

“Planning is  
Bringing the Future  
into the Present so  
we can Prepare for  
It Today”

An African Proverb

**SOUTH AFRICA  
NDP VISION 2030  
RISK  
FORESIGHTS  
RADAR**

**Africa's Leading  
Risk Insights  
Thought Leadership  
Publication**



-----A Publication of **PARIIFORESIGHTS.COM**-----

# Table of Contents

**01** pg. 1 - 11

**Foreword**  
**Executive Summary**



**02** pg. 12 - 19

**NDP Broad Strategic Aspirations**

**NDP Key Aims**

**NDP 2020 Progress Review by the National Planning Commission**

**UNDP Guidelines on Risk Informed Decision Making and Planning**

**03** pg. 20 - 70

**Our Top 10 Country Risk Scenarios and Mitigation Actions**  
**Country PESTLE Analysis**  
**Country SWOT Analysis**



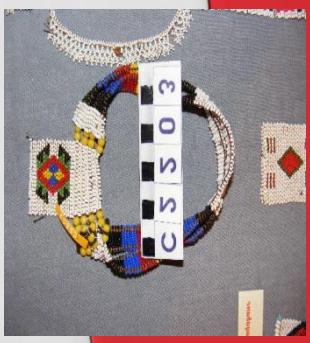
**04** pg. 71 - 73

**Way Forward Insights**  
**Risk Analysis Insights**  
**PESTLE Analysis Insights**  
**SWOT Analysis Insights**



**05** pg. 74 - 77

**The Future is Ours to Create**



**07** pg. 80 - 81

**Insights on the role the BEE Commission is playing in supporting the NDP's 2030 Vision, in particular relating to Racial Inequalities and Transformation in Corporate South Africa**

**06** pg. 78 - 79

**OPINION I The greatest township heist: Communities steal billions from themselves every year, A Perspective from Tsietsi Ngobese**



**08** pg. 89 - 94



**Africa Agenda 2063**



**09** Pg 87

**Acknowledgements and References**

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**pan africa risk imbizo**

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**PARII.COM**



**Where Futuristic Risk  
Insights Find You**

**pan africa risk imbizo initiative.com (PARII)** has been established to be a Pan Africa Risk Management Centre of Excellence which harvests Risk Management Insights and Intelligence across the continent and create a database from which all Africans, Decision Makers and other Stakeholders can access for Research, Decision Making and Planning Purposes.

## **Vision 2025**

### **(Where are we Going)**

- We will be the Global Leader in providing the most innovative and creative digitally enabled World Class Business Performance Improvement Solutions that enable Organizations achieve their future Aspirations.
  - We envision a world where;
- decisions we make today will be driven by what we want the future to look like and every decision maker, researcher, learner can effortlessly tap the world's collective Research Insights on Strategy, Risk Management, Digitalization Knowledge, reducing ignorance and make Risk Intelligent Decisions.
- where Strategy and Risk Management Knowledge available somewhere informs critical decisions everywhere.
- where 4IR Technologies will be at the Core of the World's Development

## **Our Mission**

### **(Why we Exist)**

- We founded Mzingeli Business Performance Improvement Solutions in 2017 to give our clients a competitive edge by designing and implementing Business Performance Improvement Solutions that leave things better than we found them. We strive to provide the most innovative and creative Solutions which contribute significantly to our clients' Current and Future Aspirations

## pan africa risk imbizo initiative foresights.com

(**PARIIFORESIGHTS.COM**) has been established to be a Pan Africa Risk Management Centre of Excellence and Africa's Risk Advisor, which harvests Risk Management Insights and Intelligence across the continent and create a database from which all Africans, Decision Makers and other Stakeholders can access for Research, Decision Making, Planning Purposes and working with partners to defend against today's threats, exploit today's opportunities while working together as Africans to build a more secure and resilient future.

**PARIIFORESIGHTS.COM** will help Africa improve its Risk Management Capabilities to anticipate Risks (both Threats and Opportunities) lying in the Horizon ensure Significant Risks are timely identified, escalated and mitigated. A key aspect of PARI's Strategy is to provide innovative Risk Management tools, services and products for Africa to effectively anticipate Significant Risks in the Horizon and timeously mitigate the Risks anticipated. PARI is a Platform that enables Strategic Planning, Risk Management and Learning collaboration using Traditional Content and Digitalisation Technology.

**PARIIFORESIGHTS.COM** a Division of Mzingeli Enterprise Holdings (Pty) Limited we believe in the Importance of Risk Management and Risk Informed Strategic Planning and Decision Making.

"This approach is very key in ensuring Risk-informed Strategic Planning, allows for Strategic Plans to become a vehicle to reduce risk, avoid creating risks and build resilience across the African Continent. Only resilient Strategic Plans can result in sustainable development; sustainable development initiatives will fail unless they are risk-informed. Risk resilience, sustainability knowledge and actions need to go hand-in-hand" **UNDP**

Risk Management impacts everyone daily, enables provision of a better quality of life and represents the best roadmap to a more sustainable planet and future.

# FOREWORD

01

“Planning is Bringing  
the Future into the  
Present so we can  
Prepare for It Today”

An African Proverb

# FOREWORD

Welcome to The NDP Vision 2030 Risk Foresights Radar, our guide to anticipated Significant Risks that may prevent or enhance the achievement on NDP Vision 2030 Aspirations. Our Experts explore existing realities and navigate anticipated Risks in the wake of the coronavirus pandemic, and project what it means for politics, economics, society, technology, legal system and natural environment. The NDP Vision 2030 Risk Foresights Radar is the flagship publication of our Brining the Future in to the Present Philosophy so we can Prepare for it Today. It has been said the World in the next 20 Years will change more than it has changed in the last 300 Years.

02

This Issue of **NDP Vision 2030 Risk Foresights Radar**, broadly explores six key themes that inform decision making and strategic planning, namely;

Politics, Economy, Society, Technology, Legal system, Natural Environment

First, we examine the Anticipated Significant uncertain Risk Dynamics in the next 3 to 10 Years that should they materialize will negatively or positively impact the achievement of the NDP's Key Aims. These Risk Dynamics should influence the Decision Making and Planning Process across all Levels of Government including Local Government and SOEs.

Secondly, we examine the key current Political, Economic, Social, Technological, Legal and Natural Environment factors external to the Country that will have a significant influence on the achievement of the NDP Key Aims and can be sources of risks or Risk Factors if not addressed.

Thirdly we analyze the Country's current Top Strengths, Weaknesses, Opportunities and Threats that will have a significant impact on the achievement of the NDP's Key Aims and are sources of risks or Risk Factors and the Country should ensure they are addressed with urgency.

Overall, we holistically provide a three-dimensional view of the Country's current Situation (PESTLE & SWOT Analysis) and anticipated future Threats and Opportunities (Risks Analysis).



## About... [panafricariskimbizoinitiativeforesights.com](http://panafricariskimbizoinitiativeforesights.com)

- Ω Vision and Purpose
- Ω Up – Coming Publications



## Country Situation Analysis Context

- Ω The NDP Strategic Aspirations
- Ω History of the NDP
- Ω NDP Implementation Review



## PESTLE and SWOT Analysis (Current Reality)

- Ω Current Political, Economic, Social, Technology, Legal and Natural Environment Insights that will have an impact on the NDP
- Ω Current Country Insights on Strengths, Weaknesses, Opportunities and Threats that should inform enhancement of the NDP Vision 2030 Plan



## Risk Analysis (Anticipated Risk Dynamics)

- Ω Anticipated Significant Threats and Opportunities in the next 3 to 10 Years that may either enhance or prevent the achievement of the NDP Aspirations should they materialize
- Ω Government led Risk Mitigation and Optimization Strategies

## FOREWORD cont...

Africa and the World at Large needs Visionary Risk Management Leaders who have the ability to anticipate the future and have a clear understanding that the future is shaped by what we do today to mitigate and / or exploit Threats and Opportunities lying ahead. First let me define what I mean by a "Risk Management Leader." By this, I mean someone or anyone, who is in charge of making a business or a country grow and achieve its Vision. This could be a CEO, President, Sales Director, CFO, Chief Risk Officer, COO, Engineer, Doctor, Economist, Director General, Minister, Mayor, City Manager, Receptionist or even administration staff. Regardless of what your title is, you are a Risk Management Leader and have a unique challenge ahead of you to anticipate and shape our Future. As a Risk Management Leader you have to be different and go against the grain to avoid blending into the crowd. Don't fall into the trap of confusing Crisis Management with Risk Management and following an elitist approach in Risk Identification and Assessment.

If you have ever looked up the word '**Education**' in the dictionary, you may have found that besides Enlightenment, it can also mean Indoctrination. A Classic Example of Indoctrination are those that say a Risk Management Leader is a Person with the Title Chief Risk Officer / Adviser, Head of Risk, Risk Officer, Risk Champion or whatever the Risk Title may be.

Many Transformational Leaders also believe Indoctrination is what our current education model is more aligned to as it teaches us **What to Think** and not **How To Think**. It is a system that often keeps us shackled to the past — living by the rules of past generations that have no effect on what we want our future to look like. And often, it accidentally suppresses our creativity and ingenuity as human beings.

**One of the Catastrophic Risk Management Weaknesses we have ever seen as a Country, is Failure to Timely Identify, Escalate and Mitigate Risks.** As an example, what the West considers as Risks in their respective countries, is typically already a reality in most Developing Countries including South Africa. In most cases a reality that has reached Crisis levels requiring Radical Recovery Strategies.

I will argue that Managing Risks is inherent to Human Beings as well as in the Animal Kingdom, it is as old as Human Kind and an Integral Part of our lives. Managing Risks effectively is about the ability to timely anticipate both threats and opportunities lying ahead that may either prevent or enhance the achievement of our Vision, Plans to Achieve our Vision and taking pro-active actions to mitigate the Risks identified. It is interesting to note that George Bush (Junior), Barak Obama and Bill Gates anticipated a Pandemic like COVID – 19 but nothing was proactively done to Mitigate The Risk. The Greater Part of the World only reacted when the Risk had materialised and had become a Crisis.

Risk Management Failures are prevalent in most Public and Private Organisations, largely as a result of a weakness we have, which is the Chronic Shortage of Skills in Risk Management. This is evident when you see "Leading Risk Management" Professionals in the Country classifying existing and / or deepening of **Current Weaknesses and Threats as Risks** (most of which have already reached Crisis Proportions in the context of South Africa)

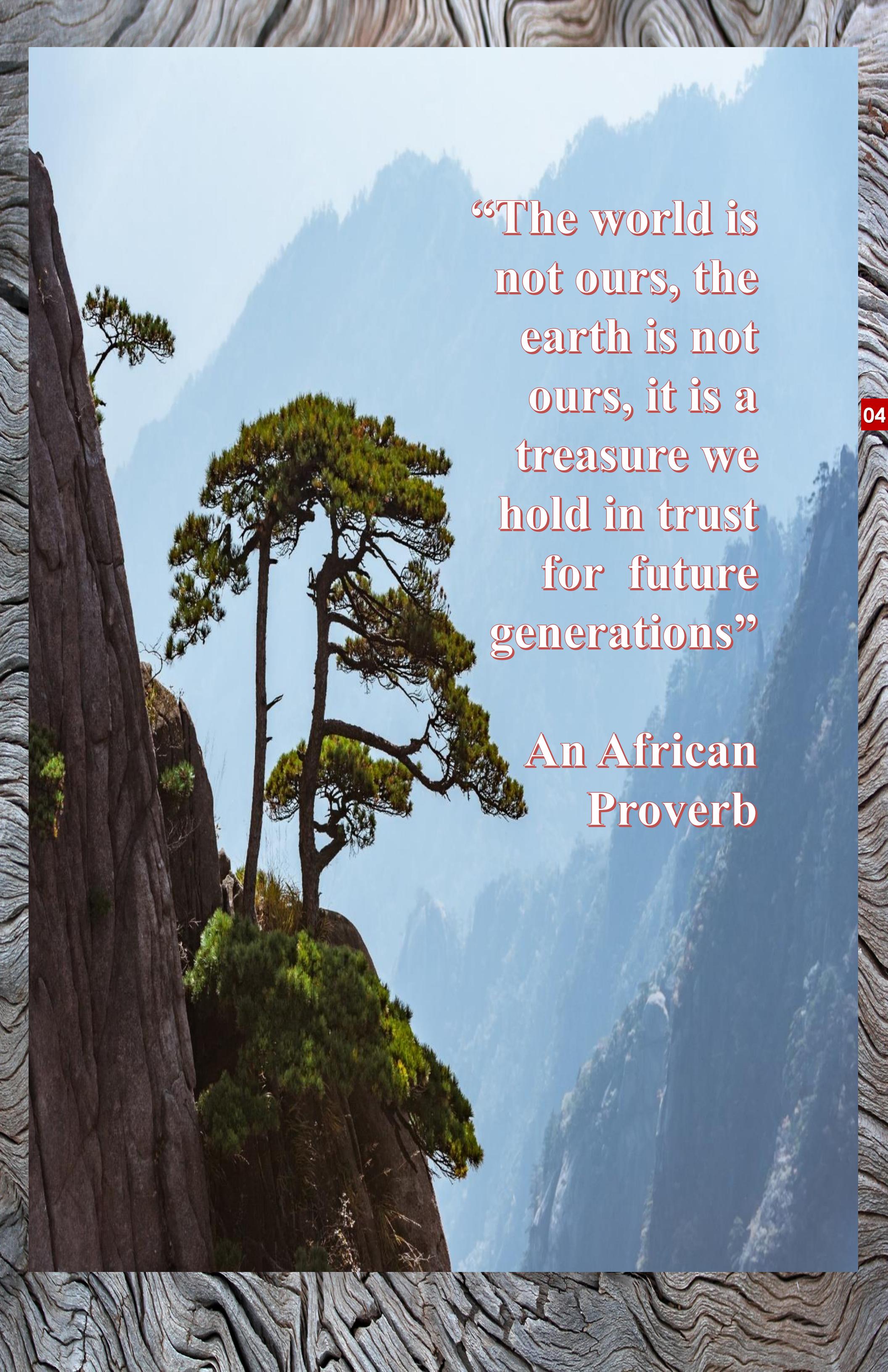
(e.g. **Lack of Visionary and Ethical Leadership that the Country has experienced, Widespread Governance and Project Failures, Entrenched Fraud and Corruption, Deepening Structural Inequalities that pre dates 1994, South Africa is rated as the most unequal country in the World, Skills Shortages, Electricity Shortages since the 1<sup>st</sup> Load shedding in 2007 , High Levels of Unemployment, with Youth Unemployment that has averaged over 52% since 1994. all these realities pre date 1994**) which One Business Leader once described as **Checking Your Rear-view Mirror to see what is Infront of your Car**. The lack of Skills in Risk Management is also seen, when only Threats are recognised as Risks in most leading Companies and Opportunities Lying Ahead are excluded when Assessing Risks. In Worst Case Scenarios you see some "Risk Professionals" when Identifying Risks they simply make an Objective a Negative. (e.g. **Failure to Root Out Deeply Entrenched Corruption, which is an negative of the Country's Objective to Root Out Corruption**).

It is in this respect that **MZingeli MEH Business Performance Improvement Solutions** has Created **The MZingeli SITUATION ANALYSIS DIAMOND™** to present a Balanced View and forward looking Risk Outlook, PESTLE and SWOT Analysis Report. It is either we change how we play the Game or play a totally new Game going forward. We have developed **The MZingeli SITUATION ANALYSIS DIAMOND™** not only to provide a holistic 360° view of the Current Situation and Anticipated Future Situation, but also to make sure there is no duplication of Strategies to either Mitigate Risks and/or resolve Weaknesses that largely pre date 1994. This is partly due to PESTLE & SWOT Analysis being done separately from a Risk Analysis as well as the Results of a SWOT Analysis being duplicated as Risks.

To help the Country make Risk Informed Decisions, Inform the Development of National Development Plan (NDP) and Achieve our desired Future Aspirations, by anticipating both Threats and Opportunities lying ahead, we present our 1<sup>st</sup> Issue Africa Risk Insights Diamond Magazine. This Issue explores Risks that will either derail and/or enhance the achievement of the National Development Plan Aspirations and/or Objectives, should they materialise.

## Mabutho Hlubi Ndlela

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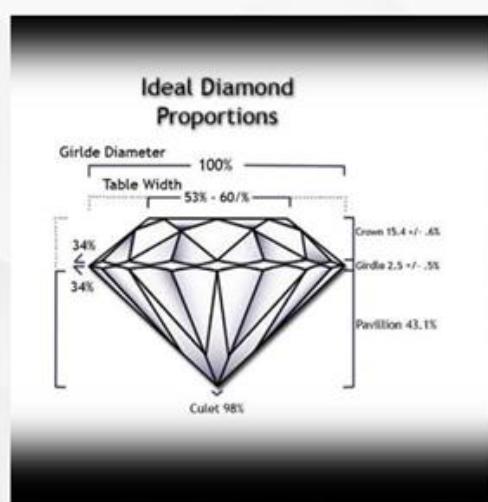
“The world is  
not ours, the  
earth is not  
ours, it is a  
treasure we  
hold in trust  
for future  
generations”

An African  
Proverb



# A Snapshot of the Country's Top Risks that we anticipate that may prevent and/or enhance the Achievement of the NDP Aspirations

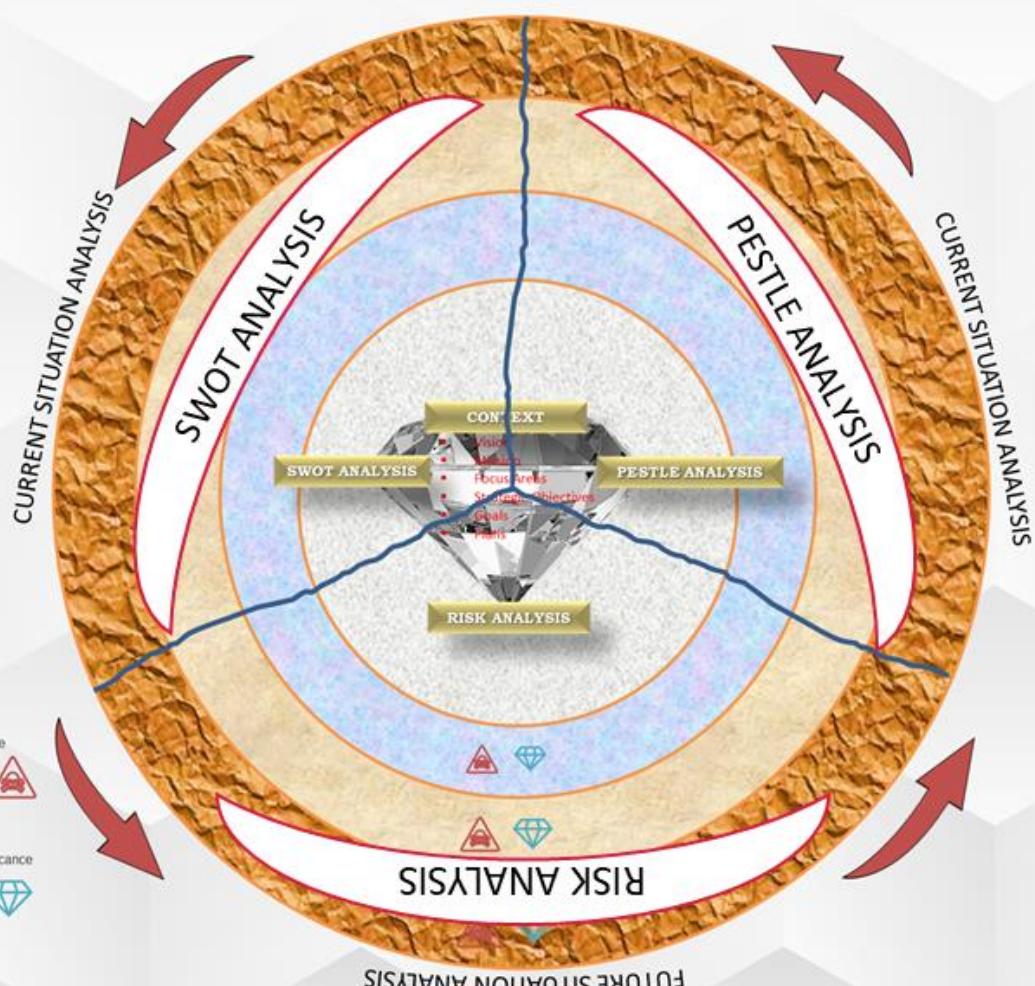
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The Story of Diamond Grading has 4 Cs;  
 o 4Cs relate to Cut, Colour, Clarity and Carat, the combination of these factors determines a diamond's relative rarity and value.  
 o However, as important as the 4Cs are in diamond grading reports, they do not entirely express the beauty of the diamond, hence the need to also focus on the beauty of each and every diamond, because natural diamond should never be purchased purely on its Laboratory Grading Report.

Source: DE BEERS Jewellers

The **MZingeLi** SITUATION ANALYSIS DIAMOND™ is inspired by the story of Diamond Grading. Just like the Value of the Attributes of a Polished Diamond, for a Situation Analysis to be Credible and Valuable in informing Strategic and Operational Planning as well as Decision Making, it should have 4 Attributes / Components namely;  
 o Context (e.g. Vision, Mission, Focus Areas, Strategic Objectives and Plans) = Clarity  
 o PESTLE Analysis = Colour  
 o SWOT Analysis = Cut  
 o Risk Analysis = Carat



06

# EXECUTIVE SUMMARY

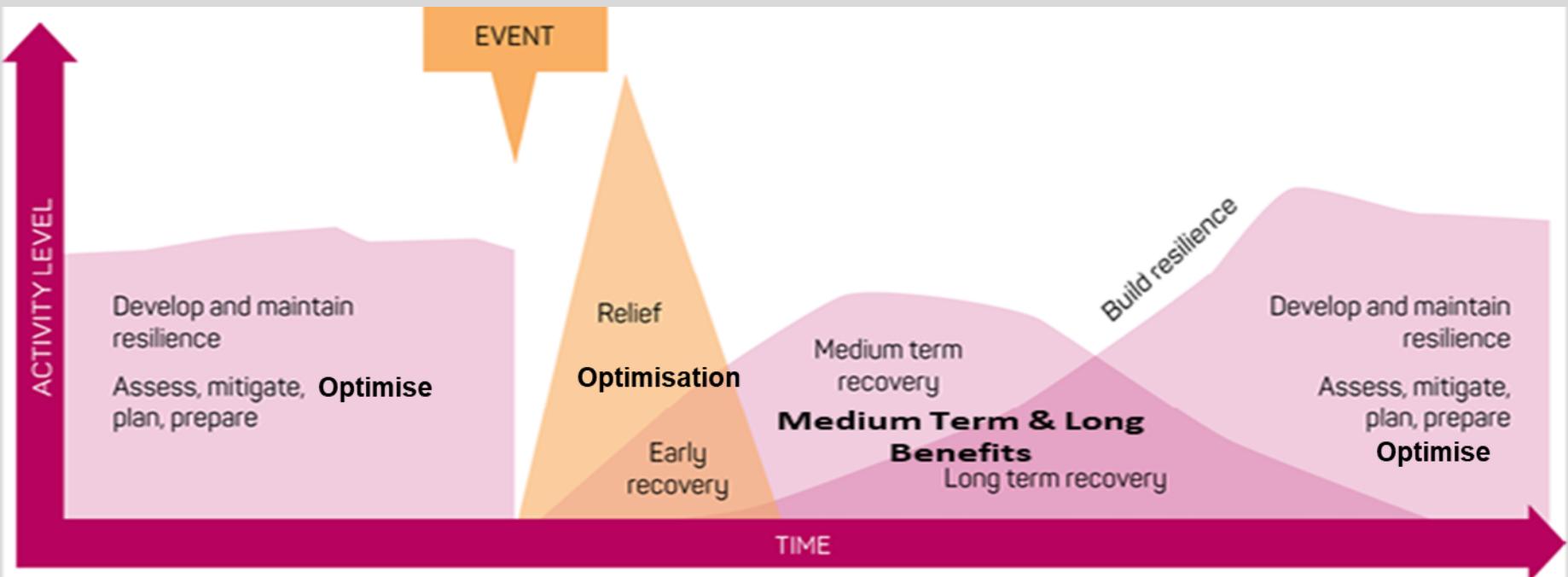
It is Mission Critical that we always anticipate what Threats and Opportunities are lying ahead that may either prevent or enhance the achievement of our Objectives and ensure our plans and decisions we make are Risk Informed.

The recent Report on Economic Progress Towards The National Development Plan's Vision 2030 released in December 2020 concluded that the Country is falling short of meeting most of the NDP 2030 Targets and corrective action is required going forward. One of the areas that will need to be strengthened going forward is the Risk Management Processes around the NDP so we can anticipate how the future may look like, and build Risk Resilient Plans.

Recent events such as how we have reacted to COVID – 19 and the current Energy Crisis amongst many other Crisis Situations we have gone through in the Country, points out to an entrenched weakness in the timely Identification, Escalation and Mitigation of Risks. Timely Identification, Escalation and Mitigation to build Resilience should be a key Improvement Focus Area for the Country as it will provide us with the much needed capability and culture to prepare for the future we all want.

One of the paramount questions that the country needs to answer is “what are our most Significant Risks that may Prevent or Assist us with our Developmental Objectives and how should they influence our Decisions and Plans today”? The Country’s answer to this will lay the foundation for the Country’s Leadership to respond with appropriate Strategies in mitigation and/or exploitation of Risks in the Horizon.

The Significant Risk Scenarios that **Mzingeli MEH Business Performance Improvement Solutions** have identified that should inform our Decision Making and Strategic Planning are summarised on the right hand side and will be explored in detail in this Publication. Also presented in this Report is the Country PESTLE and SWOT Analysis to give a complete **Current** and **Future** Situation Analysis View which should inform the Country’s Plans to achieve the NDP’s Targets.



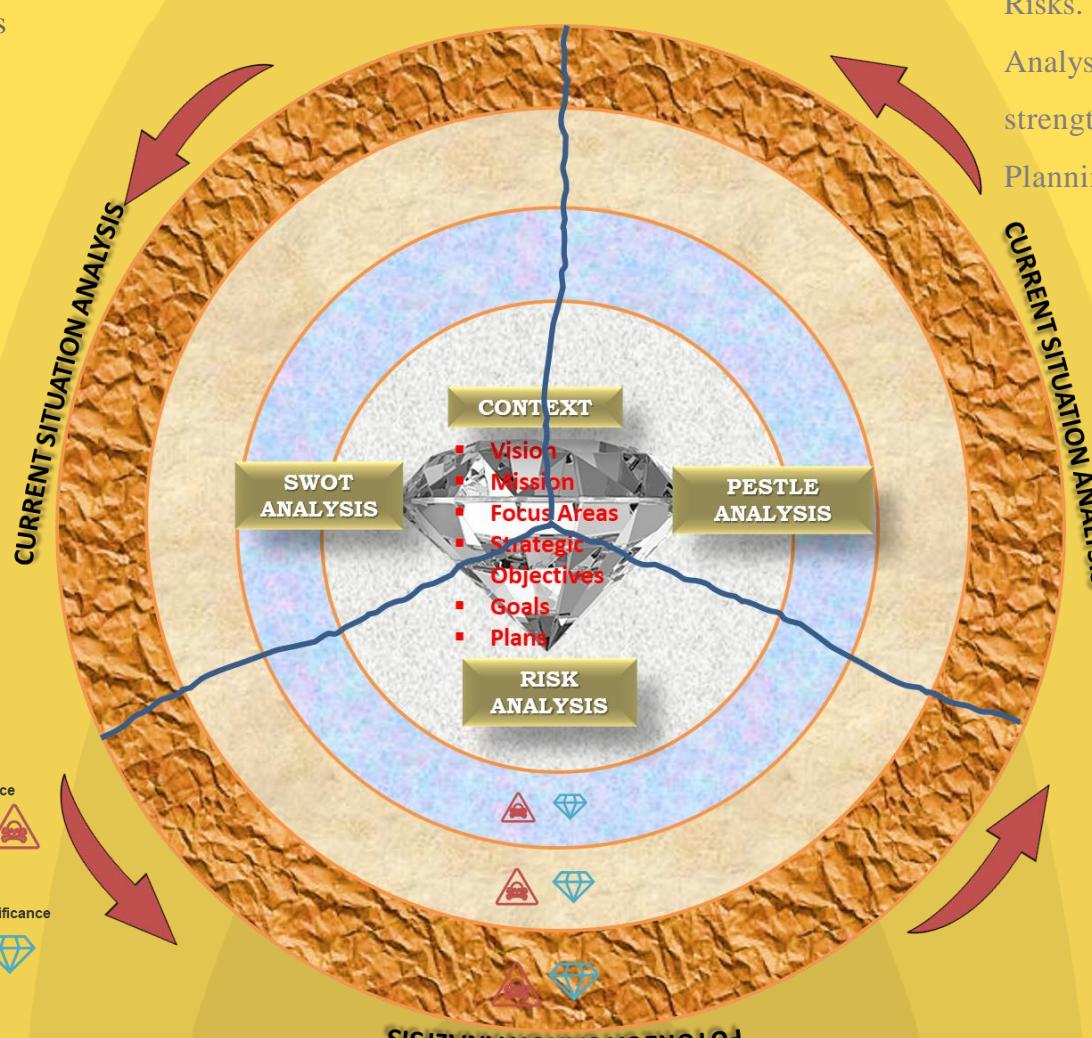
SWOT Analysis is an acronym for strengths, weaknesses, opportunities, and threats (**Current Situation Analysis**)—and is a structured technique that influences decision making and evaluates those four elements of a project or business venture or government departments or non-profit organizations. A SWOT analysis can be carried out for an organisation, a government department, company, product, place, industry, or person. It involves specifying the objective of the business venture or project or organisation or government department and identifying the current internal and external factors that are favorable and unfavorable to achieve that objective. These Factors can be Sources of Anticipated Risks (**Future Situation Analysis**)

A PESTLE Analysis is a Framework used to Evaluate and Understand the Current Environment Factors of a Business, an Organisation or a Country by breaking down these Factors into Political, Economic, Social, Technological, Environmental, and Legal factors. PESTLE Analysis can be an effective framework to use to inform Decision Making, Objective Setting, Strategic Planning and anticipating future changes that may become Risks. It complements both SWOT Analysis and Risk Analysis to strengthen Decision Making and Planning

07

### © 2007 Mzingeli SITUATION ANALYSIS DIAMOND

- Anticipate and Respond to Risks while addressing your Current Challenges and Opportunities -



**Risks** are anticipated uncertain future Threats and Opportunity Events that have not materialised, but should they materialise they will either have a Negative or Positive impact on the Achievement of your Personal or an Organisation's Strategic and Operational Objectives

© 2007 Mzingeli Situation Analysis Diamond provides;

Organisations of all Types with the Capability to align Risk Identification with Strategic Planning by creating a balance between Current Situation Analysis (PESTLE & SWOT Analysis) (Risk Factors / Sources of Risk) and Future Situation Analysis (Risk Analysis) to inform Decision Making and Strategic Planning through understanding current Environment as well as the future anticipated Threat and Opportunity Events (Risks)

