



TABLE OF CONTINUES C

PICKING UP THE PACE OF JUSTICE

- Accelerating justice is an urgent imperative
- All are equal before the law
- Intensified activism and advocacy to come

STEMMING THE TIDE OF KLEPTOCRACY

- · Kleptocracy and corruption exposed
- Bold anti-corruption solutions are not enough
- Levering drivers for change
- It begins now

1 INTRODUCTION: ACCELERATING JUSTICE FOR ALL WHO NEED IT

- Fighting for good governance
- Ready to make an even bigger impact
- Standing up for individuals and communities
- Transparency in procurement

10 WHO WE ARE

- Our definition of corruption
- Our Vision
- Our Mission

FIROZ CACHALIA ON HEROES, CROOKS, AND CORRUPTION

- Repairing our damaged institutions
- Prevention is better than cure
- Nacac to steer SA's anti-corruption policy
- No impact without a plan

22 2022 IN REVIEW

- Transparency International Corruption Perceptions Index 2022
- 2022 data analysis
- · What the numbers say

20 2022 RESEARCH

- Research helps us to understand corruption
- Corruption in education
- Focus on South Africa
- Beneficial ownership transparency

PARTNERSHIPS AND COLLABORATION

- Budget Justice Coalition
- Civil Society Working Group on State Capture
- Political Party Funding Coalition GIZ Transparency, Accountability
- and Integrity Programme (TIP)
- Whistle-blower Support Value Chain Meeting
- Defend our Democracy
- Multi-sector Fora
- Procurement Reform Working Group
- Nedla
- Transparency International Movement Summit
- International Anti-Corruption Conference (IACC)

INTEGRITY AS AN ANTIDOTE TO CORRUPTION

• Fighting corruption is everyone's responsibility

10 THE PATHS TO JUSTICE: CAMPAIGNS

- Police Campaign
- Leadership appointments
- Public Mobilisation
- Whistle-blower support
- Land corruption in Africa
- Procurement Watch

MINING AND OTHER PROJECTS

- Accountable Mining Programme
- Mining Royalties
- The European Union Rallying Efforts to Accelerate
- Progress Project (EU REAP Project) CW's Project Larona
- Illicit Financial Flows
- Beneficial Ownership Transparency Project

ZONDO COMMISSION PROJECT

- The end of an era, and the beginning of the good fight
- Taking our Zondo-related work further
- Life after Zondo

LEGISLATIVE ADVANCES TO JUSTICE

- Beneficial ownership and illicit financial flows
- Public Procurement Bill
- Advocacy
- Whistle-blowing

52 LEGAL AND INVESTIGATIONS

- Litigation
- Investigations
- Other investigations
- Transparency International: Exporting Corruption 2022

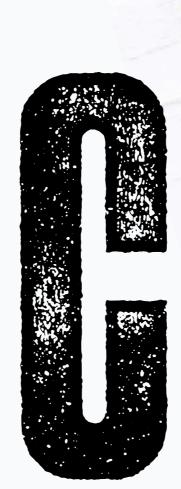
FUNDRAISING

50 BOARD MEMBERS

FUNDERS



PICKING UP THE PAGE OF







"Justice delayed is justice denied," that well-known legal maxim attributed variously to William Gladstone, Martin Luther King Jr, and others, is more pertinent than ever. If we are to put the brakes on corruption and the degradation of our state and country, we must accelerate the dispensation of justice, both for the perpetrators of corruption and those who are victims of it.

As an anti-corruption watchdog, our work at Corruption Watch is far from over. If anything, we will be doubling our efforts to push back against the scourge of corruption. The next phase of our work will intensely focus on pressing for radical change in how public institutions work, how they serve the public, and how public officials relate with an array of social actors, including civil society and business.

We will be insisting **on greater accountability of our public officials**. We will also place under intense scrutiny those individuals – rather than just institutions – implicated in the Zondo report but still serving in various capacities in the state.

Crucially, we will offer ideas and perspectives on what can be done to accelerate efforts to combat corruption – including the urgency of implementing the recommendations of the Zondo Commission, rebuilding broken institutions of the state that are vital to the fight against corruption, and promoting social renewal and **resilience**. Corruption undermines human dignity. It diverts resources from where they are needed to improve the quality of public services towards serving the selfish interests of a few individuals. It also erodes public value and weakens the sources of inclusive growth.

Corruption Watch will not be complacent because the Zondo Commission has completed its work. We will be intensifying our work in helping to strengthen the foundations of our democracy, insisting on accountability by public officials, and actively championing human dignity.

We cannot take it as a given that state capture has been buried. More likely, it has metastasised and assumed various forms within different spheres of government at national, local and provincial levels, as well as in state-owned enterprises and other organs of the state.

Dr Mzukisi Qobo

Now is no time to take the foot off the accelerator when it comes to fighting corruption. In the wake of the Zondo Commission's multi-volume report, civil society must make its voice heard in helping to strengthen democratic foundations, insisting on accountability by public officials, and actively championing human dignity.

Corruption Watch celebrated a decade of existence in 2022. This milestone coincided with the release of the Zondo Commission of Inquiry into State Capture report. The six-volume report detailed the extent to which public officials abused their position to engage in or facilitate corrupt activities. It also cast a spotlight on how corporates were active agents in furthering state capture.

State capture is, simply put, an elaborate process of weakening controls within the state and its various organs, enabled by senior public officials, to repurpose state institutions as avenues of theft on a grand scale. This destructive project has been in motion for a decade – although some

would suggest for much longer. As a form of corruption that represented a collusion between the top echelons of government, private individuals, and private sector firms, its origins can be traced to the era of Jacob Zuma's presidency.

Corruption Watch was established in 2012 amidst a public outcry about growing corruption in the state. As a movement of civil society, trade unions, and business leaders, it aimed to stem the tide of corruption through advocacy and, over time, litigation and thought leadership. The organisation is proud of its record: it has placed corruption under the spotlight, creating broader public awareness of its dangers.

Those dangers are still very much with us. While the Zondo Commission may have wrapped up its work and released its report, the ghost of state capture remains. Its legacy is visible in the electricity blackouts that South Africans suffer, which have wrought destruction on businesses, worsened unemployment, and sullied the public mood.

As a legacy of corruption, the country's public finances are strained, in no small part, because of the resources now directed towards fixing the problems created by years of state capture, especially to clean up Eskom's debt of over R400-billion. The finance minister's 2023 budget vote is largely about absorbing into the fiscus half of this

debt, which represents the diversion of resources from activities that could enhance growth and strengthen social

Corruption has real victims who are ordinary citizens.

resilience to fixing errors of the past. The marks of state capture are engraved in the potholes that have disfigured roads across South Africa, the hospitals that are dysfunctional, schools with inadequate infrastructure, erratic provision of water services, intra-community tensions over limited resources and opportunities, and the police services that lack resources to do their work effectively, thus placing the lives of ordinary citizens in danger.

4

CW ANNUAL REPORT 2022

ALL ARE EQUAL BEFORE THE LAW

We require public officials to lead by example.

The Phala Phala debacle that has entangled President Cyril Ramaphosa can potentially weaken accountability. The work of the independent panel was not given serious thought by the very Parliament that appointed it in 2022 to investigate the matter. Parliament dismissed its conclusions and recommendations with little engagement with its contents. This failure highlights the risks of having a weak Parliament, which wilts in the face of the president and other party bosses and compromises the virtue of accountability.

Parliament decided to abdicate its role in holding the president to account, even though the panel's report raised serious matters of ethics relating to Ramaphosa's conduct in the wake of the burglary at his farm, the origins of funds and their purpose, the legal arrangements of his company that owns his farming business, the role played by the police in the aftermath of the crime, the possible abuse of power in state-to-state relations involving Namibian officials, and all other yet to be investigated matters that may relate to potential money laundering and breach of laws governing foreign currency.

The country's president must be above reproach. Worryingly, the cloud over him could weaken public ethics.

We concluded this annual report just as **South Africa was greylisted** by the Financial Action Task Force (FATF). This development once again emphasises the major challenge faced by the country in improving the integrity of its public institutions and developing robust measures to curb money laundering activities.

FATF identified eight strategic deficiencies the country will need to address during its monitoring period. The most critical of these include issues related to timely access to accurate and up-to-date beneficial ownership information, sustained increase in law enforcement agencies' requests for **financial intelligence** from the Financial Intelligence Centre for money laundering and terrorist financing investigations, effective application of sanctions for breaches of violation by legal persons to beneficial ownership obligations, and improved risk-based supervision of Designated Non-Financial Businesses and Professions (DNFBPs).

INTENSIFIED ACTIVISM AND ADVOCACY TO COME

South Africa is at its lowest point.

The country's economy is significantly **underperforming** and projected to grow at 1.4% this year; the **official** unemployment rate is unacceptably high at 32.7%; and the quality of public services continues to decline, compounded by electricity blackouts.

What all of this means is that we must not lower our guards but be more vigilant. As long as there are weaknesses in our system of accountability, Corruption Watch has a significant role to play as both an anti-corruption watchdog and strong advocacy for radical change in public institutions.

Corruption Watch will be more vocal and active than it has ever been. We will be casting more of the spotlight on corrupt activities and individuals implicated in corruption. We will also proactively offer ideas and solutions for enhancing open government, demanding greater accountability, especially in public finance management, and pressing for enhanced integrity of the country's public institutions. We will also exercise vigilance over private businesses that abuse the state for narrow ends.

We trust that our partners and the donor community continue to work with us as we move to the next phase of our work in fighting corruption and rebuilding the foundations of ethical governance.

heroes who are working hard to fight corruption in society, whistleblowers who risk their lives to report wrongdoing, and the army of activists who work tirelessly at **Corruption Watch.**



STEMWING THE TIDE OF

By Karam Singh



In the decade since Corruption Watch was formed, South Africa has descended into a state of kleptocracy where the rule by thieves has become the dominant expression of state power. Corruption in South Africa is both endemic and systemic, part of the fabric of public governance from state-owned enterprises to most municipalities in the country.

This phenomenon manifests itself in the various and regular transactions that take place between politicians, public sector officials, the private sector, and ordinary people. By regular transactions, we are talking about the day-to-day business of running government, providing services, and ensuring we have a functioning economy.

Unfortunately, the normal course has become so diverted that irregular transactions are the order of the day.

We have lived through a democratic transition wherein the rule of law has withstood a vicious battering and what remains is a weak constitutional order presided over by a deeply compromised and corrupt governing party. The promise of the developmental state and a better life for all has been severely crippled by corruption at the level of state and party and sacrificed at the kleptocratic altar of greed and the abuse of power.

Public procurement is particularly vulnerable to systemic corruption and looting on a grand scale, as was

evident in the modus operandi of those who sought to capture the South African state. The rot in the public procurement system in all tiers of government is monumental and getting to grips with how we can reform this space, particularly in local government, must be one of our main priorities.

KLEPTOCRACY AND CORRUPTION EXPOSED

State capture is a form of kleptocracy

In South Africa, it was an attempt to ensure maladministration and corruption took root and is normalised such that it could become an unstoppable and perpetual force.

The Zondo Commission of Inquiry into State Capture, supported by courageous whistle-blowers, is responsible in large part for revealing evidence and information that has put the brakes on the looting. Many of the worst cases of state capture – notably at institutions such as the South African Revenue Service (SARS) and to a lesser extent, at the National Prosecuting Authority (NPA) - have been reversed, for now.

But capacitating these institutions to effectively execute their mandates remains a huge challenge. It would appear SARS has a better story to tell, for now, than the NPA, which, despite enrolling several high-profile cases, seems mired in capacity and skills

constraints that impede it from getting the big cases over the line.

Despite the commission's valuable work, including three-plus years of testimony and a six-volume report chronicling various case studies of corruption from South African Airways to Eskom, the sobering reality is that it merely scratched the surface of the rot across our public sector. As Chief Justice Raymond Zondo noted in his introduction to the report, if the commission were to investigate all instances of state capture brought to its attention across provincial departments and municipalities, its work would have taken 10 years.



BOLD ANTI-CORRUPTION SOLUTIONS ARE NOT ENOUGH

Corruption Watch has adopted a definition of corruption as the abuse of entrusted power or resources, by anyone, for private gain.

This definition seeks to articulate the view that corruption involves a symbiotic relationship between the public and private sectors. It manifests in various ways, from the illicit effort to accumulate power and authority to irregularly influence democratic processes, to outright theft of resources through unlawful re-direction and accumulation of state assets.

The problem facing South Africa because of this situation means that, at the very least, **bold solutions across the vectors of ensuring accountability, promoting transparency, and seeking to embed good governance** must be our focus, to take us in a different direction.

However, these measures will not be enough, because kleptocracy resists defeat and greed remains a toxic driver in our society.

The continued weak leadership, variable political will, and piecemeal responses from law enforcement and policymakers means that South Africa continues to stagnate, with diminishing status as a constitutional democracy that can provide basic services, free from the stench of corruption to its people.

This state of affairs has led to the Financial Action Task Force greylisting the country as a jurisdiction under increased monitoring. Internationally, South Africa's reliability as a destination for direct foreign investments is at its lowest point since the end of apartheid.

Further, the energy crisis must be contextualised as a by-product of a corrupt system, ineffectual leadership, and variable political will – and increasingly as an organised crime problem linked to a systemic entanglement with public officials.

LEVERING DRIVERS FOR CHANGE

Despite this grim picture, Corruption Watch continues to lead the charge, remaining in the forefront of counter-corruption engagements with development partners, social justice actors, and public sector representatives across our rich and diverse civil society. The issues we will continue to foreground include an enhanced whistle-blower protection and support system that shifts the playing field from the current chilling environment against protected disclosures to a real protection system that even incentivises whistle-blowers.

In addition, the window of opportunity remains open, for now, for us to radically overhaul the country's anti-corruption architecture by shaking up the law enforcement and criminal justice response to the fight against corruption, through the creation of an independent, skilled, well-resourced, and appropriately mandated anti-corruption agency (ACA).

Such a dedicated ACA will fulfil the state's responsibility in terms of the *Glenister* litigation and in terms of South Africa's commitments to the UN Convention Against Corruption. Such an agency will leverage the great work being done by statutory bodies such as the Special Investigating Unit and the Financial Intelligence Centre. It will house various well-functioning agencies under an encompassing anti-corruption mandate, which can deal with systemic corruption from cradle to grave – from prevention to investigations to accountability.

The new ACA can also be a focal point within the state where whistle-blowers can feel protected and supported, knowing full well that their evidence can lead to appropriate consequence management and accountability.

Lastly, **procurement reform** must remain squarely on our agenda of ensuring that appropriate transparency, based on the principles of open contracting, is built into the requirements of our public procurement system. While the legislative process of passing a new public procurement system has dragged on for years, the moment is upon us to pass new legislation and commit to a corruption-proofed procurement system across all spheres of government – a system that is transparent and serves the country's developmental needs.

The state must no longer be seen as a feeding ground for unscrupulous suppliers.

We require a public procurement system that is not only transparent, but also has regulatory and enforcement capacity behind it to ensure irregular procurement is picked up early before the money is stolen and laundered. And when corruption procurement is detected, speedy investigations will take place that lead to real accountability in the form of prosecutions, recoveries, and where appropriate, blacklisting.

In addition, the local government dynamics of procurement reform must be front and centre.



As a society, we have almost lost complete faith in the ability of our leaders to take us to a better place. The reform agenda needed to stem the tide of corruption requires more than just improving our law enforcement

tide of corruption requires more than just improving our law enforcement response and the implementation of new laws and good governance systems that are resilient and less vulnerable to corruption.

All this needs to happen but, increasingly, our lack of faith in government means that we must also look inward as a society, to ourselves, our families, our schools, our religious communities, and our workplaces, to reinforce our commitment to ethical and democratic values.

South Africa's national anti-corruption strategy correctly identifies an all-of-society approach as necessary in the fight against corruption.

It is time to roll up our sleeves and get to work.

If we are to ensure a future for our children where corruption is not a factor in the delivery of basic services and the basic functioning of our society, we must continue to **re-imagine the role we can play as individual agents** located within communities mobilised to counter corruption.

