



HERBERT  
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# ESG TRACKER (SADC EDITION)

August 2022 | Johannesburg

## Herbert Smith Freehills ESG Tracker (SADC Edition)

There are so many ESG-related publications and developments that it is hard to keep abreast of them all. For this reason, HSF publishes a monthly tracker of ESG-related publications and developments, with a primary focus on developments that may be of most interest to or impact our clients in the Southern African Development Community, be they corporates, asset managers or asset owners.

Key updates covered in this edition include:

- The [42nd Ordinary SADC Summit of Heads of State and Government](#) was held on the 17 - 18 August 2022 in Kinshasa, Democratic Republic of Congo.
- South Africa published the [revised National Biodiversity Framework](#) 2019 to 2024 for implementation.
- The South African Parliament has tabled the [General Laws \(Anti-Money Laundering and Combating Terrorism Financing\) Amendment Bill](#).

- The Regional Off-Grid Electricity Access Project was [launched](#) in the Gambia and Cote d'Ivoire.

If you have any ESG-related questions, please get in touch with your usual contact at HSF who will be able to direct you as appropriate.

This issue covers the period from 1 to 31 August 2022.

### ANGOLA

#### 2 August 2022

Angolan President, Joao Lourenco, has [said](#) that Angola's investments for the next few years in the energy sector may reach up to US\$7 billion, and that the Angolan authorities are working to "electrify" the entire country over the next four to five years.

#### 9 August 2022

The Republic of Angola has [received financing from the African Development Bank](#) towards the cost of the Fisheries Sector Support Project. The Ministry of Agriculture and Fisheries intends to use a portion of the loan amount towards payment for consultant services to prepare environmental and social

compliance audit, carry out project monitoring and evaluation and prepare the project completion report. The ministry invited eligible consultant firms to indicate their interest in providing the above mentioned services. The consulting firms had until 29 August 2022 to submit their expression of interest.

#### 15 August 2022

As part of its effects to implementing its National Development Plan, the Republic has approved the [National Strategy for climate action and implemented the Biodiversity Strategy and Action Plan](#). The National Strategy for climate action identifies actions aimed at adapting the national territory to the effects of climate change, adopting a low

carbon development model, mobilizing resources and promoting the strengthening of the capacity of national institutions. The Republic has also appointed an intergovernmental committee which is mandated to negotiate a legally binding instrument on plastics in conformity with the principles of the Rio Declaration.

#### 17 August 2022

It is [reported](#) that, as part of the Energy Angola 2025 programme, the Angola government is commissioning two new solar photovoltaic power plants in Benguela. The plants will have a peak capacity of 284 megawatts.

## BOTSWANA

19 August 2022

It is [reported](#) that the Botswana Government will ban the importation of all agricultural products from South Africa. Currently only the importation of tomatoes, potatoes, beetroot, cabbage and coloured peppers is banned. Members of Parliament have argued that a complete ban will increase production because since the import ban was implemented, there has been an increase in local horticulture production.

## THE DEMOCRATIC REPUBLIC OF CONGO (DRC)

10 August 2022

It is [reported](#) that the United States and the Democratic Republic of the Congo (DRC) have agreed to form a working group to protect the Congo basin rainforest and peatlands. These forests and peatlands are currently under threat from oil and gas exploration. Anthony Blinken, the US Secretary of State, made the announcement in Kinshasa on 9 August 2022.

Blinken said the working group would focus on growing the DRC's economy and financing to protect the rainforest and peatlands. He also stated that Kinshasa can help protect the Earth's atmosphere by making sure that extraction projects only take place after a rigorous environmental impact assessment. Read other reports [here](#) and [here](#).

17 August 2022

The Ministry of Health of the Democratic Republic of Congo has [reported](#) a confirmed case of Ebola virus disease in the Beni district of North Kivu province. The confirmed case was a 46-year-old woman who died on 15 August 2022. The case received care at the Beni Referral Hospital, initially for other ailments, but subsequently, exhibited symptoms consistent with Ebola. This marks the third outbreak in the North Kivu province since 2018.

17 August 2022

The [42nd Ordinary SADC Summit of Heads of State and Government](#) was held on the 17 - 18 August 2022 in Kinshasa, Democratic Republic of Congo under the theme: *Promoting industrialization through, agro-processing, mineral beneficiation, and regional value chains for inclusive and resilient economic growth*. The communiqué of the Summit can be accessed [here](#).

## LESOTHO

15 August 2022

A project has been [launched](#) to supply five cities in Lesotho with clean drinking water. This project is being funded by a US \$11.2 million 'soft development loan' from the Saudi Fund for Development. The aim of the project is sustainability of water resources, including providing clean water sources and limiting the effects of drought. As part of the project, 210km of water pipes and 25 water pumping stations will be constructed.

17 August 2022

It is [reported](#) that Lesotho's Prime Minister Moeketsi Majoro declared a state of emergency after lawmakers in the southern African kingdom parliament failed to pass two bills, including one aimed at more regulation of political parties in parliament.

The state of emergency will continue until 29 August, Majoro said in a notice in the Government Gazette published on Tuesday.

26 August 2022

It is [reported](#) that Lesotho's Constitutional Court will on Tuesday hand down rulings on two matters challenging the legality of the state of emergency and the king's decision to reconvene Parliament. Legislators have failed to pass two critical bills during the 10th Parliament. SADC and the EU want to see reforms ahead of elections on 7 October. A court challenger says there are no grounds for a state of emergency in Lesotho.