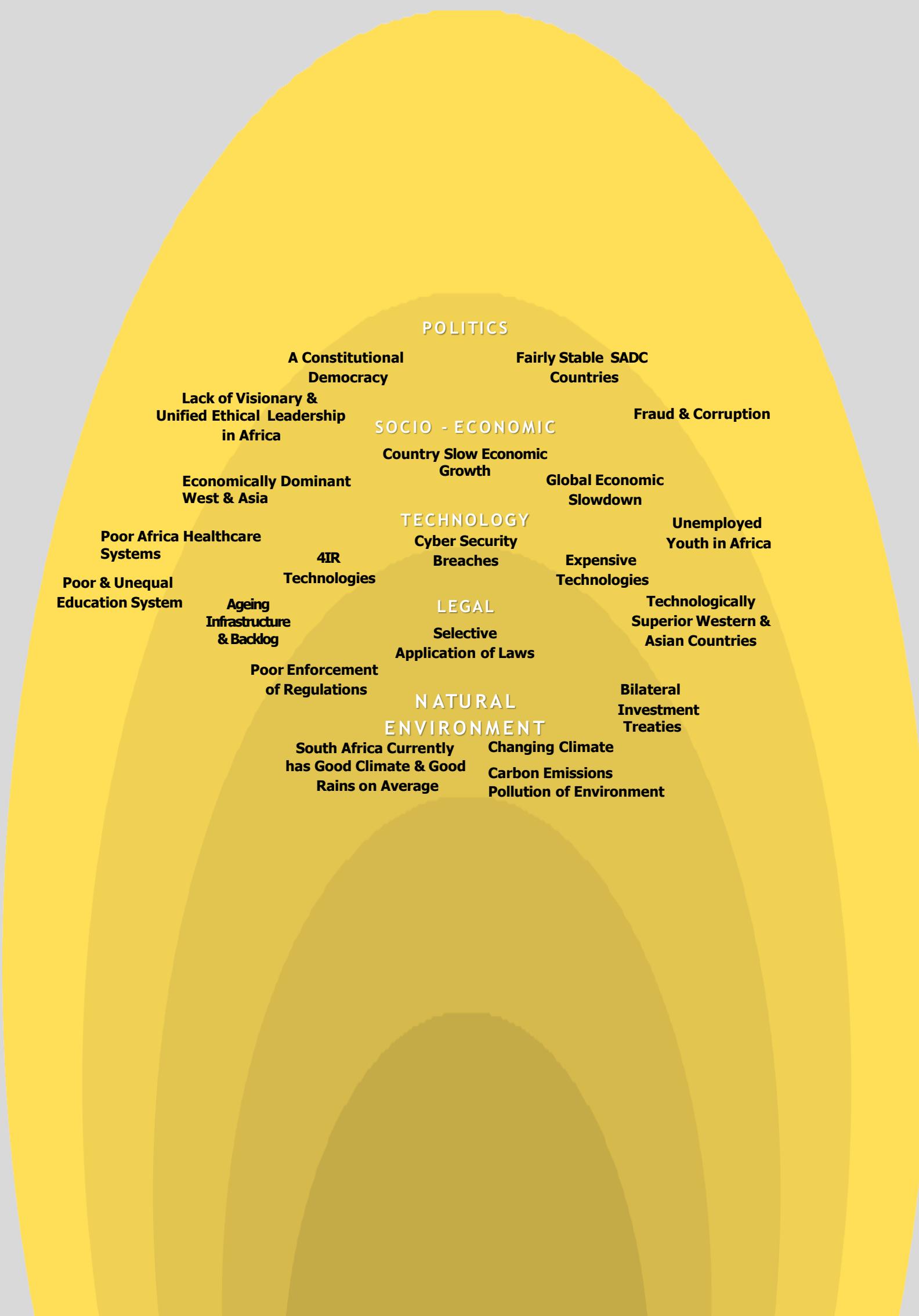
It further assist Organisations to differentiate between existing Strengths, Weaknesses, Opportunities and Threats with Risks which are future anticipated Threats and Opportunities, something which most Risk Professionals Struggle to Understand

PESTLE and SWOT Analysis helps you get Current Insights while Risk Analysis provides you with Foresight to inform Strategic Planning

# Country PESTLE Analysis

A PESTLE Analysis is a Framework used to Evaluate and Understand the Current Environment Factors of a Business, an Organisation or a Country by breaking down these Factors into into Political, Economic, Social, Technological, Environmental, and Legal factors. PESTLE Analysis can be an effective framework to use to inform Decision Making, Objective Setting, Strategic Planning and anticipating future changes that may become Risks. It complements both SWOT Analysis and Risk Analysis to strengthen Decision Making and Planning

08

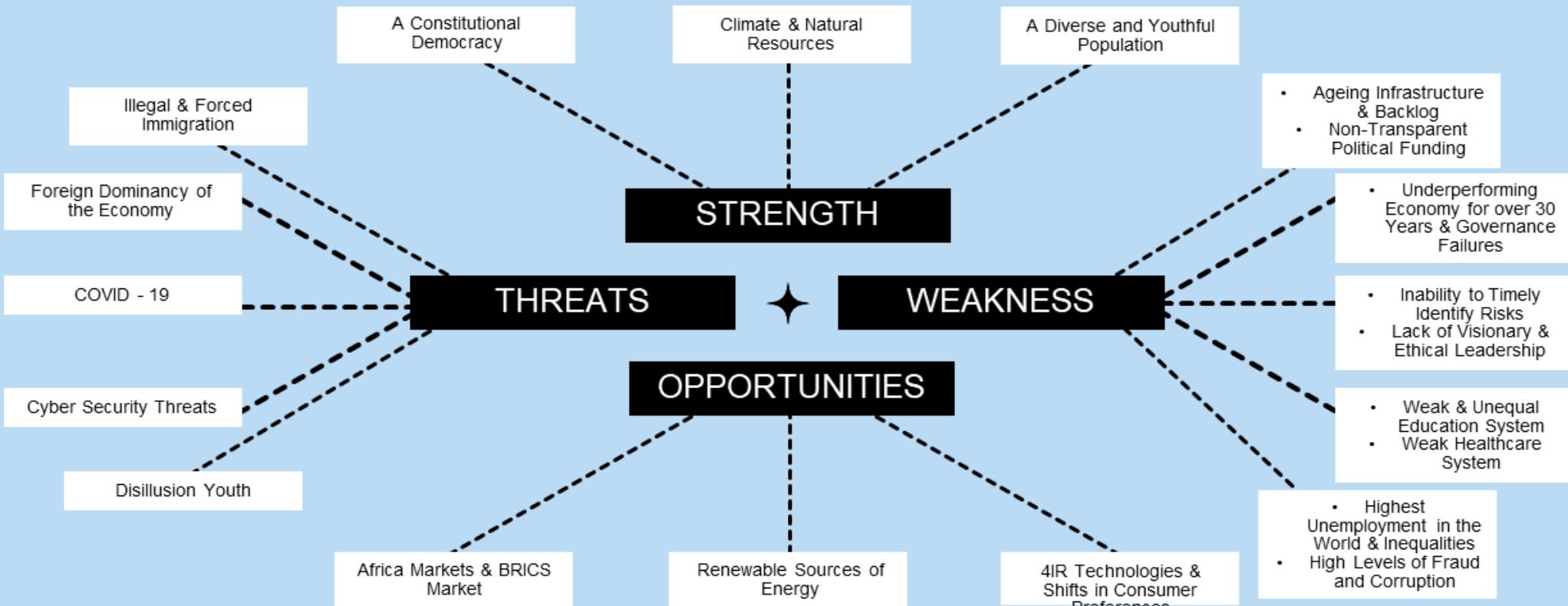


# NDP

## VISION 2030

### SWOT Analysis

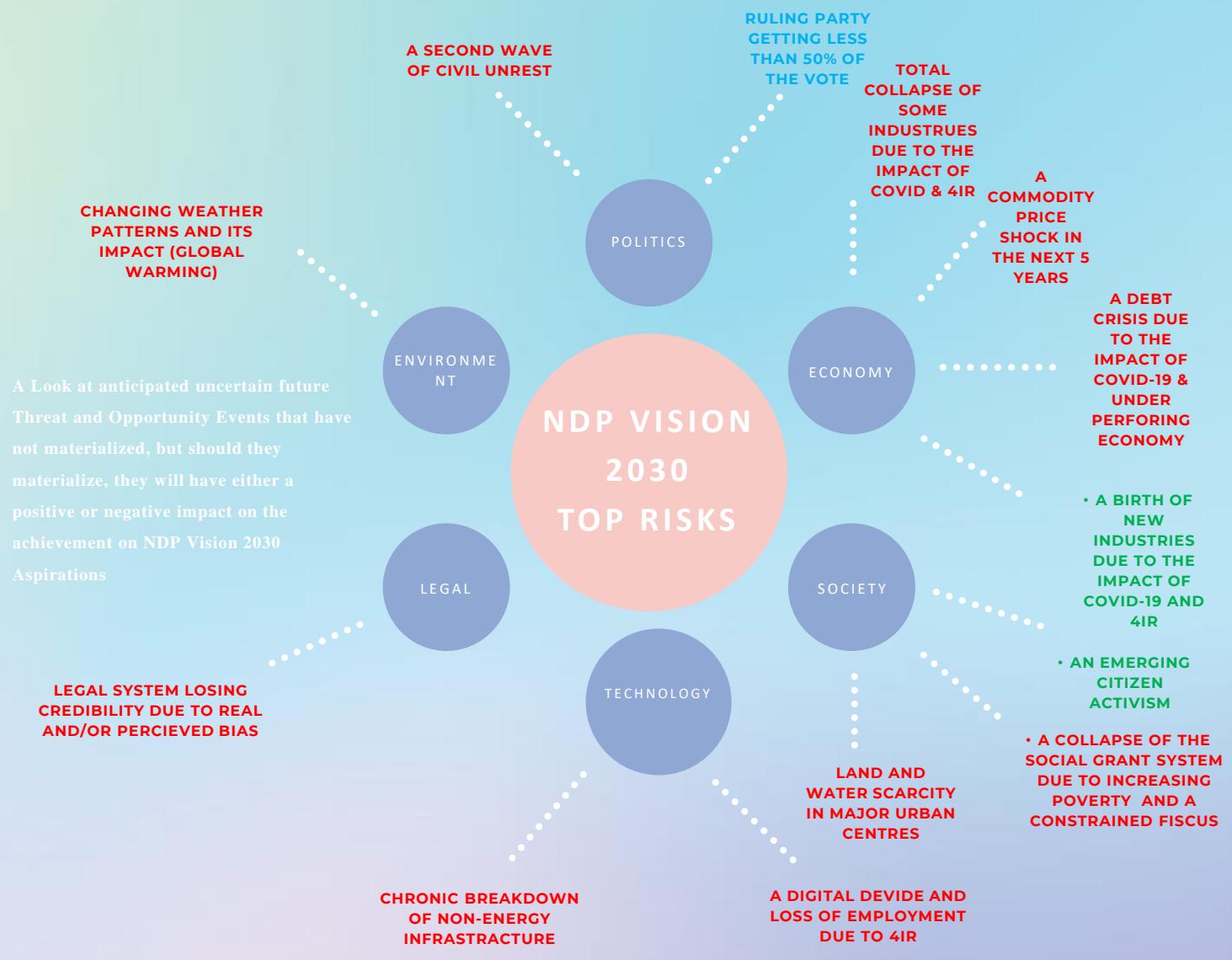
SWOT Analysis is an acronym for strengths, weaknesses, opportunities, and threats (**Current Situation Analysis**)—and is a structured technique that influences decision making and evaluates those four elements of a project or business venture or government departments or non-profit organizations. A SWOT analysis can be carried out for an organisation, a government department, company, product, place, industry, or person. It involves specifying the objective of the business venture or project or organisation or government department and identifying the current internal and external factors that are favorable and unfavorable to achieve that objective. These Factors can be Sources of Anticipated Risks (**Future Situation Analysis**) Some authors credit SWOT to Albert Humphrey, who led a convention at the Stanford Research Institute (now SRI International) in the 1960s and 1970s using data from Fortune 500 companies. However, Humphrey himself did not claim the creation of SWOT, and the origins remain obscure.



09



# NDP VISION 2030 Risks Analysis



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# Top 12 Anticipated Risks



It is Mission Critical that we always anticipate what Threats and Opportunities are lying ahead that may either prevent or enhance the achievement of our Objectives and ensure our plans and decisions we make are Risk Informed.

The recent Report on Economic Progress Towards The National Development Plan's Vision 2030 released in December 2020 concluded that the Country is falling short of meeting most of the NDP 2030 Targets and corrective action is required going forward.

One of the areas that will need to be strengthened going forward is the Risk Management Processes around the NDP so we can anticipate how the future may look like, and build Risk Resilient Plans.

Recent events such as how we have reacted to COVID – 19 and the current Energy Crisis amongst many other Crisis Situations we have gone through in the Country, points out to an entrenched weakness in the timely Identification, Escalation and Mitigation to build Resilience should be a key Improvement Focus Area for the Country as it will provide us with the much needed capability and culture to prepare for the future we all want.

One of the paramount questions that the country needs to answer is “what are our most Significant Risks that may Prevent or Assist us with our Developmental Objectives and how should they influence our Decisions and Plans today”? The Country's answer to this will lay the foundation for the Country's Leadership to respond with appropriate Strategies in mitigation and/or exploitation of Risks in the Horizon.

The Significant Risk Scenarios that **Mzingeli MEH Business Performance Improvement Solutions** have identified that should inform our Decision Making and Strategic Planning are summarised on the right hand side and will be explored in detail in this Publication. Also presented in this Report is the Country PESTLE and SWOT Analysis to give a complete **Current and Future Situation Analysis View** which should inform the Country's Plans to achieve the NDP's Targets.

## Our Anticipated Significant Risk Scenarios

P	Political Instability / A Spring Uprising due to High Youth Unemployment, High Levels on Inequality, Selective Morality of the Media and political infighting within the Ruling Party
E	A Commodity Price Shock in the next 5 Years due to a prolonged Global Economic Stagnation further derailing the country's Economic Recovery
E	A Total Collapse of Some Industries and/or a Rise in New Industries due the Impact of COVID – 19 further derailing the country's Economic Recovery
E	An Eminent Debt Crisis Due to the Impact of COVID – 19 and Declining Government Revenues which will see more budget allocation towards servicing of debt and taking money away from Social Development.
S	Collapse of the Social Grant System as more and more people rely of Government Grants and Government Revenues Shrink-which will throw the poor into deep poverty.
S	Emerging Citizen Activism due to Service Delivery Failures and Citizens realising they can be part of the Solution to create the future we all desire
S	Scarcity of Human Settlements Land and Water in Major Cities due to lack of proactive planning and a growing population
T	Digital Divide and Loss of Employment due to New Innovative and Disruptive 4IR Technologies which may result in further Job Losses in the Country
T	4IR dominance by China, USA, Japan and Europe with South Africa being reduced to a consumer of 4IR Technologies
T	Breakdown of Non – Energy, Ageing Infrastructure (e.g. Sewage and Water Infrastructure)
L	Legal System losing Credibility due to real and perceived abuse of the legal system to fight political battles

E	Frequent Draughts caused by Global Warming
E	many other Crisis Situations we have gone

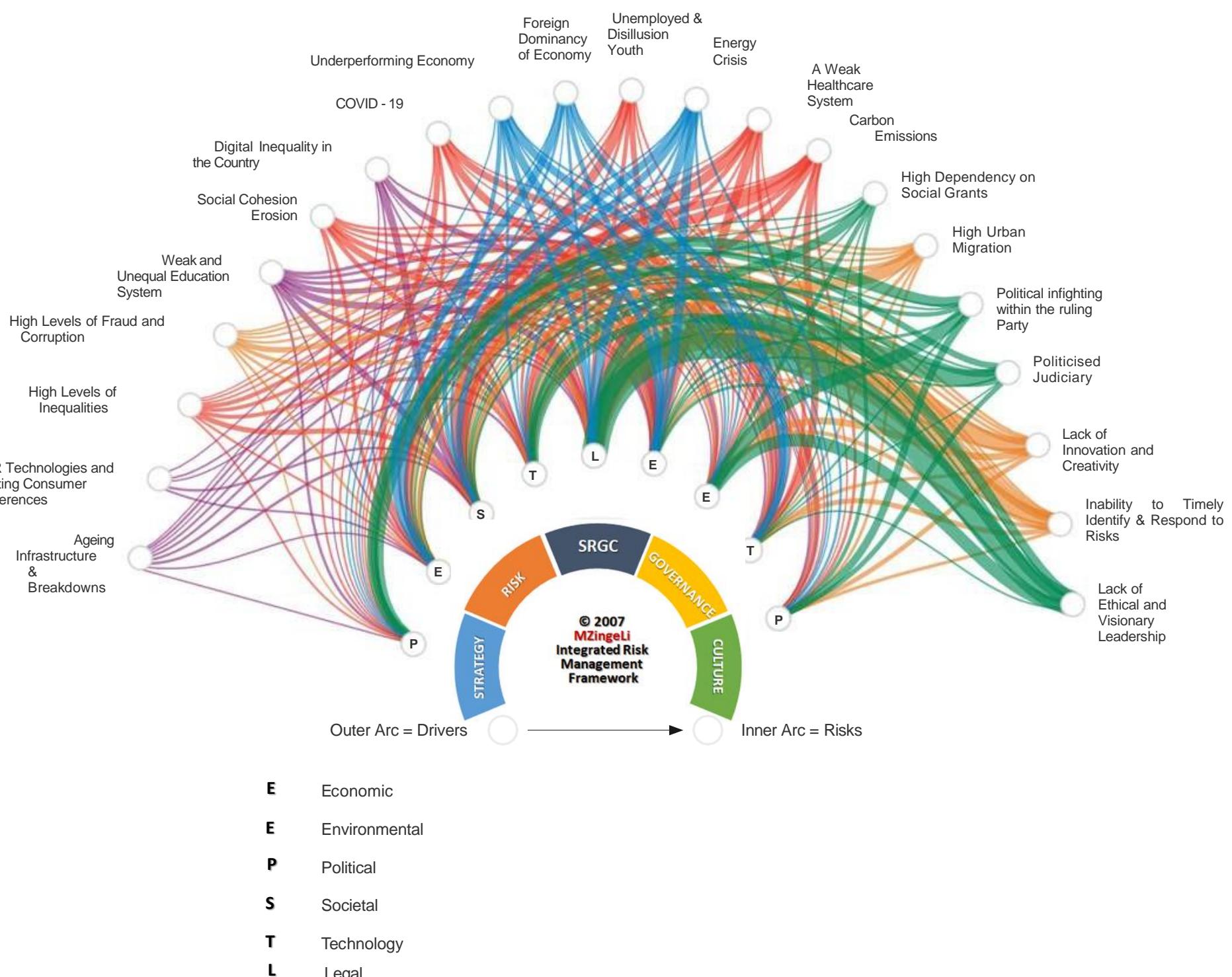
# South Africa NDP Vision 2030 Risk Radar

Bringing the Future into the Present so we can Prepare for It Today



-----A Publication of PARIIFORESIGHTS.COM-----

Materialized (p) Jul. 2021	Materialized (p) Nov. 2021	Economy	Economy	Technology	Society	Society	Legal	Environment
Political / Civil Unrest <b>2<sup>nd</sup> Wave is Eminent</b>	Ruling Party Getting <50% of the Vote <b>2024 National Elections</b>	Collapse of Industries due to COVID-19 Impact	A Debt Crisis Due to a Constrained Fiscus	A Birth of New Industries due to the COVID-19 & 4IR	Collapse of the Social Grant Welfare System	Land & Water Scarcity in Major Cities	Judiciary Losing Credibility	Global Warming due to Carbon Emissions



An Exploration of Risks that may prevent or enhance the achievement of NDP Aspirations should they materialise as well PESTLE and SWOT Analysis (i.e. Risk Sources / Drivers)

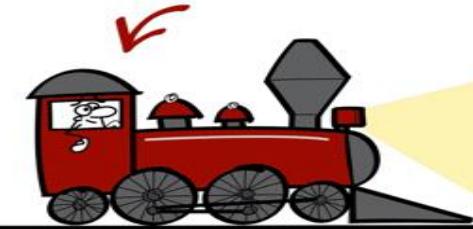
# History of the NDP

- NDP Broad Strategic Aspirations
- NDP Key Aims
- NDP 2020 Progress Review by the National Planning Commission
- UNDP Guidelines on Risk Informed Decision Making and Planning

12

Now is the time to exploit risk and shape our future

This is us now



It will become the past...  
The old ways of doing things

This is the future

TUNNEL OF  
UNCERTAINTY

It will become our present...  
How we do things now

TIME →

# South Africa's National Development Plan Vision 2030 and the National Planning Commission

## The History of the NDP

Apr	President Zuma appoints the Commission
Jun	Diagnostic Report published
Nov	Draft National Development Plan released
	Public consultation
Aug	Handover to President and Nation
Sep	Cabinet adopts the Plan
Dec	ANC Conference adopts the Plan
Aug	Launch of MTSF
Dec	NPC Review of the National Development Plan 2020
Oct	<b>President Ramaphosa appoints the second Commission</b>
2010	
2011	
2011/12	
2012	
2014	
2015	
2020	

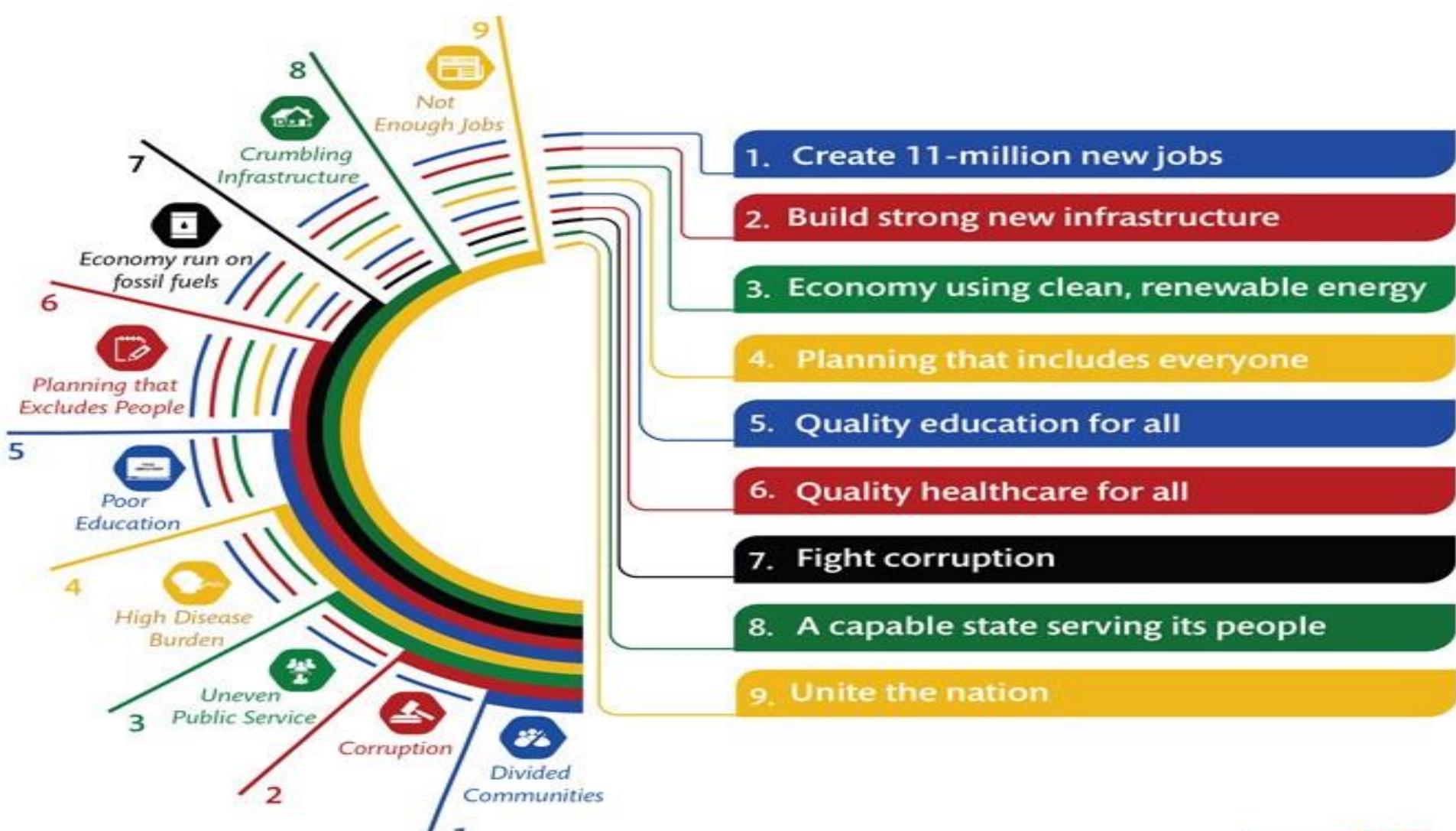
The NDP Vision 2030 is the Country's blueprint Strategic Plan, which captures the essence of what needs to be done, proposes specific policy actions, sets targets and identify mechanisms for effective implementation in key areas clustered into 15 chapters

13

## PROBLEM TO PLAN THE JOURNEY TO 2030

### THE PROBLEM TODAY POVERTY & INEQUALITY

### THE PLAN 2030 PROSPERITY & EQUITY





14

In his Key Note Address Hon. Mr Jeff Radebe, MP and Minister in the Presidency for Planning, Monitoring and Evaluation and Chairperson of the National Planning Commission at the Vision 2030 Summit held in June 2016 he summarised the Broad Aims of the NDP as follows;

4 Years latter according to the Review of Economic Progress by NPC Dec 2020 Report

The Country is Falling Short of achieving NDP 2030 Targets

With South Africa and the world at large reeling from the COVID – 19 Crisis, the Country has also fallen short of achieving the NDP 2030 Targets. The recent Report on Economic Progress Towards The National Development Plan's Vision 2030 released in December 2020 indicates that while the Country has made major strides in redressing the imbalances of the past in addressing both economic and social backlogs created by the Apartheid Regime, the Country is falling short of meeting most of the NDP 2030 Targets and corrective action is required going forward



To reduce the proportion of people living in poverty from about 39% to zero.

Reduce the level of inequality – Gini is presently about 0.69.

Create 11 million jobs by 2030.

Boost export performance and raise competitiveness of the economy.



Improve capacity of the state.

Eliminate corruption and hold government and other stakeholders accountable for performance.

Broaden social wage: delivery of a package of services including housing, social grants, public transport, water, education and health

Build social cohesion and unity.





**In the Review of the National Development Plan (NDP) 2030, conducted the National Planning Commission (NPC) the country's think-tank and advisory body. made the following conclusions and remarks;**

*“The foregoing review points out that, following the adoption of the Plan in 2012, several initiatives ostensibly aligned to the NDP have been undertaken, notably in government, its Medium-term Strategic Framework (MTSF).*

*In many respects, these initiatives have built on existing policies and programmes. However, this performance is not on course to achieving the outcomes envisioned in the NDP, as regards to reducing poverty, inequality, and unemployment, as well as strengthening social protection, building an inclusive growing economic, and a capable developmental state”*

*“The hard truth is that the challenges that were identified in the NDP are still relevant and applicable now in 2020 as they were in 2012; too few people work; the quality of school education for black people is poor; infrastructure is poorly located, inadequate and under maintained; spatial divides hobble inclusive development; the economy is unsustainably resource – intensive; the public health system cannot meet demand or sustain quality; public services are uneven and often of poor quality; corruption levels are high; and South Africa remains a divided society”*

## Way Forward

While the NPC acknowledges that as part of the corrective measures going forward the country needs to fix implementation as part of building the capacity and capability of the state and should be approached as a seamless value – chain that encompasses policy and planning, strategy and related theories of change, to ensure improved coordination, execution and impacts of actions, it fails to acknowledge that the National Development Plan is not Risk Informed.

The National Development Plan in it's current form does not expressly factor in the Strengths and Opportunities in the horizon in the next 3 – 10 Years and neither does it articulate how these risks will be mitigated and/or exploited. It also falls short in identifying what current Country Strengths and Opportunities can we leverage on to bolster the NDP.

In 2016 the UNDP in its Risk Informed Development Report made the following observation;

*“Risk-informed development allows for development to become a vehicle to reduce risk, avoid creating risks and build resilience. Only resilient development can become sustainable development; sustainable development initiatives will fail unless they are risk-informed. Risk, resilience and sustainability knowledge and actions need to go hand-in-hand”*

# Our Top 10 Country Risk Scenarios and Mitigation Actions

## Country PESTLE Analysis

## Country SWOT Analysis

16

RISKS

Anticipate



“Don’t think there are no crocodiles because the water is calm”

An African Proverb



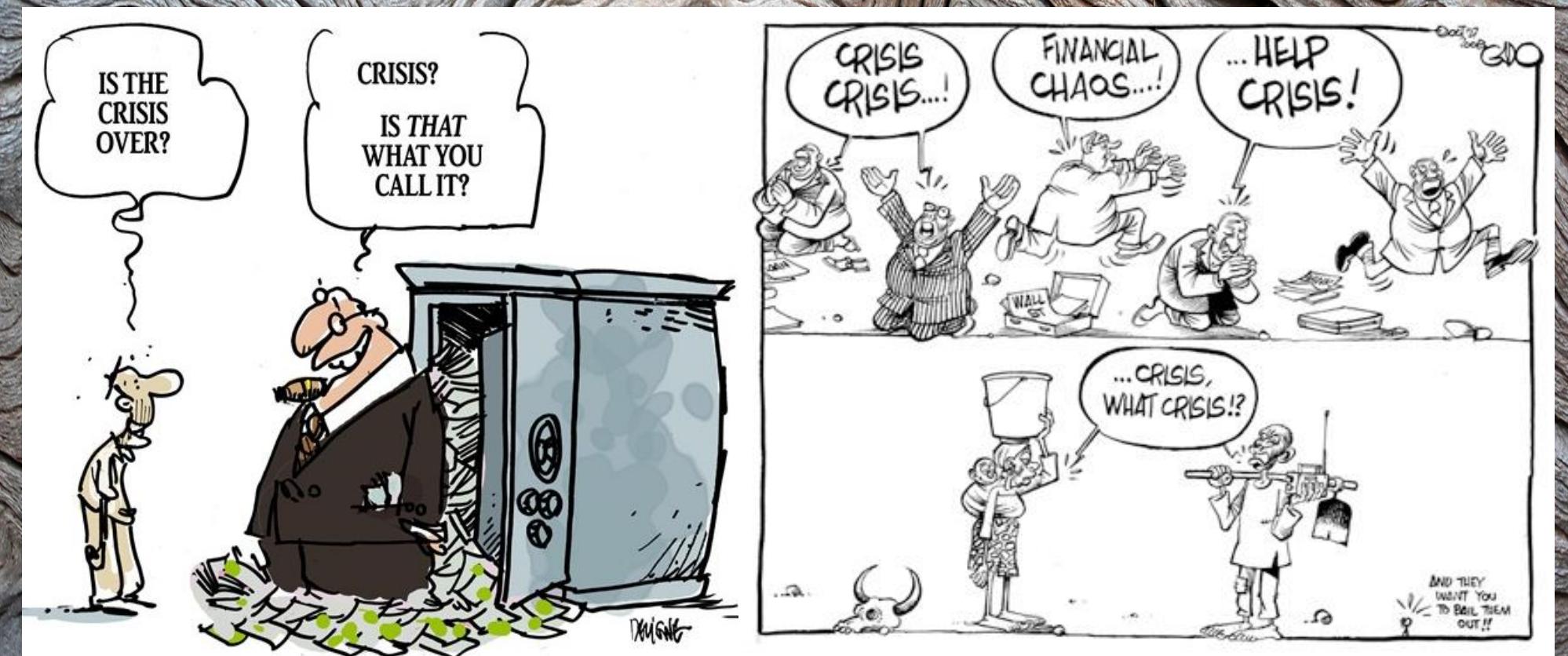
Bringing the future into the present by taking a look at the anticipated Significant Risk Scenarios in the next 10 Years that Should be Inform National Government's Strategic Planning (NDP Vision 2030), National and Provincial Government Departments Planning, Local Government Planning and all Strategic Planning by SOCs



18

As a Country we always move from One Crisis to the other to a point where both Private and Public Sector Leaders call Crisis Management, Risk Management. A lot of Crisis Situations we find ourselves in can be prevented by making Risk Informed decisions and ensuring Risk Management is an Integral Part of Decision Making and our Planning Processes.

The contributory factor to this weakness is that the Country's Culture and Risk Management Processes are not sufficiently encouraging timely identification, escalation and mitigation of risk issues that have the potential to significantly affect the Achievement of the Country's Vision and NDP's Aspirations”



***“Did You Know that, In Southern Africa it is a well-Known Fact that Kings like King Shaka of AmaZulu, King Mzilikazi of AbaThwakazi, King Bhungane of AmaHlubi, King Sekhukhune of Bapedi etc. as part of their Governance Structures never made Significant Decisions e.g., Going to War Without Consulting their Chief Risk Advisors (uNdunankulu or Imboni or Isanusi) to Inform Decision Making”***

***“Risk-informed development allows for development to become a vehicle to reduce risk, avoid creating risks and build resilience. Only resilient development can become sustainable development; sustainable development initiatives will fail unless they are risk-informed. Risk, resilience and sustainability knowledge and actions need to go hand-in-hand”***

***UNDP \_ May 2019***



Trends in Politics, Economics, Socio - demographics and human development, technological advancements, legal and regulatory frameworks and the natural environment are laying the foundation and defining the bounds of our future world. In some areas, these trends are becoming more intense, such as changes in our climate, the concentration of people in urban areas, and the emergence of new technologies.