We have seen many examples over the years of societies in upheaval and revolt against corruption. This was the sentiment that inspired the Arab Spring. Sadly, years after people were mobilised in the streets, corrupt leaders and systems have endured and democratic gains scaled back.

With general elections around the corner, we must continue to test the resilience of our democracy by demanding more – more accountability, more transparency and more ethical resilience.

While the current window of opportunity remains open, we cannot guarantee it will remain so indefinitely. We can only seek to intensify our efforts and remain clear in our goals and our advocacy to rid the country of the thieves ruling it.

Corruption Watch's commitment to focusing on this work remains undiminished and we continue to draw on the strength and courage of those who have suffered and even lost their lives in the struggle to blow the whistle, expose kleptocracy, and defeat corruption.

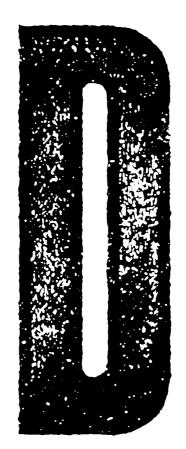


INTRODUCTION

As we move into our second decade of existence, we at Corruption Watch (CW) are keenly aware that access to justice, for many, remains a forlorn hope.

This most basic of human rights is enshrined in section 34 of South Africa's Constitution, which states that everyone has the right to have any matter heard before a court or other appropriate independent and **impartial body**. It logically follows that people, whether accused or accuser, must be equally subject to the law.

However, corruption interferes significantly with this right. The corrupt have the financial resources to interfere with or stall a court process, thus placing their opponents at a disadvantage in terms of access to expensive, experienced counsel and other services such as investigators.



This is justice from the legal perspective.

However, there is also a related, non-legal aspect to this concept, if one takes a step back and broadly considers the word 'justice.' It is simply this: all persons deserve to be treated justly.

In this meaning, justice does not specifically refer to the way the law is applied, but rather, to the fair and equal treatment of persons in all facets of life. The two concepts are not distinct – rather, the latter encompasses the former.

Individuals and civil society organisations such as CW, through their day-to-day work and larger projects, are helping to accelerate justice for those who are denied this basic human right.

We do this in a variety of ways. We support the causes of whistleblowers according to our resources and **capacity**, and in ways we feel will be most impactful and add value. We contribute to legislation and policy development by pointing out weaknesses – through carefully researched submissions that could play into the hands of the corrupt, and pushing for the changes we recommend. We also **promote active** citizenry by advocating publicly, through outreach events, workshops and webinars and other digital tools, for the public to understand their rights and responsibilities and stand against it while standing for each other.

FIGHTING FOR GOOD GOVERNANCE

The busy year that was 2022 saw us continue with our planned and unplanned activities and programmes. Much of our focus settled on the Zondo Commission's state capture revelations – we were, in fact, mentioned in volumes 2 and 4 of part 6 of the commission's report, in relation to our work in advocating for transparent, merit-based appointments to key leadership positions that are free from political interference.

the recommendations we had made in a submission to the commission and said: "It is recommended that Parliament consider whether it is desirable to amend its rules to give effect to the proposals by CW on appointments

Chief Justice Raymond Zondo endorsed

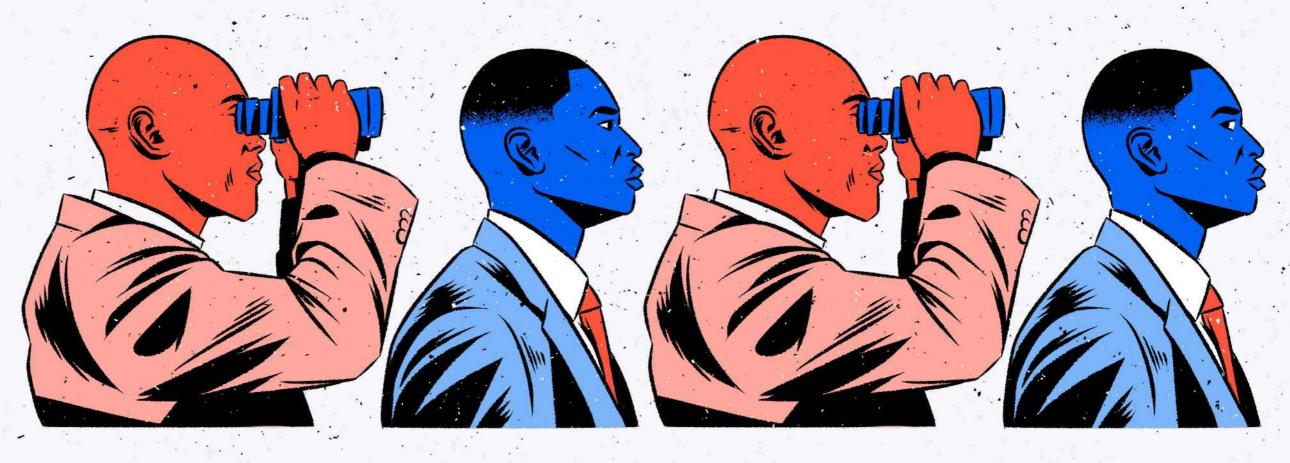
This was a great coup for CW, and a significant validation of our commitment to transparency and accountability.

by Parliament."

The Zondo report also mentioned CW's work elsewhere, specifically our legal challenge, with Freedom Under Law, to the multimillion settlement agreed on between then President Jacob Zuma and former NDPP Mxolisi Nxasana. The High Court granted our application to have the agreement set aside, and Zondo described the case in his report.

As a result of our state capturerelated work, we firmly established our presence as a thought leader in the space and continue to be approached for comment and insight on not only this, but other corruption-related matters.

The impact of the years of state capture, detailed so vexingly and tragically in the evidence brought to and reports of the Zondo Commission, means that CW and other organisations cannot afford to sit back and relax.



The hard work now begins, to ensure that Zondo's recommendations are implemented and that the people of South Africa see their dignity restored by a government that respects them and that those implicated in capture are afforded fair trials and held accountable were found guilty.

READY TO MAKE AN EVEN BIGGER IMPACT

CW is further committed to the reestablishment of proper governance systems that guard our democracy from future capture. In this regard, it is gratifying that three individuals currently and formerly associated with CW were appointed to the nine-member National Anti-Corruption Advisory Council announced by President Cyril Ramaphosa in October 2022. In this way we can positively influence the effective implementation of the National Anti-Corruption Strategy

 a document to which CW actively contributed over the several years of its development, drawing on our extensive work in pushing for transparency in leadership appointments, holding leaders to account, mobilising the public to report and stand up against corruption, and analysing data of key corruption trends and hotspots.

Despite the difficulties of the past three years, with the COVID-19 pandemic wreaking havoc on our lives, we have remained steadfast in our mission. Appointments such as the ones mentioned earlier, and to other new bodies such as the Infrastructure Built Anti-Corruption Forum and the Department of Planning, Monitoring and Evaluation's South African-German-Swiss Cooperation on the Transparency, Integrity and Accountability programme, are not only testament to our commitment and expertise, but also place us strategically in positions where we can impact anti-corruption measures in various areas.

STANDING UP FOR INDIVIDUALS AND COMMUNITIES

Whistle-blowers remain a focal point of our work. In 2021, we received the complaints of 3 248 whistle-blowers – despite ongoing COVID-19 restrictions. In 2022, this number dropped to 2 168. There are various reasons for this, including the incredibly dangerous environment for whistle-blowers at the moment, which undoubtedly has had a chilling effect on those wishing to c ome forward.

For those who have approached us, we will do everything that is within our resources and capabilities.

As CW staff, we continue to work largely remotely, and we have adapted smoothly to this new way of working with nary a pause in the schedules of our various units. Home workdays are interspersed with regular meetings in the office, to help us keep track of our various projects.

Best of all, the lifting of COVID restrictions meant that we could once again get out into the communities and continue with our campaign work.

A large portion of our community work took place under the banner of the multi-jurisdictional European Union Rallying Efforts to Accelerate Progress (EU REAP) project. CW is the lead in South Africa on this initiative, which focuses on the creation of platforms for land right holders in mine-affected areas, so they may actively participate in decision-making processes that affect their land, property, environment, and livelihoods.

In KZN, we also engaged with communities on the topic of improving transparency in policing and empowering communities to hold police in the province more accountable, using our ground-breaking Veza tool. We aimed to raise awareness around the Veza tool and provide training on its use and highlight hotspot information provided by Veza.







Another of our focus areas was the fight for greater beneficial ownership (BO) transparency, and in this our work is well-documented and continues into the new year. One of the highlights of 2022 was the two-day conference on beneficial ownership transparency in South Africa, which took place in Cape Town in May. CW co-hosted the event with the Department of Public Service and Administration, the Financial Intelligence Centre, Open Government Partnership, and Open Ownership.

The event was well-supported, with representatives from civil society, government, the private sector, and the media in attendance.

This multi-stakeholder approach is the best way to address and make meaningful progress towards effective disclosure of high quality, usable BO data.

In a continuation of our research work in the BO field and complementing our extensive body of work in advocating for transparency in the payment of mining royalties and the issuing of permits, we released two reports advancing a case for greater BO transparency in the Mining Sector more broadly, namely Beneficial Ownership Transparency in South Africa's mining sector and The Extractive Industries Transparency Initiative and South Africa, respectively.

Our annual sectoral report, released in August, homed in on the education sector – another critical area in which justice is denied to South African residents. Titled Sound the Alarm, it highlighted widespread misappropriation of resources, acts of bribery, sextortion, abuse of authority, and blatant flouting of employment and procurement processes.

Further to the topic of procurement, we continued to monitor public procurement contracts and expose irregularities through our **Procurement**Watch website. In August, this valuable tool yielded a second report on procurement data held by the National Treasury. Like the first one, it contained some worrying information on contract extensions and deviations, and showed that a year later, the Register for Tender Defaulters still had no defaulters recorded in it.

So, our work continues apace, because now we really must roll up our sleeves and push even more relentlessly for justice and dignity for the millions of South African residents who have been left behind. We look ahead to the rest of 2023, knowing that we have great challenges to overcome, but if we want to see the hoped-for restoration come to pass, we must bravely move forward.



OUR DEFINITION OF CORRUPTION

The abuse of entrusted power or resources, by anyone, for private gain



VISION

An equitable society actively engaged in countering corruption and pursuing justice



MISSION

Expose, confront and take preventative action against corruption

CORRUPTION WATCH IS:

- An independent civil society organisation launched in 2012 in response to the spiralling corruption in South Africa.
- The local chapter of Transparency International, a global movement with one vision: a world free of corruption.
- Focused on encouraging and enabling public participation and activism to prevent, expose, report and combat corruption.
- Not beholden to business, government or any other sector in our operations; we hold both government and private sector to account.
- Funded primarily by philanthropic institutions in the social justice sector; and
- Committed to a human rights approach to the impact of corruption on society.

When we asked **CW board member** and governance expert Firoz Cachalia for his thoughts on the anti-corruption situation in the country now, he pulled no punches in talking about both the good and the bad.

Cachalia, an activist, academic, and former politician, says that despite the way things may look to South African residents, there has been substantial progress made and achievements reached in the anti-corruption space.

As the chairperson of the National Anti-Corruption Advisory Council (NACAC), announced in August 2022 by President Cyril Ramaphosa, Cachalia is ideally placed to get an eagle's eye view of the overall situation as it stands.

At a basic level, he says, there is enhanced awareness in civil society, the business community, and society in general, of corruption and the many forms it may assume. "Many more people are coming forward to expose corruption. There is growing awareness and outrage, and a sense that corruption is not consistent with who we are as a people."

At an institutional level too, the momentum is picking up – albeit more slowly than many frustrated residents would like.

"The National Prosecuting Authority has made significant progress in the last two years or so, for which both [national director of public prosecutions] Shamila Batohi and [justice] minister Ronald Lamola deserve a lot of credit."

Another institution making strides is the Special Investigating Unit (SIU), which "appears to be working well and has access to considerable skills and resources. The Fusion Centre is another example – Advocate Xolisile Khanyile is formidable. And the South African Revenue Service has done exceptionally well in rebuilding itself."

South Africa is not starting from scratch, he emphasises. "We're not hiding our heads in the sand. There is an effort to deal with corruption."

And that effort is supported across the various facets of society.

"Civil society is very active. The media are doing an important job. And there are political leaders in all political parties who have recognised that this is a serious problem and who are trying to achieve high levels of accountability."

REPAIRING OUR DAMAGED INSTITUTIONS

Over the years, a pattern of corruption has become entrenched, Cachalia says – one which undermines democracy and socio-economic growth. "We're not just dealing with discrete acts of individual criminality any longer. There are forms of corruption that have become embedded in institutions, in the way they function."

So first, the damage of state capture must be undone, and those institutions that were deliberately weakened must be strengthened.

"There's a significant gap between what is required and what exists – and we have got to solve that problem rapidly. There must be in place a project of significantly upgrading, upskilling, and developing the expertise that is required in legal, forensic, accounting, technological, and trial experience."

And such a project is necessary because in many of the cases that have and are going to come to court, an inequality exists of hardworking but underresourced public institutions going up against highly resourced offenders – "sophisticated criminals are defended by our best lawyers."

Cachalia adds: "This is why we are unlikely to get the results that our society deserves – vet."

South Africans who have been following the first state capture case to reach the courtroom - the Nulane Investments trial, in which the state contends that the Gupta-linked company scored R24.9million from the Free State government through an allegedly corrupt tender, which money it then laundered to another Gupta-linked company in Dubai – will see this situation unfolding before their eyes. The state has seen its case soundly challenged by top-notch defence counsel such as Mike Hellens, the credibility of some witnesses questioned, and the evidence handling of its lead investigator Colonel Mandla Mtolo criticised, among other developments.

At least two of the six accused are expected to seek a discharge on the grounds that the state has failed to conclusively prove its case against them – and as Gupta brothers Rajesh and Atul are awaiting extradition from Dubai to answer to their alleged part in the Nulane money laundering scheme, to stumble now would be disastrous for this case and others the state will bring in the future.

(18

PREVENTION IS BETTER THAN CURE

Fighting corruption is as much about preventing as it is about exposing and sanctioning, Cachalia notes, and the country needs a comprehensive strategy to focus on prevention if it is to win the battle over the long term. Reactive steps will have no lasting impact without a corresponding proactive component.

"We need to ensure that corruption doesn't become embedded in an institution, and that is the problem that we are facing, as the Zondo Commission [into state capture] evidence shows beyond any question. We need proper investigation and prosecution. But we also need prevention."

This is where the **National Anti-Corruption Strategy (NACS) enters the picture.** Developed over several years by a range of stakeholders, including CW, the Nacs sets out a comprehensive plan involving all of government and all of society.

"That's what's required to fight corruption successfully over time, because there's no panacea, no magic bullet. There's no point where you're going to be able to say, well, the bad guys have been caught. They're all in jail, in orange overalls. And we can close shop."

It is therefore vital to embed a permanent commitment to accountability and integrity in the institutional infrastructure of our societies and in its consciousness.

Corruption will never diminish unless every single person lives by the highest ethical principles.

For instance, Cachalia suggests, the Department of Education may have a role to play in encouraging ethical behaviour in schools. This would entrench ethics and integrity into everyday life from an early age, which is far more effective than asking the proverbial leopard to change his spots much later on.

NACAC TO STEER SA'S ANTI-CORRUPTION POLICY

The NACAC was appointed to advise the president on policy concerning the institutional infrastructure. The ninemember council – which boasts three members closely linked to CW, including Cachalia as chairperson – is not an implementing body but an independent advisory body. This is its primary mandate.

"We will be talking to all the relevant institutions such as the Hawks, the SIU, the Anti-Corruption Task Team, the National Intelligence Agency, and others. We have had some conversations with the Department of Justice. And we are also looking at the international experience, not only as it applies to existing agencies but also to see whether there are gaps in the system, which will require the establishment of new agencies focused, if you like, on prevention."

The Zondo commission, chaired by Chief Justice Raymond Zondo, has proposed one agency for procurement and another for whistleblowing, and his is one area on which the NACAC will deliberate.

