

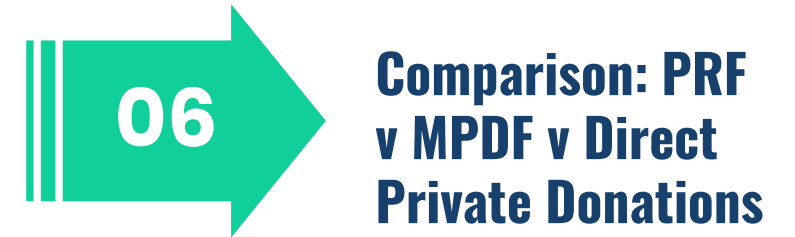
Four Years of Political Funding Act in South Africa: Successes, Challenges and Lessons Learnt

Symposium on Political Funding in South Africa
Radisson Blu Hotel, Durban, Umhlanga
18 – 19 June 2025



SOUTH AFRICA

1. CONTENTS



2. BACKGROUND



2. Background

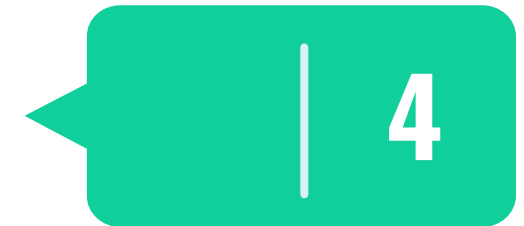
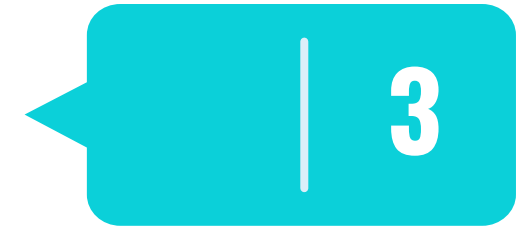
Constitution of the Republic of South Africa, 1996 – Need for national legislation to provide for funding of political parties to enhance multi-party democracy.

Parliament enacts **Public Funding of Represented Political Parties Act, 1997**.

A non-governmental organisation, **Idasa**, repeatedly requests information, under **PAIA**, on the private funding of political parties.

Idasa's matter ends up in court (Institute for Democracy in South Africa and Others v African National Congress and Others (2005)) **but court ruled against Idasa**.

*“...political parties are considered “private bodies” under the Promotion of Access to Information Act (PAIA) when it comes to records of private donations. **Constitutional Court ruling, 2005***



2. Background

Another non-governmental organisation, **My Vote Counts**, goes to court to challenge provisions of PAIA (2017).

Constitutional Court declares **provisions of PAIA unconstitutional** and **directs parliament to enact legislation** that provides for regulation and disclosure of funding to parties (2018).

Political Party Funding Act 6 of 2018 enacted and assented to by the President on 22 January 2019. The Act was promulgated in February 2021 and effected on the 01 April 2021.

Political Party Funding Act **amended in May 2024**.