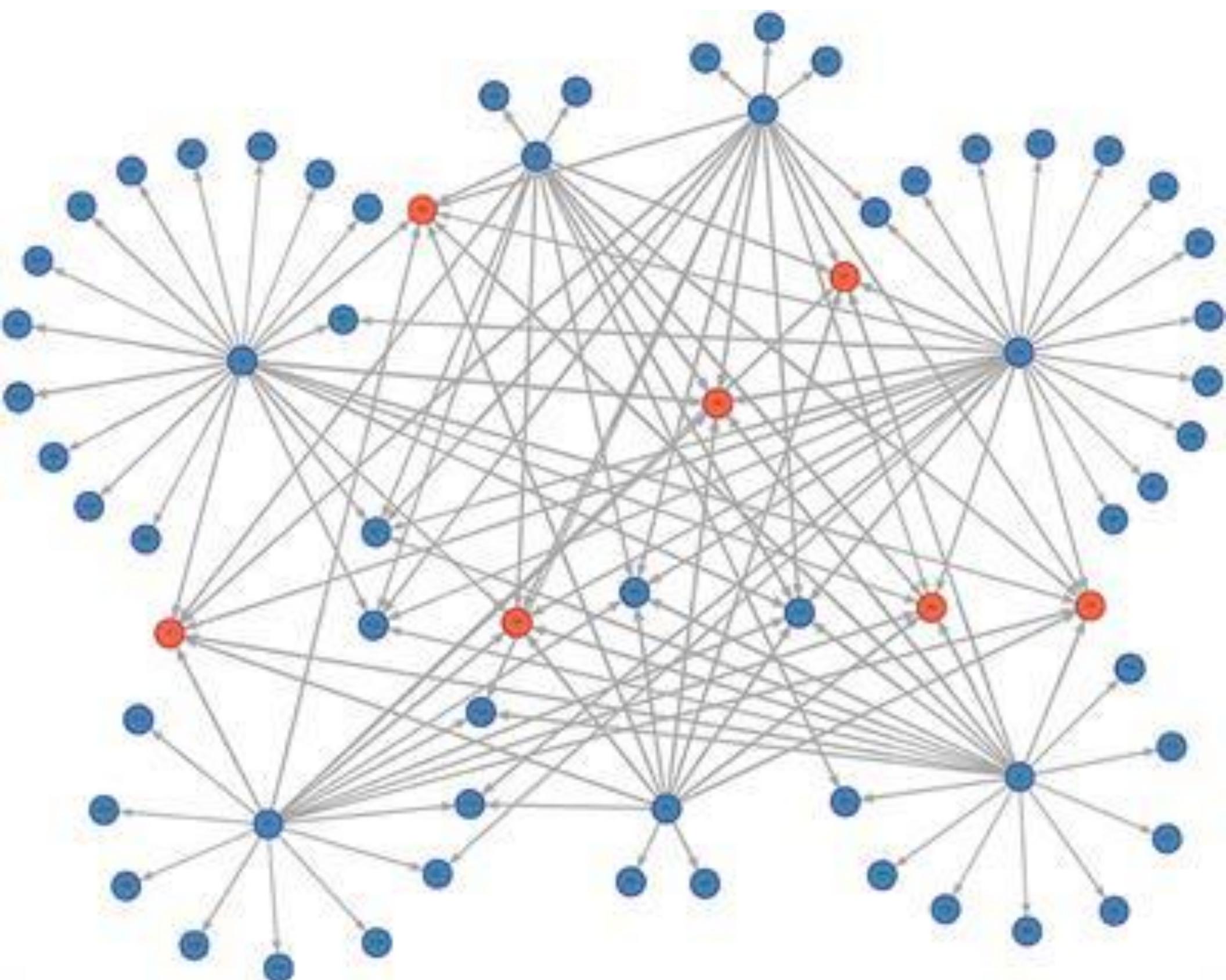
The Global 2040 Trends Report indicated that “Trends in other areas are more uncertain—gains in human development and economic growth are likely to slow and may even reverse in some areas, although a mix of factors could change this trajectory. The convergence of these trends will offer opportunities for innovation but also will leave some communities and states struggling to cope and adapt. Even apparent progress, such as new and advanced technologies, will be disruptive to many people’s lives and livelihoods, leaving them feeling insecure and forcing adaptation”

According to The Global 2020 Trends Report, during the next two decades, several global **economic trends**, including rising national debt, a more complex and fragmented trading environment, a shift in trade, and new employment disruptions are likely to shape conditions within and between states. Many governments may find they have reduced flexibility as they navigate greater debt burdens, diverse trading rules, and a broader array of powerful state and corporate actors exerting influence.

Large platform corporations—which provide online markets for large numbers of buyers and seller—could drive continued trade globalization and help smaller firms grow and gain access to international markets. These powerful firms are likely to try to exert influence in political and social arenas, efforts that may lead governments to impose new restrictions. Asian economies appear poised to continue decades of growth through at least 2030, although potentially slower. They are unlikely to reach the per capita gross domestic product (GDP) or economic influence of existing advanced economies, including the United States and Europe. Productivity growth remains a key variable; an increase in the rate of growth could alleviate many economic, human development, and other challenges.



## Anticipated Risks, Existing Risk Optimisation and Exploitation Strategies



# Power & Politics

20

## “Political Stability, Security key to Growth in Africa”

In 2019 at the Africa Investment Forum, President Cyril Ramaphosa made the following Observations;

African Countries need to maintain political stability and security if they are to attract investors to commit capital into their economies. He further added “much of the economic progress over the last few years has been made possible by developments in the political sphere. Global investor surveys consistently highlight political stability and security as important considerations for committing capital”

According to Oxford Analytica, COVID – 19 Pandemic is set to test seriously Africa’s political elites and governance. They foresee an Africa where the spread of COVID – 19 is highly likely to exacerbate instability by causing disruption within governments, exacerbating existing challenges such as hunger and poverty, triggering debt crisis and increasing tensions between ordinary citizens and the security forces.

If we cast our eyes 5 to 10 Years from now what kind of political environment will be desirable for Africa and in particular South Africa to foster much needed Economic Growth and Prosperity?

Democratic and less Corrupt Governments that drive policies that promote African Innovation, Creativity, Global Competitiveness, transformed education systems and putting Youth at the forefront of deciding what our future should look like, will be a desirable Political enabling environment.

Brilliant Strategic Planning and Execution of Strategies should be at par with the likes of China, South Korea, Singapore and other developed nations.

Political Leaders and Industry Captains alike should develop African Economies that are less reliant on Foreign Direct Investments but are more driven by Home Grown Investments. Begging the West for the ever volatile FDIs should be a thing of the past never to be repeated again.



## Political Instability / Civil Unrest / Uprising

Within the context of South Africa's Political set-up we anticipate a down side Risk of Citizens getting fed-up of recurring Service Delivery Failures, high levels of unemployment, Corruption and Inequalities, Selective Morality in holding wrong doers Accountably, a hopelessly biased Judiciary

### BRIEF RISK INSIGHT

In the last 15 Years we have seen several attacks on Foreigners by locals accusing them of taking away their jobs and also of accepting lower wages at the expense of locals.

In the next 3 to 10 Years we foresee the disillusioned unemployed Youth in particular turning their frustrations to the Government and Large Business. As at 2020, according to the International Labour Organisation the Global Youth Unemployment Rate stands at 13.6% and the South African Youth Unemployment Rate since 1994 has been at Crisis Levels Averaging over 52%. It is expected to increase due to the Impact of COVID – 19 and an under performing Economy.

The perceived unfair treatment of former President Jacob Zuma by the Zondo Commission and the Court System may further fuel an uprising that the Country may not be able to contain.

Is our Police Force well equipped to contain a wide – spread uprising? The simply answer is no

Will the bias and Selective Morality of the Media Houses be the Catalyst of a Spring Uprising and/or Political Instability? Our outlook for a politically stable and secure environment is negative however this risk can be proactively mitigated by addressing the Risk Factors identified.

# || Risk Optimisation and Exploitation Scenarios

As the country sheds more jobs, inequality levels will increase. Is there a pragmatic plan to turn around the Economy's Fortunes and political tensions within the ruling party? An unprecedented mass protest by Citizens which could force the current Government to step down may not be ruled out. Should this Risk Scenario materialise, it could weaken the Country's Security and the Safety of Citizens at large.



- The Ruling Party should focus on fostering unity within the party
- Beef up Intelligence Gathering Capabilities on the Ground
- Improve the Capabilities of the Police Responsible for Crowd Control that can deal with a Spring Uprising Scenario
- Capacitate Government Agencies such as SASRIA to be able to gather Intelligence to proactive advise members of the public that may be affected by political riots and also deal with the Financial Impact of Political Riots
- Improve Communication Channels with Communities
- Fast Track the Implementation of the Economic Reconstruction and Recovery Plans

22

**PARIIFORESIGHTS.COM** raised this downside risks in 2019 and the time of publication of this Issue it had already materialised. We are of the view that the Conditions that caused the Risk to materialise still exist and a 2<sup>nd</sup> Wave of Civil Unrest / Uprising before 2024 Elections is highly likely to occur, perhaps at a wider scale than the July 2021 Unrests



# Existing Government led Risk Optimisation and exploitation Initiatives

The South African Human Rights Commission (SAHRC) will look into the cause of the July unrest and the hearings will commence on 15 November 2021. The SAHRC said the cause of unrest, “as well as the impact on human rights”, would be heard over a three-week period, scheduled to end on 3 December

<https://www.sahrc.org.za/index.php/sahrc-media/news-2/item/2872-media-statement-sahrc-to-hold-media-briefing-on-the-launch-of-the-national-investigative-hearing-into-the-july-2021-unrest-to-commence-on-monday-the-15th-november-2021>

With the recent chaos specifically in the KwaZulu-Natal and Gauteng provinces, and the media focus on these areas pertaining to the violent riots and looting, it is easy to get wrapped up in some tunnel vision, focusing exclusively on these events... writes Free State University's Prof Petrus. The danger of this, of course, is that one runs the risk of trying to make sense of these events in isolation. However, a more holistic view reveals that nothing can be further from the truth.

Prof Theodore Petrus

Prof Theodore Petrus, author of this opinion piece A wider context is at play, and the recent events are the latest manifestation of this wider context. The events happening now have a historical context, particularly if we relate them to the prevailing political, economic, and social conditions. I would highlight in particular the following key factors:

The COVID-19 pandemic

The political tumult emanating from the Zondo Commission, corruption allegations against high-profile political leaders, and the arrest and sentencing of Jacob Zuma

Lack of service delivery, skyrocketing unemployment and poverty

A dysfunctional senior police leadership

If we want to make sense of what is currently happening, we have to look at the above factors as part of the wider context. The rioting and violence that flare up from time to time, including now, are not isolated incidents that occur in a vacuum. They are almost always linked to a wider context, and in recent times, the four contextual factors mentioned above have been at the root of most of the violent protests and riots that the country has witnessed.

Source: SA People News

SA Human Rights Commission to probe July unrest  
07 August 2021

The SA Human Rights Commission (SAHRC) will launch an investigation into the violence that swept across KwaZulu-Natal and Gauteng in July.

Among other things, the commission said on Friday it would examine the effectiveness of the state, particularly the police and security cluster as a whole, in maintaining public order, including the provision of adequate protection for the safety and security of people and property.

The commission said it would probe the underlying reasons that could have contributed to the unrest. It will make recommendations for short-, medium- and long-term measures to be adopted by relevant stakeholders and the state to address the resultant human rights violations and prevent a recurrence of future unrest, including better public order policing.

“The SAHRC reiterates state responsibility in terms of section 7 of the constitution to ‘respect, promote and fulfil’ all the rights in the bill of rights of the constitution. These rights include but are not limited to: equality, human dignity, freedom and security of the person, freedom of movement and residence, freedom of trade, occupation and profession, and various socio-economic rights such as housing, health care, food, water, and education,” the commission said in a statement.

The commission hosted an imbizo on July 23 to consult with the public as part of its effort to understand and respond to the unrest, and subsequent human rights issues.

“The tragic loss of many lives, incidents of looting, destruction of public and private property, and loss of billions of rand to SA’s economy, severely undermines the resolve for South Africans to live in peace and harmony, without fear and want. The events have also threatened fragile relations between communities.

“These incidents of unrest have in turn raised numerous questions and concerns about the state’s ability to protect the public from harm, as well as the state’s ability to alleviate poverty, which is understood to be a factor that fuelled the unrest,” the commission said.

The sentiment shared during the imbizo was that the actions of those who participated in the unrest were in flagrant violation of the law.

The impact of the unrest severely undermined the rule of law upon which the promotion and protection of human rights rest and threatened the stability of our constitutional democracy.

SAHRC

The commission deemed it necessary in terms of its mandate, to investigate and take steps to secure appropriate redress with a view to preventing such a recurrence and in the interests of victims.

“The impact of the unrest severely undermined the rule of law upon which the promotion and protection of human rights rest and threatened the stability of our constitutional democracy, which the commission has a constitutional mandate to strengthen,” it said.

The commission will continue to monitor affected areas and promote social cohesion efforts with a view to restoring peace and stability. It also expressed concern for vulnerable groups such as children and the role misinformation could play in diluting efforts to restore peace and stability.

“Every effort should therefore be made for timely responses to address the consequent impacts of poverty, fear, anxiety and lack of basic services to restore and promote respect for a culture of human rights. In addition, the SAHRC calls for vigilance in order that stability is not again threatened.

“The SAHRC commends human rights defenders who are working tirelessly to restore rights and peace.”

Source: TimesLIVE

# ECONOMY



24

Dr. Stephen Brien, Director of Policy, Legatum Institute in his Foreword of The Africa Prosperity Report 2019/20 had this to say “Prosperity entails much more than wealth. It reaches beyond the financial into political, the judiciary, the wellbeing, and the character of a nation. A nation is prosperous when it has an inclusive society with strong institutions, an open economy, and empowered people who are healthy, educated and safe”

“No political democracy can survive and flourish if the mass of our people remain in poverty, without land, without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of a democratic government” An extract from The reconstruction and Development Programme, 1994

In June 2011, 17 Years later the National Planning Commission set up by the then President Jacob Zuma released a diagnostic report which identified failure to implement policies and absence of broad partnerships as main reason for slow progress in achieving what the ANC government set out to achieve in 1994 and identified nine primary challenges that needed to be tackled by 2030 and reduced to acceptable levels.

1. Too few people work
2. The quality of school education for black people is poor
3. Infrastructure is poorly located, inadequate and under maintained
4. Spatial development hobbles inclusive development
5. The economy is unsustainably resource intensive
6. The public health system cannot meet demand or sustain quality
7. Public services are uneven and often of poor quality
8. Corruption Levels are high
9. South Africa remains a divided society

The challenge from 2011 to 2030 was therefore to develop and implement strategies that would address these nine challenges within the Country's tolerance levels in particular by ensuring that the Economic Growth was at a level that will generate Jobs to reduce unemployment and generate enough taxes to support the Government Socio Economic Strategic Objectives and Responsibilities.

According to the African Development Bank South Africa's real GDP growth was 0.2% in 2019. The Pandemic and the containment measure to curb the spread of the virus further damaged the economy. Real GDP contracted by 8.2% in 2020, the result of decline in construction, transport, and communication, manufacturing and mining/

Real DGP growth is projected to rebound to 3.0% in 2021, but the pace of the recovery will slow to 1.6% in 2022 due to continued structural constraints such as unreliable electricity supply and job regulations.

What are the prospects of the South Africa Economy beyond recovery from COVID – 19, will it recover or it will remain in ICU beyond 2025?

We anticipate that the Economy will remain in ICU partly because of the current Country Weaknesses such as lack of a Pragmatic Strategic Plan that will drive Economic Recovery, too much reliance on volatile Foreign Direct Investments, hostile policies towards Start-ups that drive Innovation and Creativity, lack of competitiveness, fraud and corruption and competitive imports from countries such as China, South Korea, India and the West.

And partly because of the downside Risk we are anticipating in the next 5 to 10 Years.



# A Total Collapse of Some Industries and/or Companies & A Rise in New Companies / Industries Due To COVID - 19

We anticipate the Country will not be able to optimally mitigate the Impact of Collapsing Companies / Industries due the entrenched Country weaknesses and neither will the Country be Ready

To Exploit Opportunities in New Companies / Industries that will Emerge.

**BRIEF RISK  
INSIGHT**

Due to the Immediate Impact of COVID - 19 we have seen an unprecedented Business Interruption over and above a Human Health Crisis.

While some industries and companies will certainly bounce back in the medium to long term, others may collapse completely while new players emerge.

Countries that are well positioned to mitigate the Impact of COVID – 19 on the Economy are China, USA and Europe. There are likely to emerge Strong while Africa including South Africa emerges weaker.



# || Looking Forward

COVID – 19 has shown us the Devastating, Rapid and Cascading Impact of a Global Risk Event Materialising.

As an after effect of the COVID - 19 Pandemic, collapse of an Industry and/or a sizable number of Companies will have a devastating effect on the South African Economy, Employment and Poverty Levels.

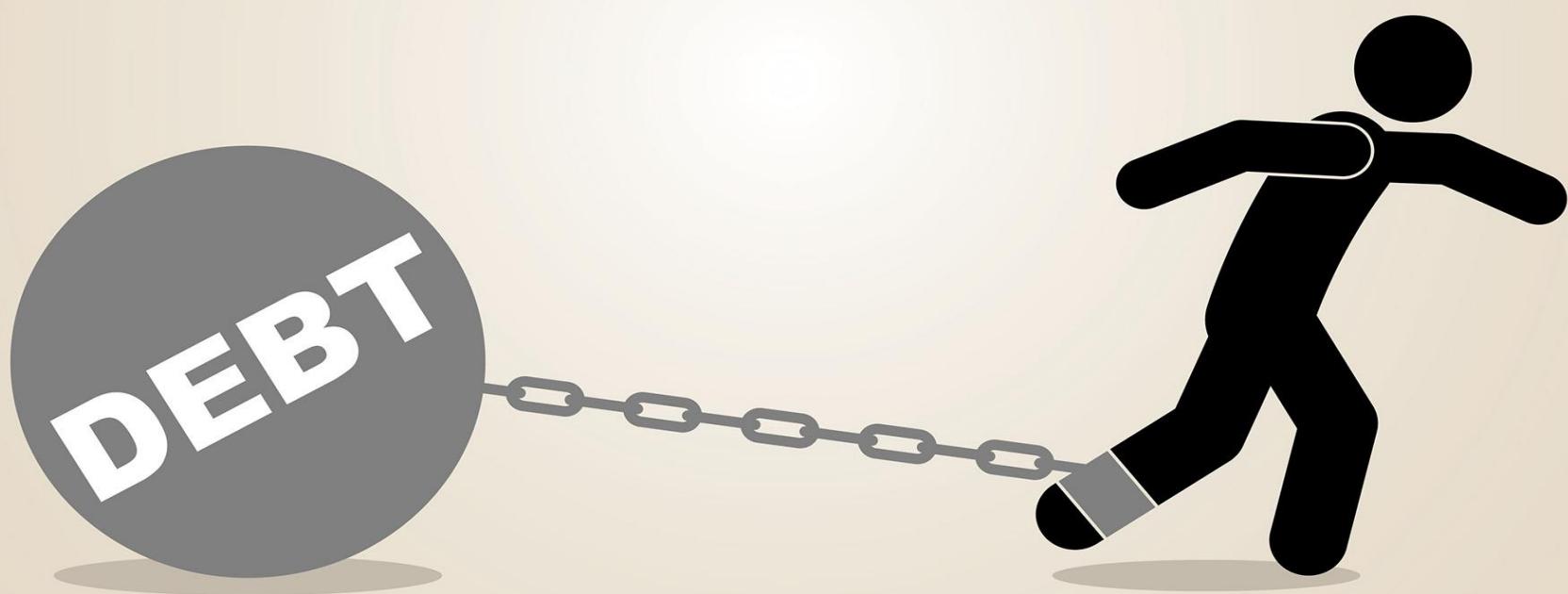
The UN's Framework for the Immediate Socio – Economic Response to the COVID - 19 Crisis warned that, *“The COVID - 19 Pandemic is far more than a Health Crisis, as it is affecting Societies and Economies at the Core. While the Impact of the Pandemic will vary from Country to Country, it will most likely increase Poverty and Inequalities at a Global Scale, making the Achievement of SDGs even more Urgent”*.

*“Without urgent Socio – Economic Responses, Global Suffering will escalate, jeopardising lives and livelihoods for years to come. Immediate Development of Responses in this Crisis must be undertaken with an Eye to Future”*.

On the 15<sup>th</sup> of October 2020 President Cyril Ramaphosa presented the Government's Economic Reconstruction and Recovery Plan to the sitting of the Joint Houses of Parliament which is summarised below:



# ROAD TO RECOVERY



## An Eminent Debt Crisis due to The Impact of COVID – 19 and Declining Revenues

A Debt Crisis is looming in Emerging Economies which South Africa is not immune to, and we anticipate that due to a Shrinking Economy and a ballooning State Social Grant Expenditure South Africa may not avoid the eminent Debt Crisis.

**BRIEF RISK  
INSIGHT**

IMF recommends that African Countries maintain their Debt Levels at below 60% of the GDP. The World bank has predicted the average sub-Saharan African Debt will hit a peak of 67.4% of GDP in 2021.

As for South Africa, Bloomberg sees South Africa Debt topping 100% of GDP in 2025 and rising to almost 114% before the end of the decade.

Will the planned Infrastructure Projects see the light of day in the next 5 to 10 Years or will they be deferred due to funding Constraints?

Will the Country's Social Development Projects Go Ahead as Planned?

Will Debt Funding be used to fund the widening Budget Deficit or are there alternative sources of funding that the Country may tap into in light of current Fiscal Challenges and Credit Rating Agencies Downgrading we have experienced?

Will the Public Private Partnerships be the Silver Bullet?

Vera Songwe, Executive Secretary and the UN Economic Commission for Africa advised that “In 2021 a robust liquidity and structural response, recovery and reset toolbox must be developed in partnership between emerging markets, the private sector and the G20”

## || Looking Forward

The National Treasury Fiscal Outlook summarised the current Fiscal Outlook as follows;

- The COVID – 19 Pandemic has led to a sharp deterioration in the Economic and Revenue Outlook

In the context of Africa, IMF indicated that it is widely understood that the crux of sub-Saharan Africa's Debt overhang, which has led many countries in the Region to be classified as Insolvent. The severity of the Debt Crisis has impacted negatively on the Growth Per Capita incomes and Private Investment Rates in the Region.

In the Context of South Africa, the looming Debt Crisis may become a reality should the Government Fail to stabilise the debt – to – GDP Ratio and narrowing the Budget Deficit.

The Government's Strategy to avert a Sovereign Debt Crisis is outlined below.



28

According to National Treasury South Africa's fiscal challenge is to balance the immediate need for support to the economy during the pandemic with ongoing efforts to close a large, pre-existing budget deficit. In this context, the fiscal strategy aims to:

- Narrow the deficit and stabilise the debt – to GDP ratio, primarily by controlling non-interest expenditure growth
- Provide continued support to the economy and public health services in the short-term spending measures.
- Improve the composition of spending, by reducing growth in compensation while protecting capital investment

Efforts to reduce growth in the public – service wage bill remain on course, with the Labour Appeal Court of South Africa confirming that the National Treasury must certify the affordability and sustainability of wage agreements prior to their implementation.

Significant Risks remain. The Global Outlook is highly uncertain, with economic recovery largely dependent on responses to COVID-19. Several state-owned companies are requesting additional funding. Negotiations on a new public- service wage agreement are set to take place this year.



# Existing Government led Risk Optimisation and exploitation Initiatives

**In response to the devastating socio-economic impact of COVID – 19 the South African Government responded with the South Africa Economic Reconstruction and Recovery Plan. In his Mid Term Budget Policy Statement Speech, Finance Minister Enoch Godongwana in his opening remarks said “Madam Speaker, we are tabling the 2021 MTBPS under unprecedeted conditions. The COVID-19 crisis has caused severe disruptions to economies the world over. It has forced governments to pay even greater attention to the tasks of saving lives and preserving livelihoods. In addition to the high cost to human life, the crisis is likely to leave deep and long- lasting scars on the global economy. The scarring impact of the crisis is evident in increased debt levels, income vulnerabilities; while unemployment, poverty and inequality are deepening. This is a crisis like no other!”**

<http://www.treasury.gov.za/documents/mtbps/2019/mtbps/FullMTBPS.pdf#:~:text=The%20Medium%20Term%20Budget%20Policy%20Statement%20%28MTBPS%29%20aims,effectively%20implemented%2C%20will%20restore%20the%20momentum%20of%20economic>

*The South African Economic Reconstruction and Recovery Plan, sets out a reconstruction and recovery plan for the South African economy that is aimed at stimulating equitable and inclusive growth. For the past decade, the South African economy has experienced stagnation which has put a strain in the effort to tackle the historical structural inequalities, unemployment and poverty. There is a consensus amongst the social partners that there should be substantial structural change in the economy that would unlock growth and allow for development. Government's conviction is that we have to massively mobilise all our resources and efforts in economic activities that will put the economy in a sustainable recovery trajectory.*

*Source: South African Economic and Reconstruction Recovery Plan*

## THE 2021 MTBPS CORE MESSAGE

*Madam Speaker, this year marks the 25th MTBPS to be tabled in this house. We have indeed come a long way in improving transparency and credibility of our budgeting processes.*

*The 2021 Medium-Term Budget Policy Statement is about navigating South Africa's path to economic and social recovery, drawing on the resilience of her people as well as restoring the sustainability of our public finances and the dignity of our people in the face of a once-in-a-lifetime pandemic. The MTBPS charts a course that demonstrates government's unflinching commitment to fiscal sustainability, enabling long-term growth by narrowing the budget deficit and stabilizing debt. Critical to the fiscal path we have chosen is the need to be clear and unambiguous on the trade-offs we are willing to make as a nation. We cannot do everything we want at the same time. Equally important is the faster implementation of structural reforms to unlock greater private sector investment, economic growth and job creation. A fast-growing economy will allow for greater revenue collection, making it possible for more comprehensive responses to the challenges we face.*

*Source: 2021 Medium Term Budget Policy Statement Speech*



30

## Commodities Price Shock

In the next 5 to 10 Years will we see another drastic decrease in the Price of Commodities?

BRIEF RISK INSIGHT

Throughout history, commodities have been subjected to multiple shocks that have affected both demand and supply.

Commodity Shocks can originate from recessions such as the 2009 Global Financial Crisis and now with the Impact of COVID – 19 another Commodity Price Shock can not be ruled out.

They can become a major macroeconomic concern and a major reduction in international commodity price can lead to a devastating slowdown in economic growth.

According to J. Paul Dunne and Bertha Chipo Bangara (School of Economics University of Cape Town) “One of the major concerns facing developing economies is the implications of their dependence on commodities and the implications of price changes”

Within the context of South Africa the National Planning Commission Diagnostic Report pointed out that one of the Country’s weaknesses is “The economy is unsustainably resource intensive”

## || Looking Forward

Commodity Price Shocks (Lower Commodity Prices) are very harmful to most Economies, especially those that rely on the Commodities to support Economic Growth.

Commodity Price declines affect most sectors of the economy (Mining, Corporate, Household, Government and Banking). A decline in exports, investments and output immediately affect the Corporate and Household Sectors.

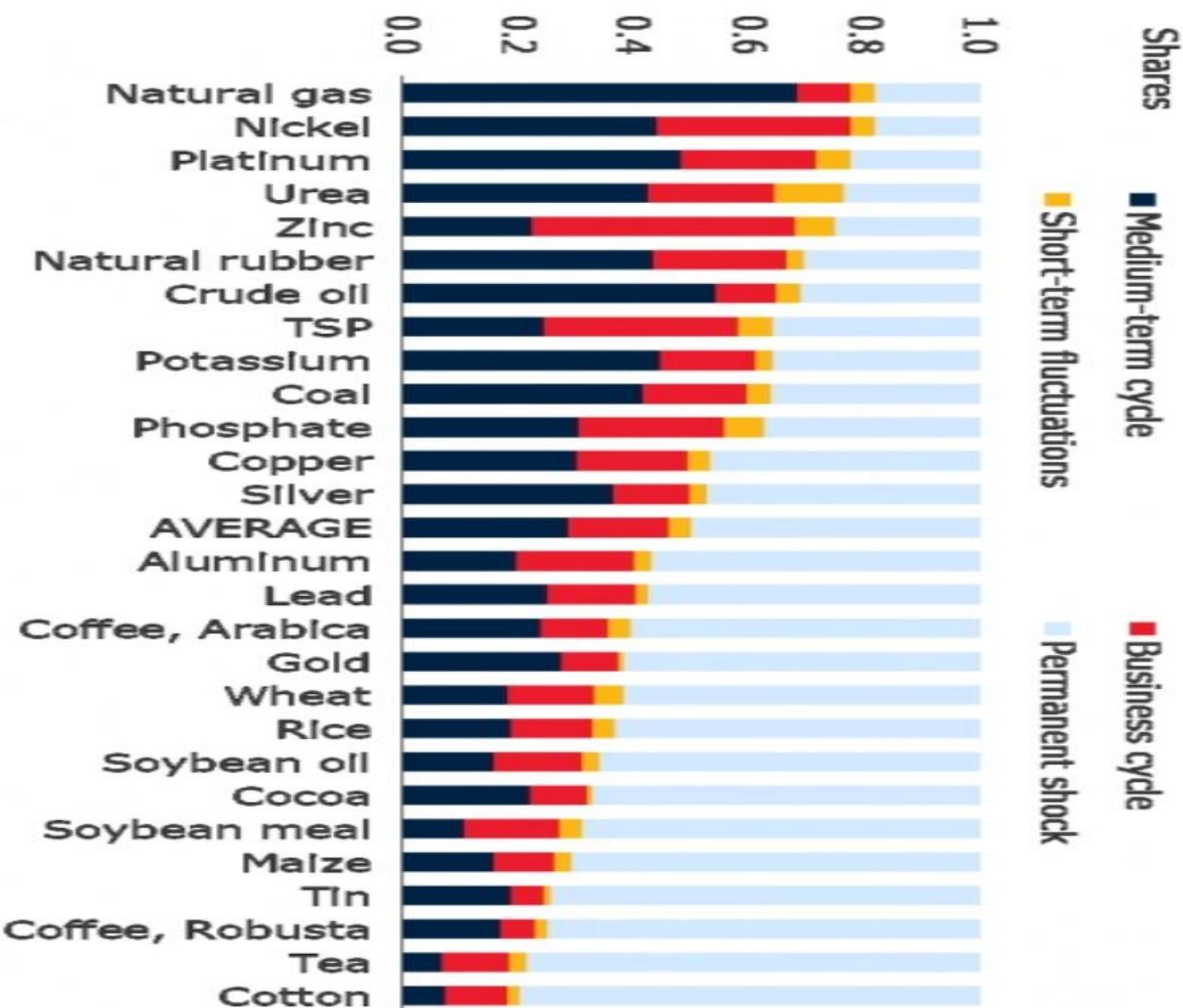
A slow growth in China, America and Europe will certainly reduce not only the Price of Commodities but these respective Countries' demand for Exports from Africa resulting in further Shrinkage in GDP and Job Losses adversely affecting the NDP Aspirations in the context of South Africa.

31



A Fall in Commodity Prices will certainly put pressure on an already ailing South African Economy, resulting in further Job Losses and put the Country's Objective of Reducing Poverty and Inequality on a back foot.

Source: World Bank.  
Note: Authors' calculations



# SOCIO ENVIRONMENT

32



The Key Socio Economic Challenges that South Africa is still facing as highlighted by The Review of the National Development Plan 2030 in December 2020, still remain the same as those that were identified in 1994 and in 2011 by the National Planning Commission Diagnostic Report.

This is acknowledged by the NDP 2030 review report published in December 2020, “The NPC finds in 2019 and 2020 that these central challenges remain unmoved. Not enough progress has been made towards our Constitutional commitment to unravel the legacy of Apartheid and create a new, prosperous inclusive society. In some instances, there are indications of having regressed. Poverty and inequality are at the heart of these problems”

The National Development National Plans 2030 has proposed that these challenges can be addressed through but not limited to;

1. Raising employment through faster economic growth
2. Developing human capabilities through education, skills, innovation and social protection.
3. Building the Capability of the state to play a developmental role, transformative role

The are more of lagging KPIs and not leading KPIs and therefore do not give insights into what needs to be done differently to achieve the lagging KPIs articulated (i.e. Specific Projects, Initiatives and suggested Delivery Timelines). Neither do they articulate what Threats and/or Opportunities (Risks) are in the Horizon that may prevent or help to achieve the identified “apex priorities”.

The recommendations that came out of A Review of the National Development Plan 2030 – sounds more like Strategic Statements of Intent than a Plan only addressing the What and not addressing the How which has been a major Planning Weakness in the Country.