NO IMPACT WITHOUT A PLAN

Strengthening the criminal justice system is just one requirement. The country needs a highly mobilised society and government working closely together – but with the current trust deficit in government, that situation is not likely to happen until South Africans are persuaded that government's anti-corruption stance is sincere, meaningful, and effective. Securing a conviction and appropriate sentence in the Nulane case would be a good start.

Civil society organisations and media houses are part of the equation.

"We are going to need a vigilant and organised civil society and a critical and independent media. Those features of a democratic society are also the instruments that we need to protect democracy."

CW has played an outstanding role in over many years now, adds Cachalia, and will continue to do so. "I think it's probably the most important anti-corruption organisation in civil society, because it's done very substantive work and is going to be playing an important ongoing role in supporting the NACAC."

The council is the only institution currently set up with a mandate to look at the big picture, at the system as a whole – to the extent that after a recent very productive stakeholder engagement, Cachalia adds, participants felt that the NACAC has been the missing piece in the puzzle. "If you recognise that we need an all-round approach, the only institution that is orientated to take that global view is the NACAC, because others will look at these questions from where they sit in their own particular institutions."

When the council delivers its advice to the president, says Cachalia, it will be based on solid research and evidence. The NACAC is working with experts in its various workstreams, and additional research capacity will be enlisted to do specific items of research, which will help the council to arrive at the best decisions.

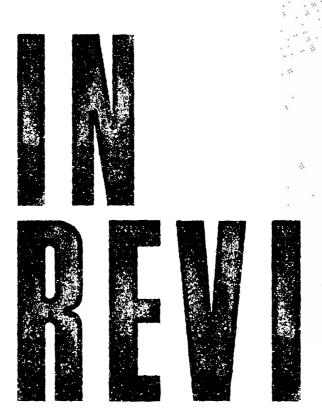
"We need an accountable government. If we produce proposals to strengthen whistle-blower protection, or proposals that identify the gaps in our current legislative framework, which result in changes to our legislation, which enables our prosecutors to get better results when they prosecute the criminally corrupt, then we will be making an impact."

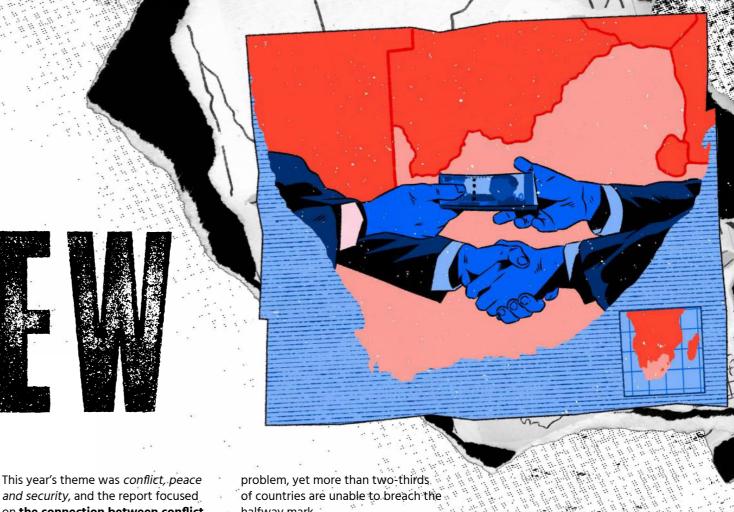
As for making an impact, Cachalia has nothing but the highest praise for Zondo. "He and the commission did outstanding work and I just want to take this opportunity to pay tribute to him, he's been magnificent. He's a South African hero, and we owe him a great debt."













2022 Corruption Perceptions Index (CPI), released in January by anti-corruption movement Transparency International (TI). The 2022 edition was the 28th.

Respected as a leading global indicator of perceptions of public sector corruption, the CPI scores and ranks 180 countries and territories around the world based on those perceptions. It draws on 13 expert assessments and surveys, and scores countries on a scale of zero to 100, where zero is highly corrupt and 100 is very clean.

Because the CPI measures perceptions of corruption, and not actual corruption that is experienced in countries across the world, there may be some discrepancy between actual vs perceived corruption. In South Africa, there has been some forward momentum by law enforcement agencies in curbing and combating corruption – yet the perception to the contrary persists.

and security, and the report focused on the connection between conflict, security, and corruption, taking an in-depth look at **how violence and** corruption feed on each other another around the world.

South Africa has found itself in the embarrassing position of being right where it started when it debuted on the CPI in 2012 - with a score of 43, the same as the global average, which itself has not moved for 11 years.

In the years since that first appearance, the country has managed to improve this score by just two points, peaking in 2016 at 45 before slumping back to its dismal starting point in 2022. Consequently, it was one of a sorry group of 95% of all the countries assessed who have been stuck in the same place since 2017. From 2019 to 2021, South Africa scored 44, while in 2018 and 2017 it scored 43 and before that, it managed 44 (2014 and 2015), 42 (2013), and 43 (2012).

According to TI, a score below 50 indicates a significant corruption

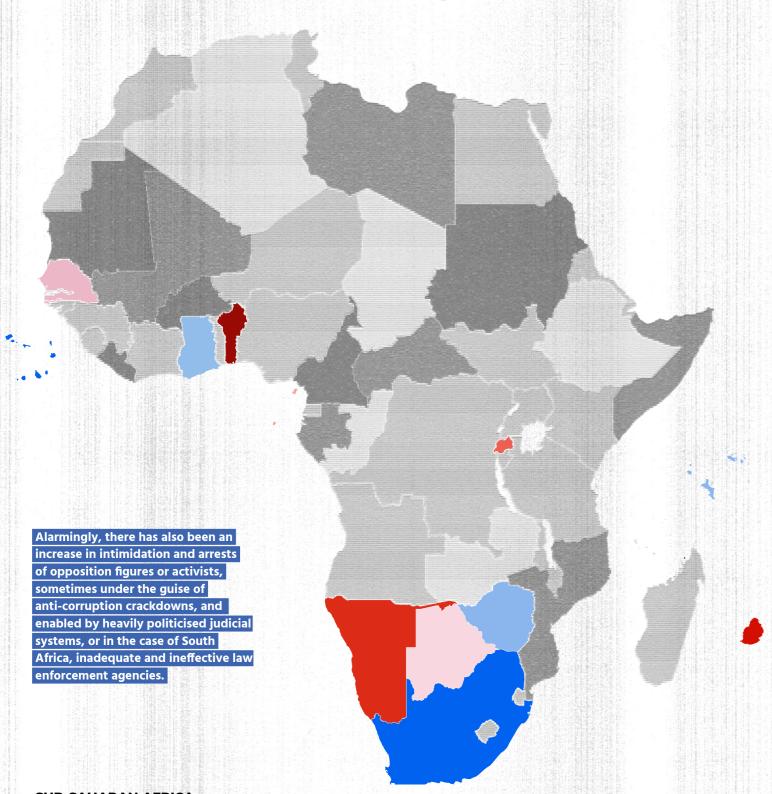
halfway mark.

"The annual CPI represents an opportunity for countries to redeem themselves by demonstrating a tangible shift in addressing their corruption problems. However, we are assailed each year by the failure of governments, our own included, to be seen to be advancing anti-corruption efforts," said Karam Singh, Executive Director of CW, reacting to the latest figures.

"The fact that South Africa has slipped a point at a time when there appears to be some momentum in bringing the corrupt to book, following the findings of the Zondo Commission reports, is particularly galling. It is hardly comforting that we have leaders paying lip service to the anti-corruption agenda in an environment that is not just hostile, but also extremely dangerous for whistle-blowers and those activists seeking to address the huge inequality and injustices wrought by corruption.

......43 0 Highly corrupt

(22) CW ANNUAL REPORT 2022



SUB-SAHARAN AFRICA

SEYCHELLES Global Rank 23

BOTSWANA Global Rank 35

CABO VERDE

RWANDA Global Rank 54 **MAURITIUS**

NAMIBIA

SOUTH AFRICA

SAO TOME AND PRINCIPE

BENIN

SENEGAL

GHANA

Global Rank 72

Sub-Saharan Africa (SSA) is again the lowest performing region on the CPI with an average score of 32. The connection between corruption, violence, and instability is evident, with 44 of the 49 countries assessed in this most volatile of regions scoring below 50.

South Africa's position in eighth place on the regional table, therefore, is nothing to brag about. While the country may have scored above the regional average, public sector corruption remains a serious - if not endemic – problem, despite positive developments such as the establishment of the National Anti-Corruption Advisory Council.

The aftermath of the COVID-19 pandemic has been an ongoing challenge for SSA. It has severely affected the livelihoods of all Africans, deepened inequalities, and increased corruption risks across the continent.

Other commonalities across the region include lack of state capacity for fighting corruption, made worse by insecurity, weakened political institutions, and in some countries an ever-shrinking space for civil society.

2022 DATA ANALYSIS

WHAT THE NUMBERS SAY

Since our launch in 2012, CW has received over 38 000 complaints of alleged corruption. This is an average of 3 490 reports per annum, coming from all corners of the country.

The reports speak to the hardships that ordinary people experience in socio-economic areas such as health, housing, and education, and give stark detail of the government's failure to provide effective policing functioning infrastructure, and basic service delivery in the areas of home affairs, social welfare, vehicle, and drivers' licensing centres, etc.

In 2022, the organisation collected 2 168 reports of corruption. Almost a quarter of the corruption complaints received relate to issues of graft in the mining sector, owing to the organisation's mining project, which targeted mining communities during public education and advocacy drives in the Free State, North West, and KwaZulu-Natal provinces.

The second most frequently reported **focus area is policing**, which counts for approximately 11% of incidents of corruption alleged by whistle-blowers in 2022. Completing the top four focus areas are allegations of corruption in businesses and education, counting for 8% apiece.

Corruption is so pervasive that it is spread equally between national and provincial government levels - these institutional structures account for 28% and 26% of graft allegations, respectively. Corruption taking place at local government takes the biggest slice - just under two-thirds of whistle-blower complaints point a finger at this area. Three of the five top contributors to this high figure are metropolitan municipalities - City of Johannesburg, City of Tshwane, and City of Ekurhuleni - which collectively count for **58%** of incidents reported in relation to local government.

Countrywide, across all focus areas, the types of corruption most reported relate to:

Maladministration 25%

including mismanagement of funds, and fruitless and wasteful expenditure

Fraud **17%**

including the use of fraudulent documents and paying ghost workers

Employment irregularities 13%

including nepotism and favouritism

Bribery and extortion 11%

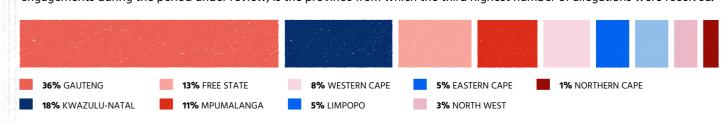
including sextortion

Dereliction of duty 9%

Procurement irregularities 9%

including kickbacks and the flouting of processes

Meanwhile, in respect to the percentage of complaints received from provinces, Gauteng counts for 36% of complaints received. KwaZulu-Natal, often part of the top three, counts for 18% of corruption reports. Free State, where we conducted community engagements during the period under review, is the province from which the third highest number of allegations were received.





90% BUSINESS

BASIC EDUCATION

TRAFFIC AND LICENSING

5% CONSTRUCTION

HEALTHCARE

PROVINCIAL HOTSPOTS

39% KwaZulu-Natal

36% Free State

18% Mpumalanga

54% Gauteng

15% KwaZulu-Natal

8% Western Cape

54% Gauteng

13% Western Cape

8% KwaZulu-Natal

Ť

TYPE OF CORRUPTION

60% Maladministration

26% Employment irregularities

4% Abuse of authority

30% Dereliction of duty

28% Bribery/extortion

24% Abuse of authority

45% Fraud

25% Compliance

54% Gauteng **28%** Misappropriation of resources

11% Limpopo **21%** Employment irregularities

10% KwaZulu-Natal **12%** Abuse of power

59% Gauteng **58%** Bribery/extortion

9% Limpopo **11%** Abuse of power

8% KwaZulu-Natal **9%** Fraud

24% Gauteng **46%** Procurement irregularities

15% Limpopo **18%** Maladministration

13% Free State 13% Fraud

40% Gauteng **23%** Employment irregularities

15% Free State
15% KwaZulu-Natal
18% Fraud

10% Western Cape **15%** Dereliction of duty

(27)

RESEARCH HELPS US TO UNDERSTAND CORRUPTION

In a dynamic society such as South Africa, research is an essential component of social justice work. More than anything, it helps position the strategic objectives of organisations such as CW and put the obligation of civil society into perspective, so that we know what we need to fight for, with how much of our resources, for whom, and why it matters.

As usual, we were busy in 2022 with several research projects. Our whistle-blower data, usually featured elsewhere in this report, gives us a sense of the most rampant nature of corruption out there, as well as the hotspots to look out for. For the 11 years that CW has been in existence, we have used this data to outline the core objectives of our campaigns and projects. From the information gleaned from the data, we have been able to identify the key topics in the fight against corruption that we can spearhead.

This becomes imperative when we must drive policy changes in governance systems in both the public and private sectors, to effect change.

For one, our research into the impact of our open data platform, Veza Tool, gave us immeasurable insight into its effectiveness, and how users rate its qualities. Veza was developed with the goal of improving transparency and accountability in the South African Police Service. It is our view that strengthening accountability and transparency mechanisms in our police service is important in the overall effort to combat corruption and break the cycle of impunity in South Africa.



CORRUPTION IN EDUCATION

As mentioned earlier in this report, our sectoral report on corruption in education was a revelation. Titled Sound the Alarm, the report highlights 3 667 reports of education-related corruption received between 2012 and 2021, representing 10% of the total reports received over that period.

The range of corrupt acts includes bribery, sextortion, misappropriation of resources, and abuse of authority in procurement and recruitment processes.

In this regard, Gauteng, KwaZulu-Natal, and the Eastern Cape come up as provinces where these acts tend to be most prevalent. The picture changes slightly in SETAs, as procurement irregularities top the scale, followed by maladministration and misappropriation of resources. Once again, it is people in positions of power who are seen to solicit bribes, flout recruitment processes, and disrupt the smooth roll-out of training programmes and learnerships.

FOCUS ON SOUTH AFRICA

In August 2022, we released a new report on procurement data drawn from information held by National Treasury and analysed in our **digital tool Procurement Watch (PW)**. The report is a follow-up to our first PW report released in October 2021 and covers data captured between 2016 and 2021.

The report highlights the capabilities of PW to aggregate data, specifically in terms of deviations and expansion of contracts, along with debarment of suppliers. It then serves the data in a form that can readily be worked with, making the analysis of trends much easier – and is thus an important weapon in our relentless push for public procurement transparency.

The sixth edition of our <u>Analysis of</u> <u>Corruption Trends (ACT)</u> came out in September 2022, highlighting once again where the hotspots are.

The ACT report is an experiential portrait of how corruption manifests in South African businesses, the police service, government departments and agencies, schools, hospitals and clinics, and communities at large.

It highlights cases brought to the organisation by brave whistle-blowers, people who risk their lives and livelihoods to reveal the dodgy dealings of politicians, administrators, and businesspersons.

Similarly with findings in Sound the Alarm, the ACT shows bribery, extortion, abuse of authority, and procurement and recruitment irregularities as top trends on a national scale, and across sectors.

Because of our constant work with whistle-blowers, CW conducted a study in 2022 that investigated the loopholes in whistle-blower protection mechanisms that are in place. Our aim was to establish where there are shortfalls and to gain a clear understanding of the whistle-blower landscape in South Africa. We also took a comparative look into the same issues in Zambia and Ghana, with a particular focus on land corruption, another area in which we made strides in 2022.

"The study's purpose is to evaluate and assess the effectiveness of whistleblowing mechanisms in South Africa," explains senior researcher Melusi Ncala. "Some of the sub-themes of the study are to benchmark South Arica's whistleblowing mechanisms against what some of our key partners have." These are countries in the BRICS formation, the European Union, and

Intended for internal purposes, the study is near completion. CW will, however, use it to inform policy positions whenever discussions are held in relation to whistle-blower protection and support, says Ncala.