- Name amended to ***Political Funding Act, 2018*** in order to provide for independent candidates and representatives in keeping with the 2024 amendments to the Electoral Act, 1998
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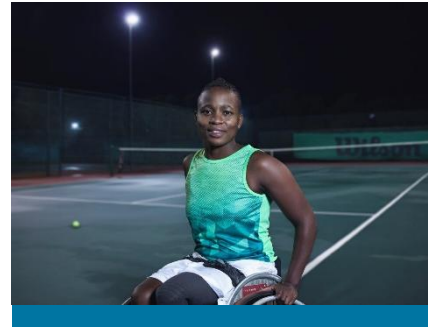
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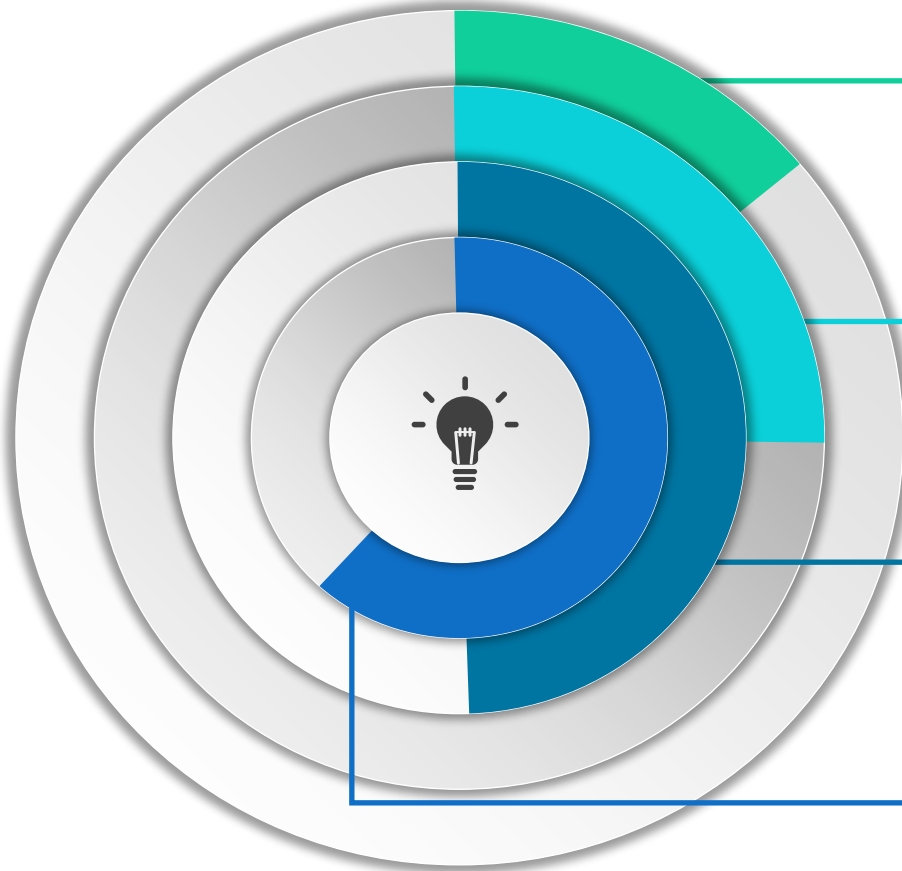
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3. LEGISLATIVE FRAMEWORK



3. Legislative framework



Constitution, 1996 (s236)



Electoral Commission Act No. 51 of 1996



Electoral Act No. 73 of 1998



**Political Funding Act No. 6 of 2018
(Previously Political Party Funding Act)**

4. AREAS OF RESPONSIBILITY



4. Areas of responsibilities



1. Administration of the Act.



2. Allocation and payment of funds.



3. Publication of disclosed donations.



4. Monitoring and ensuring compliance.



5. Proposal of legislative amendments.

4. Areas of responsibilities (Cont'd)



6. Investigation of complaints meeting the requirements of the law



7. Issuing of directions

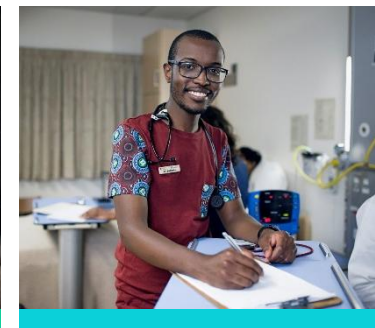
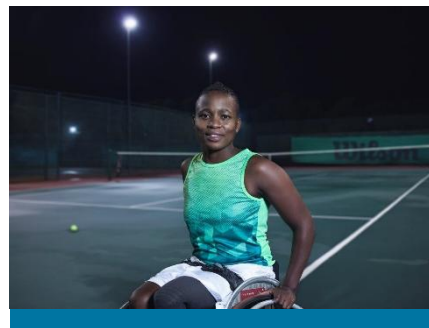


8. Imposition of certain sanctions through the Electoral Court.



9. Reporting to Parliament.

5. THRESHOLDS AND UPPER LIMITS



5. Thresholds, Upper limits and Allocation formula:

Current thresholds and limits



1. Disclosure threshold:

- Above R100 000.



2. Upper limit:

- R15 000 000.



3. Donations by foreign entities:

- R5 000 000.