As a consequence of failing to implement the NDP 2030 more and more people are unemployed and languishing in poverty with levels of inequality deepening.

According Statistics, as of 2019 approximately 18 Million South Africans vulnerable to Poverty or / in need of State Support received Social Grants.

In addition to being a well targeted and contributing to declining levels of poverty and inequality in South African Society, the Social Grant System is also accepted as one of the most far reaching in the World as has moved a lot of citizens out of Poverty.



## A Collapse of the Social Welfare Grant System

In Light of the Increasing Reliance On Social Grants by the Citizens, we anticipate that South Africa will not have enough Financial Resources in the Near Future to support a Semi Welfare State

BRIEF RISK INSIGHT

As collapse of the Social net that is currently being used to alleviate poverty will certainly result in political instability in the country and further deteriorate the security situation of the country.

Political Instability and Security will have a negative Impact on the much needed Economic Growth in the Country. In the absence of Robust Plans to address current weaknesses and also to mitigate downside risks it is highly likely that the Social Grant System may collapse in the next 5 – 10 Years and poverty levels will rise.

## || Looking Forward

Since 2009 / 2010 the number of Social Grants Beneficiaries became progressively higher than the number of people employed and the trend is anticipated to continue in the next 5 Years and possibly even beyond.

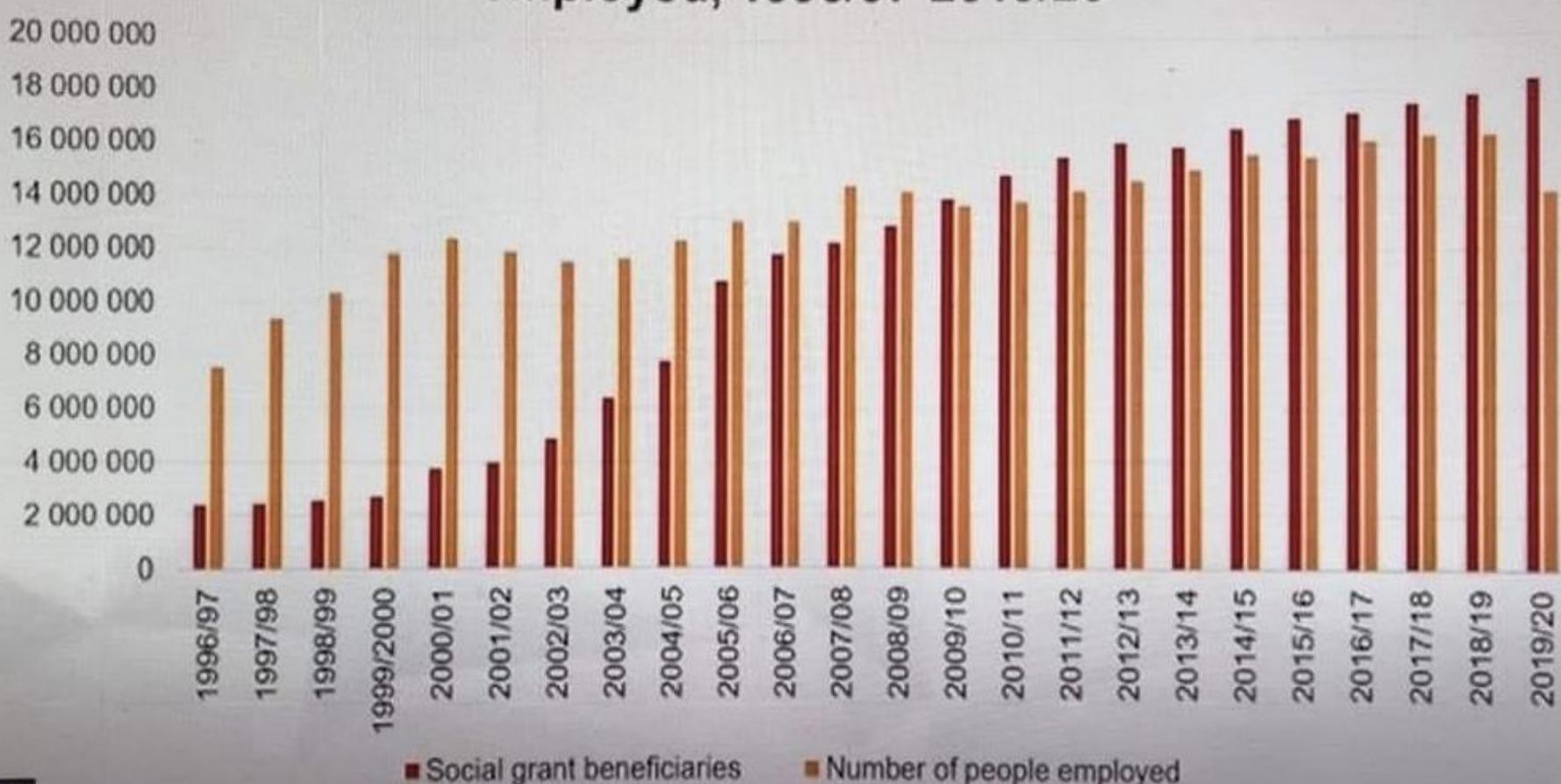
Amongst the Developing Countries in the World, South Africa has one of the most extensive Social Welfare Systems. Prior to 1994 the Social Welfare System mainly focused on Poor Whites and Excluded Blacks. The allocation of Social Welfare Resources then, favoured Whites only.

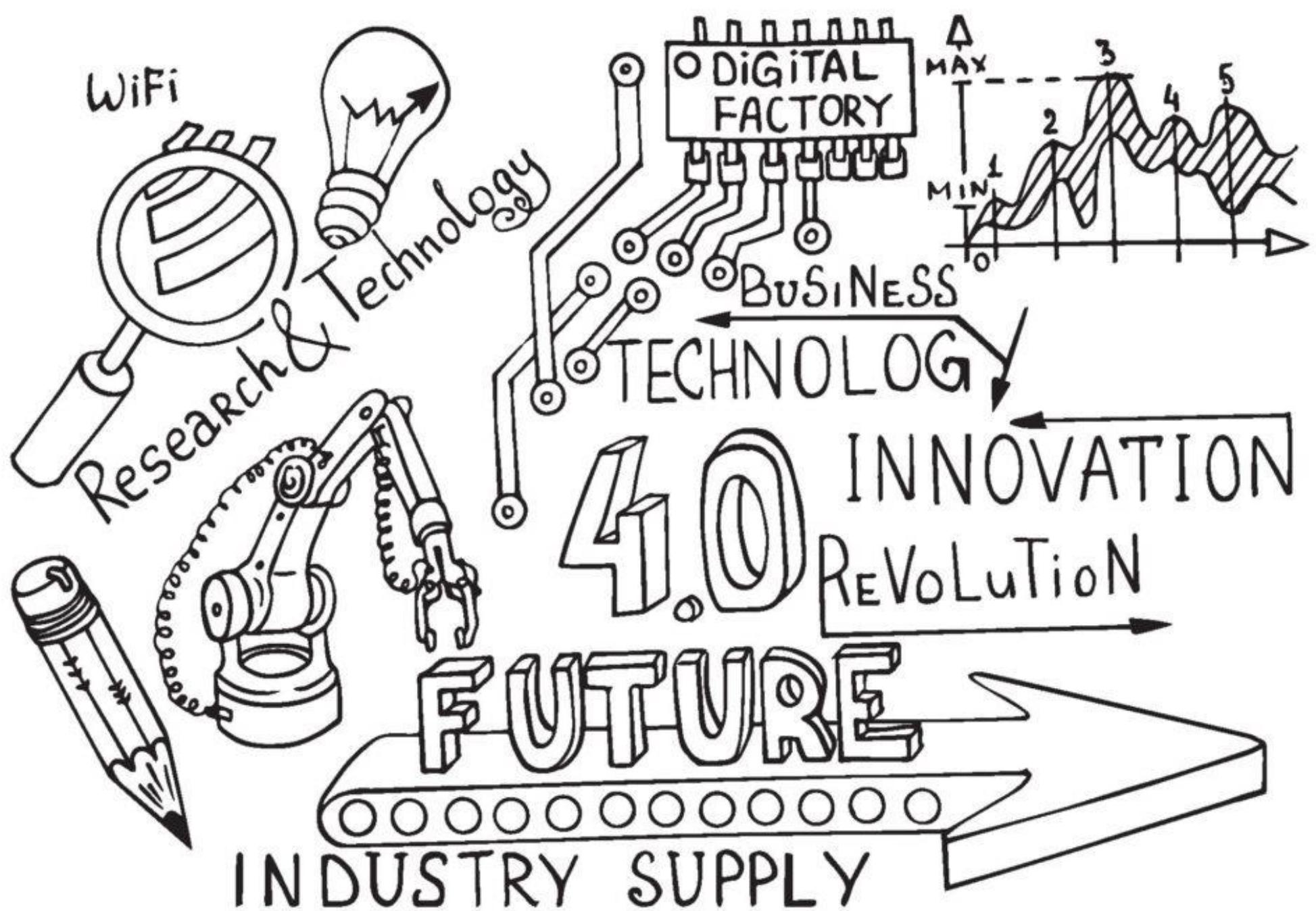
While The National Treasury may try to balance competing needs of Social Welfare and Community Development Programmes, there may come a time when the Fiscus will not be able to support the ballooning Social Grant Bill.

Growing the Economy and Job Creation should be a major priority for the Government to alleviate pressure on the Social Welfare System as the current situation and the upward trend of Beneficiaries of Social Grants is not sustainable in the long term and will not be supported by the FISCUS.

34

### Social grant beneficiaries and number of people employed, 1996/97-2019/20





Bringing the Future into the Present so we can Prepare for It  
Today



## Agrarian e-Villages: Intentional Communities- the Future for Africa

Intentional communities are meant for greater self-reliance both socially and economically as part of an overall plan for Rural Prosperity with New Rural Towns comprising independently managed Agrarian e-villages supported by the Digitalization Communication Technologies in the WEF Fourth Industrial Revolution.

### **Why Agrarian e-Villages?**

Historically the village is an international form of human settlement with population not more than 5000 who make up a local 'economy of scale' for businesses and services serving a community, to meet the objectives of both the Paris: **COP/21 Conference on Climate Change, UN Development Agency on Sustainable Development Goals**, and the **World Summit for Sustainable Development 2002** "Working with **PEOPLE** -Creating **PROSPERITY** with concerns for the **PLANET**:"

### **For People**

**An Agrarian e-Village corrects Rural-Urban Migration in that:**

**It has a Community-Owned Developmental Management Structure for:**

- People struggling to survive in scattered rural settlements
- Residents to manage their lives effectively for greater self-reliance
- In cooperation with Traditional Leaders
- Deciding on all matters of local social and economic development
- Using Digital Communication technologies in both social and financial management

**An Agrarian e-Village is planned with the future residents, it's meant to offer education facilities**

- One village system supports a primary school
- Three sustains a Secondary learning centre
- Twelve provides a Tertiary institution.

### **For Prosperity**

**An Agrarian e-VILLAGE generates employment by:**

- Reintegrating residence and work
- Small businesses that serve the community
- Integrating agriculture with urban facilities

**An Agrarian e-VILLAGE provides developers value for money through:**

- Reduced interest on capital
- Improved design and quality of house construction and finishes
- Reduced costs of services

**An Agrarian e-VILLAGE has an Information centre to:**

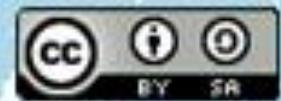
- Bring all urban facilities to a rural area
- Provide access to Life-Long Community Learning and Training facilities
- Increase communication for sound management
- May have its own Micro-Bank, owned, and managed by the residents, capable of holding their life savings for building up collateral capital for Leveraging funds and loans for development

**For The Planet - An Agrarian e-VILLAGE protects the environment through:**

- Releasing land used by isolated informal housing for agriculture
- Re-cycling domestic and human waste to generate electricity
- Application of renewable energy on an incremental basis

# CITIZEN PARTICIPATION

35



## Emergence of Citizen Activism

When Citizens come to the realisation that they can not place much reliance on the Government for their upliftment it is highly likely that Citizens Actively Participate in Projects and Programs to uplift themselves

**BRIEF RISK  
INSIGHT**

Reimagining democracy requires better participation in political and economic decisions, projects and programs by a Country's Citizens.

*"The world's governance systems are living in the moment, stymied by a crisis of lack of imagination, short-term thinking and the tactical considerations of those in power. We need radical solutions grounded in democratic values for the future" Tiwana*

When Citizens can more actively involved in the affairs of the Country not only as Voters but also in ensuring Politicians are held accountable on a day to day basis, projects and programs are successfully executed and they don't part of Fraud and Corruption the Country will begin to see a paradigm shift successful execution of projects.

## || Looking Forward

Citizens are beginning to see that they can not put all their hopes on Politicians and Governments to deliver on the National Development Plan Aspirations but that they can play a major part in holding the Government Accountable as well as actively participating in Government Projects aimed at contributing towards achieving the Country's National Development Objectives.

There is an Opportunity to set Oversight Structures in place at Municipalities that look like School Governing Bodies which will not only hold Office Bearers Accountable for Service Delivery but will also provide their Expertise either as Engineers, Project Managers, Accountants etc. in ensuring effective planning by Municipalities, Efficient Use of Resources and successful delivery on Projects

Encouragement of Innovation and Creativity in local Municipalities to stimulate growth will go a long way in ensuring meaningful participation of citizens in the economy

Some of Youth in Ekurhuleni have founded We Solve 4x an initiative aimed at participating in uplifting their communities. Activities that they are already involved in are highlighted in the next page



36





## Land & Water Scarcity in Major Cities

Within a Growing Population in Major Urban Cities (Johannesburg, Durban & Cape Town) and current Water Infrastructure Backlog it is almost certain that the Major Cities will not have sufficient land and adequate water to cater for the needs of a Growing Population.

### BRIEF RISK INSIGHT

How good are we as a Country in Long Term Strategic Planning? Do we have a Pragmatic Plan to address the eminent scarcity of land and water shortages in Urban Areas?

What should be the Key Ingredients of the County's Urban Planning Strategies?

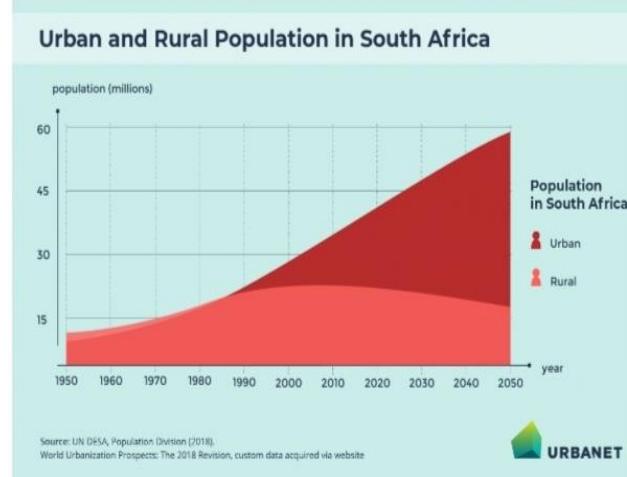
What are the lessons we can learn from over populated cities like Tokyo in Japan, Sao Paulo in Brazil, Shanghai in China, Delhi in India?

## || Looking Forward

The Graph on the right is an illustration of the historical and projected Population Growth in the Cities vs. Rural Areas. The Graph shows a trend of a rapid increase in Population in the Cities and a decrease in Rural Population.

With the projected Population Growth in the Cities as well as Urban Town Planning these cities seem not to foresee that the rate at which the population is growing could have a huge impact on them. Cities such as Cape Town, Durban etc. could be impacted by the population explosion. Does the Country have a Plan to address the looming land and water scarcity that will be caused by Population Growth by 2030?

This imminent risk should inform the NDP's Human Settlements Targets and Plans, to address these Threats in the Horizon. Failure to address this Risk will certainly have a negative impact on Housing and equal access to Basic Services.



Urbanisation in South Africa – Urban and Rural Population |  
South Africa Infographics © GIZ

38

## || Integrated Urban Development Framework (IUDF)



# Existing Government led Risk Optimisation and exploitation Initiatives

The Integrated Urban Development Framework (IUDF) is a policy initiative of the Government of South Africa, coordinated by the Department of Cooperative Government and Traditional Affairs (COGTA) to respond to our urbanisation trends and the directive by the National Development Plan (NDP) to develop an urban development policy that will cater for the increasing numbers by ensuring proper planning and necessary infrastructure to support this growth.

<https://www.cogta.gov.za/index.php/the-integrated-urban-development-frameworkiudf/#:~:text=The%20Integrated%20Urban%20Development%20Framework%20%28IUDF%29%20The%20Integrated,about%20how%20best%20to%20manage%20>

The IUDF sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements, while addressing the unique conditions and challenges facing South Africa's cities and towns . It advocates the effective management of urbanisation so that the increasing concentration of an economically active population translates into higher levels of economic activity, greater productivity and higher rates of growth, thereby transforming our South African cities into engines of growth.

The key outcome of the IUDF is spatial transformation . The identified policy levers and priorities are crucial for maximising the potential of urban areas by integrating and aligning investments in a way that improves urban reform.

To achieve this transformative vision, four overall strategic goals are introduced:

1. Spatial integration: To forge new spatial forms in settlement, transport, social and economic areas.
2. Inclusion and access: To ensure people have access to social and economic services, opportunities and choices .
3. Growth: To harness urban dynamism for inclusive, sustainable economic growth and development .
4. Governance: To enhance the capacity of the state and its citizens to work together to achieve spatial and social integration.

These strategic goals inform the priority objectives of the nine policy levers, which are premised on the understanding that (1) integrated urban planning forms the basis for achieving integrated urban development, which follows a specific sequence of urban policy actions: (2) integrated transport that informs (3) targeted investments into integrated human settlements, underpinned by (4) integrated infrastructure network systems and (5) efficient land governance, which all together can trigger (6) economic diversification and inclusion, and (7) empowered communities; all of the above will demand effective (8) governance and (9) financial reform to enable and sustain these policy actions . The levers thus seek to address in combination the structural drivers that maintain the status quo.

*Source: Integrated Urban Development Framework*

**Humanity will  
change more in  
the next 20  
years than the  
previous 300  
years**



40

Gerd

According to DNV Technology Outlook 2030, there are six digital technology trends that will shape the world towards 2030 namely;

1. Connecting people to the internet more intimately
2. Ubiquitous sensors (IoT). Internet of Things
3. Communication and computing everywhere
4. Artificial Intelligence
5. Platform based social and economic models
6. The digitization of material through additive manufacturing

DNV warns that in the rush to take advantage of the technology potential we may forget that we are creating complex systems and these systems have embedded risk which are different from the sum of their parts. The world is at risk of no longer having the capacity to cope with these complex systems and this can lead to major unmanaged risks and consequently new trust gaps.

DNV further observes that the key questions going forward are; which technologies will emerge that create new risks and uncertainties affecting the long-term view value of our assets as well as the wellbeing of people and the planet. And which emerging technologies could help manage our risks better and help us reach the SDGs?

Recently when the Schools were closed due to COVID-19 we experienced 1st hand how Digital Divide affect Societies where clearly for Students attending Private Schools and former Model C Schools benefited most from e-learning Platforms while Students from Poor Communities were severely impacted by the Closure of Schools due to lack of access to Technology.

When we cast our eyes over the next 5 Years how likely is it that 4IR Technologies in particular will benefit Poor Communities in South Africa and Create much needed Employment?

Secondly South Africa seems to be lagging behind in modernising the country's Economic and Social Infrastructure and it raises the following questions;

How good are we as a Country in Long Term Strategic Planning? Do we have a Pragmatic Plan to address the current Economic and Social Infrastructure Backlog?

What should be the Key Ingredients of the County's Infrastructure Development Strategy?

What are the lessons we can learn from countries like South Korea, China, Singapore and Malaysia?.



## Digital Divide and Loss of Employment Due to 4IR Technologies

We anticipate that it is more likely some 4IR Technologies will create a Digital Divide and Result in Job Losses For South Africa

### BRIEF RISK INSIGHT

Will 4IR Technologies Minimize Technology Access or Widen the Gap Amongst African Communities in particular?

4IR dominance by China, USA, Japan and Europe with South Africa being reduced to a consumer of 4IR Technologies is more likely to be a reality.

Society should be at the centre of all Technology Advancements. South Africa faces tough choices with respect to energy transition, privacy, security, ethics and eminent digital divide which may be caused by the adoption of 4IR Technologies.

## || Looking Forward

Will 4IR Technologies take the Country deeper into High Levels of Unemployment, Poverty and Inequality or will it alleviate Unemployment, Poverty and Inequality? That's The Question.

Currently the direction points towards a Digital Divide and Job Losses due to 4IR Technologies. In the early 2000 the Country lost a lot of Jobs as a result of Globalisation particularly in the Textile industry..

It should be noted that according to The World Economic Forum (WEF), 4IR Readiness for Future Production Report 2018, South Africa has been rated on the Lower Quadrant with a Limited Current Base and at Risk for The Future of 4IR Technologies.

It is very imperative for the Government to Radically Drive the Promotion and Incubation of 4IR Technology Start-ups in the Country by providing Funding, Coaching and Piloting Home Grown 4IR Technology Solutions within Government Departments.

5 G Technologies and IT Smart Technologies such as SMART Tablets, Computers and Zero Rated Data should be made available to Rural and Poor Communities to mitigate an eminent Digital Divide amongst Communities and improve the Quality of Education for all Citizens.

42



# Existing Government led Risk Optimisation and exploitation Initiatives

On April the 9<sup>th</sup> of 2019, President Cyril Ramaphosa appointed a Commission on Fourth Industrial Revolution which will assist the Government in taking advantage of the opportunities presented by the Digital Industrial Revolution. The Task of the Commission which is chaired by the President, is to identify relevant policies, strategies and action plans that position South Africa as a competitive global player in 4IR.

<https://www.nationalplanningcommission.org.za/assets/Documents/DIGITAL%20FUTURES%20%20SOUTH%20AFRICA'S%20READINESS%20FOR%20THE%20FOURTH%20INDUSTRIAL%20REVOLUTION.pdf>

43

South Africa's vision for development is premised on resolving the nation's historical scars, expressed as the 'triple scourge': Poverty, Unemployment and Inequality. The 4IR Commission is thus a lever, activated by the State, to provide leadership for all of society in understanding and navigating what will be a fundamentally altered future. Indeed, this presently evolving future requires the government to play a central role. The role of the 4IR Commission is thus to clearly articulate the role of the State as well as all institutional actors and citizens in their capacity as equal protagonists in the story of our future.

Recommendations of the Presidential Commission on the Fourth Industrial Revolution have been presented to the President and were officially gazetted and made available for public comment in October 2020.

At a high level the Commission's Recommendations are;

- Invest in 4IR Human Capital Development
- Establish a 4IR Institute
- Establish a Platform for Advanced Manufacturing and New Materials
- Secure and avail data to enable Innovation
- Provide Incentives for Future Industries Platforms and applications of Fourth Industrial Revolutions Technologies
- Build 4IR Infrastructure
- Review and amend Policy and Legislation
- Establish 4IR Strategy Implementation Coordination Council in the Presidency

*Source: Report of the Presidential Commission on the Forth Industrial Revolution*

16



44

## Ageing Critical Infrastructure Breakdown

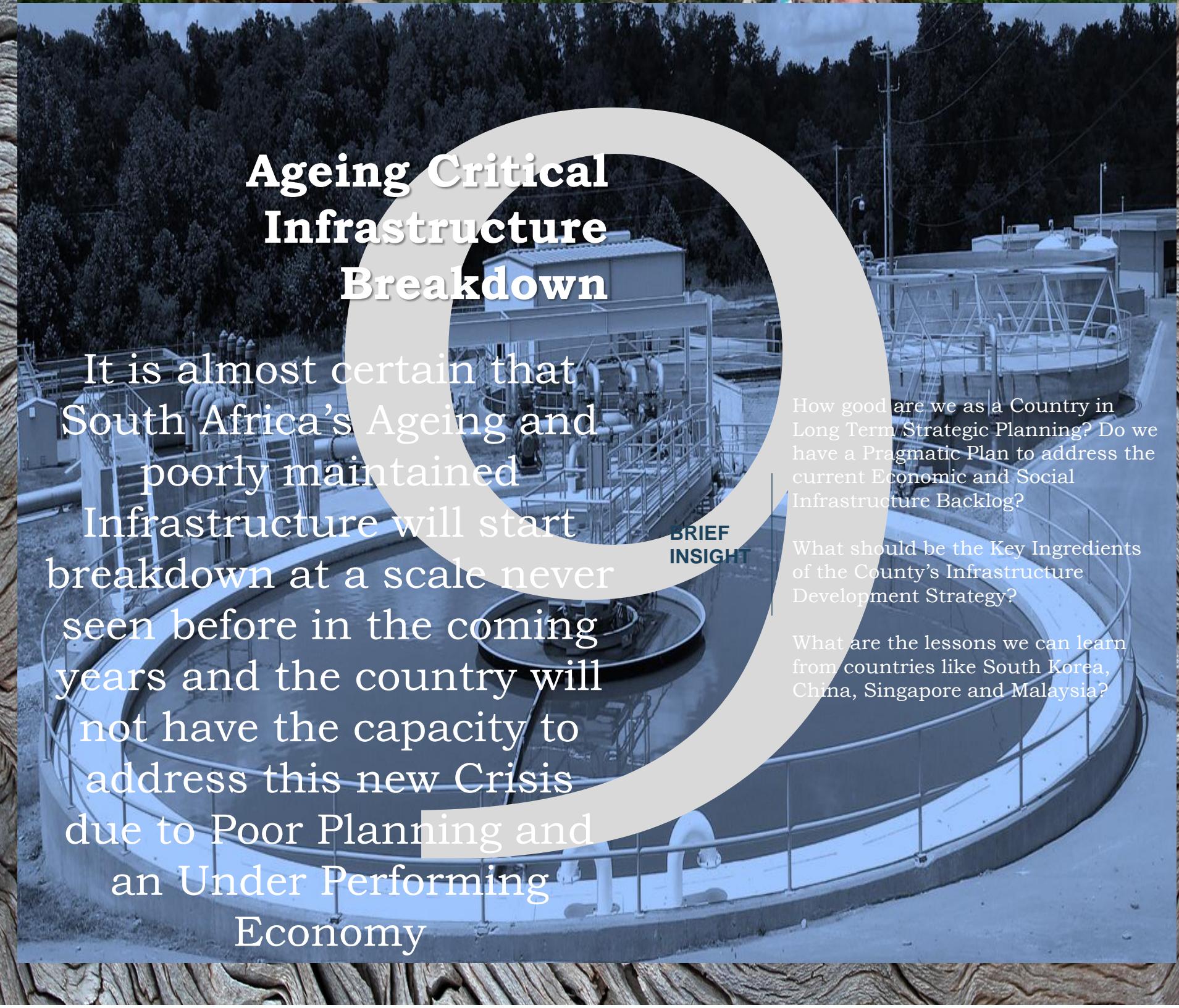
It is almost certain that South Africa's Ageing and poorly maintained Infrastructure will start breakdown at a scale never seen before in the coming years and the country will not have the capacity to address this new Crisis due to Poor Planning and an Under Performing Economy

BRIEF  
INSIGHT

How good are we as a Country in Long Term Strategic Planning? Do we have a Pragmatic Plan to address the current Economic and Social Infrastructure Backlog?

What should be the Key Ingredients of the County's Infrastructure Development Strategy?

What are the lessons we can learn from countries like South Korea, China, Singapore and Malaysia?



# Breakdown of Ageing and inadequately maintained Infrastructure

The Condition of Infrastructure in South Africa is an Important Element in the Country's Ability to provide Services to all its Citizens and support Economic Growth.

The CISR Report on The State of Municipal Infrastructure in South Africa and its Operation and Maintenance (2007), highlighted numerous shortfalls in the maintenance and restoration of infrastructure. 13 Years later this State of Affairs, has worsened. This situation is attributable to lack of Planning and Project Management Skills at Municipal Level as well as Fiscal Constraints.

With this current unresolved situation it is only a matter of time that the Country will start seeing rolling breakdown of Water, Sanitation, Electricity Distribution and Solid Waste Infrastructure if this weakness, inherited from Apartheid Government is not resolved. It will certainly impact negatively on the provision of basic services to all communities.



# Existing Government led Risk Optimisation and exploitation Initiatives

A National Infrastructure Plan is in place which aims to address infrastructure backlog while at the same time addressing the needs of the future. Partly through DBSA, the Government has deployed various Infrastructure Development Programmes that are intended to mitigate these Risks. DBSA has supported Infrastructure projects which primarily address the backlog in bulk water, transportation and logistics, power and energy, telecommunications and liquid fuels. These interventions as noble as they are, they have not addressed the current infrastructure backlog in the country let alone the Country's future infrastructure needs.

[https://www.gov.za/sites/default/files/PICC\\_Final.pdf](https://www.gov.za/sites/default/files/PICC_Final.pdf)

46

The South African Government adopted a National Infrastructure Plan in 2012. With the plan we aim to transform our economic landscape while simultaneously creating significant numbers of new jobs, and strengthen the delivery of basic services. The plan also supports the integration of African economies.

*Government planned to invest R827 billion in building new and upgrading existing infrastructure over the three years from 2013/14, Minister of Finance Pravin Gordhan announced in his 2013 Budget Speech.*

*These investments would improve access by South Africans to healthcare facilities, schools, water, sanitation, housing and electrification. Investment in the construction of ports, roads, railway systems, electricity plants, hospitals, schools and dams would contribute to faster economic growth.*

At the Cabinet meeting of 2 April 2020 President Ramaphosa gave clear direction that the Country is facing a recession of enormous proportions, and COVID-19 has placed South Africa in an even worse position. Closing economy for a five-week period will have dramatic impact on our Country and the World. We are essentially in a war situation.

The President further stated that we should also be able to identify the sector that can be the flywheel to get us out of this hole. The Flywheel is Infrastructure Investment and Implementation, through an immediate and purpose-driven Recovery Plan that will not only kick-start our economy but will also stimulate the Construction Sector which has been hit the hardest.

SA's Infrastructure Investment Plan will lead to major job creation and at the same time address the essential service needs of communities in both our rural and urban areas, as infrastructure investment will focus on:

- Network Infrastructure, Agricultural Infrastructure, Human Settlements Infrastructure & Social Infrastructure;
- Building new and upgrading existing infrastructure;
- Repurposing redundant infrastructure; and
- Expediting the maintenance of neglected infrastructure.

*Source: South Africa Investment Infrastructure Plan – Update Report*

16



According to the United Nations (UN) the rule of law, defended by an independent judiciary, plays a crucial function by ensuring that civil and political rights and civil liberties are safe and that the equality and dignity of all citizens are not at risk.

The Declaration adopted on the 24<sup>th</sup> of September 2012, by the United Nations General Assembly at the meeting on the Rule of Law at National and International Levels affirmed that “Human Rights, the Rule of Law and Democracy are interlinked and mutually reinforcing and that they belong to the Universal and Indivisible Core Values and Principles of the United Nations”

It is against this background that it is evident any threat to the rule of law is a threat to democracy, human rights and democratic institutions at large and should be protected at all costs.

In the context of South Africa The National Development Plan (NDP) 2030 highlighted the need for the government to ensure that all people of South Africa are and feel safe all the times regardless of their social status and standing. It further emphasised the need for public confidence in the criminal justice system.

The NDP places the responsibility on the Department of Justice and Constitutional Development (DoJ&CD) to implement practical, short and medium – term measures to address backlogs in court cases and improve the all –round performance of courts.

Logically thinking the Rule of Law means the Justice of a Village, A Country, a Region an the World should be applied without fear of Favour.

It is therefore incumbent for women and men who are tasked with running our Judiciary Systems to have the utmost “Spiritual Intelligence – a very high level of self consciousness and desire to do good for all mankind” which in the legal context is the ability to ignore self – serving interest and be guided by nothing else but the law.

The world has seen a lot of selective application of the law and the law being misapplied to fight political battles. It is as yet to be seen whether the individuals entrusted with the Judiciary System in South Africa has the Spiritual Intelligence to protect the credibility of our Judiciary in light of discomfort that is already emerging in different sectors of the society.



With the intensification of Infighting within the Ruling Party we anticipate that in the next 3 to 5 Years the Country's Legal System may lose Credibility due to real and/or perceived abuse of the legal system to fight political battles

**BRIEF  
INSIGHT**

The country as of now is at Cross Roads with Political Protagonist within the ruling party accusing each other of using legal systems to eliminate their political opponents.