BENEFICIAL OWNERSHIP TRANSPARENCY

A highlight of our research work was the release in November 2022 of two new reports, both relating to beneficial ownership (BO) transparency in South Africa's extractives sector. We also hosted a webinar with guest speakers Michael Barron and Tim Law, experts in the fields of beneficial ownership and implementation of the Extractives Industries Transparency Initiative (EITI) Standard.

Both guests were independent consultants on the reports, which advance a case for greater BOT in the mining sector by implementing a BO regime and by becoming an EITI member. They are titled Beneficial Ownership Transparency in South Africa's Mining Sector and The Extractive Industries Transparency Initiative and South Africa, respectively.

Since 2017, CW has been a part of Transparency International's global mining programme with over 20 mineral-rich jurisdictions, referred to as the Accountable Mining Programme (AMP).

AMP focuses on the corruption of vulnerabilities in the application phase of mining and seeks to advocate for good governance, accountability, and transparency in the approval stage of the mining value chain. One of the risks CW has identified at the initial stage of the value chain is that of beneficial ownership and financial transparency.

The research team plans to expand on its whistle-blower protection work in 2023 by expanding the study to bring in a podcast series.





















The collaboration between civil society organisations, state institutions, and partners continued to form a key component of the work of all units at CW in 2022.

The environment in the country heightened the need for such collective efforts to more constructively address the ever-increasing challenges related to the impact of corruption on our society, structures, and systems.

It has always been a central tenet of the CW model that civil society is stronger when it combines its forces and expertise, using its legitimacy and credibility to put pressure on public and private sector leaders involved in corruption, and to demand transparency, accountability, and an end to impunity. These efforts have yielded fruit over the years, and the expansion of these activities to participation in multi-sectoral, multi-disciplinary fora and partnerships have the potential to effect meaningful change in addressing corruption in the country.

The range of partners, collaborative efforts, and milestones achieved in 2022 are reflected in the summary of activities below:

BUDGET JUSTICE COALITION

The Budget Justice Coalition (BJC) is a voluntary coalition of civil society organisations that aims to collaboratively build people's understanding of and participation in South Africa's budget and planning processes.

The CW team continued to actively contribute to the work of this important coalition during 2022, assisting in organising the group's strategic meeting in February, and contributing towards post-budget media work and parliamentary submissions.

The head of stakeholder relations and campaigns, Kavisha Pillay, was re-elected to serve on the steering committee, and in that role made significant inputs into the strategy and advocacy plans of the BJC throughout the year until stepping down towards the end of the year.

The team also helped to drive the communications and media strategy of the coalition and attended and contributed to the strategic planning meeting at the end of 2022.

CIVIL SOCIETY WORKING GROUP ON STATE CAPTURE

The Civil Society Working Group (CSWG) on State Capture is a coalition of over 23 civil society organisations set up with the mandate to support and strengthen the work of the Zondo Commission (State Capture Commission of Inquiry), while maintaining oversight of its work in the interests of the public. This applied both to the period during the commission's proceedings, and subsequently to monitoring the findings and recommendations of the report during 2022.

The CSWG's work was clear from the start of 2022, as the Zondo Commission's final report was released to the public in phases between January and May. The civil society partners shared their expectations and analyses of the final report, highlighting its gaps and shortfalls, and planned activities to push for implementation of the recommendations, looking for ways for civil society to strengthen its influence.

A key milestone of the working group was the State Capture Commission
Conference, co-hosted by the Public
Affairs Research Institute (PARI) and the Council for the Advancement of the Constitution (CASAC) on 14 and 15 September 2022 to engage meaningfully with the findings, gaps and recommendations that came out of the report. Most members of the working group were present or participated in sessions highlighting

specific aspects of what emerged from the commission. Moepeng Valencia Talane, a senior journalist and editor in the CW communications team who attended and covered the full proceedings of the commission, participated in a panel relating to whistle-blower protection and support.

The CSWG met in October to devise the way forward for effective monitoring of the implementation of the Zondo Commission's findings. The result was a joint **CSWG statement** sent to the president on 27 October, urging decisive action.

Representatives from CW's communications as well as the legal and investigations teams attended the meetings throughout the year. The CW team remains committed to seeking potential joint future action with civil society partners relating to monitoring of Zondo findings and recommendations.

POLITICAL PARTY FUNDING COALITION

The Coalition on Political Party Funding, launched in August 2021 with My Vote Counts (MVC) as the lead organisation, comprised endorsing partners including CW, along with Right2Know, Open Secrets, the Ahmed Kathrada Foundation, and other interested civil society organisations. The coalition met twice during 2022.

Content producer in the communications team, Kwazi Dlamini, attended the journalist symposium on the Political Party Funding Act (PPFA) run by MVC on 18 and 19 March, preparing an article on the gaps in the act, which appeared on the CW website on 19 April 2022 and can be accessed **here**.

Around mid-year, MVC put forward plans to shift the format of the coalition towards a working group, scheduling a meeting for 24 June to discuss the move. Meetings of the coalition ceased, but MVC ramped up its efforts around monitoring of the PPFA and pushing for electoral reform. One such initiative was the Electoral Reform Indaba that MVC hosted along with the Ahmed Kathrada Foundation, CASAC, Defend our Democracy, and Rivonia Circle in September 2022. It was attended by Melusi Ncala and Tawanda Kaseke from CW's stakeholder team.

GIZ TRANSPARENCY, ACCOUNTABILITY AND INTEGRITY PROGRAMME (TIP)

The Deutsche Gesellschaft für Internationale Zusammenarbeit's (GIZ) Transparency, Accountability and Integrity Programme (TIP) is a partnership resulting from an agreement between the governments of Germany and South Africa. Its aim is to support state and non-state actors to contribute to the implementation of the National Anti-Corruption Strategy (NACS) in a whole-of-government and -society approach. The three-year TIP programme was formally launched in Pretoria in June 2022.

CW was appointed as co-chair of the project steering committee of the TIP, along with the Department of Performance Monitoring and Evaluation in the Presidency, which had previously been tasked to drive the implementation of the NACS. The slow pace of implementation has remained a persistent challenge since Cabinet approved the NACS in November 2020.

In line with the TIP's objectives, its focus for 2022 is to provide support for the roll-out of the Nacs, including the establishment of the National Anti-Corruption Advisory Council (NACAC), which will be tasked with putting in place measures for the establishment of an independent anti-corruption commission as envisioned by the Nacs.

The Presidency announced the members of the NACAC in the second quarter of the year, and included in the ninemember group is Kavisha Pillay, CW's head of stakeholder relations and campaigns, who had played a key role in the meetings of the Nacs reference group. The former executive director and founder of CW. David Lewis, is a member as well as CW board member Firoz Cachalia, who assumes the role of chairperson of the NACAC. The prominence of current and former representatives of CW in the NACAC signals the critical role that the organisation has played in the anti-corruption fight in South Africa.

During the second half of the year, the GIZ appointed a service provider to develop a communications and engagement strategy for the NACS, and subsequently for the NACAC. The head of communications was appointed to the group selecting and monitoring the work of the service provider, from October 2022 until February/March 2023.

Both procurement and the support and protection of whistle-blowers are key focus areas under the TIP. The CW team made contributions to both areas, presenting the Procurement Watch tool at a TIP multi-stakeholder workshop in October 2022, and contributing to a first responders guide for whistle-blowers, to be released in 2023.

WHISTLE-BLOWER SUPPORT VALUE CHAIN MEETING

During 2022, the Platform to Protect Whistle-blowers in Africa (PPLAAF) and the GIZ hosted a series of Whistle-blower Support Value Chain meetings, the aim being to create a value chain for the receipt and action of whistle-blower reports. Members of the reports management, stakeholder relations and campaigns, and communications teams attended these meetings over the year.

The programme's intention is to foster collaboration between various stakeholders, including CSOs, journalists, activists, government, and youth, to intentionally address the gaps in the support value chain for whistle-blowers by developing a programme of action.

CW's head of stakeholder relations and campaigns participated in several events organised by PPLAAF and Defend our Democracy as part of the country's first anti-corruption week, which ran between 3 December and International Anti-Corruption Day on 9 December. She presented on a panel as part of PPLAAF's inaugural Whistle-blower Protection Week, which ran from 5 to 8 December 2022, and attended the joint opening of the event and unveiling of artwork commemorating whistle-blowers at the Gordon Institute of Business. Here, she moderated a forum, The Indicators of a Holistic Whistle-blower Protection Ecosystem - Whistleblowing as an Anti-Corruption Tool. Panel members included Thandeka Mbeki of the NACAC, Pinkie Dube from the Office of the Public Service Commission, and a representative from the Southern Africa Institute for Responsive and Accountable Governance.

This work to support whistle-blowers continues in 2023. As members of the multi-sector partnerships focused on whistle-blowers and procurement, the CW team will continue to play a key role in the PPLAAF and GIZ initiatives, along with other civil society initiatives in this space.

DEFEND OUR DEMOCRACY

CW has been an endorsing partner of the Defend our Democracy campaign since 2021. The CW team participated in several meetings of the campaign during 2022, including the strategy meeting in the first quarter, and attended the national Conference for Democratic Renewal and Change in June 2022. The head of stakeholder relations and campaigns collaborated with Defend our Democracy and PPLAAF in several events that formed part of the anti-corruption week that ran from 3 to 9 December 2022.







MULTI-SECTOR FORA

The CW team maintained meaningful stakeholder relationships and ongoing engagement with several multi-sector fora established to coordinate anticorruption efforts and responses to reports of corruption in specific sectors.



HEALTH SECTOR ANTI-CORRUPTION FORUM

CW continued to be an active member of the steering committee of the Health Sector Anti-Corruption Forum, appointed as a multi-stakeholder body by President Cyril Ramaphosa and comprised representatives of government, civil society, law enforcement agencies, and the private sector. During 2022, the forum met to continue its task of collectively addressing reports of fraud and corruption in the health sector.

The head of stakeholder relations and campaigns attended the one-year memorial of slain whistle-blower Babita Deokaran in August 2022, and the family expressed gratitude to CW for its solidarity and support.



LOCAL GOVERNMENT ANTI-CORRUPTION FORUM

Since 2021, the CW team has been an active participant in the Local Government Anti-Corruption Forum, which was established along the lines of the Health Sector Anti-Corruption Forum, to investigate allegations of corruption at a local government level. The team attended meetings in the first half of 2022.



INFRASTRUCTURE BUILT ANTI-CORRUPTION FORUM

This forum is co-chaired by CW and the Special Investigating Unit (SIU). The head of stakeholder relations and campaigns attended and spoke at the one-year anniversary of the Infrastructure Built Anti-Corruption Forum (IBACF). This forum, the third of its kind, was originally launched in May 2021 by then Minister of Public Works and Infrastructure Patricia de Lille and SIU head Advocate Andy Mothibi, with CW appointed as co-chair.

As with similar fora, this initiative brings together government, civil society, and law enforcement agencies with the aim of monitoring infrastructure projects more effectively to address corruption in the sector. Significantly, the IBACF adopted an anti-corruption pledge in 2022. The pledge was signed in Pretoria on 30 June by all the members of the IBACF, including Public Works and Infrastructure Minister Patricia de Lille and the heads of the SIU, the Hawks, and the Council for the Built Environment, amongst others.

PROCUREMENT REFORM WORKING GROUP

The CW team furthered its work in advancing procurement reform in 2022 through regular attendance at meetings of the Procurement Reform Working Group and participation in its work. Other civil society partners in the working group include the Public Affairs Research Institute and the Public Service Accountability Monitor.

A range of activities took place during the year, including the publication of an open letter urging government to implement the Zondo Commission's procurement recommendations, and the provision of guidance on procurement reform to the Legal Resources Centre for its project on procurement reform in the education sector.

The working group presented at the Open Contracting Partnership Community Call event, hosted by the Open Contracting Partnership, on the need for procurement transparency and the relevance of the Zondo report recommendations.

The working group also focused on contributing to the Public Procurement Bill tabled in April 2022, with a view to assisting the National Economic **Development and Labour Council** (Nedlac) in its consultation process on the bill and looking at opportunities for contributing to that process and beyond.

NEDLAC

A key initiative for the CW team in 2022 was the negotiating of the Public Procurement Bill at Nedlac, as mentioned above. With other civil society organisations, CW was designated as a **joint strategic** resource (JSR) by the social partners and participated in presentations and meetings to discuss the bill, notably on ensuring sufficient anti-corruption and transparency protections therein.

While this engagement has been positive, the process has nonetheless been frustrating in that National Treasury's approach to the development of this piece of legislation seems to be

taking place in a policy vacuum without decisive leadership around the strategic purpose of procurement and the high corruption risks posed by the current system.

The Nedlac report on this bill has still to be finalised and presented to Cabinet, but it is hoped that civil society interventions have played some role in improving the bill, especially in ensuring robust requirements around the publication of procurement data.

INTERNATIONAL ANTI-CORRUPTION CONFERENCE (IACC)

The **IACC** is the leading international forum for bringing together civil society, government, law enforcement, the private sector, and more to address the common corruption challenges faced globally. Established in 1983, the IACC takes place usually every two years in a different region of the world, hosting between 800 and 2 000 participants from over 140 countries.

The 20th IACC took place in December 2022 in Washington DC, bringing together the global anti-corruption movement for a range of discussions, many with a common thread looking at the issue of kleptocracy.

CW's executive director Karam Singh was a panellist on a session titled Winning the kleptocratic war: How can international cooperation and development cooperation support the fight against kleptocrats and oligarchs?

Accompanying Singh on the panel were Zuzana Wienk of the Slovakia Open Government Partnership's steering committee, Johannes Ferguson, head of the Competence Centre for Public Finance and Public Administration at the GIZ, Global Witness founder Patrick Alley, and Veronica Dragalin, chief prosecutor of the Anti-Corruption Prosecutor's Office in Moldova.

Singh emphasised that state capture did not start and end with former president Jacob Zuma, as grand corruption also happened under South Africa's first

democratic president Nelson Mandela. Nevertheless, he sees a window of opportunity for reform with the current government, with transparency, particularly in procurement, as a key element. Government could take practical steps such as strengthening oversight bodies, enhancing protection for whistle-blowers, and bringing civil society on board.

TRANSPARENCY INTERNATIONAL **MOVEMENT SUMMIT**

The CW team was well-represented at the Transparency International Movement Summit, which took place in June 2022. Members of the team participated in panels on a range of subjects, from state capture and civil society mobilisation around key issues, to business integrity and the case for an international anti-corruption court. Internationally, various jurisdictions from Eastern Europe to Central America are grappling with the concept of state capture which has evolved into a subject of academic study beyond the previous confines of the grand corruption narrative.

The participation of CW staff members as key subject experts was as follows:



Opening Plenary

The Strength of our Network Karam Singh, panellist

Confronting State Capture Karam Singh, panellist

An International **Anti-Corruption Court**

The Right Tool to Fight **Grand Corruption?** Karam Singh, panellist



Civil Space

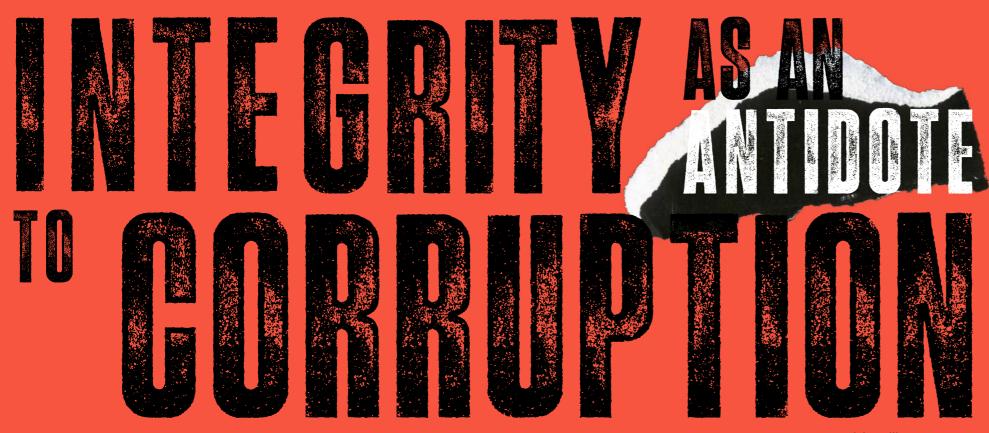
Defining our Key Asks Kavisha Pillay, facilitator



The Business Case for **Integrity: Panel 2**

Business Integrity Programmes: shaping integrity commitments globally Mashudu Masutha, panellist





Over the last five years, South Africa has made significant strides to address corruption in the country. We appointed new heads to law enforcement agencies. We established new bodies like the Investigative Directorate, the Special Tribunal, and the Fusion Centre. A commission of inquiry into state capture sat for four years, producing a lengthy account of how the state was held to ransom by different syndicates linked to politicians.

