support Mozambique to combat terrorism and acts of violent extremism.

### ■ Economy

**Cabinet welcomed credit rating agency Moody's upgrade of its outlook on South Africa to stable from negative, and the decision to affirm South Africa's long-term foreign and local currency debt ratings at 'Ba2'.**

**The upgrade affirms the work of government to restore sustainability to the country's public finances, which is supported by better-than-expected revenue collection.**

- Revenue results for the period April 2021 to March 2022, showed that the South African Revenue Service collected more than R1.5 trillion. It represents a 25 percent improvement over the previous year and a 15 percent increase over the last year prior to the COVID-19 pandemic.

- Government is using the additional revenue to accelerate debt stabilisation and address urgent social needs, promote job creation through the Presidential Youth Employment Initiative, and support the public health sector.

### ■ Freedom Month

- South Africa this year celebrates Freedom Month in April with renewed hope for a better tomorrow, having endured two sombre years under the global COVID-19 pandemic. The annual Freedom Day will be commemorated on Wednesday, 27 April 2022.

**Freedom Month commemorates and salutes all those whose sacrifices made it possible for us to enjoy the human rights and freedoms contained in our world-acclaimed Constitution of the Republic of South Africa of 1996.**

- Cabinet called on all South Africans to work together as we continue our struggle to overcome the impact of COVID-19. We all need to do our part to restore our economy, through the Economic Reconstruction and Recovery Plan, and grow more businesses to be able to create more jobs.

### ■ Holy Month of Ramadan

**Cabinet wished South Africa's Muslim community a blessed Holy Month of Ramadan. Ramadan is annually marked around the world with prayer, fasting and acts of charity. The Muslim community is an integral part of our national diversity and of our national character.**



## CABINET DECISIONS

### ■ Draft National Integrated Small Enterprise Development (NISED) Masterplan

- Cabinet approved the publication of the draft NISED Masterplan for public comment. The initial Integrated Strategy for Entrepreneurship and Small Enterprises was adopted in 2005. The strategy and the subsequent NISED give effect to the 1995 *White Paper on National Strategy for the Development and Promotion of Small Business in South Africa*.
- Once adopted the NISED will replace the current Integrated Strategy for Entrepreneurship and Small Enterprises. It will provide a coordination framework for all key ecosystem role players in small enterprise development. It guides the coordinating mechanism that will guide all programmes that support small enterprises.
- This strategy seeks to increase the participation of small enterprises in the formal economy, eliminate red tape and promote the ease of doing business, particularly for small entrepreneurs.
- The NISED is the product of a wide consultation with the relevant departments in the national, provincial and local spheres of government, business, labour, academics and various relevant institutions.

### ■ Incorporation of the Small Enterprise Finance Agency (SEFA) and Cooperative Banks (CBDA) into the Small Enterprise Development Agency (SEDA)

- Cabinet approved the 20 months extension period for

the merging of the two entities, the SEFA and CBDA, into the SEDA. The merger was initially set to be effective from 1 April 2022. This was after Cabinet approved the mergers to ensure government provides a single entity that will support its work in supporting small to medium enterprises and cooperatives.

- The approved extension will enable the Department of Small Business Development to finalise the legislative review to provide a proper legislated and policy environment that allows the formation of the single entity – SEDA. A single and well-resourced entity will provide a more streamlined support to small to medium enterprises and cooperatives. Cabinet also approved the appointment of the interim Boards of Directors for the SEFA and SEDA.

### ■ Regulations relating to the Protection, Promotion, Development and Management of Indigenous Knowledge (IK regulations)

- Cabinet approved the publication of IK regulations for public comment. The IK regulations will give effect to the implementation of the IK Act, 2019 (Act 6 of 2019).
- The Act provides for the protection, promotion, development and management of indigenous knowledge. It provides for the establishment of national IK systems; management of rights of communities. It also provides for the establishment of an advisory panel; recognition of prior learnings; facilitation and coordination of IK.
- The proposed regulations

deal with, amongst others, the setting up of the Advisory Panel; accreditation processes; registration of competencies of IK practitioners; how to access or use IK and the safekeeping of registers of IK. The regulations also provide for dispute-resolution mechanisms.

- The regulations will be gazetted and can also be accessed through the Department of Science and Innovation website: [www.dsi.gov.za](http://www.dsi.gov.za). They will also be available in all official languages.