A biased legal systems will spell gloom and doom for the country and destroy the Country's Hard Worn Democracy which may ultimately lead to Civil Unrest.

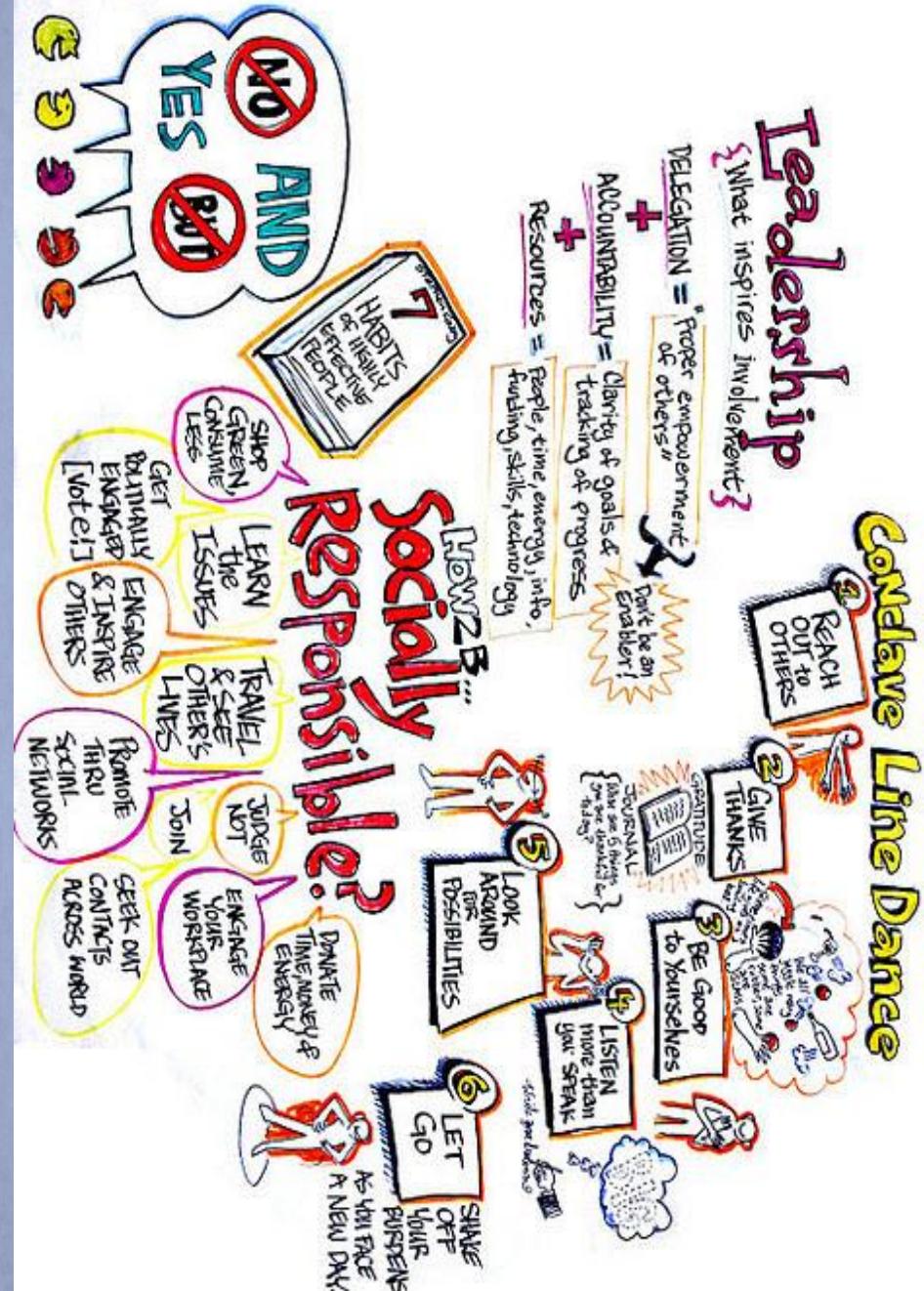
## || Looking Forward

On Social Media, amongst Communities and within Corridors of Political Power there is already very loud whispers that the country's Judiciary System is being turned into a Political Weapon by the ruling elite to fight Political Battles instead of focusing on Service Delivery Issues and Transforming the Country's Economy.

One Political Commentator had the following to say "... the ruling class is solidifying its power by using the Zondo Commission and that the Country run the Risk of going back to pre 1994 political Shenanigans..."

The Zondo Commission is also on recording as having said it has been asked to focus more on the issues raised by the Public Protector around the Gupta Activities and it does not have time and resources to investigate other Fraud and Corruption Allegations outside what was raised by the Public Protector. On face value this to some looks like classic selective morality and application of the law.

The Impartiality of the Judiciary System has to be safeguarded at all cost and protected from Political meddling. It has been said many times that the legal system at all times should be seen to be fair and just in its application of the law.





The reality of climate change is everywhere, in policy dialogues, and visibility in the form of more frequent and impactful extreme weather events disrupting business, displacing people and endangering our ecosystems.

The 2030 Agenda for Sustainable Development is in the UN's framing plan of action for people, planet and prosperity. It is evident, however that a deeper, faster and more ambitious response is needed to achieve the Sustainable Development Goals (SDGs). The UN Secretary-General Antonio Guterres started that.

“The natural environment is deteriorating at an alarming rate: sea level are rising; ocean acidification is accelerating; the last four years have been the warmest on record; one million plant and animal species are at risk of extinction, and land degradation continues unchecked.”

Climate Change is not longer a risk but a reality which we have to leave with and devise ways of minimising contributory factors to climate changes and the impact of climate change in our day to day lives and future generations.

#### BRIEF INSIGHT

According to NatGeo.com the World should brace itself for Extreme Weather Conditions and Weather Patterns. Warming temperatures are likely to create the atmospheric conditions for more intense and in some cases, more frequent natural disasters, including stronger hurricane-like storms, coastal flooding, storm surges, and droughts.

Traditional weather patterns are also changing—for example, dry areas are expected to become drier, wet areas will become wetter, and precipitation will be less frequent but more intense in some areas.



## Extreme Weather Patterns Caused by Global Warming

Frequent Draughts, Flood,  
Tornados, Extreme Heat caused  
by Global Warming

**BRIEF RISK  
INSIGHT**

The UNDP projected that higher temperatures and a reduction in rainfall as a result of Climate Change will reduce already depleted water resources, contributing to an increasing number of draughts in the Country due to South Africa's development being highly dependent on climate – sensitive sectors such as Agriculture and forestry.

Climate Change poses a significant downside risk to the Country's food security, health, water resources, infrastructure and the broader NDP 2030 Developmental Objectives.

It is still very uncertain whether South Africa's Strategic Plan to mitigate the impact of Global Warming will be effective.

Some of the widely recommended Global Warming Mitigation Action Plans that Countries should adopt are;

Mitigation (Action to Reduce Emissions that Cause Climate Change)

1. Reducing GHG emissions, enhancing GHG sink Strengths
2. Long – term focus on avoiding future impacts
3. Global – scale cross sectoral efforts
4. Local (sub) national nesting and collaboration

Adaptation (Action to Manage the Risks of Climate Change Impacts)

1. Disaster Management and Business Continuity
2. Flood Protection
3. Infrastructure Upgrades

52

## Number of Climate Disasters to Triple for New Generation

Frequency of climate disasters experienced in a lifetime for a person born in 2020 compared to one born in 1960



All climate disasters  
~3 times as many

Based on NDC scenario (following Paris Agreement) of 2.7 °C/4.9 °F warming until 2100  
Source: Thiery et al. Intergenerational Inequities in Exposure to Climate Change. Science (2021) via media reports



statista

**COP26 is the 2021 United Nations climate change conference**  
**For nearly three decades the UN has been bringing together almost every country on earth for global climate summits – called COPs – which stands for ‘Conference of the Parties’. In that time climate change has gone from being a fringe issue to a global priority.**

<https://www.carbonbrief.org/cop26-key-outcomes-agreed-at-the-un-climate-talks-in-glasgow>

According to Cop 26, around the world storms, floods and wildfires are intensifying. Air pollution sadly affects the health of tens of millions of people and unpredictable weather causes untold damage to homes and livelihoods too. But while the impacts of climate change are devastating, advances in tackling it are leading to cleaner air, creating good jobs, restoring nature and at the same time unleashing economic growth. Despite the opportunities we are not acting fast enough. To grip this crisis, countries need to join forces urgently.

They also agreed to step up efforts to adapt to the impacts of climate change and to make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

By completing and implementing the Paris Agreement at Glasgow, we can show that the world is able to work together to tackle this crucial challenge. And by uniting behind a green recovery from coronavirus, which creates sustainable jobs and addresses the urgent and linked challenges of public health, climate change, and biodiversity loss, we can safeguard the environment for future generations.

What do we need to achieve at COP26?

1. Secure global net zero by mid-century and keep 1.5 degrees within reach

Countries are being asked to come forward with ambitious 2030 emissions reductions targets that align with reaching net zero by the middle of the century.

To deliver on these stretching targets, countries will need to:

- accelerate the phase-out of coal
- curtail deforestation
- speed up the switch to electric vehicles
- encourage investment in renewables.

2. Adapt to protect communities and natural habitats. The climate is already changing and it will continue to change even as we reduce emissions, with devastating effects.

At COP26 we need to work together to enable and encourage countries affected by climate change to:

- protect and restore ecosystems
- build defences, warning systems and resilient infrastructure and agriculture to avoid loss of homes, livelihoods and even lives

3. Mobilise finance

To deliver on our first two goals, developed countries must make good on their promise to mobilise at least \$100bn in climate finance per year by 2020.

International financial institutions must play their part and we need work towards unleashing the trillions in private and public sector finance required to secure global net zero.

4. Work together to deliver. We can only rise to the challenges of the climate crisis by working together.

At COP26 we must:

- finalise the Paris Rulebook (the detailed rules that make the Paris Agreement operational)
- accelerate action to tackle the climate crisis through collaboration between governments, businesses and civil society.



UN CLIMATE  
CHANGE  
CONFERENCE  
UK2021

IN PARTNERSHIP WITH ITALY

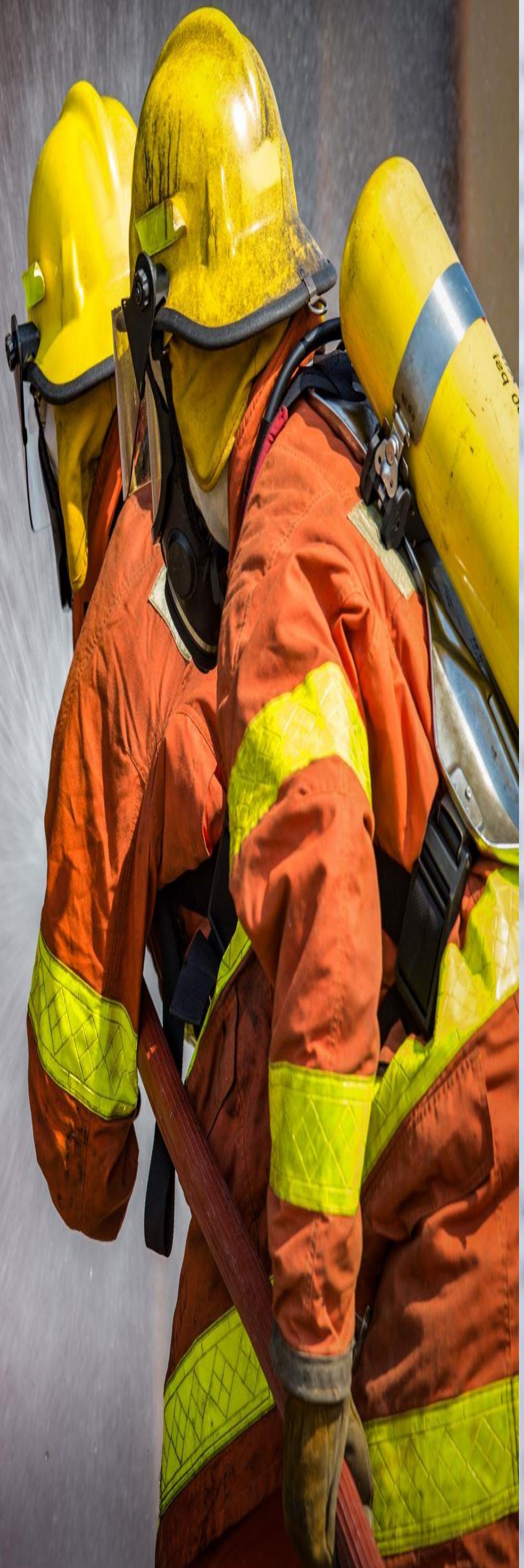
**“It may be Fire  
today but  
tomorrow it will  
be Ashes”**

**An African  
Proverb**

**What are the Existing  
Conditions that can derail  
and/or enhance the  
achievement of NDP  
Aspirations???**

**NDP Vision 2030 PESTLE  
ANALYSIS  
&  
SWOT ANALYSIS**

**by Mabutho Hlubi Ndlela**



In the Section we explore the Political, Economic, Social, Technology, Legal and Natural Environment around the NDP that give insight into external factors that could impact or influence the NDP. We also look at the Country's Strengths, Weaknesses, Opportunities and Threats that are having a significant impact on the achievement of the NDP Aspirations.

- Political: What are the Regional and Global Government influences that will affect the NDP?
- Economic: What Regional and Global Economic factor could impact the NDP?
- Social: What are Regional and Global cultural and demographic trends that could impact the NDP?
- Technological: What innovations in technology could impact the NDP?
- Legislative: What Regional and Global changes to existing or new laws, regulations or policies will impact the NDP?
- Environmental: What environmental considerations and impacts could affect the NDP?



**‘Culture Eats Strategy for Breakfast, Operational Excellence for Lunch and Everything Else for Dinner’**  
by recitethis.com

**Culture outperforms strategy every time; and culture with strategy is unbeatable**  
By Quint Studer



A SWOT Analysis is a useful tool to organise information gathered in the profile/diagnostic period, so that the National Planning Commission Team and wider stakeholder groups can discuss, prioritise and agree on the current issues the Country is facing. A SWOT analysis is an analytical method which is used to identify and categorise significant internal (Strengths and Weaknesses) and external (Opportunities and Threats) factors faced either in a particular arena, such as an organisation, or a territory, such as a region, country, municipality or a city

- Political: What are the Regional and Global Government influences that will affect the NDP?
- Economic: What Regional and Global Economic factor could impact the NDP?
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- Legislative: What Regional and Global changes to existing or new laws, regulations or policies will impact the NDP?
- Environmental: What environmental considerations and impacts could affect the NDP?



56



**S – Country Strengths that the Country can leverage on to achieve the NDP Aspirations**

**W – Country Weaknesses that is not resolved will derail the achievement of NDP Aspirations**

**O – Opportunities that are External to the Country that the Country can take advantage of to achieve the NDP Aspirations**

**T – Threats that are External to the Country which if not managed will prevent the Country from achieving the Aspirations of the NDP**

### Current Strengths



1. NDP Vision 2030 Plan
2. Land Reform Policy seeking to redress the legacy of Apartheid Policies which remain entrenched in the society
3. Economic Corridors Development Legislation and Policy
4. Strong Cultural Heritage and Social Activities
5. Historical and Cultural Values
6. Large Tracks of unutilised land
7. Large Mineral Deposits
8. A Diverse and Youthful population that can be upskilled to resolve skills shortage issues
9. Climate and Natural Advantage for Tourism
10. NHI Policy Seeking to provide Universal Healthcare Coverage
11. Land Reform Policy seeking to redress the legacy of Apartheid Policies which remain entrenched in the Society
12. Best Economic and Social Infrastructure in Africa
13. Strong Bilateral Relations with other African Countries

### Current Weaknesses



1. Very Weak Risk Management Capabilities both in the Public and Private Sectors.
2. Ageing and Infrastructure Backlog
3. STEM, Finance and Project Management (Skills of the Future) Skills Shortage which has resulted in Pernicious Poor Planning and poor Project Execution by the Country
4. Low Economic Activity in Traditional Rural Communities and High Unemployment
5. Unreliable Electricity Supply and Shortages which has not been resolved since the 1<sup>st</sup> Load shedding experienced in 2008
6. High Levels of Fraud and Corruption (both in the Private and Public Sector)
7. Sub-optimal performance of and uncompetitive Economy
8. COVID -19 Infections and Impact of COVID - 19
9. Pervasive selective morality in holding political office bearers accountable for wrong doing by the Media Houses
10. Lack of transparency on individual and party political donations threatening the foundation of our democracy as individuals can get funding from persons that are opposed to their party's policy positions and want to Capture the State
11. High Levels of Debt
12. Illegal Informal Settlements, Illegal Electricity Connections
13. Racial Inequalities and lack of Transformation
14. Digital Power and Economic Power Concentration /Monopoly

### Current Opportunities

1. Use of 4<sup>th</sup> Industrial Revolution Innovations and Process Automation to improve Service Delivery
2. Existing Bi-Lateral Political and Trade Agreements
3. African Continental Free Trade Area
4. Natural Resources Beneficiation
5. Climate and Natural Advantage
6. International Project Funders
7. 1.3 Billion People Africa Market
8. Transformation of Education to E – Learning Platforms to Provide access to Quality Education to all Communities

### Current Threats

1. Chinese, Japanese, American and European Global Economic Dominancy
2. Volatile Foreign Direct Investments
3. Disproportional Foreign Ownership of the South African Economy
4. Inflows of Unskilled Foreigners flocking into the Country
5. China – America Trade War
6. Over reliance on China, Japan, USA and Europe to drive Technological Innovations of the Present and the Future
7. Under performing Economies in Southern Africa
8. Insurgency of a Civil War in Northern Mozambique

## SWOT Analysis

### *Strengths*



### *Weaknesses*



### *Opportunities*

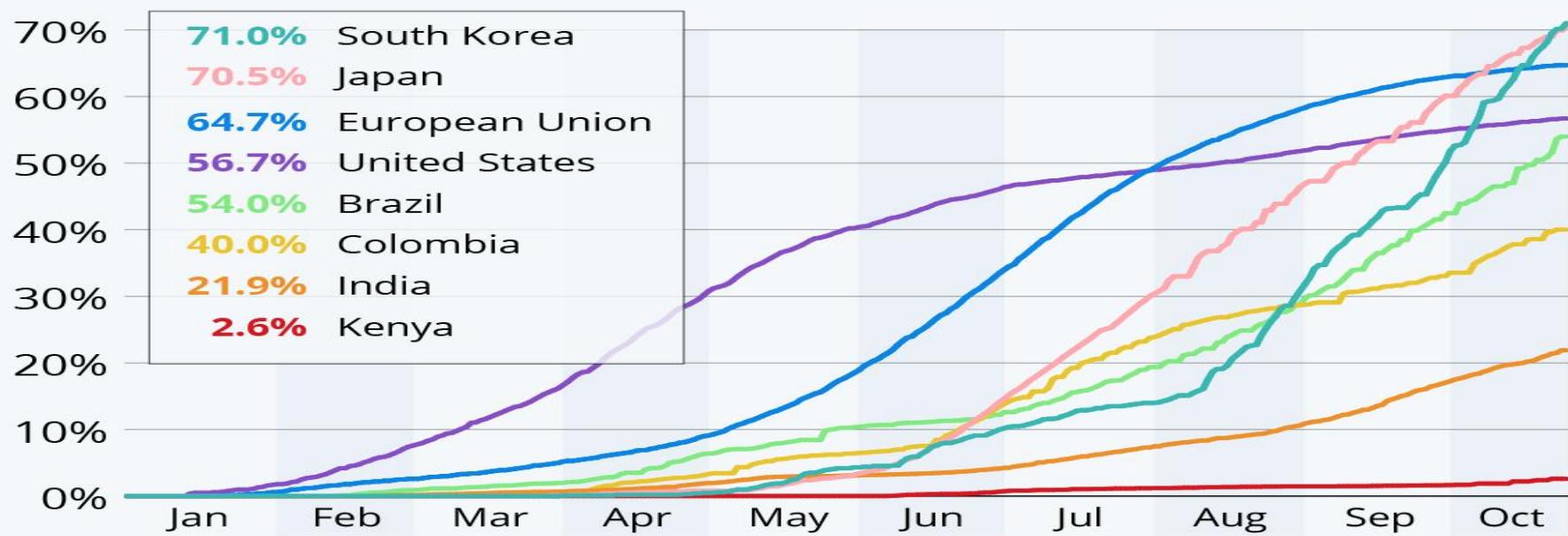


### *Threats*



# Stagnation & Progress in Global COVID-19 Vaccinations

Share of people fully vaccinated against COVID-19 in selected countries (as of Oct 25, 2021)



Some estimations due to countries' gaps in data reporting  
Source: Our World in Data



statista

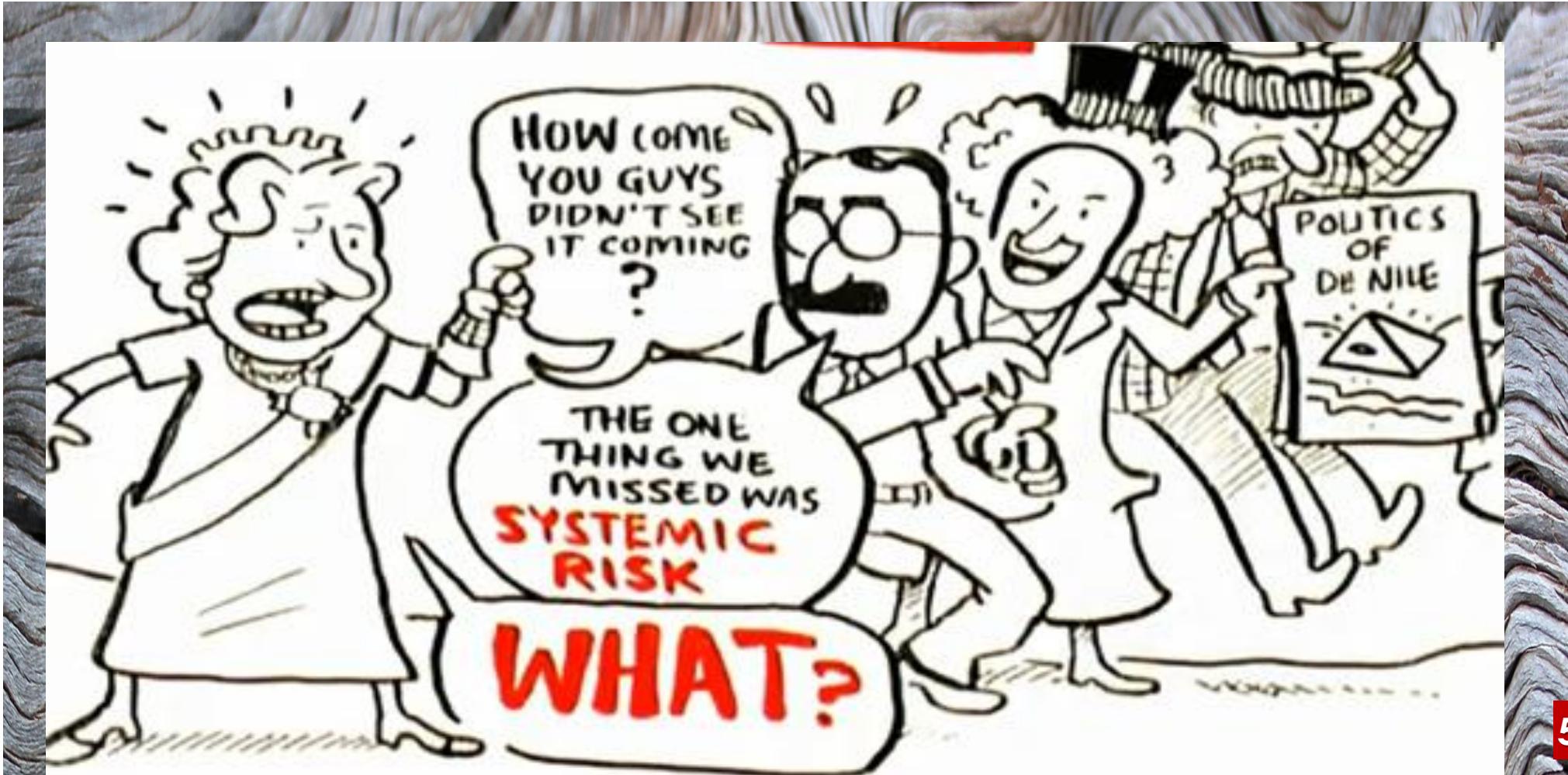
## COVID – 19 and its Impact in the next 5 Years

**“The Impact of COVID – 19 in South Africa and the World at large has been Catastrophic and the Question that lingers in our Mind is will COVID-19 be still be with us in the next 5 Years? And will the Vaccines being developed be effective to mitigate the Risk Infections in the next 6 months to 5 Years?”**

According to Statista “The timeline of the coronavirus Coronavirus disease 2019, or COVID-19 for short, is caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). It is part of a large family of coronaviruses (CoV), which are transmitted from animals to people. Symptoms of COVID-19 resemble that of the common cold, with those infected often experiencing fever, coughing, and shortness of breath. However, in more severe cases, infection can lead to pneumonia, multi-organ failure, severe acute respiratory syndrome, and even death.

How the pandemic has changed the economy

The impact of COVID-19 on the global economy has been immense, and it could be many more months before it returns to pre-pandemic levels. Prior to the coronavirus, forecasts showed that growth rates in real gross domestic product (GDP) would increase by 2.9 percent in 2020. However, due to COVID-19, real output fell by 3.4 percent. Furthermore, as a result of job losses and rising unemployment, there have been significant changes in the income tiers of people due to the coronavirus – more than 130 million people worldwide have been added to the ‘poor’ tier. Many industries have felt the full force of the economic downturn, but COVID-19’s impact on the travel and tourism industry has been particularly hard. Airlines have witnessed an unprecedented drop in passengers, while countries and cities that rely on business from tourism have experienced substantial job and revenue losses”



59

## One of the Systematic Weaknesses we have as a Country is

**“The Country’s Culture and Risk Management Processes are not sufficiently encouraging timely identification, escalation and mitigation of risk issues that have the potential to significantly affect the Achievement of the Country’s Vision and NDP Strategic objectives”**

Over the past 30 Years as a Country we have seen quite a number of Risk Management Failures which were a direct result of failure to timely identify and respond to Risks in the Horizon. Some of these failures are;

1. Demise of the Textile Industry Due to Globalisation and in particular Chinese Dominance
2. Electricity Shortages since 2007 due to lack of proactive Investment in Energy Infrastructure which has not been resolved yet.
3. High Levels of Unemployment due to lack of forward thinking and proactive planning to address structural imbalances in the economy.
4. Failure to address high levels of Fraud and Corruption inherited from the Apartheid Regime.
5. Failure to address all sorts of Economic and Social backlogs and inequalities created by the Apartheid Regime

If we are to become a Nation that we desire to be we need to appreciate that the world is changing at a faster pace than before and we must develop capabilities to anticipate how the future may look like and proactively deploy strategies to shape our Future.

## Recommendations

To plan ahead for the future of the Country it is Imperative that the Country has the Capability and Capacity to identify Risks Lying Ahead (both Threats and Opportunities) before they materialise and proactively respond to anticipated Risks. We recommend the following:



INCORPORATE RISK MANAGEMENT IN ALL UNIVERSITY COURSES TO UPSKILL STUDENTS TO PROACTIVELY IDENTIFY AND MITIGATE RISKS WITHIN THEIR AREAS OF DISCIPLINE



CREATE A RISK MANAGEMENT CENTRE OF EXCELLENCE FOR GOVERNMENT INSTITUTIONS ALIGNED TO ONE OF THE INSTITUTIONS OF HIGHER LEARNING IN THE COUNTRY



STRENGTHEN RISK MANAGEMENT PROCESSES IN GOVERNMENT AND PRIVATE ORGANISATIONS



IMPROVE STRATEGIC PLANNING IN GOVERNMENT INSTITUTIONS AND LEVERAGE AUTOMATION OPPORTUNITIES



WHEN IDENTIFYING RISKS BOTH THE COUNTRY AND ORGANISATIONS ARE ENCOURAGED TO USE THE BOW TIE METHODOLOGY



INVOLVE COMMUNITIES AND THE YOUTH IN RISK IDENTIFICATION PROCESSES AND MOVE AWAY FROM ELITIST APPROACH TO COUNTRY RISK IDENTIFICATION

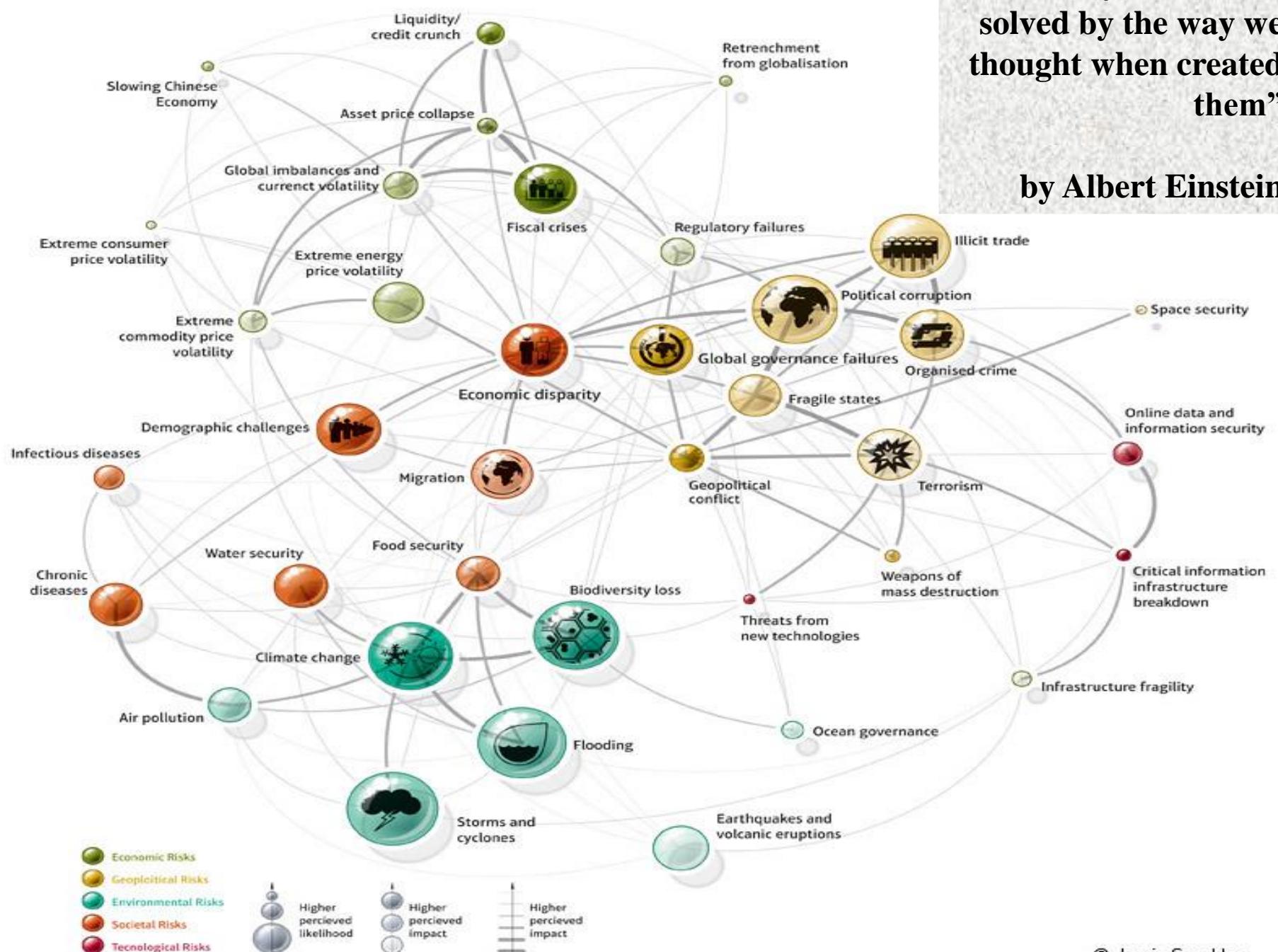
ROOT CAUSE > EVENT/ RISK > IMPACT ANALYSIS

60

Some of the Risks Below are now a Reality (Existing Weaknesses) because of Risk Management Failures that we need correct Going Forward

**“The problems we have today, can not be solved by the way we thought when created them”**

by Albert Einstein



Source: Jamie Sneddon

**For South Africa the backlog of Infrastructure and lack of maintenance is a weakness the Democratic Government inherited from the Apartheid Regime but to date, it has not been resolved. However, progress that has been made to date should be acknowledged.**

Energy at the flick of a switch, water on a tap, flushing toilets, regular removal of solid waste, storm water drains, tarred roads to every location, efficient public transport, data communications are all typically taken for granted until they stop working and/or when other communities do not have access to these services.