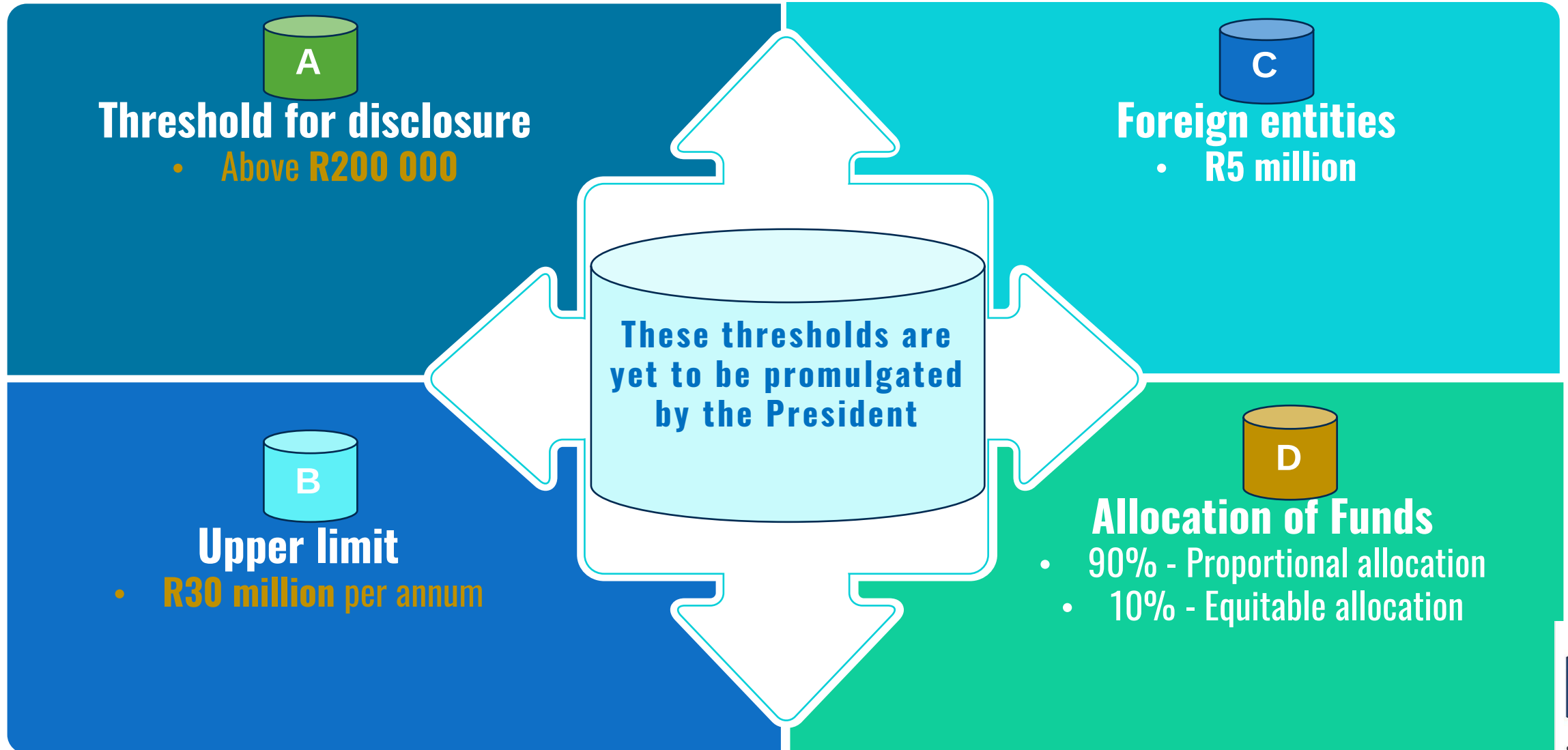


4. Allocation of Funds formula

- 90% - Proportional allocation
- 10% - Equitable allocation



