



SOUTH AFRICA

**MEDIA CONFERENCE ON THE IMPLEMENTATION OF THE POLITICAL PARTY
FUNDING ACT FROM 1 APRIL 2021**

29 JANUARY 2021

SPEAKING NOTES FOR VICE CHAIRPERSON JANET LOVE

(Check Against Delivery)

ACKNOWLEDGEMENTS

Thank you Programme Director Commissioner Nomsa Masuku

Chairperson and Commissioners

Colleagues from the Electoral Commission

Members of the media

Let me echo the Chairperson's gratitude to you all for being here today

INTRODUCTION

As noted by the Chairperson the imminent implementation of the Political Party Funding Act signals one of the most significant enhancements to our electoral democracy in our history.

It will fundamentally change the electoral and political landscape by opening the world of private and public funding of political parties to examination, scrutiny and analysis.

By providing easy online access to information on the funding of political parties, stakeholders such as voters, the media, civil society and the general public will be

better equipped to participate actively and effectively in the democratic discourse and process.

That will further enhance the freeness, fairness and credibility of our elections.

The April 1 implementation date is significant for two key reasons:

1. Financial year end

The public sector and most if not all political parties have their financial year end on 1 April. This means changes required by the Act including to the Represented Political Party Fund will be easier to account for.

2. LGE 2021

It will also mean that information on party funding – albeit only for the first quarter of the financial year – will be made public ahead of the Local Government Elections scheduled to be held between August and November this year.

PREPARATIONS FOR 1 APRIL 2021

Ladies and gentlemen

Responsibility for administration of the Act presents one of the most significant expansions of our mandate and one of the biggest operational challenges to the Electoral Commission in our history.

That being said, the Electoral Commission stands ready, willing and able to implement the new party funding legislative and regulatory framework from 1 April 2021.

The Electoral Commission has been working behind the scenes for the past few years in anticipation of the implementation of this Act.

Among the steps we have already taken to prepare include the following:

1. We have established a small Political Party Funding Unit under Chief Executive George Mahlangu within the Electoral Commission which has laid the foundation for implementation

2. We have finalized and published the administrative regulations which were drafted over the past two years in consultation with political parties, civil society and other stakeholders. These were published today in the Government Gazette.
Among other details, the regulations provide guidelines on the procedures, deadlines and methods of declaration of donations including templates of the various online forms and other forms of correspondence.
3. We have engaged in extensive consultations and engagements with a wide range of stakeholders including represented political parties, civil society, business and others to promote awareness of the new Act and regulations so that these stakeholders can also ready themselves for implementation
4. We have built an online electronic submission system to facilitate convenient and efficient submission of declarations of donations to the Electoral Commission by parties and donors.
5. We have prepared a range of communication and education material ready to be rolled out to all interested and affected stakeholders to promote knowledge of the new Act and to help with meeting their obligations.

NEXT STEPS

Following last week's announcement by the President, we have now begun our final phase of preparations to ready ourselves, political parties and donors to meet the obligations of the Act and regulations.

Among the key steps we will take over the next two months include:

1. Expanded communication and education campaign

In order to help prepare political parties, donors and other stakeholders to begin meeting their obligations from 1 April, a comprehensive programme of stakeholder engagement, communications and education will be rolled out over the next two months.

This week the Electoral Commission met with the National Political Party Liaison Committee to update represented parties on the latest developments and we will be extending these to provincial and municipal PLCs.

We will also continue and expand our engagement with corporate South Africa and other potential donors to ensure they are familiar with and understand their obligations under the Act.

2. Finalisation of the Online Party Funding System

The Online Party Funding System has already been availed to represented political parties for testing and piloting since late 2020 which has helped us to identify and correct any glitches. Over the next two months we will fine-tune the system and put it – and the users – thoroughly to the test to ensure it is working optimally. Part of this will include conducting user training for political party officials who will be responsible for making the quarterly declarations.

3. Preparing to compile and publish our first report on declarations

The Act require all political parties and their donors to declare donations (including donations in kind) above the value of R100 000 per year to the Electoral Commission on a quarterly basis which we must then publish online and table a record of all annual donations in Parliament. This means that political parties will be required to declare all donations above the threshold between April and June this year by no later than the end of July. As I mentioned earlier we intention to make these available online ahead of the Local Government Elections.

4. Promoting the Multiparty Democracy Fund

A new Multiparty Democracy Fund is established by the Act which will be administered by the Electoral Commission. It is a fund into which any person or company can make a contribution – big or small - to support multiparty democracy in our country.

Democracy is expensive and the fiscus alone cannot provide complete financial support to political parties – especially under the current sever fiscal constraints. To ensure we continue to enjoy a vibrant, thriving and robust multiparty democracy we hope that this fund will provide an easy and “hands

off" channel through which corporate entities, individuals and other organisations can contribute funds to parties without having to engage directly with them or needing to declare these separately.

The Electoral Commission will embark on a fund-raising drive to encourage donations to the Fund. The funds collected by the Multiparty Democracy Fund must be distributed quarterly to represented political parties according to the same new ratio set by Presidential regulations (1/3 equitable and 2/3 proportional).

5. Repeal of the Public Funding of Represented Political Parties Act.

The new Act repeals the existing Public Funding of Represented Political Parties Act and establishes a new Represented Political Party Fund. Like the current RPPF, the new Represented Political Party Fund will distribute money quarterly from the National Revenue Fund to political parties represented in the national and provincial legislatures. A key change has been to the ratio of distributions with the current 10 percent equitable and 90 percent proportional ratio replaced with 1/3rd equitable and 2/3rds proportional.

6. Further capacity building

Subject to funding constraints, the Electoral Commission will now expand its recruitment and internal capacity building to ensure it has the necessary skills and capabilities to oversee and manage the new party funding regime.

This will ultimately include building an enforcement capability but this will take time and we have repeatedly noted that our focus during the early years will be on assisting political parties and others to comply.

The successful implementation of the new party funding disclosure framework will rely heavily on self-regulation and compliance. We do not want to be the party funding transparency police. We want to be the party funding transparency facilitators.

CONCLUSION

In conclusion, ladies and gentlemen, the Electoral Commission calls on all stakeholders to work with us to ensure the effective implementation of this new framework.

We understand that adapting to any new system is never easy and it will take time and resources to set up the new systems, processes and governance controls to comply efficiently and effectively.

This is a journey. And perhaps we won't get it right from day one.

But every journey starts with a first step.

We are excited about taking our first step on this journey together with political parties, civil society, business, labour, the media and the South African public on the 1st of April.

Thank you