Graphs on the Right Hand are an illustration of the Infrastructure Backlog as at the Census of 2011 as well as Projected Municipality Solid Waste Collection, Projected Water Consumption, Projected Waste Water Generation, Projected Electricity Consumption as per the South Africa's Urban Infrastructure Challenge Report.

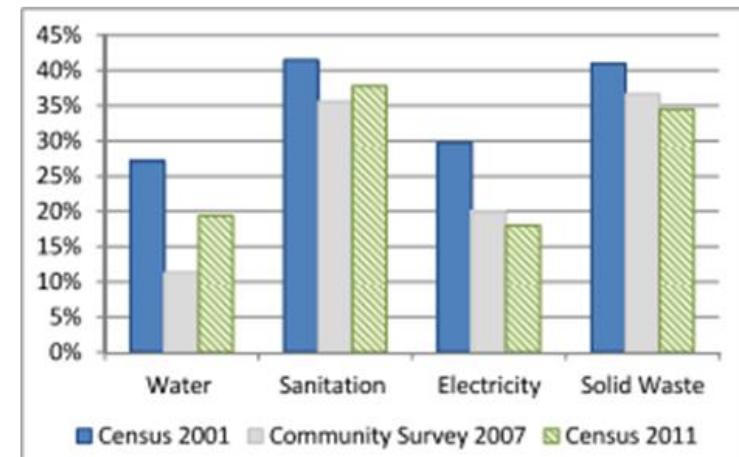
It is against this Background that the Country's Challenge is not only to clear the Backlog that existed before 1994, but also to meet the needs of a Growing Population.

The Outlook is that it will not be an easy task for the Country to address existing Backlogs while at the same time addressing the needs of the Country's Future and hence most of the Country's Resources are focused at addressing the imbalances of the past.

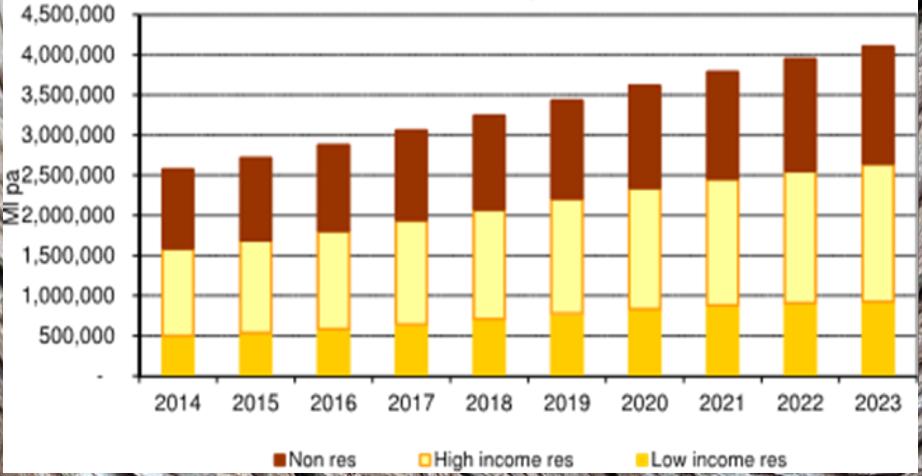
**Inability to address the current Infrastructure Backlog will result in both the Public and Private Sectors failing the Country's Future Infrastructure needs**

61

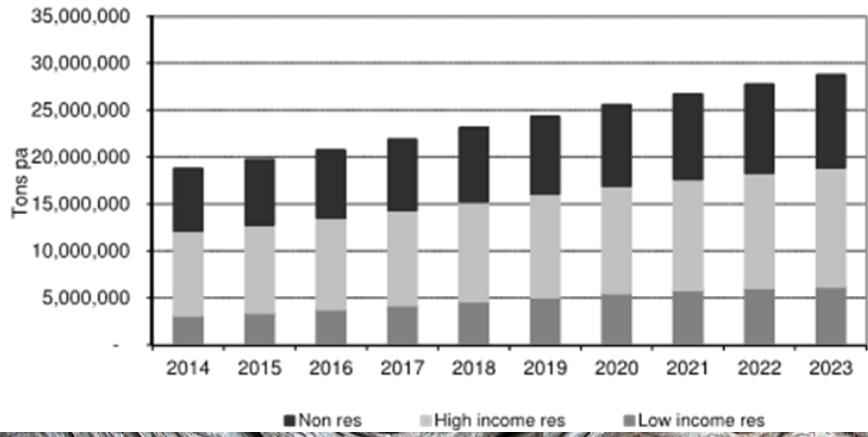
*Basic service backlog1 – 2001 to 2011 (Source: Stats SA)*



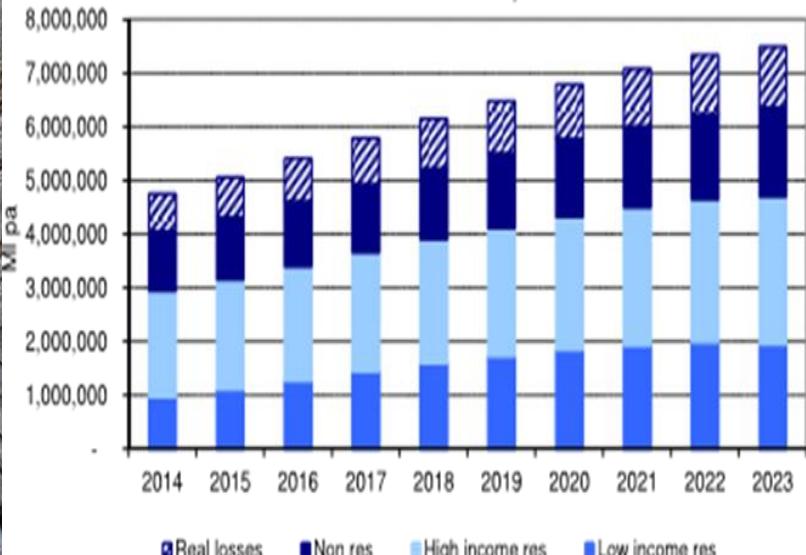
*Projected wastewater generation (PDG 2013 based on MSFM model)*



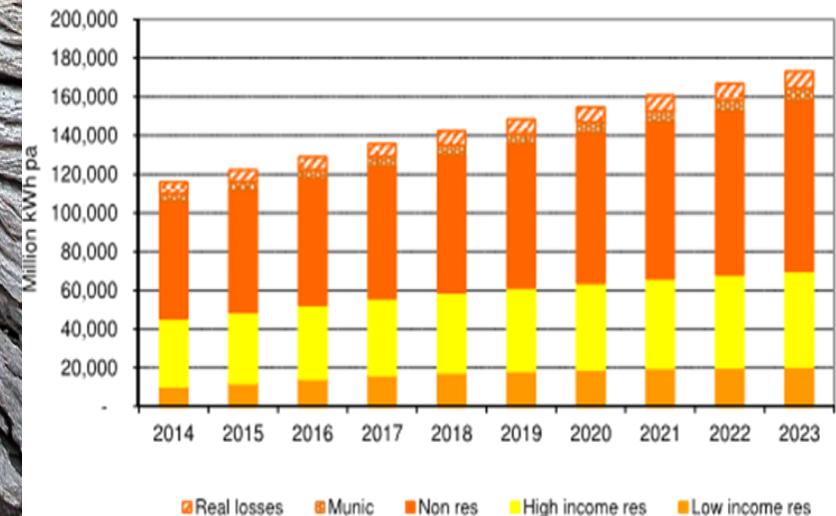
*Projected municipal solid waste collected (PDG 2013 based on MSFM model)*



*Projected water consumption (Source: PDG 2013 based on MSFM Model)*



*Projected municipal electricity consumption (PDG 2013 based on MSFM model)*



According to the Department of Mineral Resources and Energy, Electricity Production in the Country averaged 18 039 Gigawatt-hour from 1985 until 2020, reaching an all time high of 23 801 Gigawatt-hour in July 2007 and a record low of 10 439 Gigawatt-hour in February 1985.

Eskom's Capacity and Reserve Margin reached critical levels in 2007 due to lack of investment in new capacity, lack of maintenance and ageing equipment.

The First load shedding was experienced in 2007 and the worst loadshedding in 2019. Electricity Shortage has been a reality since 2007 and has now reached crisis levels and as I write this report, the Country is experiencing yet another loadshedding from January 2021. Implementation of recovery plans need to be fast tracked to prevent electricity shortages deepening further and impacting negatively on both the Economy, Citizens, limiting access to poor households as well as rural communities who do not have access to Electricity as yet. As per DoE Energy Balances 2016, Commerce and Public Services, Residential, Agriculture and Transport Sector consumed 47% of Electricity generated combined. There is a need to fast track the rollout of Solar Energy in these Sectors ideally at no cost to the FISCUS

**The Current Energy Situation and Failure to address the Energy Crisis since early 2000s while it's currently inhibiting economic activities and growth, it will remain a challenge for the next 5 – 10 Years and a key downward factor on Economic Growth**

62

## Country Energy and Eskom Reality Right Now



According to Stats SA, The Country's Unemployment Rate stood at 32.5% in the October – December Quarter which is the highest jobless rate since 2008

Unemployment Outlook indicates that by end of the year unemployment rate will be over 35%. It should also be noted that since the advent of democracy unemployment rate has been over the Global Average of 5.42% (2020 – World Bank), which in some economies is viewed as a crisis. It is now highly unlikely that the Country will increase Employment to 24 Million by 2030.

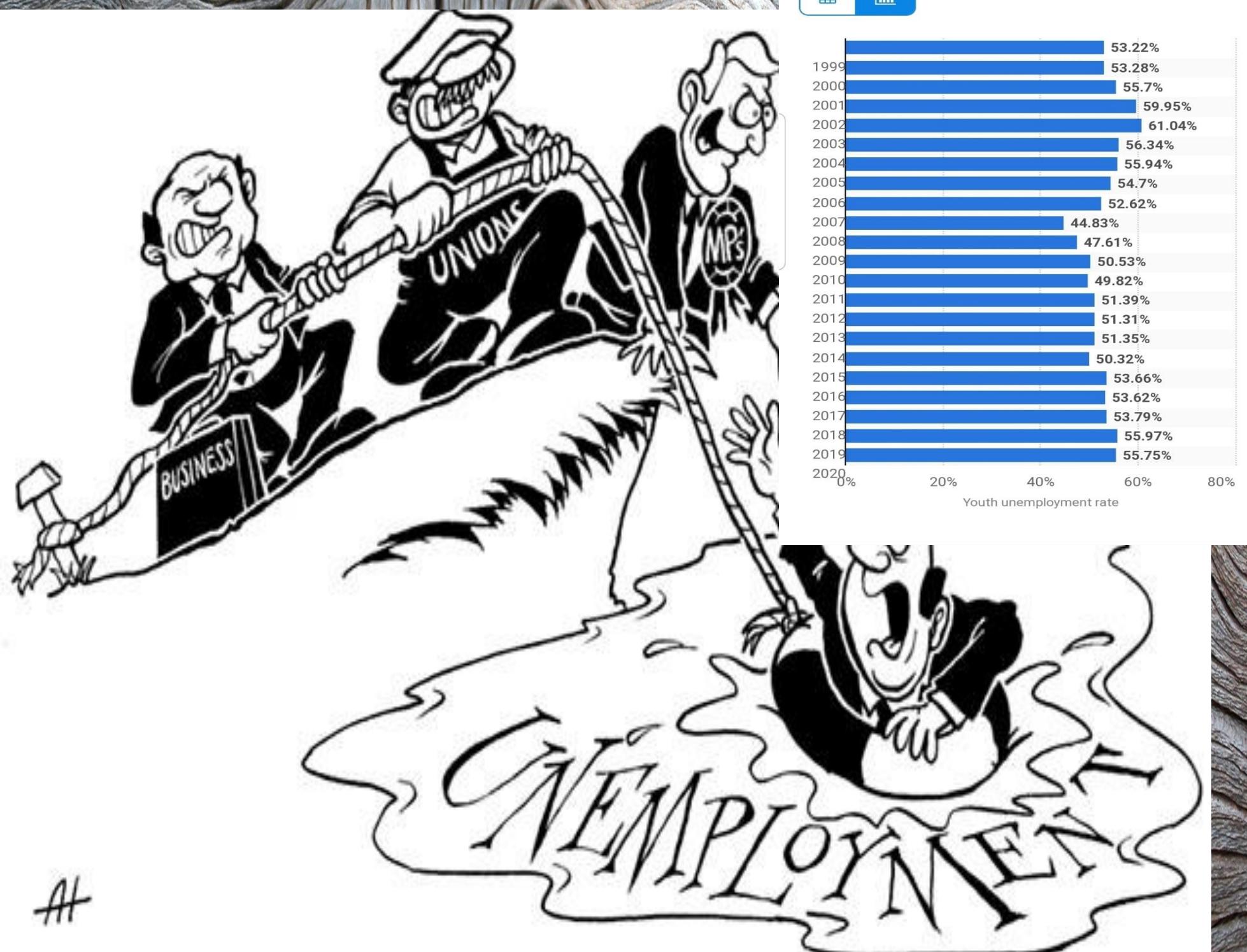
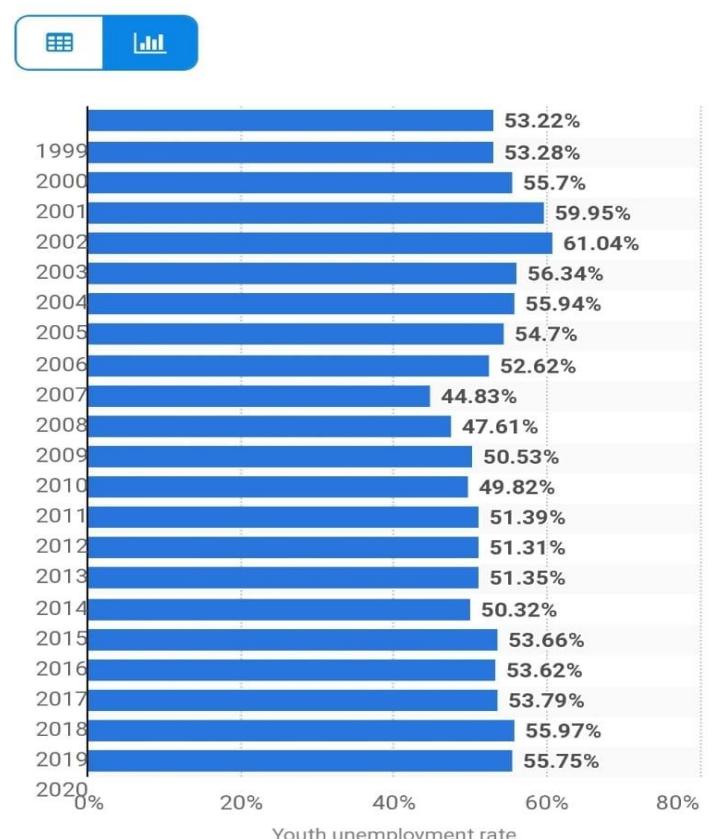
Youth Unemployment Rate as at end 2020 was estimated at 55.75% which is a Crisis Situation and has been averaging 52% since 1999 against a Global Average of 15.28% (2019 – World Bank). The impact of COVID-19 is highly likely to increase the Youth Unemployment Rate throughout Year 2021 and Beyond.

Current realities in the Country relating to High Unemployment and Youth Unemployment in particular are a time Bomb waiting to explode within the next 5 Years

63

Source: STATISTA

South Africa: Youth unemployment rate from 1999 to 2020



Corruption Index in the country remained unchanged at 44 Points in 2020 from 44 Points in 2019. As of 2020, according to Transparency International South Africa poorly Ranks number 70 out of 180 Countries Rated

Since 1995 it has been declining and recovery strategies are required to put the country back on an upward trajectory.

Transparency International recommends the following Recovery Strategies to manage systematic weaknesses relating to Fraud and Corruption:

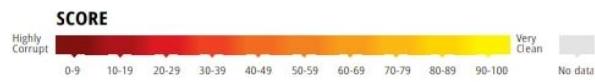
- ❖ Manage Conflict of Interest
- ❖ Regulate Lobbying of Activities
- ❖ Reinforce Checks and Balances
  - ❖ Control Political Financing
- ❖ Tackle Preferential Treatment
- ❖ Strengthen Electoral Integrity
  - ❖ Empower Citizens

TRANSPARENCY INTERNATIONAL

## 180 COUNTRIES. 180 SCORES.

### HOW DOES YOUR COUNTRY MEASURE UP?

The perceived levels of public sector corruption in 180 countries/territories around the world.



SCORE	COUNTRY/TERRITORY	RANK	SCORE	COUNTRY/TERRITORY	RANK	SCORE	COUNTRY/TERRITORY	RANK	SCORE	COUNTRY/TERRITORY	RANK
87	Denmark	1	69	France	23	56	Czech Republic	44	45	Montenegro	66
87	New Zealand	1	69	United States of America	23	56	Georgia	44	45	Senegal	66
86	Finland	3	68	Bhutan	25	56	Latvia	44	44	Hungary	70
85	Singapore	4	67	Chile	26	55	Dominica	48	44	Romania	70
85	Sweden	4	66	Seychelles	27	55	Saint Lucia	48	44	South Africa	70
85	Switzerland	4	65	Taiwan	28	54	Malta	50	44	Suriname	70
84	Norway	7	64	Bahamas	29	53	Grenada	51	43	Bulgaria	74
82	Netherlands	8	62	Barbados	30	53	Italy	51	43	Jamaica	74
80	Germany	9	62	Portugal	30	51	Malaysia	51	43	Tunisia	74
80	Luxembourg	9	62	Qatar	30	51	Rwanda	51	42	Armenia	77
78	Iceland	11	62	Spain	30	53	Saudi Arabia	51	42	Bahrain	77
77	Australia	12	61	Botswana	34	52	Mauritius	56	42	Solomon Islands	77
77	Austria	12	60	Brunei Darussalam	35	52	Namibia	56	41	Benin	80
77	Canada	12	60	Israel	35	50	Oman	56	41	China	80
77	United Kingdom	12	60	Lithuania	35	59	Slovakia	59	41	Ghana	80
76	Hong Kong	16	60	Slovenia	35	48	Cuba	60	41	India	80
75	Belgium	17	59	Korea, South	39	48	Greece	60	41	Morocco	80
74	Estonia	18	59	Saint Vincent and the Grenadines	39	48	Jordan	60	40	Burkina Faso	85
74	Ireland	18	58	Cabo Verde	41	47	Croatia	63	40	Guyana	85
73	Japan	20	58	Cyprus	41	46	Sao Tome and Principe	64	40	Indonesia	85
71	United Arab Emirates	21	58	Poland	41	46	Vanuatu	64	40	Kuwait	85
71	Uruguay	21	56	Costa Rica	44	45	Argentina	66	40	Lesotho	85
						45	Belarus	66	40	Trinidad and Tobago	85



64

The Country Ranks Poorly in terms of Corruption Perception Index the declining Trend may not improve in the next 5 – 10 Years due to perceived Selective Morality in holding accountable those who are Corrupt

Quit your whining!  
We have already  
recovered!

But I can't  
afford to  
spend  
anymore...

The Miami Herald  
MORNING  
15.10.00  
w edits by Jesse

Things are great!  
The US is almost  
at full  
employment  
Show him  
your bonus

Davos Man

Big Finance



According to Corruption Perception Index 2019, to end corruption and restore trust in politics, it is imperative to prevent opportunities for political corruption and to foster the integrity of political systems. Transparency International recommends:



#### MANAGE CONFLICTS OF INTEREST

Governments should reduce the risk of undue influence in policy-making by tightening controls over financial and other interests of government officials. Governments should also address “revolving doors” establish cooling-off periods for former officials and ensure rules are properly enforced and sanctioned.



#### CONTROL POLITICAL FINANCING

In order to prevent excessive money and influence in politics, governments should improve and properly enforce campaign finance regulations. Political parties should also disclose their sources of income, assets and loans, and governments should empower oversight agencies with stronger mandates and appropriate resources.



#### STRENGTHEN ELECTORAL INTEGRITY

For democracy to be effective against corruption, governments must ensure that elections are free and fair. Preventing and sanctioning vote-buying and misinformation campaigns are essential to rebuilding trust in government and ensuring that citizens can use their vote to punish corrupt politicians.



#### REGULATE LOBBYING ACTIVITIES

Governments should promote open and meaningful access to decision-making and consult a wider range of groups, beyond well-resourced lobbyists and a few private interests. Lobbying activities should be public and easily accessible.



#### TACKLE PREFERENTIAL TREATMENT

Governments should create mechanisms to ensure that service delivery and public resource allocation are not driven by personal connections or are biased towards special interest groups at the expense of the overall public good.



#### EMPOWER CITIZENS

Governments should protect civil liberties and political rights, including freedom of speech, expression and association. Governments should engage civil society and protect citizens, activists, whistleblowers and journalists in monitoring and exposing corruption.



#### REINFORCE CHECKS AND BALANCES

Governments must promote the separation of powers, strengthen judicial independence and preserve checks and balances.

Governments must urgently address the corrupting role of big money in political party financing and the undue influence it exerts on our political systems.

Delia Ferreira Rubio  
Chair  
Transparency International

**“Anyone who wants to tackle Corruption must be willing to go all the way. There are no shortcuts”**

**Oby Ezekwesili**

Source: Corruption Perception Index 2019

**"debt is our weakness, we have accumulated far too much debt, and this downturn will add more, this year out of every rand that we pay for tax, 21 cents goes to paying the interest on our past debts" Finance Minister Tito Mboweni said when he presented the revised Budget in June 2020**

The country's debt to GDP Ratio averaged 41.45% from 2000 to 2019 and the projections are that by end of 2020 it will be sitting at 81.80%. 2021, 83%, 2022, 84.20%.

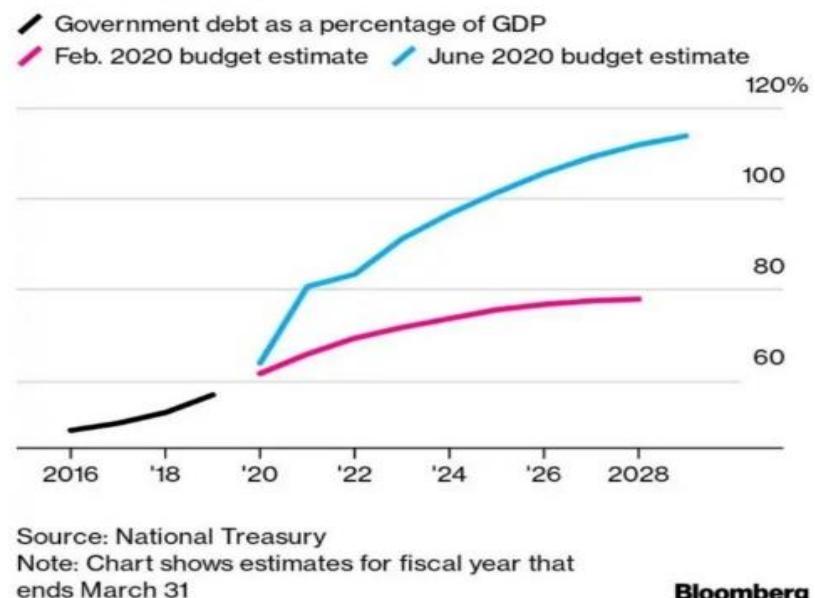
Bloomberg Africa quoted South Africa's Minister of Finance as having presented a document anticipating a further deepening of the Debt Weakness which the Country is already experiencing, the country's debt levels will exceed 100% of Gross Domestic Product in 2025 and rise to almost 114% before the end of the decade. Bloomberg has also observed that the Coronavirus Pandemic will quicken South Africa's Fiscal Deterioration.

This situation will make it extremely difficult for the Country to raise funding for it's major economic and social infrastructure development projects (e.g., Ensuring Water Security and that all Citizens have access to cleaning running Water in their Homes) in the short to medium term.

More and more of the Country's Budget will be used to service the Country's ballooning Debt effectively taking away financial resources from funding Quality Education, Universal Access to Healthcare, Social Security System, fighting of Crime as well as Land Distribution Programs just to mention a few.

### Debt Blowout

The coronavirus pandemic will quicken South Africa's fiscal deterioration



**With the Economic Growth Outlook being negative and the GDP Debt Ratio projected to be at 83% by 2022, the prospects of a Debt Recovery to levels below 41.45% in the next 5 – 10 Years are minimal and the country should prepare itself for life under high Debt to GDP Ratio**

66



**In 2020 South Africa's Competitiveness Ranking declined coming from an already very weak base negatively impacting the Country's Ability to compete Globally, Grow The Economy and create much needed Jobs.**

According to the 2020 World Competitiveness Yearbook (WCY), South Africa fell by three notches to be ranked 59 out of 63 Countries rated by the IMD.

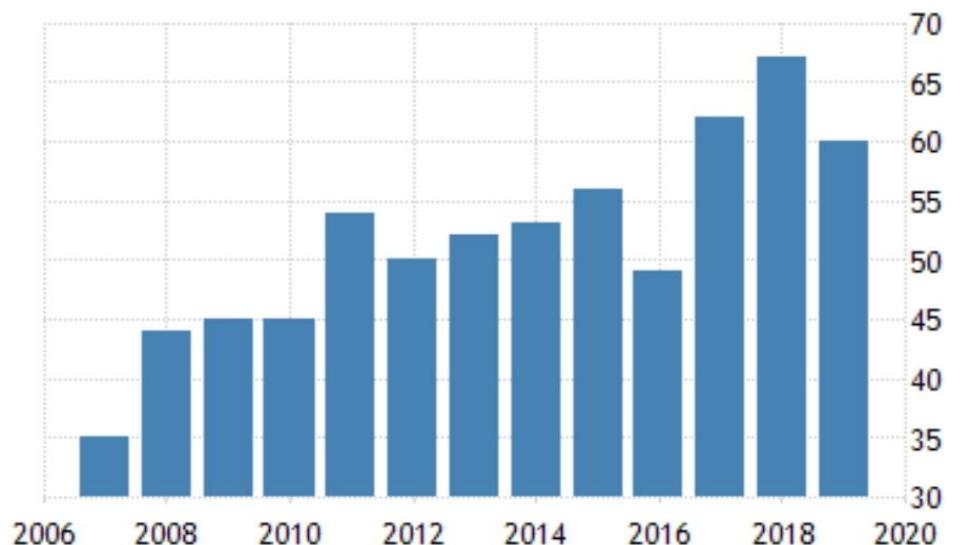
The IMD's WCY is an annual report that ranks the Competitiveness of 63 selected countries and is recognized internationally as the leading survey of competitiveness between nations. Source: Employment and Labour Department – South Africa

The drop of South Africa's Global Competitiveness Ranking was underpinned by the following factors;

- Deteriorating Headline and Youth Unemployment
- Rising Public Debt amid a Shrinking Fiscal Space
- Ongoing Electricity Supply Problems and Rolling Blackouts
- Sluggish legal processes to address Corruption in State Owned Enterprises

According to WCY;

- Economic Performance – dropped to 61 in 2020 from 59 in 2019
- Government Efficiency – dropped to 54 in 2020 from 50 in 2019
- Business Efficiency – dropped to 56 in 2020 from 44 in 2019
- Infrastructure – dropped to 61 in 2020 from 2019



Source: Global Competitiveness Ranking

**Productivity SA Chief Economist, Dr. Leroi Raputsoane was quoted as having said**

**“South Africa’s Global Competitiveness ranking in 2020 marks the lowest rating since the inception of the IMD’s Yearbook, ... this is a worrying factor in a country with high rates of unemployment, poverty and inequality and it calls for policy reform to enable a sustainable business environment”**

67





According to Stats SA, the estimated population of the country is 58.78 million with persons below the age of 34 making 63.9% of the population.

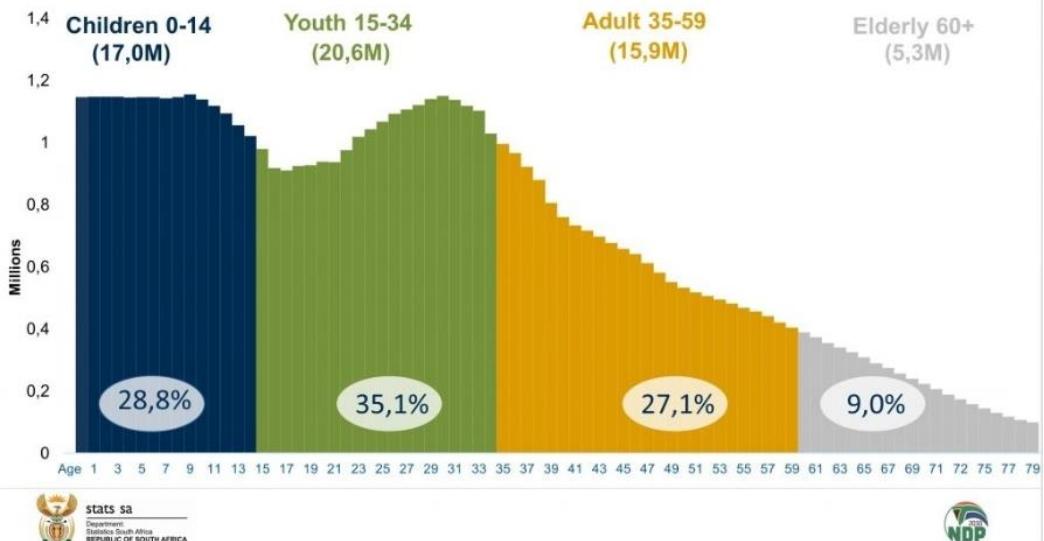
This presents a tremendous opportunity to educate and train young persons in STEM disciplines that will be the driver of Economic Growth and meaningful participation in the opportunities presented by 4IR.

Currently, approximately 13% of Youth aged 20 – 34 are Graduates in one discipline or the other and this presents the Country with an Opportunity to develop skills needed now and in the future. This will also ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup.

The Youth Should be at the Centre of Economic Development. Young People are also embracing Entrepreneurship and should be provided with capital to start and grow businesses in all sectors of the economy. Education and Vocational Training should equip young people with the skills of the future.

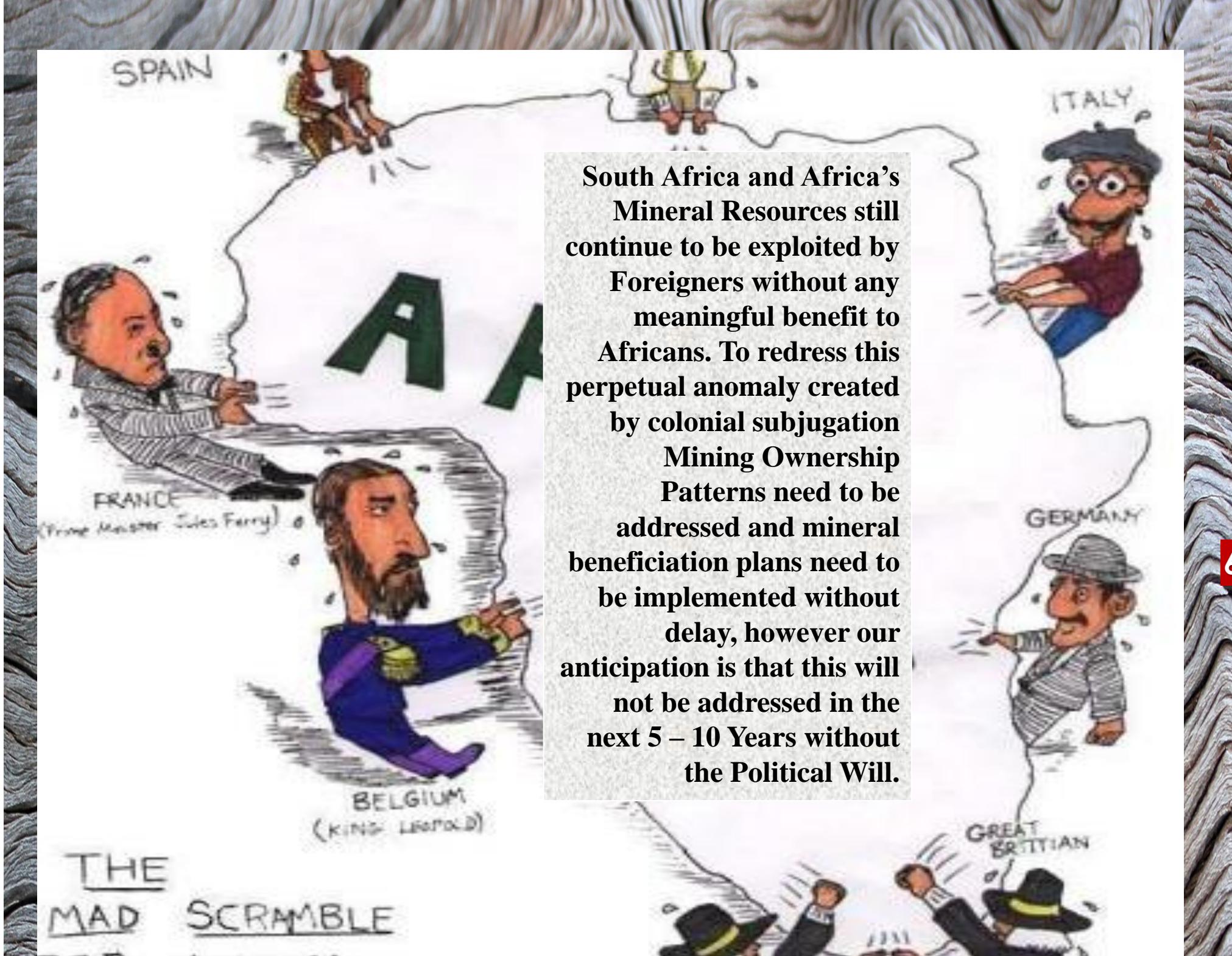
Around 17 million are children (0-14 years), making up close to a third of SA's total population.