5. Thresholds, Upper limits and Allocation formula: **New thresholds and limits (NA Resolution of 20 May 2025)**

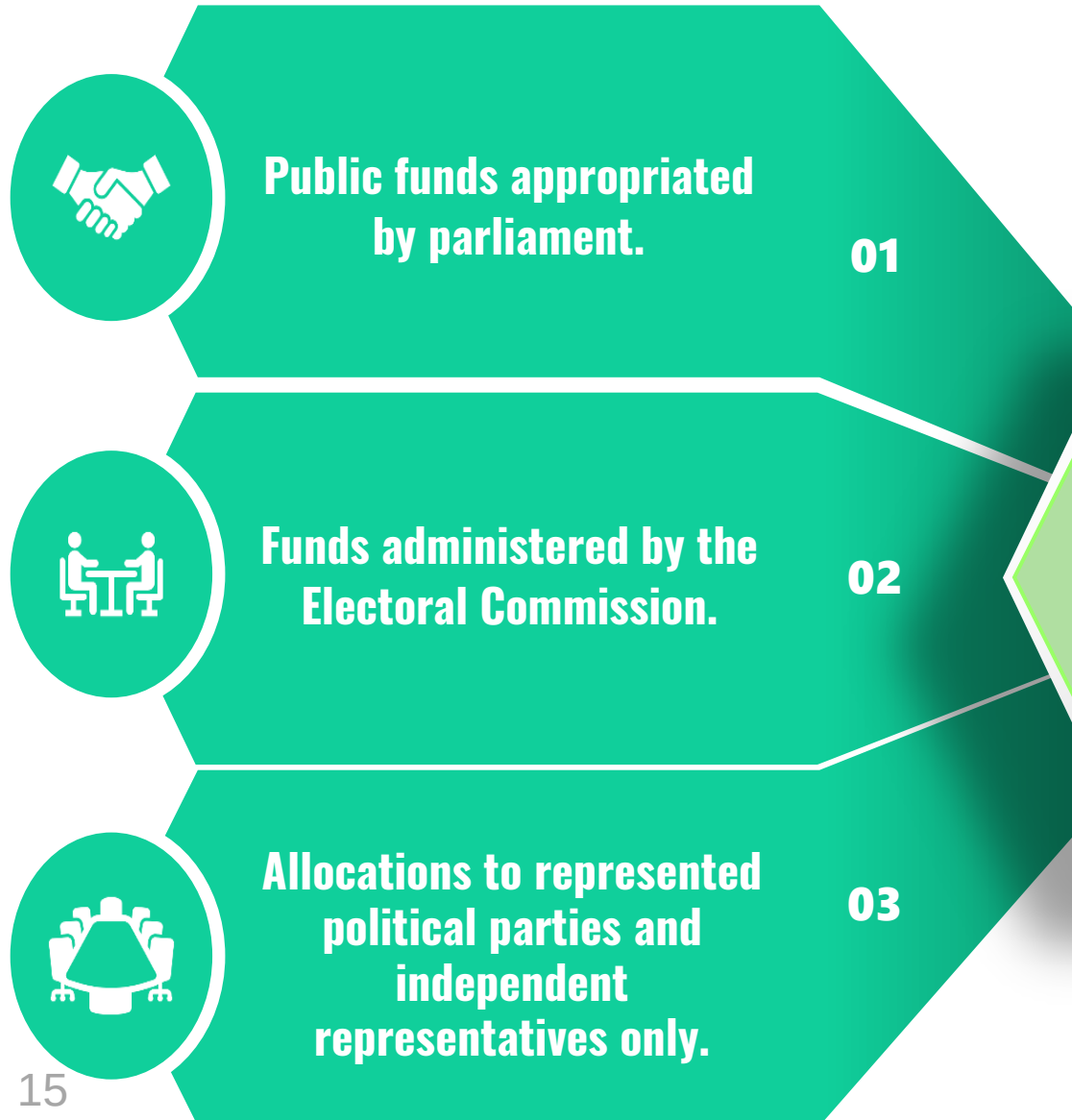