We introduced new legislation aimed at curbing corruption, such as the Political Party Funding Act and the Municipal Systems Amendment Act. We remain signatories on regional and international anti-corruption treaties. Additionally, we have finalised and released a National Anti-Corruption Strategy (NACS), with a nine-member presidential advisory council appointed to support and oversee the implementation of the NACS.

So, why does it *still* feel like we are losing this battle?

The recent **Corruption Perceptions Index** revealed that despite our endeavours, we have now dropped

to 43/100 – our lowest score since 2013. We are on the Financial Action Task Force's greylist for failing international standards in terms of combating money laundering and other serious financial crimes, and persistent load shedding due to rampant corruption and organised crime at Eskom has made the current situation untenable – with no real political solutions emerging to address the problem.

Perhaps naively, as a society, we are waiting for a silver bullet that would eradicate all corruption in South Africa. A new institution maybe? A new president? A new law? A new ANC? The old ANC? A new political party? A regime change? Unfortunately, given the nature and extent of South Africa's corruption problem, all of these can be shallow fixes if we do not recognise that to shift the scales on corruption, many people need to keep their hands clean.

At a recent meeting of anti-corruption experts, renowned criminologist and academic Professor Chris Stone outlined five traps that we should avoid when fighting corruption – one of them

is the urban legend that we, or any nation, can truly build a corruption-free society. Stone argued that there will always be some among us, usually in positions of authority, who will engage in self-preserving behaviours, and so the idea that we can totally root out corruption is a fallacy. Nonetheless, corruption can be massively reduced with political will, policies, and institutions, and indispensably, the development of a society-wide culture of integrity.

Through the NACS and the implementation of the recommendations emanating from the Zondo Commission, we are likely to see legislative reform and the establishment of a new permanent anti-corruption agency.

However, what is clearly missing in the South African response to fighting corruption is emphasis by all actors on the **importance of building a culture of integrity**. Not the Sunday morning religious-type of integrity, nor the political grandstanding type.

We need personal integrity where individuals question and account for their daily actions.

By Kavisha Pillay

Where they are conscious of the harms that their actions may cause, confront their own willingness to bend the rules for their own personal gain, and deal with their 'smallanyana' skeletons.

In times like these, choosing to behave with integrity is revolutionary. It requires self-reflection, honesty, and taking responsibility for your actions. It recognises that you are only human and bound to make mistakes – but that you are willing to learn from them, grow, and avoid those mistakes in future. It goes to the core of who you are, your values, and how you will intentionally incorporate your values into your daily life and actions.

Integrity is doing the right thing, even when no one is watching.

Having integrity is a personal choice—
it is a hard choice, but ultimately a
choice worth making. Not because of
any rewards in the afterlife— if you
believe in that— or good karma in the
next life— if you believe in that. But,
because in this present moment, if
more people committed to living with
integrity, we could see tangible shifts
in contributing to a more just world.

FIGHTING CORRUPTION IS EVERYONE'S RESPONSIBILITY

Is integrity a potential antidote to corruption? Yes. A silver bullet? No. We do need systems, laws, policies, and institutions to guide us in combating entrenched and complex networks of corruption and organised crime. But we also need people with integrity building those systems, implementing those laws, and leading those institutions.

I recognise that this is perhaps easier said than done. Upholding ethical principles can be difficult in a world where external pressures and incentives can push individuals or organisations towards corrupt behaviour. This is particularly true in South Africa, where corruption is so widespread that many engage in corrupt activities as a necessary means for survival.

But we should never accept that we are terminally corrupt as a society.

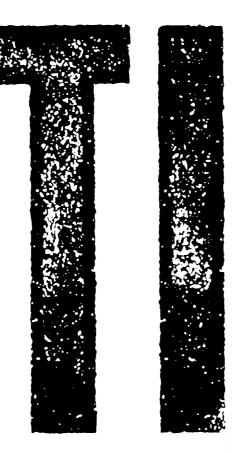
Change is possible. It can start with me. It can start with you.

The promotion of integrity is essential for combating corruption and promoting good governance. It is a difficult and complex task, but one worth pursuing if we hope to change the status quo on corruption. By upholding ethical principles and promoting transparency and accountability, individuals, organisations, businesses, and governments can help create a culture of honesty and trust that is essential for the functioning of a healthy democracy.

So, make the commitment, to yourself and to others. Uphold integrity and ethics in all aspects of your life. Act with honesty and be fair. Strive to do what is right, even when it is difficult. Hold yourself accountable for your decisions and the consequences thereof. Stand up to corruption. Lead by example. And commit to contributing to a society that is just, equitable, and ethical.

Kavisha Pillay is a social justice activist who is employed as the head of stakeholder relations and campaigns at CW. Pillay is also a member of the National Anti-Corruption Advisory Council, as well as the Southern Africa representative on the UNODC's YouthLed Integrity Board.







POLICE CAMPAIGN

THE 2022 JOURNEY

The state of policing in South Africa continued to be a key point of focus and a matter of grave concern in 2022, not just for the CW team, but also for the public in general. At the time of writing, the latest crime statistics released in February 2023 indicate an alarming rise in the rate of murder in the country, with deteriorating levels of safety and security as a consequence, indicating the urgency and importance of this area of work.

On 17 February 2022, we marked a year since the launch of the **Yeza** tool, the online open data platform that promotes transparency and accountability in the South African Police Service (SAPS), while empowering the general public with information about their local police stations.

A key priority in 2022 was the need to start face-to-face engagements in various provinces with the purpose of training communities on how to use the tool, particularly those most vulnerable due to lack of protection from the police and to high levels of crime and violence.

By September, we had conducted 11 Veza training sessions with community activists, leaders, and community policing forum members in the broader eThekwini region in KwaZulu-Natal.

The purpose was to create awareness about the tool and encourage communities to find solutions to their challenges in relation to policing; the hypothesis being that when people have access to relevant information about their police stations, they will be more empowered to seek redress and demand better policing services.

There have been some positive outcomes from these engagements. In the Marian Hill and Wentworth

communities, information provided on resource imbalances and questionable statistics respectively have prompted community members to consider activities to address the state of their police stations. These activities will be supported by return visits from the CW stakeholder team and include launching a petition to have their station resources upgraded in Marian Hill, and conducting a community audit in Wentworth to verify that information provided on resources and personnel is in fact true.

It is hoped that these interventions will lead to successful changes, as they demonstrate the value of how digital tools providing critical public information can lead to meaningful change.

The research team produced a **podcast** and **opinion piece** in the second quarter of the year to highlight the state of policing in South Africa, covering the experiences of whistle-blowers at the hands of the police, and the efforts of civil society organisations and law enforcement groupings to combat police corruption and criminal elements within the police sector. The podcast, titled *Police Corruption under Scrutiny*, received more streams/plays than any other CW podcast in 2022, with continued engagement from the public on the issue of police corruption.

THE WAY FORWARD

There are several plans in place for extending the scope of this campaign in 2023. We will conduct training on the Veza tool with community activists in different provinces. We also hope to establish a civil society working group on police corruption to coordinate efforts and develop collective approaches to combating police corruption. Finally, we aim to host a multi-sectoral symposium on police corruption to find innovative solutions to addressing the problem.

LEADERSHIP APPOINTMENTS

THE 2022 JOURNEY

For close to seven years, CW has been actively campaigning for greater transparency in the appointment processes of leaders of state-owned enterprises (SOEs), institutions in the criminal justice system, and those established under chapters 9 and 10 of the Constitution of South Africa. The objective of this work is to ensure that such candidates are appointed in a transparent manner, assessed against clear, merit-based, objective criteria, and that avenues for public participation in appointment processes are made available.

The team continued this work in 2022 with several important interventions in support of monitoring leadership appointment processes. The appointments highlighted for scrutiny over the year included: the inspector-general of intelligence (IGI), commissioner to the Public Service Commission (PSC), the South African Broadcasting Corporation (SABC) board, and commissioners appointed to the Commission on Gender Equality (CGE). The team also followed the impeachment hearings of the public protector closely over the year.

One of this campaign's major achievements is the recognition in the final report of the Judicial Commission of Inquiry into State Capture (Zondo Commission) of the CW submission in relation to parliamentary appointments. Specifically, the commission recommended that Parliament "consider whether it is desirable to amend its rules to give effect to the proposals by CW on appointments by Parliament".

The commission also made further recommendations on appointment processes relating to the South African Revenue Service commissioner and the boards of SOEs – which are in line with CW's recommendations on open, fair, and transparent appointment processes. Following the release of the final Zondo Commission report, the head of the

stakeholder and campaigns unit wrote an **opinion piece** on the importance of transparency and public participation in appointment processes.

On a broader level, the current state of leadership on South Africa came under the spotlight during a CW-hosted **Twitter Space** in February 2022, featuring three speakers — political analyst Khaya Sithole, activist Mark Heywood, and CEO of the National Business Institute Joanne Yawitch. Over 300 listeners tuned in for the conversation.

2022 SUBMISSIONS

In the first quarter of 2022, CW made submissions on the appointments of the IGI, and a PSC commissioner. In terms of the IGI appointment, following CW's interventions, the Joint Standing Committee on Intelligence opened the interviews to the public and allowed public comments and/or objections to candidates who were nominated for the position.

We sent recommendations to the Portfolio Committee on Women, Children and Persons with Disabilities for a transparent and public participatory process in relation to the appointment of commissioners to the CGE. Regrettably, the portfolio committee elected to go against parliamentary precedent, publishing limited information that was insufficient for meaningful public engagement, citing the Protection of Personal Information Act (POPIA) as the reason for not publishing the CVs of candidates, despite a 2020 Parliamentary Legal Services legal opinion that publishing redacted CVs could still meet POPIA requirements. Various civil society organisations and gender activists embarked on interventions to demand better processes, all of which were ignored by the committee. CW is currently engaging in a legal intervention to review the committee's process.

The final submission in 2022 was to the Portfolio Committee on Communication on the candidates who were shortlisted for the positions of board members to the SABC.

At the time of writing, President Cyril Ramaphosa has still not appointed board members. Media Monitoring Africa has brought litigation against the president for his failure to appoint board members – four months after the parliamentary committee handed over recommendations. The absence of boards and oversight structures is detrimental to SOEs.

THE WAY FORWARD

The focus on leadership appointments continues into 2023. We are planning potential litigation on the CGE appointments. We will monitor the appointment of the public protector, which will take place in Q3 of 2023. We will also monitor the appointment of the chairperson of the South African Human Rights Commission, which will take place in Q4 of 2023.

PUBLIC MOBILISATION

2022 JOURNEY

The stakeholder and campaigns team continued to create awareness and mobilise the public around specific sectors vulnerable to corruption during 2022, primarily in the policing and local government sectors. A new activity during the year was the training sessions with municipal employees on ethics and integrity, with over 100 people participating in the first part of the year.

On 16 June 2022, CW joined the Ahmed Kathrada Foundation in organising and participating in the National Youth Day Parade. Over 1 000 young people joined the march to the Union Buildings, demanding a more just and equal society.

THE WAY FORWARD

In 2023, we will continue our efforts to engage and mobilise the public to confront and resist corruption.

Our areas of focus include training people on how to use the Veza tool, educating municipal employees on whistleblowing, and encouraging young people to participate in the fight against corruption.



WHISTLE-BLOWER SUPPORT

Throughout 2022, the protection, support and safety of whistle-blowers continued to be a high priority for CW and other stakeholders in the public and private sectors. Since the murder of former Gauteng Department of Health official Babita Deokaran in August 2021, different organisations and coalitions have emerged to advance policies and practices that will contribute towards a more conducive environment for whistle-blowers in South Africa.

CW has played a leading role in these matters and has contributed to pushing for legislative and policy amendments in this regard, while actively participating in these coalitions.

Team members attended and participated in several other initiatives, including contributing towards a whistle-blower value chain, organised by the Platform to Protect Whistle-blowers in Africa (PPLAAF), which brings together key organisations and individuals at the forefront of whistle-blower related matters in the country.

On 5 December, the head of stakeholder and campaigns participated extensively in and moderated a session on strengthening whistle-blower support. This was during the Whistle-blower Solidarity Week, organised for the first week of December by PPLAAF as the first of its kind in the country, and leading up to International Anti-Corruption Day on 9 December. We also contributed to the

development of a first responders guide for whistle-blowers, spearheaded by the GIZ and in collaboration with The Ethics Institute, due for release in early 2023.

At an organisational level, the strategic question of how best to receive and address whistle-blower complaints was a matter of great consideration for the team during 2022. As a non-profit organisation with no statutory powers or sufficient internal capacity, the challenge of providing the appropriate intervention or being able to bring perpetrators to justice is an ongoing one. This has created understandable anxiety and tension in managing the expectations of those people brave enough to report corruption.

Nevertheless, CW's whistle-blower channels were functional and open to the receipt of complaints during 2022.

At the time of writing, CW is reviewing different models that will improve the support it can provide to whistle-blowers, which includes collaborating with outside partners to provide psychosocial and other services.

THE WAY FORWARD

The CW team will continue to play a key role in several activities around whistle-blower protection and support in 2023. These include the establishment of a multi-stakeholder partnership with a focus on whistle-blowers in relation to the implementation of the NACS, with the aim of ensuring that the needs and requirements for whistle-blower support are factored in throughout the process.

Another activity is the development of a best practice policy template for whistle-blowing, which organisations, businesses and government departments can tweak for their own internal implementation, as well as writing and publishing a whistle-blower handbook for public use and distribution. Lastly, we aim to publish a policy paper highlighting international best practice in relation to whistle-blowers.

LAND CORRUPTION IN AFRICA

Corruption in the land sector is a particular area of research focus for the team, and is a severely neglected area by the state, particularly when questions of accountability are asked. To address this, CW is participating in a multi-year advocacy project on land corruption in South Africa that forms part of the broader Transparency International Land Corruption in Africa (LCA) initiatives.

CW is leading the LCA project in South Africa, which is one of eight countries participating across the continent. As part of the continent-wide study on land-related corruption, at the end of 2022 the stakeholder team conducted a baseline survey of three communities in KwaZulu-Natal and Western Cape, with the aim of gauging South African residents' land corruption awareness levels and experiences. A total of six stakeholder meetings were conducted with organisations working in the land rights sector in KwaZulu-Natal in December, and a similar range of meetings were held earlier in the year in the Western Cape.

A brief review of the findings, made available in 2023, suggests that not only has corruption become deeply rooted in issues of land redress, but it is perpetrated by figures of authority, including municipal councillors and members of the police.

THE WAY FORWARD

In 2023, we will continue to work with stakeholders on addressing corruption in the land sector by developing collaborative and innovative responses to this issue. We intend to commission additional research to help us uncover the patterns, networks, and dynamics of corruption in the land sector, as well as conduct engagements and trainings with affected communities in KwaZulu-Natal and the Western Cape.

PROCUREMENT WATCH

As part of its focus on procurement reform, CW launched the Procurement Watch (PW) tool in 2021, with the aim of strengthening the monitoring of public procurement, which the OECD maintains is the single largest corruption risk, particularly in developing countries.

In March 2022 CW, enabled by a rapid advocacy grant from Open Contracting Partnership, partnered with Open Cities Lab as a technical and advocacy partner to further develop the project. The primary focus has been on expanding PW into a fully featured advocacy tool available to an expanded user group of internal and external partners, which will allow its users to detect and investigate suspicious activity in the realm of public procurement.