Population age structure by single years, 2019



**With a Youthful population the Country is a fertile Ground for developing skills of the Future and changing the Education System to teach the Youth how to think and not what to Think.**

**Innovation and Creativity underpinned by the ability to anticipate how the future will look like and influence should be a key cornerstone of educating the Youth.**



69



The country is richly endowed with mineral resources and produces more than 30 metal and mineral products.

There is a huge potential of undiscovered mineral reserves, exploration, production and mineral beneficiation for the benefit of the Country's Citizens from Ownership, Suppliers, to Employment.

The Mineral Revolution in South Africa started with the Discovery of Diamonds in Kimberley in 1867 and intensified with the Discovery of deep level Gold in the Witwatersrand in 1886. By the time gold was discovered, African Kingdoms had lost their Independence. Africans were further deprived of their birth right to benefit from the Discovery of Precious Minerals in their land.

It is against this background that decisive transformation of the mining industry is an imperative in the Country to achieve meaningful Economic Transformation and lasting cordial Racial Relations.

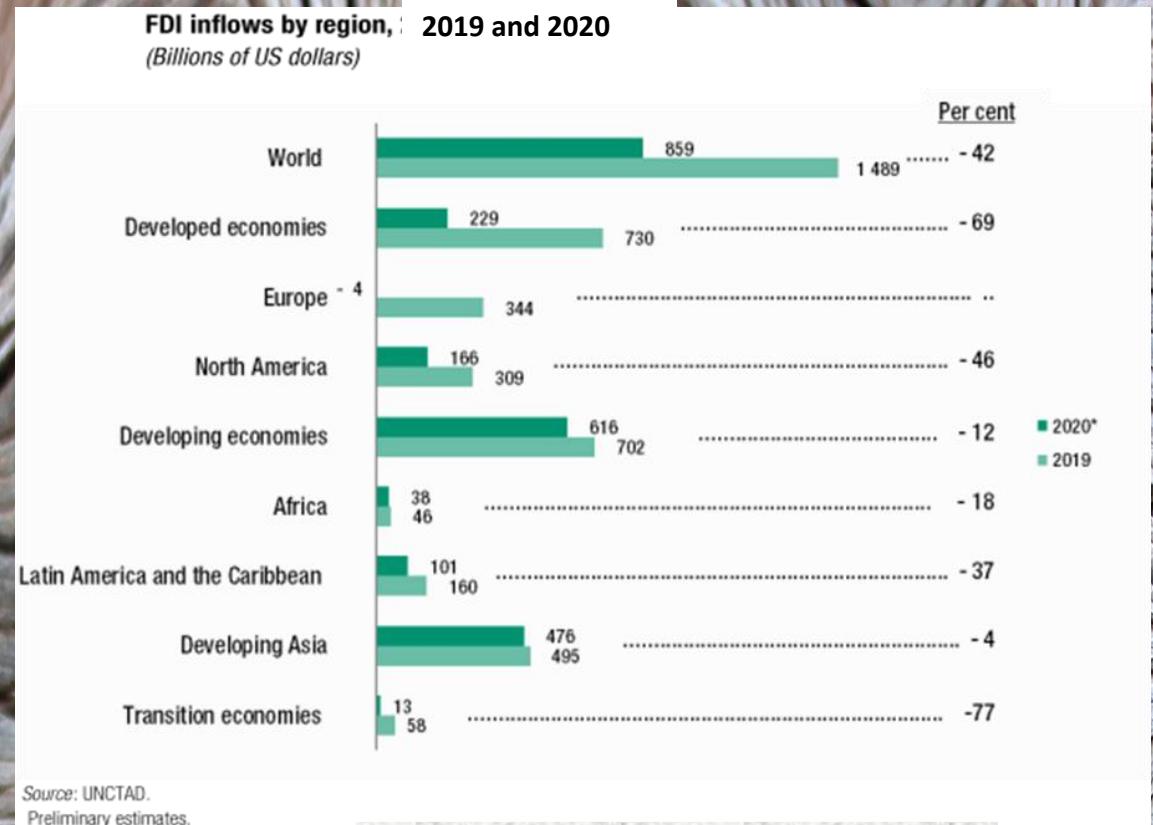
Reliance on Volatile Foreign Direct Investments (FDIs) has proved to be a Significant Weakness over the Years.

According to UNCTAD, in 2019 prior to the COVID – 19 Pandemic, FDI inflows to South Africa decreased by 15% to \$4.6 billion, despite key investments in mining, manufacturing (automobiles, consumer goods) and services (finance and banking).

UNCTAD also says uncertainty about the COVID – 19 pandemic's evolution and Global Investment Policy Environment will continue to affect FDI flows in 2021 and for developing Countries the prospects for 2021 are a major concern.

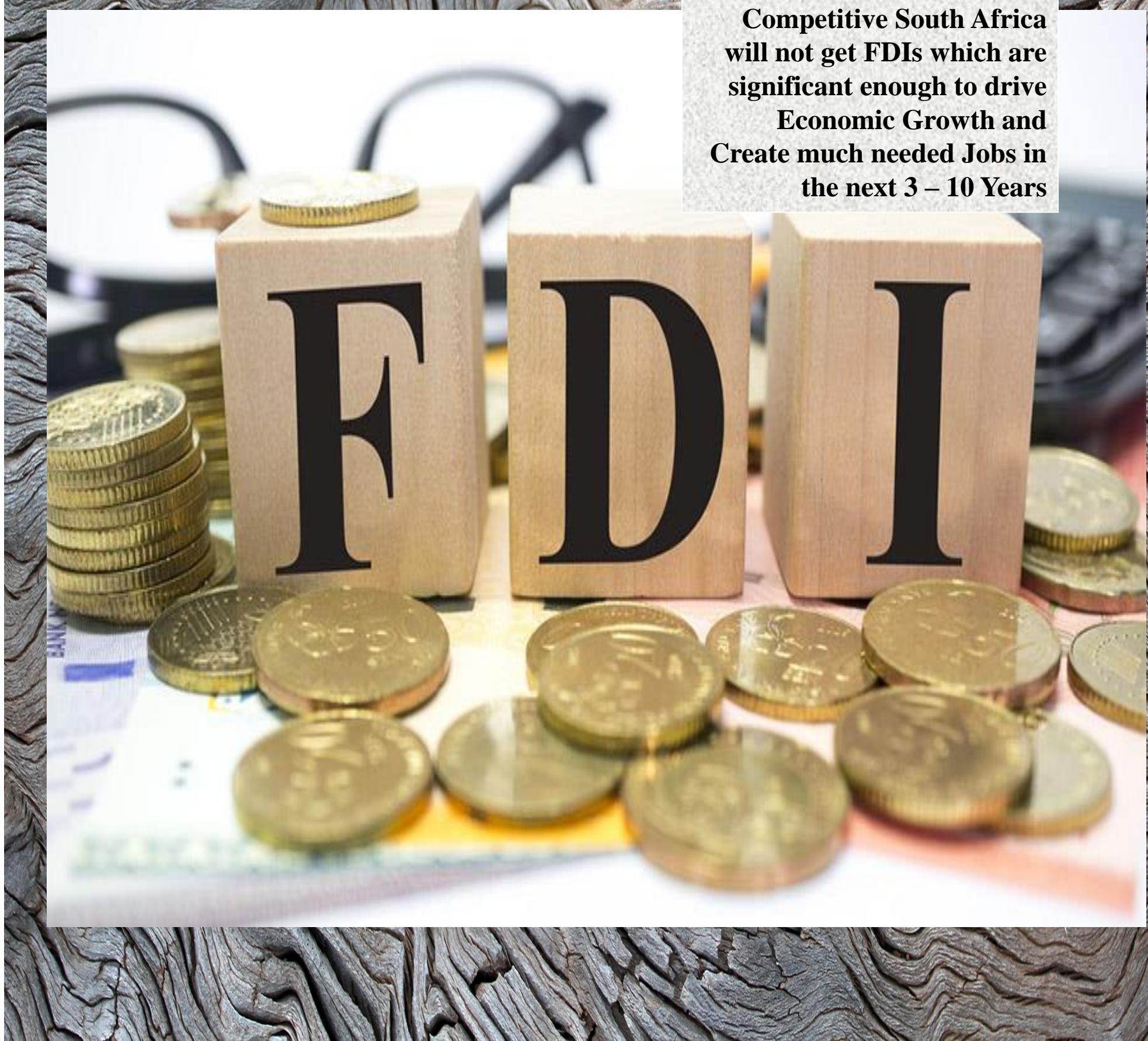
Foreign direct Investments collapsed in 2020, falling 42% from \$1.5 trillion in 2019 to an estimated \$859 billion and the outlook remains weak.

The above situation will have a negative impact on the Country's Economic Growth and Employment bearing in mind that the President's Economic Revival Plan placed a lot of reliance of Foreign Direct Investments (FDI)



**Between 2019 and 2020 Africa received the lowest share of FDIs as compared to other Regions. It is anticipated that due to declining Country Competitive South Africa will not get FDIs which are significant enough to drive Economic Growth and Create much needed Jobs in the next 3 – 10 Years**

70





71

E-Learning Platforms are becoming a Necessity all over the world as an aid to providing access to Quality Education and Best in class Teachers. This is an Opportunity that the Country should embrace to become a Global Leader in providing Quality Education for all by using E-Learning Platforms.

Some of the benefits of e-learning as acknowledged by the Department of Basic Education are;

- Learners, especially in remote areas should have anytime, anywhere access to learning opportunities
- Learners should have access to standardized learning opportunities
- Learners can take extra learning classes at their convenience and feedback is possible by means of marked assessment opportunities
  - Participation in learning can easily be checked and learning progress can be monitored by both Teacher and Parent
- E-Learning can save Time and Cost of Delivering education

With the proliferation of several e-learning Platforms in the Country, it is recommended that there should be a Regulatory Framework and Policy that regulates providers of e-learning platforms to mitigate the Risk of Fly By Night Service Providers just like we have seen with Private Colleges

**While there has been a proliferation of quite a number of e-learning providers in the Country, access to smart devices and data remains a challenge to the majority of citizens which need to be addressed.**

**Our assessment is that current plans to address the digital divide in Education are not adequate, and the current digital divide may continue for the next 3 – 10 Years unless the Government in Partnership with the Private Sector can put together a plans to eradicate the existing digital divide in education within the next 5 Years**



Poor Planning and lack of Efficiencies in Executing Plans has resulted in many project failures in the Country

If one looks at the NDP, Delivering an Accelerated Economic Recovery Strategy by Business for South Africa and The South African Economic Reconstruction and Recovery Plan presented

by the President, while drafters of these plans have a clear understanding of challenges however there is one fundamental error that any Strategist can make which is failure to conduct an honest and frank Situation Analysis and will render any plan ill conceived.

It is therefore recommended that National Plans should expressly conduct PESTLE, SWOT Analysis and Risk Assessments to inform Strategic Planning and Decision Making otherwise we will forever have Plans and Targets that are not worth the paper they are written on.

**“Strategic Planning is Worthless unless 1<sup>st</sup> there is a Strategic Vision”**

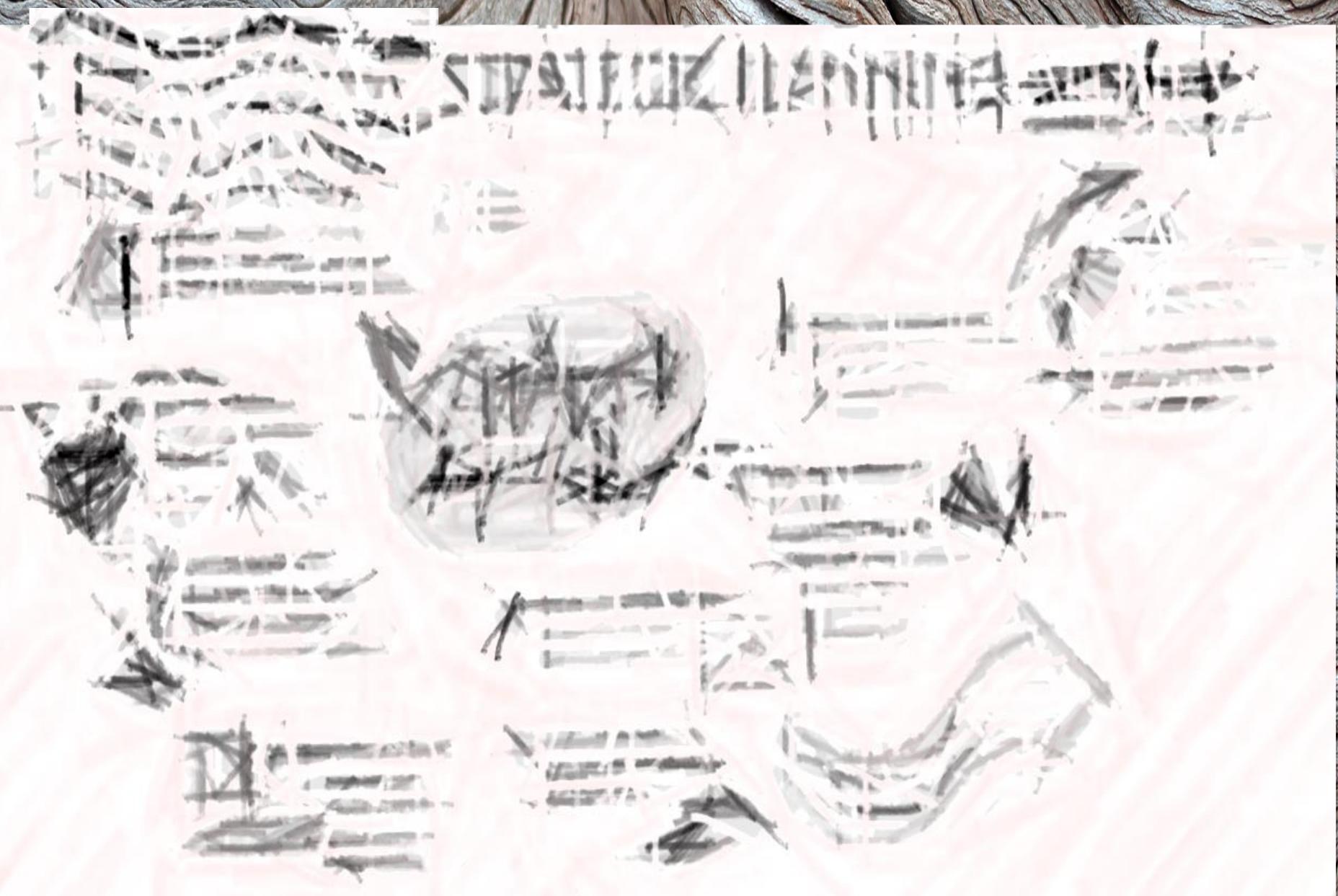
**by John Noisbitt**

**“Greatness is not where we stand, but what direction we moving”**

**by Oliver Wendell Holmes**

72

*While no development can be entirely risk-free, socioeconomic development choices and trajectories can, and often do, increase the vulnerability and exposure to harm of natural and human systems when threats occur. Rather than enhancing resilience, socioeconomic development choices and trajectories can reduce people's ability to take advantage of the opportunities arising as societies, technologies, economies and the environment change. Most critically, they have also given rise to new threats such as climate change; in other words, 'risks are generated inside development' (UNISDR, 2015: xv).*

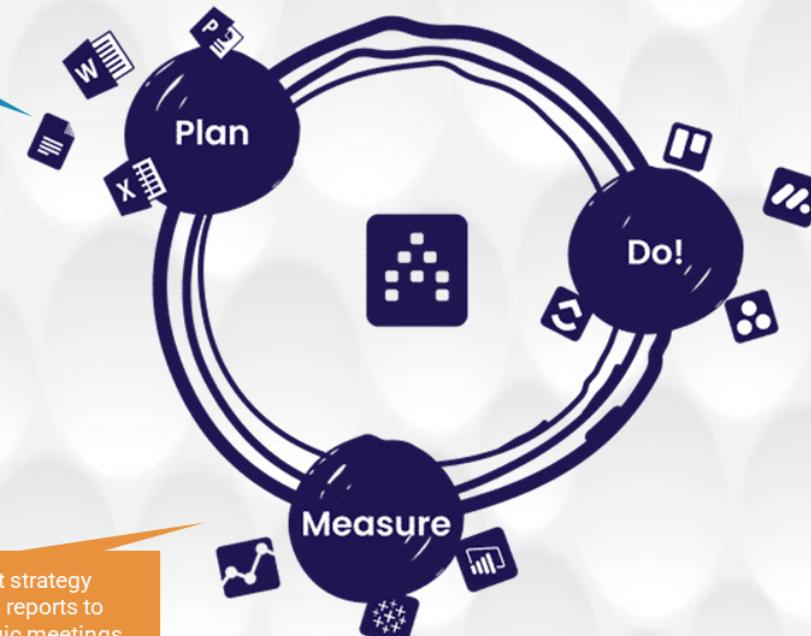


# What is cascade



**cascade**

Build your plan with the awesome pre-configured Cascade Strategy Model



Track the progress of your goals, projects, KPI's; manage Tasks and flag Risks

## Why cascade



**cascade**

Create a digital home for strategy



Manage projects & KPIs



Seamlessly report-on & track strategy



Plan

### A Digital Home For Your Strategy

Collaboratively create the perfect strategy for your organization and see clearly how each and every person fits into the picture



Manage

### Manage Your Projects & KPI's

All the tools they need to actually implement the strategy

Strategy Set Up For Success  
Defined strategy model with a SMART strategy that is ready for execution

Strategy Alignment  
Living and interactive plan - clear alignment across the Organization

Strategy Transparency and Centralization  
Centralized and easy access to strategic plan

Engagement and Collaboration  
Automated & consistent process for communicating strategic updates

Create a Strategic Culture  
Regular reporting and iteration of strategy among leadership, teams, and individuals



Track

### Report-On & Track Your Strategy

Real-time dashboards and reports for every aspect of your business from your strategy to your operational KPIs



More Data Driven Decisions  
Insightful real-time dashboards and reports to operationalize strategic decisions

Save Time and Money  
Teams spending less administrative time on the Strategy, and more time on analyzing and discussing the Strategy

### Establishing a Culture Around Strategic Accountability

- **Use Cascade** in internal meetings
- **Hold individuals accountable** if usage waivers
- **Keep strategy at the center** of everything you do



For a 3 Months Non – Binding Strategy Cascade Software Trial Please Contact Us:

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73

## Unpredictable Weather Patterns

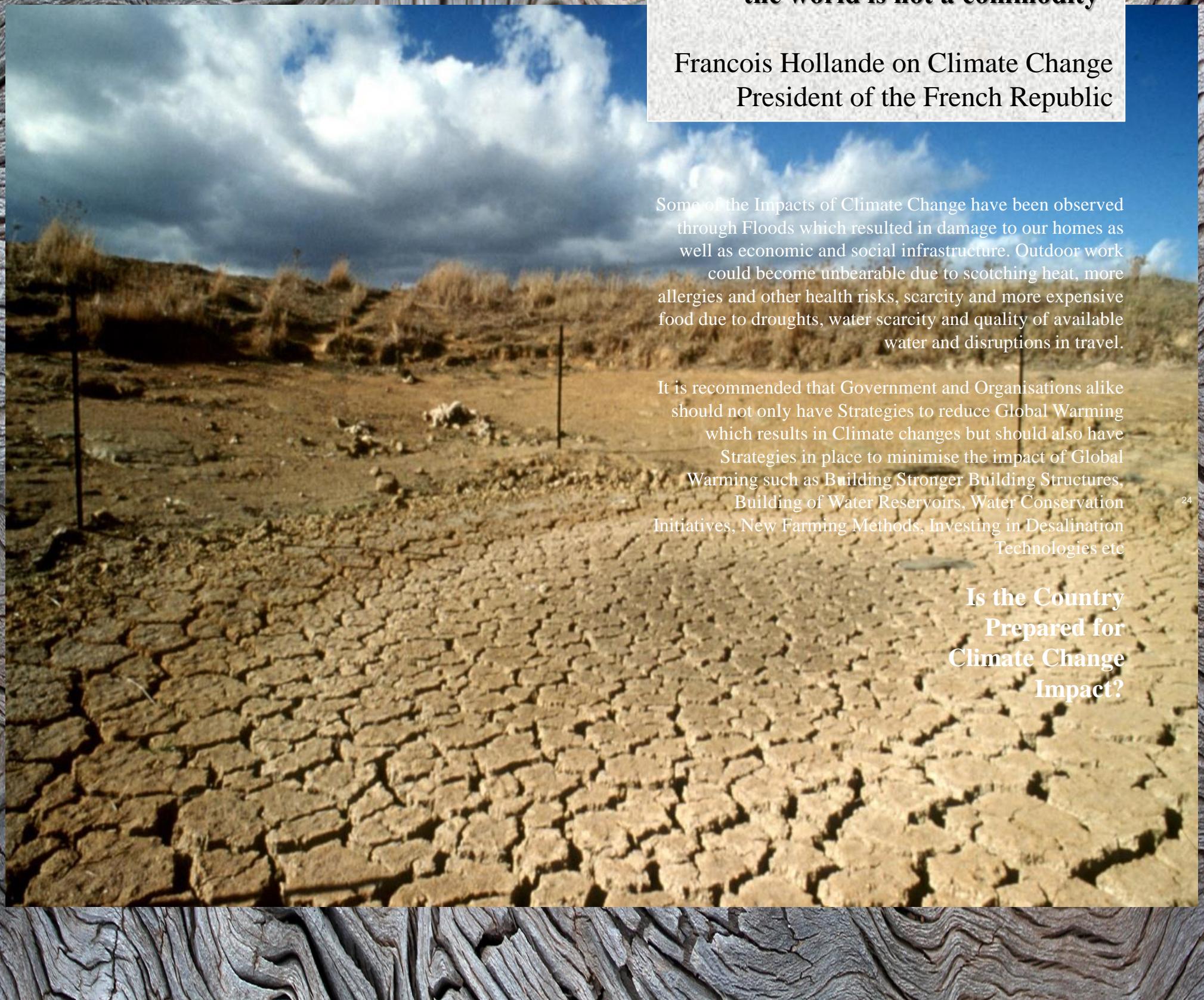
**“The time is past when humankind thought it could selfishly draw on exhaustible resources. We know now the world is not a commodity”**

Francois Hollande on Climate Change  
President of the French Republic

Some of the Impacts of Climate Change have been observed through Floods which resulted in damage to our homes as well as economic and social infrastructure. Outdoor work could become unbearable due to scorching heat, more allergies and other health risks, scarcity and more expensive food due to droughts, water scarcity and quality of available water and disruptions in travel.

It is recommended that Government and Organisations alike should not only have Strategies to reduce Global Warming which results in Climate changes but should also have Strategies in place to minimise the impact of Global Warming such as Building Stronger Building Structures, Building of Water Reservoirs, Water Conservation Initiatives, New Farming Methods, Investing in Desalination Technologies etc

24  
Is the Country  
Prepared for  
Climate Change  
Impact?

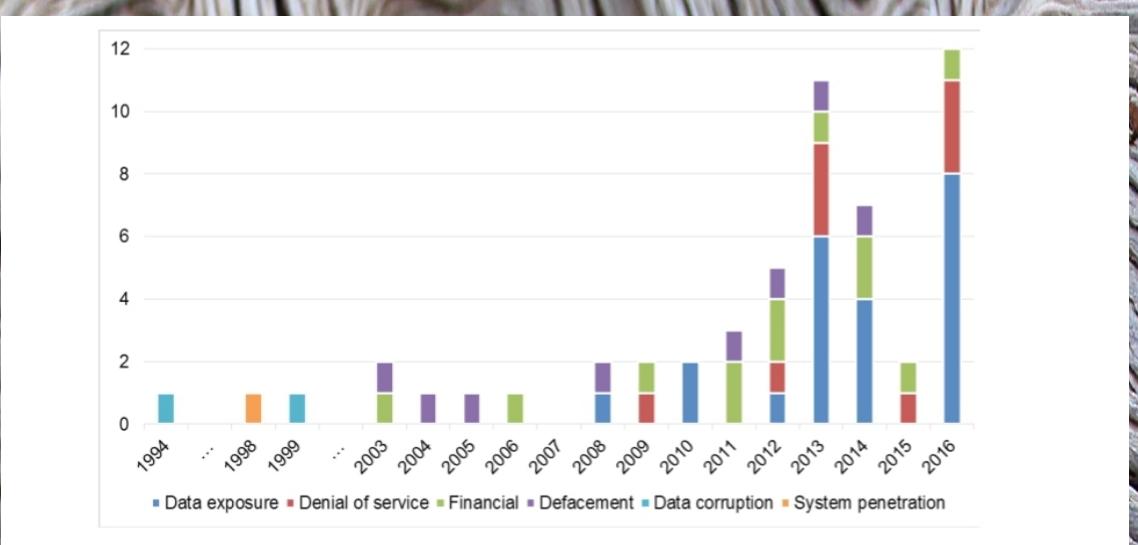


# Cyber Security Threats

Cyber Security Threats have been in existence for quite some time now with incidents being reported in South Africa as far back as 1994. ITWEB reported in Sept. 2020 that local data breaches coincided with high profile attacks and outages experienced by Global Brands such as Twitter and Garmin, and credit bureau Experian reporting a massive breach that exposed personal information of up to 24 million South Africans and 800 000 businesses. The Diagram below illustrates that Cyber Incidents have increased steadily over the years and the trend will continue.

South Africa is not in the Top 10 Countries Best Prepared Against Cyber Attacks according to The Cyber Research Databank. Out of 160 Countries South Africa is rated 99 on the National Cyber Security Index (NCSI), which is not a good position considering the magnitude of Existing Cyber Threats. An effective Cyber Security Defense System / Strategy should focus on;

- Building Resilient Infrastructure
- Creating Safer Cyberspace
  - Developing a Vibrant Cybersecurity Ecosystem
- Strengthening International Partnerships and Collaboration



Source: An Analysis of Cyber Incidents in South Africa – SciELO SA

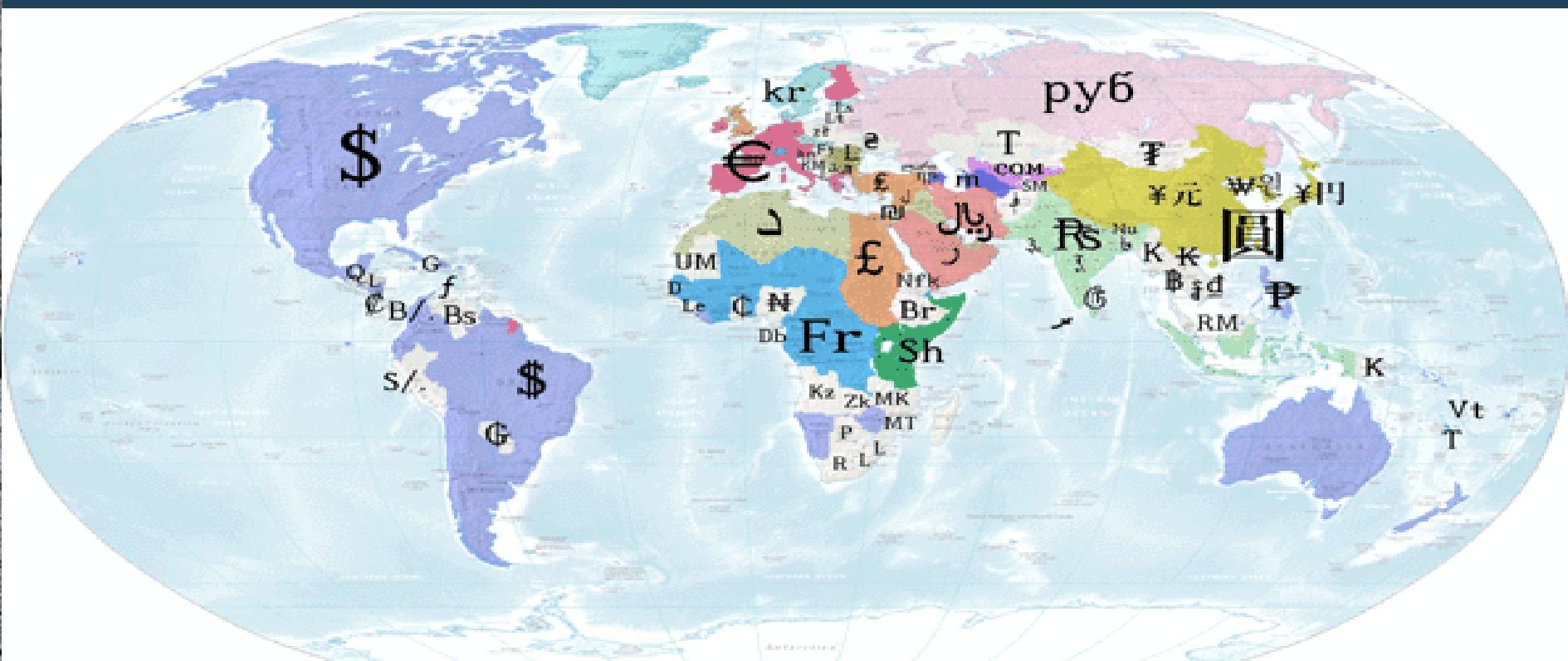
**“By some estimates, cybercrime is expected to globally cost up to \$6 trillion annually. Losses of this scale put the incentives for innovation and investment at risk and will be more profitable than the global trade of all illegal drugs combined”**

David Kennedy, Founder of TrustedSec

74



# A Weak and Volatile Currency RAND



75

Yen/Yuan/Won: 圆 ¥ ₩ ( 元 円 원 )	Euro: €	Rial/Riyal: ₪ ₪
Lira/Pound: £ £ ₧ Egyptian Pound also known as ginea [cf. guinea], thus marked ₧	Shilling: Sh	Dinar: ₩ ₩
Peso/Dollar: P P P Ps \$ \$ also used for Brazilian Real	Rubles: ₽	Franc: Fr F
Rupee (etc.): ₧ Rs Rp ( රු රු රු )	Leu/Lev: L л	Som: сом
Krona (etc.): kr k	Manat: m	

## A Weak and Volatile Currency Existing Threat

In 2019 / 2020 The Rand has been the most Volatile Currency in the World.