6. FUNDING

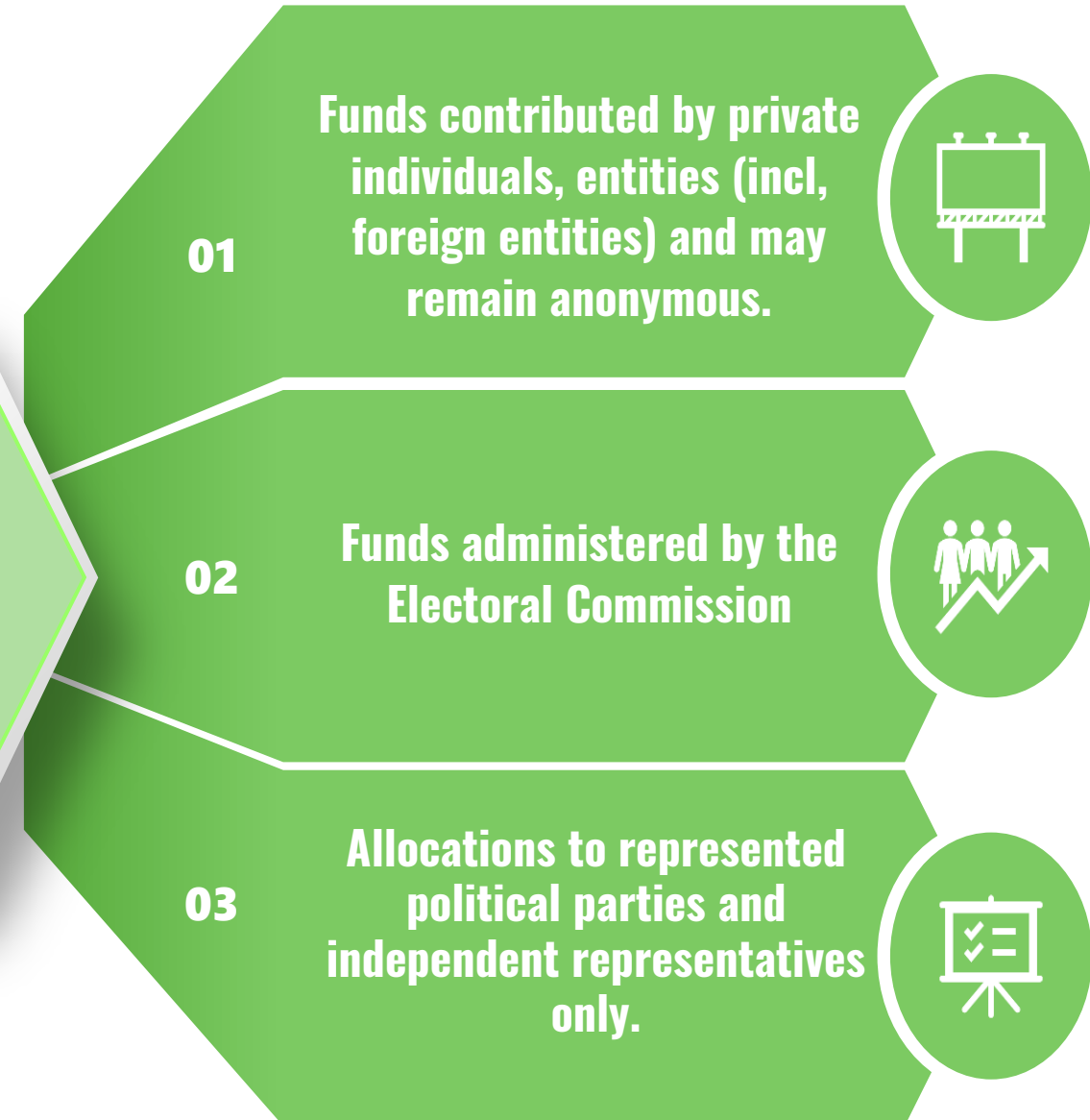


6.1 Two Funds – PRF and MPDF

Political Representatives Fund (PRF)