We engaged the services of Professor Geo Quinot from Stellenbosch University during 2022 to assist in analysing data from two quarterly reports obtained from National Treasury. CW's in-house data analyst updated the tool to include regular quarterly updates of data on deviations, expansions, and blacklisted suppliers. PW was rolled out to a user group of civil society organisations, investigators, and journalists, who were invited to a workshop providing a detailed walkthrough of how to use the tool, as a way of increasing monitoring of public procurement. The team also commissioned a new report on data trends from Professor Quinot, the findings of which were presented at a webinar.

The team produced a podcast in the last quarter of the year, which delved into the importance of monitoring procurement from an anti-corruption perspective. The podcast was released in early 2023, and can be accessed **here**. By the end of the year, the team was awaiting the release of the latest report from National Treasury for uploading, analysis and investigation, and plans were in place for further red-flag and tool usage training for CW investigators and other staff.

THE WAY FORWARD

CW will continue in 2023 to use the Procurement Watch tool to assist in its public procurement investigations. As part of its broader advocacy work on public procurement, CW participated in the Public Procurement Reform Working Group, and made submissions to Nedlac and in various other public participation processes in respect of the Public Procurement Bill. It will continue its advocacy work in respect of the Public Procurement Bill.



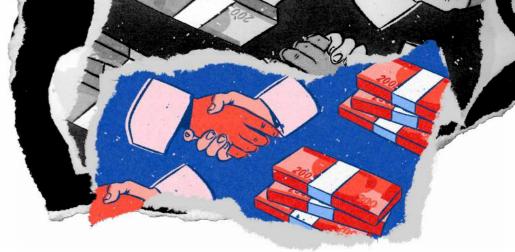




ACCOUNTABLE MINING PROGRAMME

THE 2022 JOURNEY

CW has been involved as a partner and implementing chapter of the Transparency International (TI) Accountable Mining Programme since it was launched globally in 2016 with more than 20 TI participating chapters in mineral-rich jurisdictions. Over six years later, CW has established an impressive body of work in the mining sector on a national, regional, and international level. This project runs jointly with TI-Australia's business integrity programme until 31 March 2023.



The Accountable Mining Programme has constituted both research and advocacy components over the years; the full trajectory of the programme since its inception was well documented in the 2021 annual report. The focus for the programme throughout 2022 included seeking ways to sustain CW's engagement and presence in mine-affected communities, and to advocate for Extractives Industries Transparency Initiative (EITI) standardisation in South Africa.

The EITI is the leading global standard- setting body in oil, gas, and minerals transparency. CW has maintained a successful partnership with the EITI, working closely with its Secretarait on their outreach activities in South Africa.

Community engagement is a significant pillar of this project. The team's engagement with mine-affected communities continued during the year up until October 2022. The engagements are intended to educate and empower the communities in respect of corruption vulnerabilities that emerge during the mining process. Discussions centre on the need for public consultation at the various stages of the mining process, social and labour plans, the proper functioning of forums, and the proper processes required for mine closures.

The engagements were also an opportunity to roll out participation surveys in communities in the Northern Cape, Free State, KwaZulu-Natal, Mpumalanga, and Limpopo provinces. Partnering with Vodacom, CW disseminated electronic surveys, developed under COVID-19 restrictions. This has been valuable for the project as the preliminary data indicates 3 244 completed surveys and will form the basis of a best practice guide for dissemination in 2023.

We have developed a key partnership with Mining Affected Communities United in Action (MACUA), a wellregarded organisation with strong networks in communities. CW partnered with MACUA to host seven fruitful community engagements in Free State and KwaZulu-Natal, and a further three in Mpumalanga. All were well-attended and highlighted the severe impact of mining on the surrounding communities.

The EITI research report was completed and launched on 4 May 2022 ahead of the Mining Indaba. Focusing on beneficial ownership (BO) transparency in South Africa's mining sector and the implications of the EITI for the country, the report presents the case for South Africa to consider EITI membership. It was updated to reflect more recent developments in the BO legislative framework and this version was launched in October 2022.

During 2022 there was a scaling up of the business integrity leg of the programme as a joint venture between CW and TI-Australia - this will run until 31 March 2023, with CW as the implementing partner. In addition, the team participated in the Anglo American Sustainable Development Accountability Dialogue on 23 November 2022, with CW hosting a discussion table for participants.

MINING ROYALTIES

Back in 2016, CW first became aware of large-scale corruption between mining companies, local government, and traditional leaders, resulting in the loss of millions from tribal accounts held by communities throughout the country. This emerged from a whistle-blower report from community members in the Bakwena ba Mogopa traditional community in the North West, which marked the first mining-focused project for the organisation.

In 2022, CW continued to formulate strategic interventions that address the mismanagement and maladministration of community royalties through a series of engagements and meetings, as well as raising awareness. The organisation still receives reports indicating concerning levels of corruption and abuse of power in the management and administration of community royalties and tries to intervene where possible.

Activities during the year included continual monitoring and engagement with the North West provincial government and oversight bodies concerning the management of traditional authorities and financial management of development accounts, engagement with mine-affected communities (Bakwena ba Mogopa and Bapo ba Mogale), and investigations of corruption reports.

There was also a series of valuable engagements during the year with the Department of Mineral Resources and Energy regarding the management of trusts specifically in mining communities. These engagements are ongoing.

THE EUROPEAN UNION
RALLYING EFFORTS TO
ACCELERATE PROGRESS
PROJECT (EU REAP PROJECT)
CW'S PROJECT LARONA

Project Larona, launched in July 2021 and led by the **TI-Secretariat office,** is a multi-jurisdictional intervention funded by the **European Commission**

(EuropeAid), with the aim of directly supporting groups at the intersection of income, wealth, and social inequalities, particularly those most left behind in Kenya and South Africa, and more broadly in Africa.

CW and its implementing partner
Alliance for Rural Democracy (ARD)
launched the project in October
2021, with a focus on the creation of
platforms for land right holders in
mine-affected areas, so they may
actively participate in decisionmaking processes that affect their
land, property, environment, and
livelihoods. This includes research,
advocacy, and public outreach
initiatives throughout the project's life.
The project name – Project Lefatshe la
rona – is a Setswana phrase meaning
"our land" (Project Larona).

The ARD and CW hosted a series of community engagements in the **Bapo ba Mogale community** throughout the year, with the possibility of expansion into additional mine-affected communities. Workshops were also hosted with implementing partner Sonke Environmental Justice Network in KwaZulu-Natal, with Tshwaragana Ma-Africa Environmental Organisation in the Free State, and with Womxndla in Mpumalanga.

The team made oral submissions to Parliament on its written Land Court Bill submission, highlighting the corruption vulnerabilities existing in the lack of decision-making platforms for women in traditional communities, and the lack of opportunities for traditional communities to benefit from development on their land or achieve financial mobility through access and use of natural resources.

The project also yielded 13 reports, which underwent preliminary investigations over the year. A strategic impact report was produced, which profiled the lived experiences of the Jibeng community in Limpopo. However, the publication of the report was postponed pending certain queries still to be addressed.

ILLICIT FINANCIAL FLOWS

The subject of illicit financial flows (IFFs) forms part of a research component of the EU REAP project, with a focus on investigating the IFF enablers and vulnerabilities of financial institutions of select African countries that lead to inequality.

The research methodology developed for the project seeks to enable synergies in the overall project implementation and ensure comparable data when looking at cross-border flows.

An external consultant, Azwimpheleli Langalanga, was appointed in June 2022 to implement the research activities. Following completion of the quantitative and qualitative aspects of the research process, the final report on IFFs from South Africa was completed and submitted to the TI Secretariat.

BENEFICIAL OWNERSHIP TRANSPARENCY PROJECT

The Beneficial Ownership (BO)
Transparency project is a scaled-up version of the beneficial ownership thematic area that emerged under the Accountable Mining Programme.
The project, launched in 2021, comprises research into and advocacy around broader financial transparency to demystify financial and BO transparency for policy reform, to enable use of financial data for the advancement of rights, and to create sustained advocacy for policy reform and EITI implementation.

The key priorities during the first quarter of the year were on the Financial Action Task Force's (FATF) review of recommendation 24 (R24) on BO. The CW team participated in the FATF meetings as observers and engaged with the South African heads of

delegation and the Financial Intelligence Centre on CW's submissions. Key parts of the strategy were to engage the media as a strategic tool to simplify the value of FATF and to build a BO framework with enhanced transparency by profiling the submissions. Further media engagements ensued once FATF approved the revisions of its R24 that included more stringent rules for South Africa to adhere to for compliance, ushering in a new global standard on BO transparency.

One such engagement was a webinar hosted by CW and Open Ownership on 29 March 2022, titled A new global norm for Beneficial Ownership Transparency: An opportunity to further anti-corruption and transparency in South Africa? This event followed the then recently approved FATF revisions of R24, and brought together speakers from Transparency International, amaBhungane, Open Ownership, and CW. It provided an opportunity for government, civil society, and private sector stakeholders to critically discuss the scale of the problem of **BO opacity in South Africa**, while unpacking the FATF amendments to identify the various vantage points for moving the anti-corruption and transparency agenda forward.

Additional engagements regarding the implementation of R24 and its application in South Africa took place with the FIC, National Treasury, and civil society organisations.

CW participated in and provided support for the multi-stakeholder conference Collective Action for Beneficial Ownership Transparency in South Africa: From Commitment to Implementation, held on 16 and 17 May 2022 in Cape Town. The conference yielded a proposal for the compilation of a guide providing input towards a thorough assessment of the money laundering and terrorist financing vulnerabilities of all types of legal persons, including vulnerabilities that facilitate corruption in government procurement. Consequently, a Beneficial Ownership Transparency of Legal Persons and Arrangements Call to

Action to Civil Society Organisations and Private Sector Risk Assessment Concept Note and Case Study Template was prepared.

CW, with national risk assessment research consultant Sanan Mirzoyev, finalised and launched the Beneficial Ownership Transparency in South Africa research report as part of the CSO National Risk Assessment research report, which was submitted to the Financial Intelligence Centre in the third quarter of the year. In preparing for these submissions, a multi-stakeholder workshop was hosted to share and workshop draft findings ahead of the final submissions.

There was work on a strategic media campaign aimed at demystifying and raising public awareness on BO transparency. An **opinion piece** appeared on *News24* in May 2022, pointing to the benefits of R24 and the new FATF standard.

CW made **submissions** to Parliament on the General Laws Amendment Bill (Anti-Money Laundering & Combating Terrorism), highlighting the flawed public participation process; the time period for submissions was thereafter extended. In November 2022, an **opinion piece** was written and placed in *Business Day*, outlining the need for addressing the legal gaps in relation to BO transparency, and with specific reference to the CW submission.

Consultants Tim Law and Michael Barron produced two research <u>reports</u> focused on the EITI, which were launched during a webinar on 22 November 2022. The reports were titled <u>Beneficial</u> <u>Ownership Transparency in South</u> <u>Africa's Mining Sector</u>, and <u>The</u> <u>Extractives Industries Transparency Initiative and South Africa</u>.



46



Over the course of its existence, the commission drew plenty of analysis from thought leaders in the governance and anti-corruption space, including CW. We participated in media and other public engagements, giving insights on lessons learned from state capture revelations over the years.

CW launched its Zondo Commission Project in 2018, in anticipation of the inquiry's public hearings that were scheduled to begin in August of that year. Its main feature was coverage of the hearings and subsequent regular distribution of the content generated therein to community media outlets that would otherwise have struggled to cover the event.

This model brought with it challenges, but also such positive feedback that the distribution was later extended to civil society organisations with an interest in the topic. We would soon be the go-to team for all Zondo Commission coverage – and though the outbreak of COVID-19 brought a halt to in-person attendance, we continued to follow the proceedings virtually.

The public hearings phase spanned a four-year period, ending in August 2021 with, among others, President Cyril Ramaphosa as one of the last witnesses.

As things stand, CW sits with an archive of hundreds of articles written during the hearings, as well as summaries of the commission's report that followed thereafter.

CW is often asked, in public and media engagements, where in this period the organisation marks its highlights of the commission's work. Of course, there are plenty of choices in terms of explosive evidence – from the Bosasa revelations to the walkout by former president Jacob Zuma and the monetary cost of state capture within state-owned entities – but the main feature for us was the tremendous dignity and integrity with which Zondo carried out his task of establishing facts from evidence.

Granted, there have been several moves to challenge his findings in several areas – a tried and tested good principle of a democracy's judicial independence – but many can attest to the commission's ability to bring the topic of state capture to the everyday political banter that shapes many a South African's thinking of our country. The value system that informed the culture of transparency and fairness with which the commission was run, showed in its handling of crises that would emerge from time to time.

TAKING OUR ZONDO-RELATED WORK FURTHER

To explore this and other aspects of the commission's image and the revelations that came out of its investigations, CW expanded on its already informative work on the process by joining the world of digital content creation and launching the Zondo Unpacked podcast series. The nine-part series drew expert analysis and insight from guests on topics such as legal processes embedded in an inquiry of this nature, to provocative topics such as whistle-blower protection and **support.** Zondo Unpacked is available on popular platforms such as Spotify, as well as on CW's social media platforms.

While supportive of the cause with which the commission was charged, we endeavoured to hold it to the same standards of accountability and transparency that we have called for in our public institutions. For civil society organisations, a judicial process of such significant importance is only as good as its leader's ability to receive constructive advice and criticism.

Enter the Civil Society Working Group on State Capture, of which CW is part, and which over the course of the commission's work highlighted the social justice imperative that Zondo had to keep in mind when exploring evidence.

State capture, and indeed corruption in general, the working group argues, robs the very communities that need the state's assistance in their everyday lives and livelihoods – therefore, the group aims to keep the commission accountable in its undertakings, and beyond its lifespan.

LIFE AFTER ZONDO

On the back of the recommendations that the commission has made in its various volumes covering the different work streams, CW keeps track of developments in the implementation of these recommendations. But our interest in how Zondo would rule in the many work streams did not begin there.

During the public hearings, CW made two separate submissions: one calling for changes in the recruitment and appointment processes of key public servants such as the executive level of state-owned entities and law enforcement agencies, and another on changes to be considered in the policing sector. The latter did not go further than the commission, as Zondo decided to transfer the matters associated with the law enforcement work stream to law enforcement agencies.

The commission took note of our leadership appointments submission, however, and recommended that Parliament give it further consideration.

Our interest in the state capture story will continue well into the future, as we watch the space to monitor the implementations. All key players tasked with bringing to justice the many implicated parties named in the commission's report must be held accountable themselves, and civil society is equal to the task of doing exactly that.

The beneficiaries of a state captureproof South Africa – its future generations – should be able to look at this point in history as an important turning point for the country.

TESTATIVE TO THE STATE OF THE S

In the last year, South Africans have seen several legislative developments in areas concerning beneficial ownership and illicit financial flows.

However, existing challenges pertaining to the Political Party Funding Act and whistle-blower legislation are yet to be resolved, and the current administration makes countless promises to implement processes in Parliament relating to the draft Public Procurement Bill. Although government has reiterated updates to the procurement bill, it is imperative to note that the State Capture Commission of Inquiry (Zondo Commission) cemented previous calls by CW and other civil society organisations (CSOs) for adequate legislation - calls which are yet to be effusively considered in a pre-election year.

BENEFICIAL OWNERSHIP AND ILLICIT FINANCIAL FLOWS

The General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act, which amends the Trust Property Control Act, the Non-Profit Organisations Act, the Financial Intelligence Centre (FIC) Act, the Companies Act, and the Financial Sector Regulation Act, was promulgated into law in December 2022. Specific

sections of the act came into effect in December while the remaining sections will commence on 1 April 2023.

The General Laws Act serves as a panacea for amending and broadening the definition of a beneficial owner beyond what was previously provided for in the FIC Act and addresses specific shortcomings within South African's legal framework for combating financial crimes. Beneficial owners for purposes of the act include natural persons in a partnership or trust, or legal persons.

The Companies and Intellectual Property Commission (CIPC) will soon introduce a beneficial ownership register, in accordance with this legislation. This will assist in providing up to date information on natural persons who own and/or control a company, which has been a key lacuna in **beneficial ownership legislation**.