### ■ United Nations Sustainable Development Cooperation Framework (UNSDCF) 2020-2025

- Cabinet approved South Africa's UNSDCF 2020-2025 for implementation. The framework provides an accountability partnership between government, the broader society and the UN's country office in South Africa.
- The UNSDCF outlines four broad strategic priority pillars to cover (1) inclusive justice and sustainable growth; (2) human capital and social transformation; (3) effective, efficient and transformative governance; and (4) climate resilience and sustainably managed natural resources.
- These strategic pillars are interlinked with the country's National Development Plan: Vision 2030 and the Medium Term Strategic Framework, and also with the UN Sustainable Development Goals driven through the country's office in South Africa. The implementation will be done through a joint resource mobilisation strategy.

### ■ National intervention in the Mangaung Metropolitan and Enoch Mjijima Local municipalities

- Cabinet approved the intervention in terms of Section 139(7) of the Constitution of the Republic of South Africa of 1996, read together with Section 150 of the Municipal Finance Management Act, 2003 (Act 56 of 2003), in the Mangaung Metropolitan and Enoch Mjijima Local municipalities. Both municipalities have been experiencing significant financial and service delivery failures for a prolonged period.
- The Free State Provincial Executive placed the Mangaung Metropolitan Municipality under a mandatory intervention in terms of Section 139(5) (a) and (c) of the Constitution in December 2019. A mandatory financial recovery plan was subsequently imposed on the municipality in 2020. After failing for more than two years to implement the financial recovery plan during the provincial intervention, the Metro has now been placed under a national intervention in terms of Section 139(7) of the Constitution.
- The Enoch Mjijima Local Municipality was also placed under mandatory intervention by the Eastern Cape Provincial Executive in terms of Section 139(5) (a) of the Constitution in 2018. However, after the municipality failed to make progress in improving its financial and service delivery performance, Cabinet decided to place it under a national intervention.
- The invocation of a national intervention in terms of Section 139(7) of the Constitution implies that in

both municipalities, national government will now act in the stead of the Provincial Executive. This type of intervention is mandatory and follows the same procedure as Section 139(5) of the Constitution, except that national government will now directly assume responsibility for these interventions.

- To give effect to the assumption of responsibility, National Cabinet Representatives (NCR) will shortly be deployed to both municipalities. The Minister of Finance will delegate powers to the NCR and will also be supported by a multidisciplinary team of experts. No decision has yet been taken to dissolve the municipal council in terms of Section 139(5)(b) of the Constitution.
- The national intervention will take effect upon formal gazettement in the *Government Gazette*, however, the current Section 139(5) intervention will remain in effect until this date. The Section 139(1) intervention into the Enoch Mjijima Local Municipality will also be replaced by a Section 139(5) (a) and (c) intervention, which will also cover the failure of the municipality to fulfil its executive obligations.

**The Minister in the Presidency, Mr Mondli Gungubele will – together with the Minister of Finance, Mr Enoch Godongwana and the Minister of Cooperative Governance and Traditional Affairs, Dr Nkosazana Dlamini Zuma – hold a media briefing next week to outline the national intervention.**

## UPCOMING EVENT

### ■ District Development Model (DDM) Presidential Imbizo

- President Ramaphosa will hold a DDM Presidential Imbizo in Mangaung, Free State on Friday, 8 and Saturday, 9 April 2022.
- The Imbizo, convened under the theme: "Leave no one behind", will assess the level of service delivery in the province, track progress on the DDM, and oversee key interventions and plans.

**The DDM Presidential Imbizo is an important public participation platform as it gives citizens a voice and the President the opportunity to listen to the people and respond to their concerns. South Africans can follow and participate in discussions on social media under the hashtag #PresidentialImbizo.**

## MESSAGE

### ■ Congratulations

Cabinet extended its congratulations and well-wishes to:

- **Mr Nkosinathi Maphumulo**, better known as **DJ Black Coffee**, who recently won his first Grammy in the category of "Best Dance/Electronic Album" for his album *Subconsciously*, at the 64th Grammy

Awards ceremony held in Las Vegas, United States.

**Enquiries:**  
Ms Phumla Williams  
Cabinet Spokesperson  
Mobile: 083 501 0139  
[www.gcis.gov.za](http://www.gcis.gov.za)  
[www.gov.za](http://www.gov.za)



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