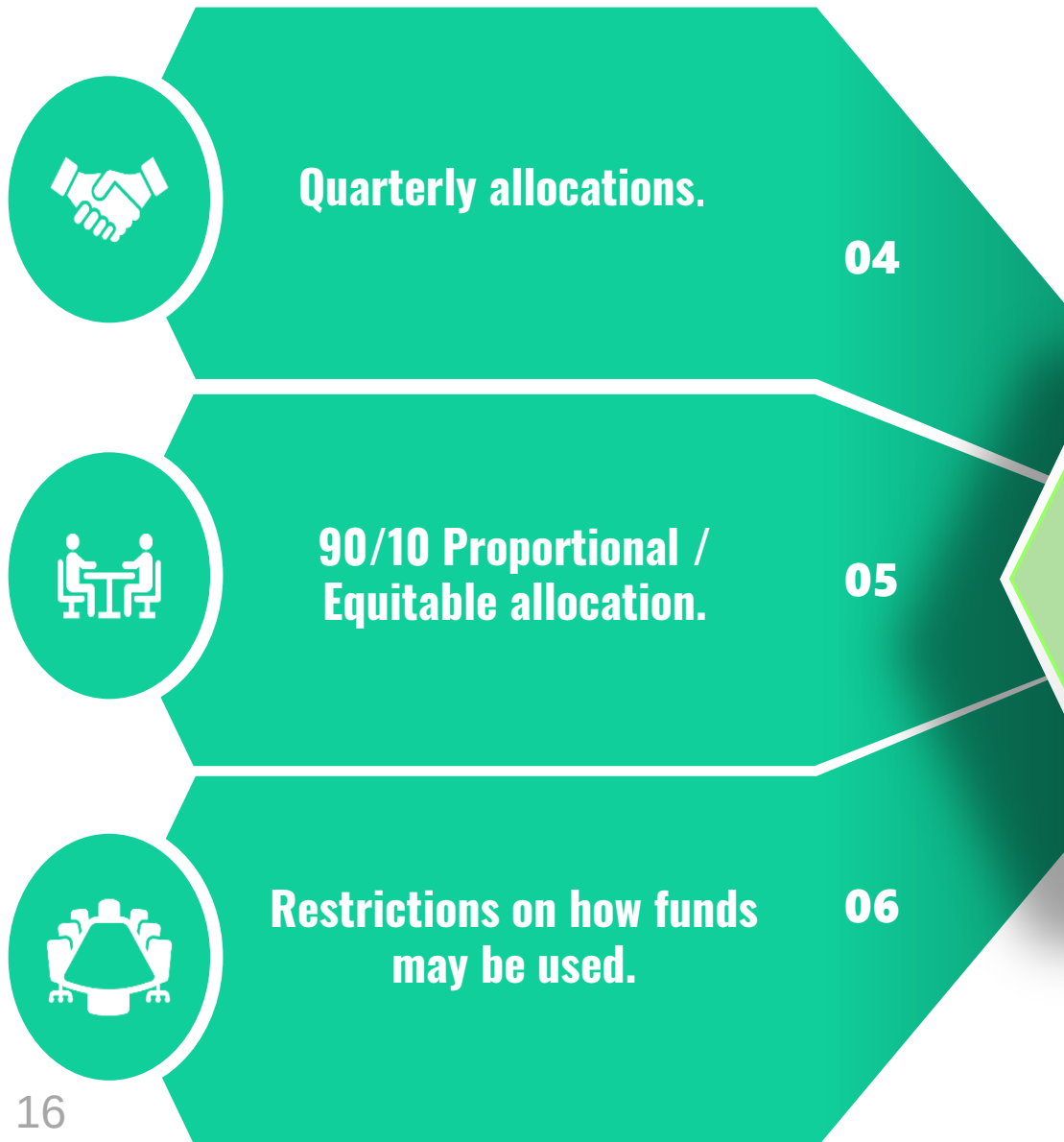


Multi-Party Democracy Fund (MPDF)