Overall, South Africa's legislative amendments relating to anti-money laundering and counter financing of terrorism are still considered lacking and inadequate, evidenced by the Financial Action Task Force's recent greylisting of the country, after the South African government delayed

developing adequate legislation as it was obliged to do under international agreements.

PUBLIC PROCUREMENT BILL

The draft procurement bill in its current version seeks to regulate public procurement and provide a framework for a procurement policy. Since National Treasury introduced the bill in early 2020, CSOs such as CW and the Procurement Reform Working Group have expressed concern around secrecy in elements of the public participation process of the bill. CW and other CSOs were engaged as a joint state resource in the Nedlac process in 2022, to address existing issues in the bill such as the lack of transparency in procurement processes.

Furthermore, the current legal framework of the 2020 version of the bill does not speak to whistle-blower protection mechanisms – a significant missed opportunity.

In March 2023, CSOs again repeated calls for <u>satisfactory legislation</u> <u>pertaining to procurement</u> on the recent emergency disaster management regulations, including the limitation of executive authority in procurement processes.

Although government has made promises to table the bill before Parliament in March 2023 – it is currently before Cabinet — we question the timing and whether this process would be concluded before the 2024 elections. Failure to do so will only point to the administration's continued failure to commit to and take proactive, decisive measures to alleviate corruption.

ADVOCACY

Since the commencement of the Political Party Funding Act (PPFA) two years ago, there have been repeated calls by the governing ANC to increase the current private donor threshold from R100 000 to R500 000. In terms of the PPFA, political parties are meant to disclose donations above R100 000 received in cash or kind.

This key piece of legislation has created more effective opportunities for the public to access transparent, accurate information on the donors to a political party and to assist them in making an informed decision when exercising their right to vote and participate as active citizens.

To raise the threshold, therefore, would pose substantial risk – particularly before a general election year. CSOs such as My Vote Counts and the

Political Party Funding Working Group have argued that a lack of declaration on smaller donations received would create an impetus for more secrecy and undue political influence.

CW is monitoring the calls for an increased threshold and will take steps to oppose any such amendment.

Currently, there have been some recommendations made on how the PPFA can be improved, with calls for political parties to work towards a different public funding model. CW is giving consideration to how the principles of disclosure of donations as per the PPFA will find application in respect of independent candidates who may wish to run for the 2024 election.

WHISTLE-BLOWING

Article 32(2) of the UN Convention Against Corruption requires member states to take appropriate measures to provide protection for whistle-blowers by inter alia providing for their physical protection and where necessary, providing mechanisms for relocation and non-disclosure of their whereabouts. Nationally, Strategic Pillar Three of the National Anti-Corruption Strategy 2020-2030 speaks to the need to have policies that encourage and protect whistle-blowers.

Unfortunately, the Protected
Disclosures Act (PDA) in its current
form fails to provide adequate
protection for whistle-blowers in
South Africa and is instead a weak
piece of legislation that is deficient
in offering much-needed protection
and support.

As it stands, the PDA lacks in providing an adequate definition of what constitutes a whistle-blower. It has been reiterated numerous times that this definition should be widened and that the current duty to inform is insufficient in providing protection (both legislative and otherwise) to whistle-blowers.

Critical to this discussion is the idea of an enhanced whistle-blower protection system that provides incentives by allowing whistle-blowers to financially claim either a reward or a percentage of civil forfeitures recovered from suppliers who have engaged in fraud and corruption. It is important to note that the current system of protected disclosures and the somewhat unrelated witness protection system are insufficient when it comes to providing real protection for whistle-blowers. It disincentivises whistle-blowers and we need a reform agenda in the country that redresses this imbalance and provides true incentives.

Legislative reform – which was also highlighted in the Zondo Commission's recommendations in 2022 – is thus speedily required and long overdue in advancing justice for whistle-blowers who have nobly risked their lives and livelihoods in efforts to expose and curb corruption. The legislated incentivisation of whistle-blowers through rewards would yield benefits in assisting them to cope with the risks associated with making disclosures.

Despite various legislative advances in the last two years, civil society advocacy still largely pushes for changes to these laws as a means of advancing justice. More advocacy will be required to accelerate processes in a transparent and accountable manner that will achieve the necessary outcomes.

LITIGATION

THE 2022 JOURNEY

CW has been involved in several high-profile public interest cases over the last few years. In this section, we present updates regarding our ongoing litigation.

Corruption Watch (RF) NPC v Eskom **Holdings SOC Limited and 6 others**

Back in November 2018, CW lodged a delinquency application against five former Eskom board members implicated in the state capture report, as well as the public enterprises minister, in terms of the Companies Act and the Public Finance Management Act.

The finalisation of the matter is a priority for CW in the post-state capture era. There have been several developments during 2022, including the receipt of answering affidavits and replying affidavits filed. Papers are being amended to include the final Zondo Commission reports, and an application will be made for a hearing date in 2023.

Public Protector v Speaker of Parliament

In the last quarter of 2021, hearings were held in the Constitutional Court during which both CW and the Centre for the Advancement of the South African Constitution, as amici curiae, gave oral submissions supporting the inquiry into the public protector's fitness to hold office. The amici submitted that Parliament's rules for removing the office-bearer of a Chapter 9 institution are in line with international jurisprudence. In February 2022, the court found in favour of the Speaker of the National Assembly, thereby giving permission to proceed with an impeachment inquiry against the public protector. CW monitored the matter throughout the year.

Traditional Khoi-san Leadership Act

In the first quarter of 2022, CW sought to intervene as amicus curiae in an application challenging the



constitutionality of the Traditional Khoisan Leadership Act 3 of 2019. In the third guarter of the year, the Constitutional Court issued directives in respect of the Act. Once the founding and answering papers had been thoroughly assessed, it was apparent that the issues central to the matter would be procedural rather than substantive in nature. We therefore decided not to intervene in the matter, although we maintained a watching brief over the matter for monitoring purposes.

Corruption Watch (RF) NPC and another v Arms Procurement **Commission and others** (Seriti Commission)

There were several developments in this matter during 2022 that culminated in the hearing of the matter.

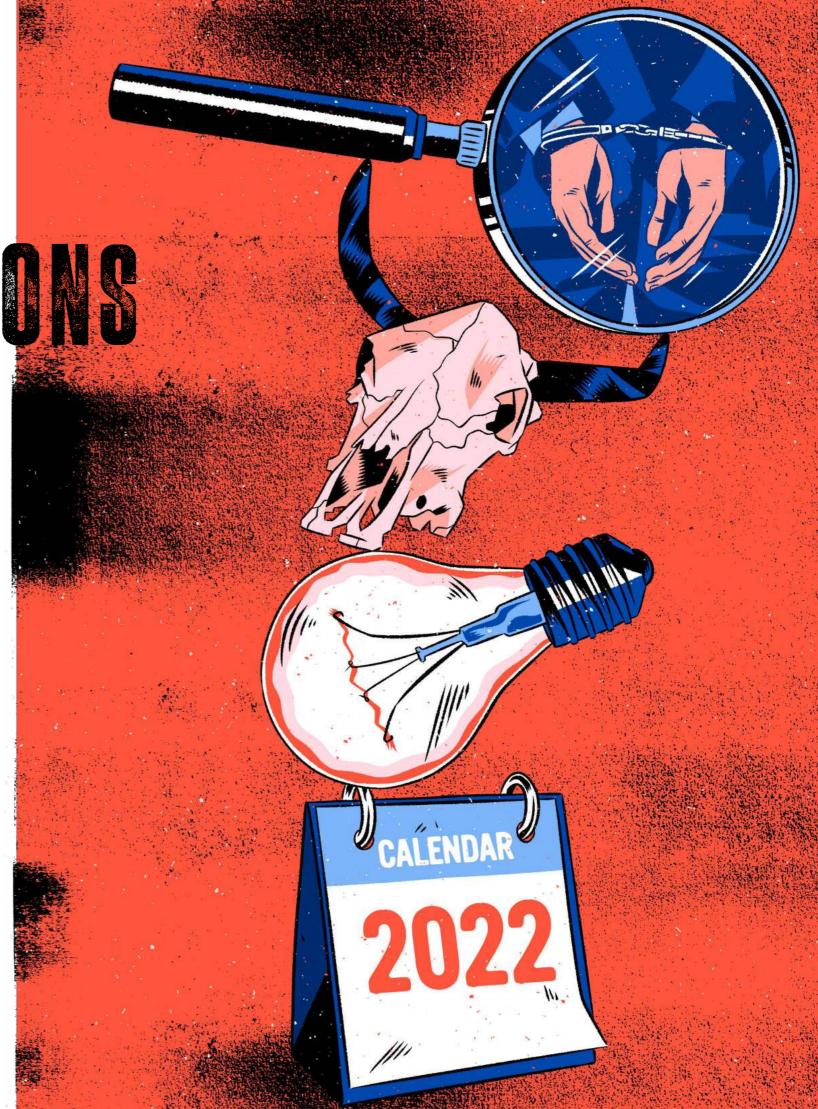
An application for leave to appeal against the findings of the initial application was launched. The application was heard in the third quarter. The application for leave to appeal to the Supreme Court of Appeal was dismissed with costs in favour of CW and other respondents. The court found that the appellants had occasioned excessive delays. In relation to the prospects of success, there were no prospects that another court would come to a different conclusion regarding the assessment of the flaws and failures inherent in the commission's report, as was set out in the review judgment - the commission failed to exercise its investigative powers in a manner required by law. It found that there was no legal point requiring a decision of a higher court.

CW in re Commission for **Gender Equality**

CW first raised concerns in July 2022 about procedural irregularities in the appointment process in respect of the outstanding commissioner posts at the Commission for Gender Equality (CGE), concerns, which have consistently revolved around issues of public participation in the process. We shared our concerns with the Portfolio Committee on Women, Youth, and Persons with Disabilities, the Speaker of the National Assembly, and the president's office. The Portfolio Committee responded with its own justification of the process.

We submitted a letter to the president on 16 December 2022 in respect of the flawed process for the appointment of CGE commissioners, recommending that appointments be made on an acting basis so that irregularities could be rectified. We advised the president that, should he elect not to follow our recommendation – made in the spirit of the crucial role that the CGE plays in the fight against gender inequality and gender-based violence in South Africa on acting appointments, these could be open to challenge in the courts.

In February 2023, the president made final appointments. Accordingly, CW will now consider challenging the process of the CGE commissioner appointments seek an order directing Parliament to set national minimum norms and standards in respect of the public participation process on political appointments.



INVESTIGATIONS

Since CW came into existence in 2012, it has recognised the central and valuable role that whistleblowers play in our society, and their critical importance in amplifying how and where corruption manifests. More importantly, their reports of corruption to CW over more than 10 vears have demonstrated the lived experiences of people surrounded by escalating levels of corruption, and its profound and real impact on their lives. Their brave actions have highlighted the social and economic costs of prolonged and sustained corruption that deprives people of their rights and entrenches inequality and have shown how efforts to accelerate justice are hampered by the corrupt few acting in their own interests.

CW's investigations have over time resulted in increased awareness about corruption in specific sectors or areas, which can lead to wider investigation by authorities and possible action against perpetrators. Similarly, clusters of reports have resulted in the conceptualisation of specific campaigns that expose corruption in that sector as a way of applying pressure on authorities or pushing for improvements in the criminal justice system.

During 2022, the investigations team identified some key focus areas for attention, including procurement, mining, schools, home affairs-related issues, TVET colleges and the SETAs, based on complaints received and trends identified. We conducted some preliminary investigations and referred them to the relevant departments.

THE 2022 JOURNEY Tackling corruption in schools

Reports of corruption happening in public schools across the length and breadth of South Africa have been a prevailing feature since CW's inception. In January 2013, we launched our schools campaign, which became one of the longest-running campaigns

and focus areas. Over the years the CW team has amassed a lot of information about how this type of corruption manifests, and why we need to pay attention to it.

There have been various iterations of reports compiled over the past two years, with the aim of raising awareness of this important matter, not only with relevant key stakeholders, but also with the general public to give them a platform for their opinions and suggestions to be taken on board when reviewing how to address schools' complaints in the future.

There are further plans to mobilise with other civil society organisations as part of a collective engagement with the Department of Education, to push for the creation of a sectoral anti-corruption forum to refer complaints, conduct investigations, and produce and distribute public education material.

CW continues to receive a steady stream of school-related complaints, two of which appear below, and is committed to continue trying to assist or intervene where appropriate.

Azariel Senior Secondary School, EC

CW received a complaint pertaining to the alleged abuse of power and irregularities in the recruitment and financial processes at Azariel Senior Secondary School in the Eastern Cape. Through CW's intervention, the Department of Education in the Alfred Nzo district initiated an investigation and a financial audit in the school, sharing a report about the ongoing investigation. The team continued to monitor the progress of the investigation, including whether implicated individuals were being held accountable or if any remedial action was in place.

Blinkwater Primary School, Limpopo

The team received a complaint pertaining to alleged corruption at Blinkwater Primary School situated outside Mokopane, Limpopo, which alleges the existence of ghost learners, misuse of funds for personal gain, and embezzlement of funds meant for the development of the school. The CW team conducted a preliminary investigation and is liaising with the Department of Education to address the allegations.

Mining investigations

Investigations conducted under the banner of CW's mining project interventions have spanned several communities and specific issues around the country.

Jibeng community

The team worked in 2022 with stakeholders in the Jibeng community in Limpopo, as part of the EU REAP mining project. An agreement was reached to publish information gathered from the community for the following reasons:

- The Jibeng stakeholders involved were very responsive to the engagements with CW. They provided relevant documents and were willing for CW to engage further to assist the community in getting back its land; and
- The private company that happens to own the community land is willing to give back the land to the community through a restitution process.

The mining investigation focusing on allegations of land corruption in the Jibeng community is currently being concluded.

KZN, Free State and Mpumalanga community engagements and mining complaints

The team attended and provided support in the two successful mining community engagements that took place in Free State and KwaZulu-Natal, with over 50 people in attendance at each. We collected 205 report forms in the Free State and 226 report forms in KwaZulu-Natal. In addition, the team distributed surveys for prospecting, production, and mine closure to determine the stages of the mines and operations, and to determine the legitimacy of the processes followed in those communities.

CW's investigators also attended and provided support in the mining community engagement held in Mpumalanga in the first week of October with the view to continue intervention, including forming relationships with grassroots organisations, increasing CW's visibility, and engaging with stakeholders to deal with mining issues.

North West: Mankwe and Mfidikwe

The team received two reports alleging illegal mining operations in the North West province. The complaints detailed allegations of illegal mining operations around 2010/2011 by Batlhako ba Matutu Mining Pty Ltd, a subsidiary of Batlhako ba Matutu Trust and Ormin Holdings in Farm Vlakfontein 164 JP, situated in the magisterial district of Mankwe. The other complaint detailed allegations of illegal mining operations taking place in an area known as Mfidikwe, a local community in Rustenburg.

CW sent a PAIA application to the Department of Mineral Resources and Energy requesting access to records, including mining licences, public participation, environmental authorisation, prospecting rights, mining rights, and social and labour plans. We held a follow-up meeting with the Mfidikwe community representatives where various matters were addressed, and guidelines were shared on forming a legally recognised structure in the mining-affected communities and on engaging with the mine regarding compensation arrangements.

On the Vlakfontein farm 164 JP matter, the team drafted a letter to the Department of Cooperative Governance and Traditional Affairs to request that action be taken against the traditional leader allegedly involved in the secret dealings regarding mining operations in the area.

Mining-related schools report: Retief Primary School

In the Mmadithlokwa community, the team witnessed the impact of mining operations on the Retief Primary School, which is located adjacent to Tharisa Mine, near the ever-encroaching mine dump on the school's outskirts. The school building has large cracks on the walls and in the classrooms, appearing to make the buildings structurally unsound, and the water appears to be non-potable due to the mining operations, all of which could put learners, educators, and employees in danger.

The team intervened on the matter by sending two letters to the North West District Department of Education, which never responded to either. The matter is being referred for intervention.