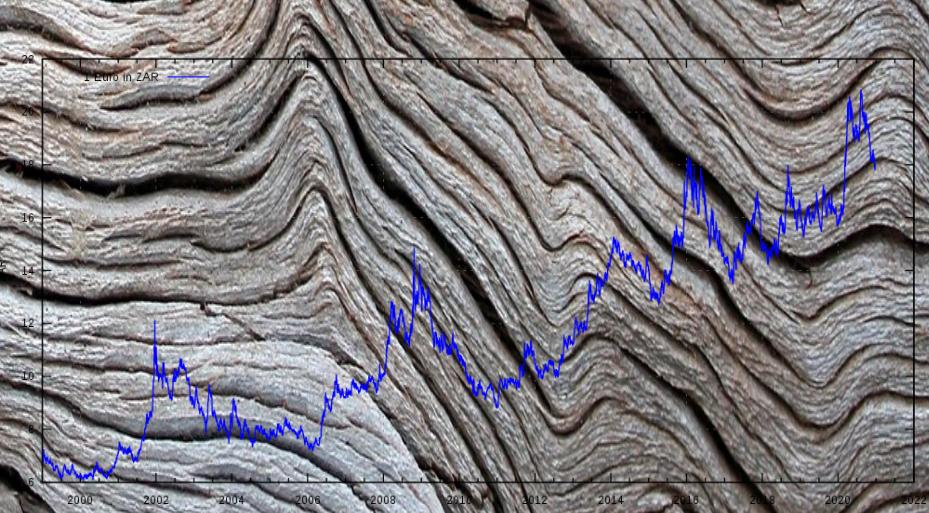
Over the last 12 months we have seen the Rand hitting over R19 to a Dollar during the Course of May 2020 and this resulted in Citizens paying more for fuel and other essentials affected by the value of the Rand including imported medicines leaving them with discretionary income to spend on other goods.

South Africa Exchange Rate against USD averaged 15.138 (ZAR/USD) in Jan 2021, compared to 14.882 ZAR/USD the previous month (Dec 2020). 12 months, the Rand has been extremely volatile hitting the lowest of over R19 to the Dollar in 2020.

With an anticipated weaker Economy, possibility of Political Unrest and weaker Fiscal Situation the prospects of the Rand hitting the same low levels in late 2021 seen in 2020 may not be ruled out.

**“Exchange Rate volatility can complicate decisions concerning trade and investment and constrain a country’s economic growth. For South Africa, changes in Global Commodity Prices and Financial Market Risk Perceptions drive most of the Rand’s Volatility. Local political uncertainty has also emerged as a significant source of volatility”**

Nasha Mavee, Local Economist, South Africa Office, International Monetary Fund



South Africa is known as the most unequal country in the world, reporting a per – capita expenditure Gini coefficient of 0.67 in 2006, dropping to 0.65 in 2015. According to Stats SA, 25 Years of Freedom has failed to bridge the divide

As at November 2019, Income inequality in South Africa is deepening. According to the latest figures from Inequality Database, the top 1% of South African earners take home almost 20% of all income in the country, while the top 10% take home 65%. The remaining 90% of South African earners get only 35% of total income.

The Government has used different tools to tackle stubborn levels of inequality that have plagued the country, including through progressive fiscal redistribution.

Efforts to reduce inequality have focused on higher social spending, targeted government transfers and affirmative action to diversify wealth ownership and promote entrepreneurship among the previously marginalised. However, these measures seem not to be resulting in desired outcomes

The above reality is underpinned by the entrenched, deepening weaknesses and threats that we will explore below in detail.

**“A nation will not survive morally or economically when so few have so much, while so many have so little”**

Bernie Sanders

**“As long as poverty, injustice and gross inequality persist in our world, none of us can truly rest”**

Nelson Mandela

76

## ONE NATION, INDIVISIBLE:



Way Forward  
Insights

Risk Analysis  
Insights

PESTLE  
Analysis  
Insights

SWOT Analysis  
Insights

“The Sun does not  
forget a Village  
because its Small”

An African  
Proverb



## Key Insights From The Risk Analysis

01

Re – imagining the Future, Innovation and Creativity are a key Factor in Surviving and Competing in a Globalisation Scenario.

The Country needs to invest more in Innovation and creativity and rely less on natural resources

02

Timely Identification, Escalation and Mitigation of Risks should be a Key Focus Area for the Country Going Forward

Develop Capabilities to differentiate between SWOT Results and Risks which are Future anticipated Scenarios

03

Strengthening of Strategic Planning and Execution Processes at National and Local Government Levels

Integrating Risk Management into Strategic and Operational Planning Processes and Decision Making

04

Improve Curricula at Institutions of Higher Learning to Include Strategic Planning, Risk Management as a Course as well as Innovation and Creativity

Building Capacity and Expertise to Deliver Risk-Informed Decisions

05

Focusing on Developing Capabilities to Invent and Create 4IR Technologies for both domestic and export Markets

Create a Healthy Balance between being a User and a Producer

06

Strengthening Crisis Management and Business Continuity Plans to better deal with Economic Activity Disruption Activities such as the current COVID – 19 Pandemic

07

Developing workable Public, Private Partnerships to proactively mitigate and /or exploit Threats and Opportunities lying Ahead.

Improve Project Execution Capabilities by both the Public and Private Sector

08

The NDP should clearly articulate what are the Significant Risks that should they materialise they will either have a negative or positive impact on the achievement of NDP Aspirations. Risk Mitigation/Exploitation Plans should be an integral part of the NDP Plan

09

Create a Risk Management Centre of Excellence aligned to One of the Institutions of Higher Learning to Assist Government with Robust and Rigorous Country Risks Research.

# Key Insights From PESTLE & SWOT Analysis

01

1<sup>st</sup> and Foremost fight and defeat the current COVID – 19 Pandemic Crisis

02

Reliance on Volatile Foreign Direct Investments is no longer sustainable to grow the Economy. The Country needs to looks at ways to promote Home Grown Investments, Promote Innovation and Creativity

03

Strengthen Fraud and Corruption Controls with a Focus on: Regulating Lobbying of Activities, Controlling Political Financing, Tackling Preferential Treatment, Strengthening Electoral Integrity

04

Fast Tracking Land Redistribution and Capacitating New Farmers

05

Focusing on Improving the Country's Global Competitiveness and regain lost Ground

06

Transformation of the Mining Industry Including developing and implementing a Mineral Beneficiation Strategy

07

Develop and Implement Policies that promote African owned SMEs, Tech Start-Ups and reform Tender Requirements as they are anti SME Start Ups and pro – Big Business.

Involve the Youth in Economic Decision Making and Planning for the Future

08

Transformation of the Education System by adoption of e-learning Platforms to enable equal access to Quality Education by all Communities

Education System should also focus on teaching Learners How to Think and not What to Think

09

Efficient Execution of Projects through creation of Shared Services Centres of Excellence especially for Local Government.

Urgently resolve current Infrastructure Backlog and also proactively cater for the needs of a Growing Population

The Future  
is Ours to  
Create

80

“If you think you are too  
small to make a difference  
spend a night with a  
mosquito”

An African Proverb

**Bringing The Future into The  
Present so we can Prepare for  
it Today**

**FUTURE**

Here's our thinking.

## Managing Risks is an inherent Human Capability, even though it is also Human nature to react to events that have already occurred!!!

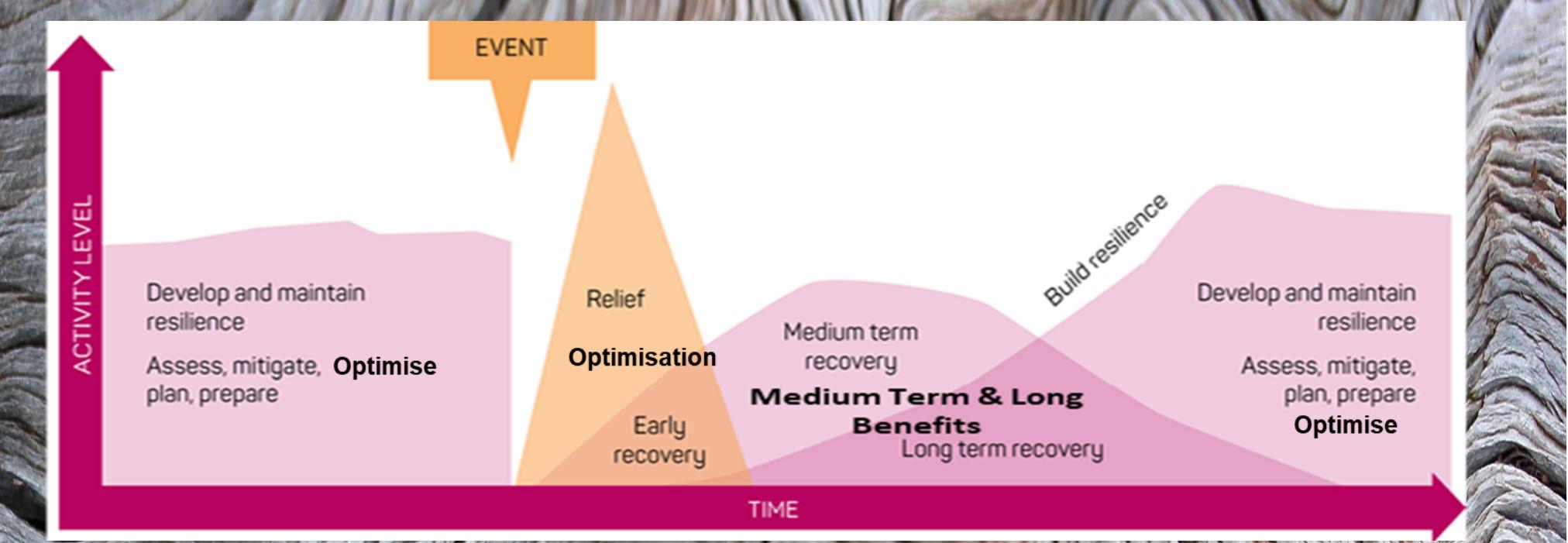
It is in this context that we should be guided by the fact that it has been proven that successful Visionaries and Strategists are Risk Takers. They are able to anticipate what the future will look like and prepare for it today rather than wait for the risk events to occur and then react.

To navigate uncertainty, we need to be bold in anticipating future Threats and Opportunities, take decisive Actions today in order to shape our Future to be what we desire it to be. A clear articulation of what Major Threats are in the Horizon as well as Opportunities lying Ahead is very critical to craft pragmatic strategies that will take us closer to achieving our Vision as a Country and Africa in General. Countries that have clear and pragmatic Visions, are able to translate them into clear strategies with explicit milestones and objectives. Those that are excellent in implementing strategies will emerge winners of the 21<sup>st</sup> Century.

From a Risk Perspective, economic prospects for the country look very bleak in the next 3 – 5 Years and unemployment levels will continue to rise, as the country in the short to medium term has to deal with structural weaknesses that have existed over decades and existing threats while at the same time taking advantage of the country's current strengths and opportunities. Addressing the current weakness of inability to timely identify, escalate and mitigate significant Country Risks should be prioritised as on many occasions we only see Risks once they have materialised which then leads to one crisis after another.

There should be a balance in dealing with the needs of today and the needs of tomorrow. Should we not address the needs of tomorrow timely it is almost certain that as a country and a continent we will forever stumble from one crisis to the other and always count the opportunity costs of opportunities lost. Proactive mitigation of risks turn events that would otherwise have been threats into opportunities and leads to prosperity as we have already seen in countries such as Japan, Germany, China, USA, South Korea, Singapore and many other 1<sup>st</sup> world Countries.





## Africa and South Africa included need to Invest in Improving our Strategic Planning Capabilities, Risk Management Capabilities and abilities to distinguish between Crisis Management and Risk Management

**Crisis Management** is defined as the application of Strategies designed to help an Organisation and/or a Country deal with a sudden and/or a Significant negative Event. A Crisis can occur as a result of an unpredictable event or an unforeseeable consequence of some event that had been considered as a Potential Risk. Clearly according to this definition Crisis Management is the aftermath of dealing with Risk Management Failures. Prior to a Crisis, Organisations and Countries alike develop and maintain resilience by identifying, assessing and finding ways to mitigate significant risks identified.

King IV, defines Risk Management as “*the uncertainty of events; including the likelihood of such events occurring and their effect, both positive and negative, on the achievement of the organisation’s objectives. Risk includes uncertain events with a potential positive effect on the organisation (i.e. opportunities) not being captured or not materialising*”

In a nutshell Risk Management assists organisations and countries to make Risk Intelligent Decisions and Build Resilience by anticipating what Opportunities and Threats lie ahead taking proactive measures to either mitigate anticipated threats or exploit anticipated opportunities and on the other hand Crisis Management involves Immediate Response Plans to a Crisis and Recovering from a Crisis as well as reimagining how the future post the Crisis should look like.

Business Decisions can not only be based on analysing historical information alone but also require anticipating what the Emerging Future will look like including Risks (both Threats and Opportunities) to inform Decision Making and Strategic Choices we make. Anticipating how the Emerging Future may look like requires Visionary Leadership, Strategic Thinking, Risk Leadership across all levels of an organisation or a Country, Creative and Innovative Thinking

It is worth noting that a Risk Management Leader is a Visionary who has the ability to anticipate the Future and has a clear understanding that the future is shaped by what we do today. First let me define what I mean by a “Risk Management Leader.” By this, I mean someone or anyone, who is in charge of making a business or a country grow and achieve its Vision. This could be a CEO, President, Sales Director, CFO, Chief Risk Officer, COO, Engineer, Doctor, Economist, Director General, Minister, Mayor, City Manager, Receptionist or even administrator. Regardless of what you are called, you are a Risk Management Leader and have a unique challenge ahead of you to anticipate and shape our Future.

As a Risk Management Leader you have to be different and go against the grain to avoid blending into the crowd. Don’t fall into the trap of confusing Crisis Management with Risk Management and following an elitist approach in Risk Identification and Assessment

One of the most Catastrophic Risk Management Weaknesses we have ever seen as a Country, is Failure to Timely Identify, Escalate and Mitigate Risks. As an example, what the West considers as Risks in their respective countries, is typically already a reality in most Developing Countries including South Africa. In most cases, Crisis Management vs. Risk Management is the COVID – 19 Crisis where Three Prominent Leaders in the world (i.e. George Bush (Junior), Barak Obama and Bill Gates) raised the Potential Risk of a Pandemic like COVID – 19 and most countries did nothing to mitigate the Risk until the Risk Event materialised and became a Crisis that the World now has to recover from.





OPINION | The  
greatest township  
heist:  
Communities steal  
billions from  
themselves every  
year,  
A Perspective from  
Tsietsi Ngobese



## **The best talent in the townships often leave the community and shapes the world outside our townships' ecosystem, and those who remain behind make uninformed decisions without expert advice, preventing the building of a strong township economy, writes Tsietsi Ngobese.**

The nature of the township economy across the country has always allowed unemployed people the opportunity to put bread on the table, and often times clothes on their back.

### **The local economy continues to be underdeveloped.**

It unfortunately has little support from the government and/or the private sector. In addition, it continues to be infiltrated by financially advanced corporations that muscle out smaller, struggling informal traders. Their obvious advantage in buying in bulk, or even producing at minimal costs gives them the upper hand where the smaller traders do not have the options to save on stock or production price.

However, it isn't all doom and gloom. Gold is after all produced in refining fire and pressure. So perhaps these challenging times facing SMMEs, including the high unemployment rate, will result in creative business ideas. But that does not translate to the informal sector not needing a "leg up". This may be the right time for development of informal trading, the upliftment of small businesses, and the support for them to create the much needed jobs in society.

### **Improve township economy**

Equally, young people within the very communities, should focus their minds and gear up to improve the dilapidating township economy. Without the local economy, the country will never realise its true economic emancipation in our lifetime.

I agree with president Cyril Ramaphosa in his Economic Recovery Plan that in order to support economic reconstruction and recovery, there should be structural reforms such as lowering barriers to entry to make it easier for businesses to start, grow, and compete; and addressing racial, gender and geographical inequalities which hamper deeper.

The government should rather prioritise the roll-out of infrastructure support like access to office space in affordable price-tags on connectivity and technology platforms at the townships and have the people from the townships serve their communities with excellence and customer centricity.

That will work hand-in-hand with the rated District Development Model announced by the government last year. That model looks to ensure that "local government is capacitated and transformed to play a developmental role". That is exactly what is needed.

Capacity within local municipalities to understand that the local governments should work to find sustainable ways to meet social, economic and material needs of those small businesses within townships.

Government agencies in different provinces are unable to deliver their expected services to support businesses in the townships, and there is not enough mentorship programmes and start up assistance dedicated to township entrepreneurs, causing stunning visions to die and also the township general dealers to collapse, as there is no focus in building resilient black businesses and rural development.

The government agencies can better serve communities when they are located at all municipalities, closer to kasi entrepreneurs and innovators.

At the same time, I have noted that the informality of the very businesses I advocate for within townships may and or could halt the roll out of government programmes looking into developing the local economy.

### **Abandoning the township**

But let us be frank. It is not only the government's fault. We should also put the blame at the door of ignorant elites, professionals, graduates and students, most of whom have abandoned the township continuously. Let us term that ignorance, the greatest heist of all time committed by community members within their very own communities.

The township economy is still in deep sleep, challenged by the lack of empowerment and the desire for opulence by many. Very few young community members would engage in supporting small businesses within the very communities they reside in, and endeavour to ensure that money circulates at least six times within the society before it goes out to other major businesses. The Buy Black Campaign is one of our direct responses championed by the Buy Black Foundation to mobilise consumers to support black owned products and services.

Our best talent always leaves the community and shapes the world outside our townships' ecosystem, and some of us who remain make uninformed decisions without expert advice.

Being a street vendor for the past 18 years selling fruits and vegetables house to house using a wheelbarrow and leading my very own home family informal business of selling fruits and vegetables and other different range of consumable and non-consumable goods, has been our source of income for decades. As an actuary, I want to understand how professionals like me add value to the township economy. How can we make financial sense of the future and be supported in that endeavour.

### **Integrating actuarial models into township informal businesses**

Integrating actuarial models into our township informal businesses and stokvel scheme allows us to pool the risk similar to funeral covers and burial societies to develop new financial products to meet the needs of our township economy. As actuaries, our successful contribution in the financial sector gives us an opportunity to transform the multi-billion rand township economy beyond the funeral covers.

As Gauteng Premier David Makhura asserted in his State of the Province Address in June 2014:

"The significant participation and meaningful inclusion of the people of the township into mainstream economy through their own township enterprises that are supported by the government and big business will be one of the key game changers... The townships must be self-sufficient and vibrant economic centres."

Today in our township ecosystem and population, it is clear that we have outsourced our responsibilities and neglected the basic principles on processes of achieving goals with a reasonable time frame and realistic steps.

As a result, we continue to be victims of scams that promise overnight success, instead of gratification. We remember the process after we have lost our money. To #HireAGraduate claim your spot in the township economy to safeguard our Township Fortunes.

- Tsietsi Ngobese is the founding director and Chief Executive Officer of Wesolve4x Consultancy (Pty) Ltd . He currently serves as an executive member of the Association of South African Black Actuarial Professionals (ASABA).



# Insights on the role the BEE Commission is playing in supporting the NDP's 2030 Vision, in particular relating to Racial Inequalities and Transformation in Corporate South Africa.

**Question:** What is the Strategic Role that the BEE Commission is playing in bridging the high levels of Racial Inequalities in Corporate South Africa and driving the Transformation Agenda?

**Answer:** The B-BBEE legislation was adopted and promulgated to deracialise the economy which became racialized during the time period of apartheid. Dealing with economic inequalities requires adequate and full participation of all racial groups in the existing and future economies of the country. In order to deal with inequalities, South Africa requires an economy that can sustainably meet the needs of all its citizens, whether from an individual perspective or in relation to enterprises. Therefore, government through various programmes and laws, including the B-BBEE legislative framework seeks to achieve this vision, by empowering black people who make up the majority of our population, and who were systematically and purposefully restricted from meaningful participation in the economy.

In light of the above, B-BBEE Commission exist to ensure that there is adequate implementation of the B-BBEE Act which aims to address the racial disparities of South Africa's economy by elevating black people in new and existing enterprises through empowerment initiatives such as ownership, management control, skills development, enterprise and supplier development as well as socio-economic development is implemented in a manner that aligns to the Constitution, in particular section 9 (2) that deals with the promotion of equality.

The B-BBEE Commission has put in place processes and systems to advance the implementation of these B-BBEE initiatives, in deracialising the South African economy.

**Question:** What is BEE Commission's Vision 2030 to support the NDP Vision 2030?

**Answer:** The NDP in chapter 15 recognises the need to build a transformed society. This chapter recognises the importance of promoting equal opportunities, inclusion and redress and this is closely related to the mandate of the B-BBEE Commission of accelerating economic transformation which underpins the B-BBEE Act.

B-BBEE Commission uses its compliance and enforcement strategies to support the NDP Vision 2030 by promoting economic transformation and empowerment of black people as well as women, workers, the youth, people with disabilities and people living in rural areas. Our compliance strategy includes conducting awareness sessions/workshops, provide non-binding advisory opinions and written clarifications, issue advisory letters on apparent non-compliance, conduct site visits pursuant to tipoffs received relating to violation of the B-BBEE Act, assesses and declare B-BBEE certificates and B-BBEE sworn affidavits invalid, issue instructions on misleading adverts on B-BBEE, providing reports and trends on B-BBEE.

On the other hand, the corrective and enforcement strategy is concerned with correcting and remedying violations that have been brought about through a complaint or initiation of an investigation. In this regard, based on the merits of a matter, we may facilitate Alternative Dispute Resolution (ADR), which incorporates specific undertakings to remedy the apparent violation, or issue remedial recommendations pursuant to adverse findings on the matter to remedy the adverse findings in the interest of the public and the objectives of the B-BBEE Act. The ADR approach seeks to afford the entity under investigation an opportunity, before and/or after adverse findings are made against it, to remedy the conduct. If an ADR agreement is reached, no findings are issued and the ADR Agreement becomes the outcome of the investigation.

**Question:** What are the BEE Commission's Strategic Focus Areas to achieve its Vision for the next 10 Years?

**Answer:** The mandate of the B-BBEE Commission is covered in section 13F of the B-BBEE Act, which includes receiving and investigating complaints, registering ownership deals above R25 million and analysing annual compliance reports from organs of state/ public entities and JSE entities. Therefore, the strategic focus areas are derived from the mandate, so the institution will be focusing on the effective execution of its mandate and the implementation of the MTSF of government which is informed by the NDP, including the country's Economic Reconstruction and Recovery Plan. In terms of its strategic agenda, there is a concerted effort to achieve the vision of the organisation, and key governmental and departmental priorities.

Part of the strategic focus and plan is to take more proactive stance in communicating our work, mandate and functions as well as Codes of Good Practice and B-BBEE Regulations. We will also continue to monitor the markets daily and introduce measures to enable us to detect systematic improper and unethical practices that undermine the objectives of the B-BBEE Act.

87

**Question:** What are the Top 3 Significant Strategic Risks that the BEE Commission is anticipating in the next 3 to 5 Years that may either prevent or enhance the achievement of the Commission's Strategic Objectives should they materialise?

From the lessons learned since the existence of the B-BBEE Commission, there has been a number of strategic risks identified that could hamper the strategic objectives of the B-BBEE Commission, as well as the advancement of B-BBEE as a whole, and that relates to inconsistencies in the application of B-BBEE by government departments and private entities, the number of role players in the B-BBEE space providing inconsistent messaging about B-BBEE, increased fronting and circumvention of the law through creative B-BBEE models and use of invalid B-BBEE Certificates and/or Sworn Affidavits to acquire business opportunities, including serious legislative weaknesses on enforcement powers and institutional mechanisms to deter fronting and non-compliance. Improper implementation of B-BBEE legislation is a major risk, coupled with the circumvention of the law. These two factors pose a risk of having a slow pace of economic transformation.

Therefore, monitoring the implementation of B-BBEE Act remains the focal point of our regulatory, which is why there is a need to continue with awareness initiatives and advisory services on B-BBEE Act and related legislative prescripts in order to prevent fronting schemes in the future, particularly in



# Africa Agenda 2063

88

**“If you want to go fast, go alone. If you want to go far, go together”**

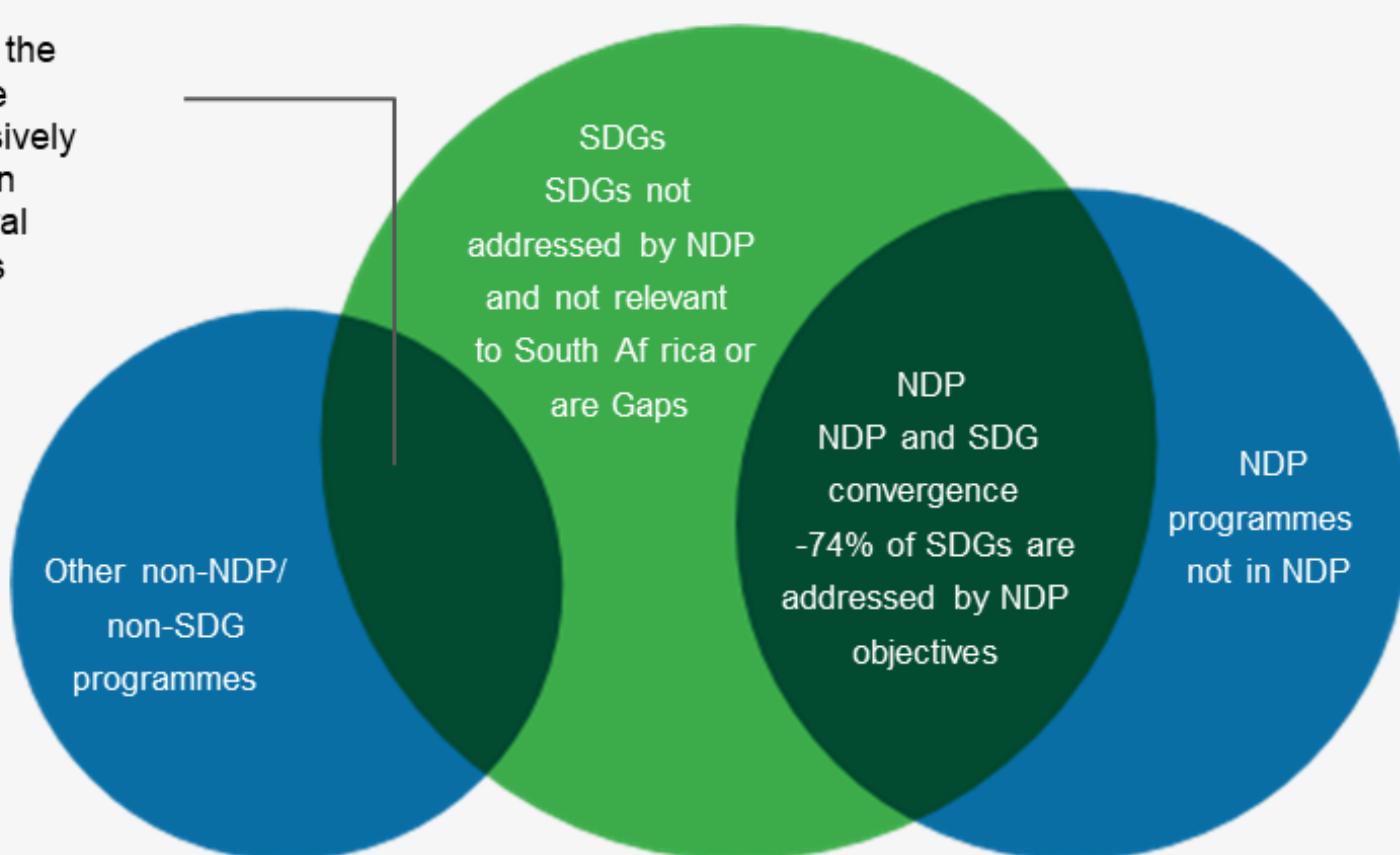
**An African Proverb**



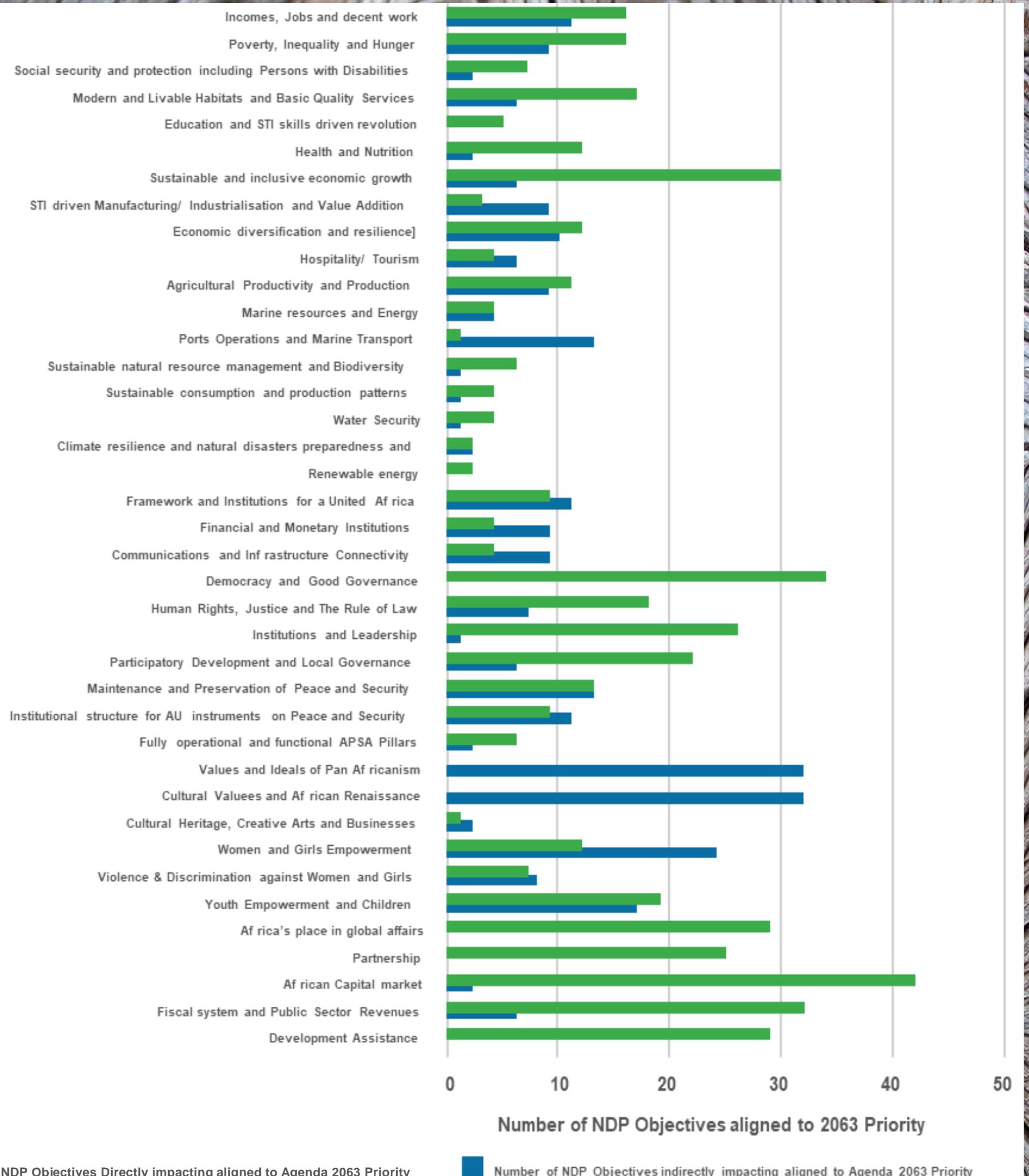
**“We are Africans not because we are born in Africa but because Africa is born in us”**

Typology of convergence or non-convergence between national programmes and the SDGs

SDGs not addressed in the NDP but are comprehensively addressed in other sectoral programmes



Sources: NPC – Mapping the National Development Plan to the United Nations and African Union Sustainable Development Agendas



Sources: NPC – Mapping the National Development Plan to the United Nations and African Union Sustainable Development Agendas





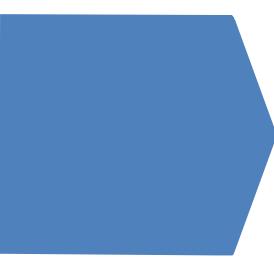
## Africa Agenda 2063 –

### A Call To Re-Imagine the Future of South Africa and Africa at large.

**“An Integrated, Prosperous and Peaceful Africa, driven by its own citizens, representing Dynamic Force in the International Arena” underpinned by;**

- Pragmatic Strategies to replace 80% of all non African Direct Investments with African Direct Investments
- Pragmatic Strategies to replace 80% of Imports that are foreign to the African Continent with African Produced Products and Services
- Pragmatic Strategies for 80% of Products and Services consumed by Africa to be supplied by Africa based Production Facilities.
- A World Class Socio – Economic Infrastructure across all African Countries





# Acknowledgements

<https://pariiforesights.com/southafricandpvision2030/references>



94

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- ☎ +27 65 888 2150

**“Do not stand in a place  
of danger trusting in  
miracles”**

**An African Proverb**





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**Where Futuristic Risk  
Insights Find You**

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