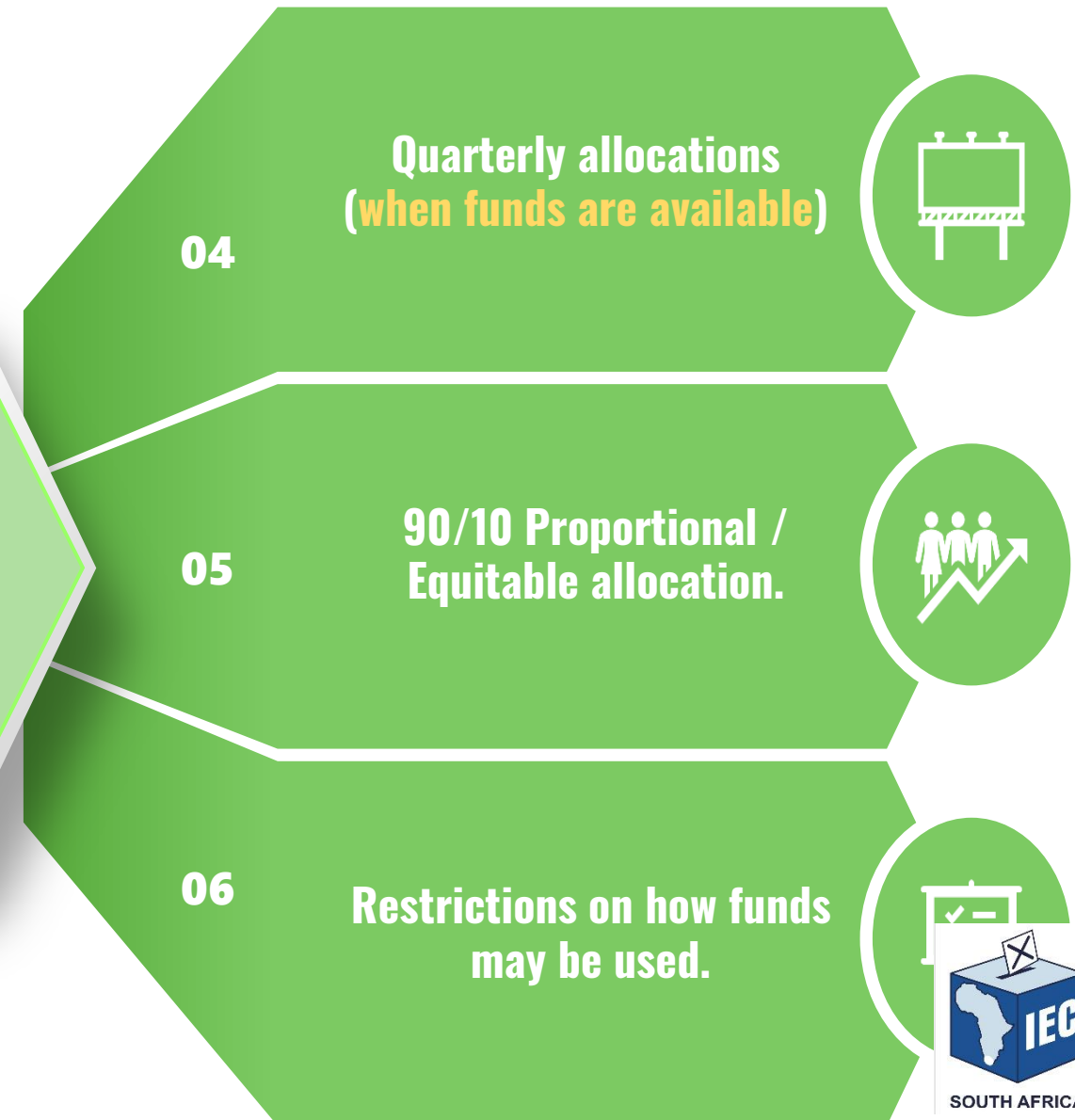


6.1 Two Funds – PRF and MPDF

Political Representatives Fund (PRF)



Multi-Party Democracy Fund (MPDF)



6.2 Funding – Direct Private Donations



1. Donations in cash, in-kind or aggregate



2. Donations are subject to thresholds and upper limits



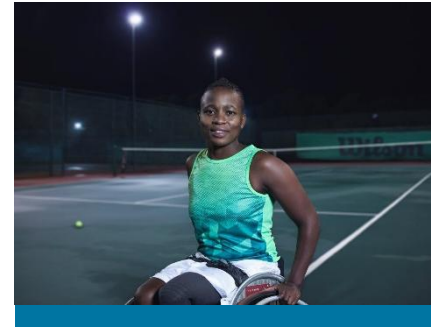
3. No restrictions on total sum a party or independent may receive – **income-based model**



4. There are restrictions on sources of donations:
- a. Donations from foreign government or foreign government agencies are prohibited.
 - b. Foreign persons and foreign entities subject to:
 - i. R5 million from a single source within a financial year*
 - ii. Donations used only for Policy Development and Training of party members*



7. Comparison PRF v MPDF v Direct Private Donations



7. Comparison PRF v MPDF v Direct Private Donations

Financial Year	Political Representatives Fund R	Multi-Party Democracy Fund R	Allocations by Legislatures* R	Direct Private Donations R	Total R
2021/22	162 291 437	5 012 000	1 309 283 061	145 451 464	1 626 558 525
2022/23#	342 292 503	2 500 000	1 328 169 027	133 340 843	2 106 086 911
2023/24	650 946 856	10 000 000	1 558 086 196	335 185 929	2 254 012 135
2024/25##	522 077 000	28 001 674	1 311 172 739	230 956 141**	2 089 207 554
TOTAL	1 677 607 796	45 513 674	5 506 711 023	844 934 377	8 075 865 125

*Legislatures allowed to allocate funding in terms of section 57 (2) and section 116 (2) of the Constitution, section 34 of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act 10 of 2009)

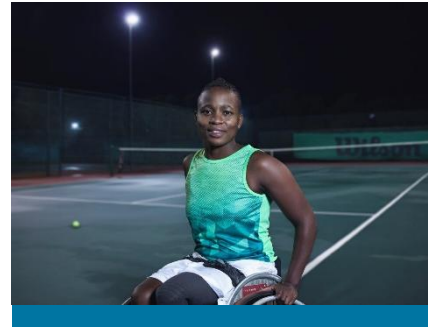
In 2022/23, additional allocation of R300 million was appropriated by Parliament in preparation for the preparation of NPE2024 but received and accounted for in 2023/24 FY

There was additional R200 million allocation from parliament for the 2023/24FY

** The 2024/25 is unaudited

NB The Allocation by Legislatures for 2024/25 only reflects disclosures by 6/10 legislatures.