OTHER INVESTIGATIONS

TERS corruption

During the COVID-19 lockdown restrictions in 2020, CW received numerous complaints about the administration of the Department of Labour's Temporary Employment Relief Scheme (TERS).

During the past two years, CW referred many of those TERS matters to the Special Investigating Unit (SIU), which reported in the first quarter that they were finalising their investigation report, for publishing later. During the second quarter, the investigation unit received a request for further information from the SIU relating to TERS complaints and from the Small Enterprise Finance Agency (SEFA), also relating to TERS complaints. The SIU and SEFA intervention on complaints referred to them is ongoing, the outcome of which will be shared with CW once finalised.

Ingquza Hill Local Municipality

In the matter regarding allegations of the abuse of public resources in the Ingquza Hill Local Municipality, the team received an initial response acknowledging receipt of its email request for information in terms of the PAIA. Subsequently, the municipality sent a letter providing information that it considered sufficient as a response. However, the municipality did not provide a full response to the questions, and a follow-up is required.

Silverton South African Police Service

The Silverton, Pretoria, branch of the South African Police Service (SAPS) provided a detailed response to questions relating to allegations of irregularities in its procurement processes. The institution's response detailed the procurement processes that were followed and how the service provider in question was awarded the tender. Following this, a memorandum of completion was drafted, covering the allegations, CW's interventions, findings, and recommendations.

Free State Development Corporation

The team received a response from the Free State Development Corporation's acting manager for communications and marketing, in response to questions regarding alleged irregularities in the appointment of a CEO post, linked to Mr Thabo Zakhele Lebelo. This response advised the team to refer the matter to the office of the MEC for Economic, Small Business Development, Tourism and Environmental Affairs in the Free State, Mr Makalo Mohale, A letter and PAIA application were then sent for the MEC's attention, and our correspondence was acknowledged. We are waiting for the MEC's response.

CETA, SETA and TVET colleges

An investigation into the CETA, SETA and TVET colleges, and internships in the public and private sector, is ongoing, as well as work on a draft report on CW's TVET colleges/SETA intervention. The team has drafted a concept note proposing a campaign highlighting corruption within NSFAS, SETA, and TVET colleges, for implementation in 2023

COVID-19 matters

CW submitted a special memo to the Auditor-General of South Africa (AGSA), documenting various information around suspicious expenditure related to non-WHO recommended fumigation, or fogging, of public buildings as a COVID protection measure. The trend identified in reports was that of several fraudulent schemes in the Gauteng Department of Education, in other departments, and within the City of Johannesburg. The AGSA reported back to the team in a very fruitful engagement confirming that they will declare such spending as irregular expenditure. The strong and collaborative relationship built with the AGSA's office is a positive development

Gauteng Provincial Department of Health

CW received a request to investigate the Gauteng Department of Health, particularly regarding the licensing of private healthcare facilities.
The licensing authority in the department works in one of the most lucrative markets, worth billions of rands, with powerful role players who can tamper with the process of approving or suspending licences for private healthcare facilities.

The team conducted a preliminary investigation, with further meetings planned with the complainant and other individuals and sent a request to the SIU for a referral. .

TRANSPARENCY INTERNATIONAL: EXPORTING CORRUPTION 2022

THE 2022 JOURNEY

The L&I team conducted research and provided content for the **South** Africa country report section of the **Exporting Corruption 2022: Assessing Enforcement of the OECD** Anti-Bribery Convention report released by Transparency International (TI) on 11 October 2022. The report rates the performance of 47 leading global exporters, including 43 countries that are signatories of the Organization for Economic Co-Operation and Development's Anti-Bribery Convention, showing how well or how poorly countries are faring in enforcing the rules.

South Africa's record of enforcement and prosecution against foreign bribery remains low, at a time when global enforcement has dropped to its lowest level since TI began measuring enforcement patterns of some of the world's biggest exporters in 2009.

The release of the report was featured in the media, along with several interviews with CW spokespeople.

THE 2022 JOURNEY

CW first set up the required platforms to solicit donations from members of the public over six years ago. Since then, we have been gratified by the ongoing support and commitment of our many loyal supporters who have steadfastly made regular donations to our work, and in so doing have made a meaningful contribution to our efforts to combat corruption in South Africa.

Our public fundraising programme has been impacted by the events of the past few years, first from the fallout of the COVID-19 pandemic, then the unsettling events of 2021, and in 2022 the effects of the unpredictable political and economic environment, coupled with a change in the internal stewardship of the programme.

Despite these temporary setbacks and the pressure of an ailing economic climate, the public fundraising initiative has seen some momentum during the past year and is poised to launch some exciting campaigns in 2023.

In November 2022, the CW team participated in the 947 Ride Joburg cycle challenge for the second year in a row. The cycling competition is the second-biggest annual celebration of cycling in the country, after the Cape Town Cycle Tour, and is both a fundraising and advocacy platform for CW and its anti-corruption work.

team of riders and the Ekurhuleni Cycling Club, used the event as an opportunity to raise awareness and funds for our work to support whistle-blowers and the critical role that they play, and highlight the challenges that they face. The fundraising target was R100 000; and thanks to generous donations from the public, we were able to raise that amount, which will help us sustain our work in relation to whistle-blowers.

The CW team, with the help of our

CW received R144 797.28 in other donations from the public over the past year, largely through customised fundraising platforms, such as Linkserve and GivenGain, and direct deposits into our fundraising accounts set up for the purpose.

The total amount received during 2022 was therefore R244 797.28.

The planned launch of our new major giving programme, The Watcher's Circle, was unexpectedly delayed in 2022 due to ongoing challenges in coordinating the different external partners and the payment integration system. However, these matters were resolved by the end of the year, and the website and plans for its launch in the first part of 2023 are all in place.

The Watcher's Circle is an annual membership programme attracting a group of individuals who are ready to invest in and advance the efforts of uprooting corruption in our country on

R5 000+ Rosebud Circle



HE WATCHER'S CIRCLE

R20 000+ Torch Red Circle



R50 000+ Scarlet Circle



R100 000+ Free Speech Circle a more sustained basis. There are four membership levels ranging from R5 000 to over R100 000 per year, with each donation tier offering exclusive member benefits.

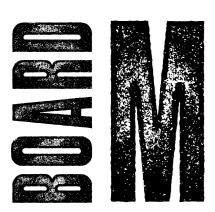
THE WAY FORWARD

The CW team considers this moment to be more crucial than ever if we are to effectively address the myriad challenges that the country faces, many of which are the result of corruption. In many ways, our work has never been more important.

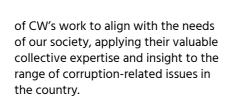
In 2023, CW aims to scale up its online fundraising through the following programmes:

- R20 for Change: an annual online giving initiative aimed at encouraging public citizenry around anti-corruption. The initiative will be geared towards employed adults with disposable income to donate R20 a month with the confidence that CW, as a trusted anti-corruption organisation in the country, will use those funds to effectively fight corruption.
- The Watcher's Circle: as outlined above, now that the various challenges have been resolved, this campaign will launch towards the end of the first quarter in 2023.
- 947 Ride Joburg: CW has seen the value of participating in this iconic race on the Johannesburg calendar. There are plans to prepare an impactful campaign earlier than in previous years to draw more support from corporates and donors as a means of sustaining our anti-corruption work.
- Walk the Talk: the team will revive its participation in this race as another advocacy and fundraising initiative. The aim is to partner with like-minded organisations in creating awareness about and support for ongoing projects in tackling the enormous corruption-related challenges in the country.





CW currently has six sitting board members, with two new board members appointed during 2022 upon the departure of Alice Brown and Thabi Leoka in early 2022. The board guides our organisational mission and vision and helps to steer the course





The board helps to ensure that CW meets its legal requirements and that governance issues are observed, and oversees the development of policies, while also making sure that the organisation is on a sound financial footing.



Dr Mzukisi Oobo Acting chairperson, author, thought leader, political risk analyst and public speaker

Dr Mzukisi Qobo advises organisations

regulation. He previously worked at the

director for trade policy and drafted the

current South African trade policy and

strategy framework. Among his many

accomplishments and activities. Oobo is

a senior associate at Tutwa Consulting

and a research associate affiliated with

University of Pretoria, as well as the head

He is a regular contributor to national and

international media. He is author of The

Fall of the ANC: What Next? published

by Pan Macmillan (Picador Africa) and

leadership in South Africa.

is currently working on a book focusing

on the new contours of transformational

the Department of Political Sciences,

of the Wits School of Governance.

Department of Trade and Industry as chief

on mitigating political risks and helps

them to capture opportunities from



Executive director and attorney



Karam Singh assumed the role of executive director of CW in January 2022, upon the departure of CW founder David Lewis. Singh spent the last 10 years in senior management for various leading public organisations and a global philanthropic organisation. Previously, he

held a prominent position with the South African Human Rights Commission with expertise in socio-economic rights and most recently, led OSF-SA's access to just initiatives.

His areas of expertise and interest range from anti-corruption, human rights, and social justice to access to justice, although the issue of anti-corruption is one of his overriding passions. His formal training has been as an attorney both in the United States and South Africa, and he remains an admitted attorney in the state of New York and in South Africa.



Firoz Cachalia Adjunct professor and chairperson of the National Anti-Corruption Advisory Council (Nacac)

Firoz Cachalia currently works as an adjunct professor at Wits University's School of Law and was appointed as chairperson of the NACAC by President Cyril Ramaphosa in August 2022. He was a member of the executive council of the provincial Gauteng government from 2004 to 2011, first in the safety and security portfolio and later in the economic development portfolio. He later headed the provincial government's planning commission between 2011 and 2012, the board of which he continues to sit on to date. Cachalia also sits on the boards of the South African Reserve Bank, where he chairs the board risk committee, Hlanganisa Institute of Development of Southern Africa, and the Helen Joseph Hospital, and is a member of the Council for the Advancement of the South African Constitution.



inclusion strategist

Gugu McLaren-Ushewokunze Social transformation and economic

Gugu McLaren-Ushewokunze has worked across sectors, including civil society, consulting and corporate, and in varying spent in the corporate sector, where

industries. Most of her career has been she spearheaded the development and the implementation of sustainable development strategies.

She spent six years at Discovery, where she supported the company's shared value business model, and now leads the National Business Initiative's (NBI) Economic Inclusion programme, where her responsibilities include developing and implementing the NBI's programme to understand the systemic barriers to driving economic inclusion, and co-creating interventions that enable change. This includes focusing on ethical leadership and initiatives that ensure a sustainable and thriving South Africa.



Marianne Camerer Giddy Senior lecturer, University of Cape Town

Marianne Camerer Giddy is a senior lecturer at the University of Cape Town's (UCT) Nelson Mandela School of Public Governance, where she focuses on ethics, leadership, and accountability, teaching on the leadership modules of the school's part-time and full-time master's programme in Development Policy and Practice. She also supervises master's and PhD students in leadership, accountability, and anti-corruption.

Giddy is regarded as an expert on anti-corruption issues. She co-founded the international NGO Global Integrity and served as international director and board member for ten years (2005 to 2015). She was a founding director of the Open Democracy Advice Centre, an NGO monitoring the implementation and encouraging the use of access to information and whistle-blower protection laws in South Africa. She has recently been appointed a trustee of the Institute for Security Studies.



Themba Maseko Communications specialist

Themba Maseko started his career in 1990 as the assistant general secretary, and then the general secretary, of the National Education Coordinating Committee. He served as an MP in the National Assembly from 1994 to 1995, and from 1995 to 2000 was superintendentgeneral of the Gauteng Department of Education. He was director-general of the Department of Public Works from February 2003 until his appointment in 2008 as CEO of the Government Communication and Information System (GCIS) and spokesperson for the government of South Africa, succeeding Joel Netshitenzhe.

Maseko left the public service in 2011 and has since served in various positions in the private sector and academia. Currently, he is the founder and director of Ricopart, an investment company focusing on property, mining, and strategic communications. He is the author of For my Country, published in 2021. In August 2018 he gave testimony relating to GCIS at the state capture commission.













Please be advised that this list does not reflect all the funders of the work of Corruption Watch during 2022.

Please access the full list of funders **here**.

THE CLAUDE LEON FOUNDATION

The Claude Leon Foundation supports projects in five distinct 'thematic' areas:

- Building research capacity in higher education.
- Supporting innovation in schooling.
- Early childhood development building the foundation.
- In defence of democracy.
- Building opportunities for post-school youth.

www.leonfoundation.co.za



CONSTITUTIONALISM FUND

The Constitutionalism Fund has three objectives:

- Promoting and advancing constitutionalism.
- Advancing transformation of the field and its institutions.
- Advancing sustainability of the field and its institutions.

www.constitutionalismfund.co.za



ODI

ODI is an independent, global think tank. They work to inspire people to act on injustice and inequality. Through research, convening and influencing, they generate ideas that matter for people and the planet.

www.odi.org/en



ELMA FOUNDATION

The ELMA Foundation invests in organisations that improve the lives of children in Africa.

www.elmaphilanthropies.org/elma



FORD FOUNDATION

The Ford Foundation believes in the inherent dignity of all people. But around the world, too many people are excluded from the political, economic, and social institutions that shape their lives. Across eight decades, its mission has sought to reduce poverty and injustice, strengthen democratic values, promote international cooperation, and advance human achievement.

www.fordfoundation.org



GIZ

GIZ is a public-benefit enterprise commissioned by the German Federal Government to support partners worldwide in a wide variety of areas, including good governance, economic development and employment promotion, energy, and the environment, as well as peace and security.

www.giz.de/en/html/index.html





MILLENNIUM TRUST

Millennium Trust supports:

- An open constitutional democracy and an engaged civil society – independent media, investigative journalism, independent judiciary, and
- · protection of human rights.
- A clean and efficient government.
 Quality education to learners in
- low-income communities.
 Economic policies towards
- inclusive growth and higher levels of employment.
- Celebrating what is good about South Africa.

www.mtrust.co.za

MILLENNIUM TRUST

OPEN SOCIETY FOUNDATION FOR SOUTH AFRICA

Mindful of South Africa's past, Open Society Foundation for South Africa (OSF-SA) seeks to promote:

- Democratic, responsive, accountable, and transparent
- governance.
 The strengthening of democracy through informed and appropriate checks and balances on the
- exercise of public and private power.
- The free flow of information and freedom of expression for all.
- Informed and politically active communities.
- Adherence to the rule of law and universal access to justice.
- The ability of the poor, disadvantaged, and marginalised to exercise their rights.

www.osf.org.za



OPPENHEIMER MEMORIAL TRUST

The Oppenheimer Memorial Trust has a long tradition of investing in education, public interest activities and other philanthropic causes. The Trust makes grants to public benefit organisations and institutions, principally in the education sector. It also supports the arts and a range of civil society organisations engaged in policy research and advocacy work.

www.omt.org.za



DAVID AND ELAINE POTTER FOUNDATION

The David and Elaine Potter Foundation is a charitable grant giving foundation established in 1999 to encourage a stronger and fairer society. The foundation provides grants that contribute to economic development and well-being in a plural, rational and tolerant society.

www.potterfoundation.com/index.html



TRANSPARENCY INTERNATIONAL /TRANSPARENCY INTERNATIONAL SECRETARIAT

"A world free of corruption is that where power is held to account for the common good. Only the proper use of power will bring the social, economic, environmental, and security benefits that people need."

SIGRID RAUSING TRUST

The Trust runs ten grant-making programmes, organised under three themes:

- Human Rights We support human rights and the rule of law, particularly in repressive or transitional societies.
- Fairness and Inclusion We support work defending minorities and marginalised people in hostile environments. We take a particular interest in combatting gender-based violence and discrimination against women.
- The Environment We fund conservation initiatives, advocacy on toxins and pollution, and work on corruption.

www.sigrid-rausing-trust.org

SIGRID RAUSING TRUST

RES FOUNDATION

The RES Foundation is a family philanthropy that supports a range of advocacy and educational organisations in South Africa. The RES Foundation has supported CW since 2020. Prior to that, from 2016 to 2019, CW was funded by the Mary Oppenheimer & Daughters Foundation.





