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A vignette for the RAITH board meeting in March 2018

At last: transparency (well, some) in the funding of political parties

Investigative journalists have played a crucial role in making information related to the private funding of political parties available to the public and to highlight the undue influence of money in politics.

Our exposés of ANC investment arm Chancellor House’s corrupt dealings in the Hitachi Power scandal culminated in the US SEC fining the engineering multinational \$19-million for contravening the Foreign Corrupt Practices Act. And our story on Cape Town mayor Patricia de Lille’s privatisation of land at the scenic Maiden’s Cove raised questions about the DA’s relationship with developers who may also be political funders.

However, such publication has been the exception rather than the rule because of the opaque nature of private party funding in South Africa. The resulting accountability gap is seen as one of the most profound risks to our democracy.

Parliament’s move in 2017 to regulate private donations to political parties has therefore been of keen interest not just to amaBhungane’s reporters but to our advocacy desk, which works on ensuring that access-to-information provisions relevant to investigative journalists are strengthened wherever possible.

The initial draft of the Political Party Funding Bill contained welcome transparency provisions, which included the IEC annually releasing details of private donations above a specified threshold.

But we felt that there were loopholes, including:

- Annual disclosure is too infrequent;
- There are no effective mechanisms to prevent “donation splitting” to stay below the declaration threshold;
- There are no rules regarding investment arms à la Chancellor House; and
- Donations of any size can be made anonymously to a fund where the proceeds are divided between represented political parties according to a formula. In instances where a national or provincial ruling party has so large a majority as to be significantly favoured by the formula, the fund risks becoming a laundromat for illicit donations.

In October, amaB made detailed written and oral submissions together with the South African National Editors’ Forum to highlight the deficiencies above.

We stated that our proposals were aimed at *“strengthening the legislation, to allow for the free flow of information necessary for the media and investigative journalists to inform the public”*, adding that this would *“enable ... civil society and oversight bodies – Parliament and the IEC – to monitor compliance and exert accountability”*.

The committee and drafters reacted well. Some of our proposals were adopted in the final version of the Bill tabled to the National Assembly in November 2017. This included reducing the donations reporting frequency to quarterly and making specific provision for PAIA requests outside of the quarterly schedule.

The Bill is likely to be adopted by the National Assembly shortly, before going to the National Council of Provinces, where we will have another bite of the cherry to close remaining loopholes.

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