8. SUCCESSES



8. Successes

1

Legal: Strengthened Regulatory Framework

- a) Firm constitutional and legislative framework that provides for the funding of political parties to strengthen democracy.
- b) Clearer rules for political finance and donor conduct
- c) Commission's legislative powers to penalise political parties and independents that fail to submit audited financial statements, including the powers to impose administrative fines on those that contravene the Act – subject to Electoral Court decision.

2

Public Awareness and Stakeholder Engagement:

- a) Notable, albeit it low, understanding of political party funding among the electorate
- b) Active cooperation with political parties, civil society, and donors

3

Institutional Capacity Building:

- a) Training programs and technical systems established (e.g., Online Political Funding System (OPFS)).
- b) Use of investigation panels to augment internal capacity on a needs basis.

4

Equitable Distribution

- a) Fair allocation of public funds to political parties based on representation.
- b) Contributions to MPDF by both Corporate SA and private individuals

8. Successes

5

Increased Transparency:

- a) Regular publication of donation reports, enhancing public trust. Voters are empowered with the knowledge of “who funds who” information.
- b) Quarterly disclosure of donations by political parties and donors
- c) Timely publication of quarterly disclosure reports

6

Research and analysis:

- a) Regular scientific research studies undertaken. These allow for an objective review of processes and perceptions.
- b) Continuous benchmarking with like-minded institutions.
- c) Play significant role in legislation amendment processes.

7

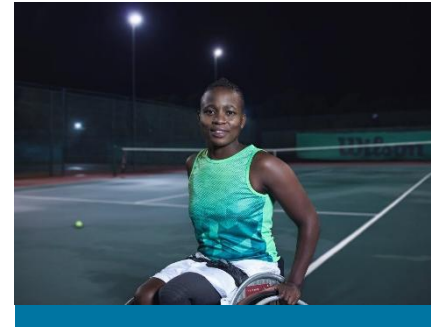
Compliance:

- a) Reasonably high adherence to disclosure requirements by political parties, especially represented parties.
- b) Regular submission of reports to parliament and publication of annual reports.
- c) Three (3) consecutive clean audit opinions by Auditor General South Africa (AGSA) on the management of Funds by the Commission. The fourth audit is currently underway.
- d) Submission of audited financial statements by some unrepresented political parties.

9. Challenges



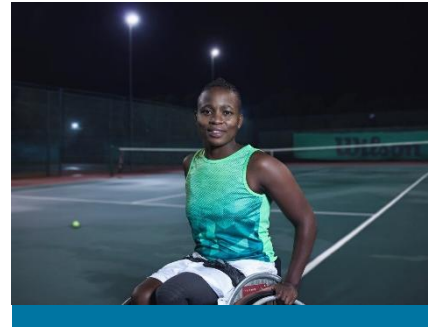
9. CHALLENGES



9. Challenges



10. LESSONS LEARNT



10. Lessons learnt and Future Outlook

1

Education

Continuous public and party education improves compliance. Equally, regular training and awareness programmes help in addressing problem areas as and when they emerge.

2

Use of Technology and Digital Tools

Online platforms encourage compliance and increase transparency and efficiency.

3

Need for Strong Enforcement

Legal and financial penalties must be clear and strictly enforced where warranted.

10. Lessons learnt and Future Outlook (Cont'd)

4

**Partnerships and
Collaboration**

Partnerships with media and other stakeholders strengthen accountability.

5

Legal Refinements

Continuous refinements and consideration of amendments to address emerging challenges and gaps in the Act.



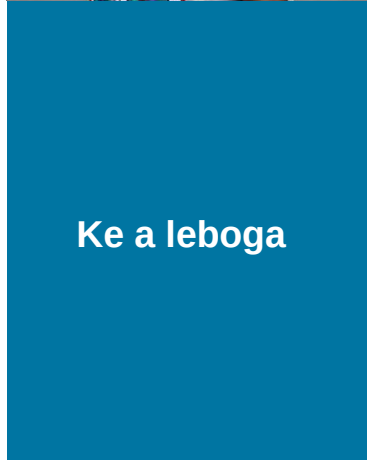
Thank you



Ngiyabonga



Enkosi



Ke a leboga



Ndo livhuwa



Danko