## MAURITIUS

6 August 2022

It has been [reported](#) that the Commonwealth Secretary-General, the Rt Hon Patricia Scotland QC, met the President of the Republic of Mauritius, Mr Prithvirajsing Roopun and Prime Minister, Mr Pravind Kumar Jugnauth, whilst on an official visit to the country.

The Secretary-General was in Mauritius to attend the Fifth Commonwealth Climate Finance Access Hub Steering Committee Meeting. The primary aim of the meeting is to address the lack of access to climate change finance which many commonwealth countries face. In addition, the Ministers from several other commonwealth countries deliberated on the cost-of-living crisis, youth and gender empowerment and lastly, economic recovery. It is hoped that through the Commonwealth Climate Finance Access Hub smaller, less developed member nations of the Commonwealth, who are often the most vulnerable to climate change induced disasters

and impact, are able to receive the required technical support, capacity building, and access to international climate finance.

## MOZAMBIQUE

9 August 2022

The Ministry of Finance has introduced an [Economic Acceleration Stimulus Package](#) which will focus on two sets of reforms, first being fiscal and economic stimulus and the second the improvement of its business environment, transparency, governance and the acceleration of strategic infrastructure. The fiscal and economic stimulus interventions include amongst other things VAT rate reduction from 17% to 16% and a lower corporate income tax rate from 32% to 10% in the agriculture and urban transports sectors. For the improvement of the business environment, transparency and governance, amongst other things the Republic aims to adjust its labour and investment law.

26 August 2022

Fitch Ratings has [upgraded](#) Mozambique's Long-Term Foreign-Currency Issuer Default Rating (IDR) to 'CCC+' from 'CCC'. Fitch typically does not assign Outlooks to sovereigns with a rating of 'CCC+' or below.

30 August 2022

Through the program BIODEV2030, the IUCN and the Confederation of Economic Associations (CTA) are [working together in Mozambique](#) to accelerate voluntary private sector commitments that will help the country meet its national biodiversity goals.

30 August 2022

The International Union for Conservation of Nature (IUCN) is [joining forces](#) with the Confederation of Economic Association (CTA) in Mozambique to accelerate voluntary private sector commitments that will help the country meet its national biodiversity goals. The CTA's Land and Environmental Department signed a Memorandum of Understanding to mobilise the private sector to help protect and restore biodiversity in June 2022. In the next coming months, a multi-sectoral workshop will be held to share the results of the situational analysis exploring the opportunities and challenges for implementing sectoral voluntary commitments. By October, it is expected that all of the key sectors will discuss the action plans as well as the roles and responsibilities to implement the voluntary sectoral commitments, creating a community of practice before the project ends in December 2022.

## NAMIBIA

30 August 2022

It is reported that Namibia is entering into carbon markets to try and combat climate change. The project aims to enhance the implementation of the nationally determined contributions toward net-zero emission and climate-resilient development in response to the climate emergency.

## SEYCHELLES

5 August 2022

It is reported that the United Nations Development Programme is providing US\$ 785 000 to the Seychelles for circular economy projects.

The project targets women and youth and shall be used to develop the circular economy. The aim of the project is to develop the recycling process on the island nation, and therefore, create an environment whereby consumption and reuse become common place, thereby reducing waste to the greatest extent possible.

The project will be led by the Blue Economy Department along with the Department of Environment as well as other agencies such as the Land Waste Management Agency.

12 August 2022

Four Seychelles-based businesses will take part in the first edition of the [European Union's BlueInvest Africa Forum](#), which will take place in Seychelles from 6 to 8 September 2022.

The BlueInvest Forum will bring investors from Africa and Europe together with the goal of generating business opportunities and promoting the Blue Economy in Africa. A blue economy is "a very broad concept that encompasses all maritime activities and sectors, both traditional—like fisheries—and emerging—like blue biotechnology—, whether they are based in the marine environment".

## SOUTH AFRICA

5 August 2022

The Department of Trade, Industry and Competition published a [Draft Policy Proposals on Measures to Restrict and Regulate Trade in Ferrous and Non-Ferrous Metals Waste, Scrap and Semi-Finished Ferrous and Non-Ferrous Metal Products to Limit Damage to Infrastructure and the Economy](#). The draft proposes various interventions and proposed policy measures in three phases. The first phase focuses on interventions which can be implemented without delay through the use of directives and notices; the second phase focuses on

amendments to the regulations published under the Second-Hand Goods Act and other regulations published under other legislation, which will enhance and strengthen the domestic regime for metal trading, and; the third phase focuses on aspects of the new regime which may require amendments to existing legislation and/or the passing of new legislation, including a prohibition on using cash in transactions involving scrap, waste or semi-finished metal.

**Interested persons were invited to submit their comments to the department by 26 August 2022.**

5 August 2022

The Minister of Water and Sanitation has invited the public to comment on the [Revision of the National Pricing Strategy for Water Use Charges of section 56\(1\) of the National Water Act](#). The purpose of the revision of the pricing strategy is to "facilitate reform in the sector as well to provide transparency and predictability to water users on how water will be priced". This will aid the goal of effective and efficient water use, as stated in the National Water Resources Strategy.

**Comments must be submitted by 3 November 2022.**

26 August 2022

The Minister of Forestry, Fisheries and the Environment has published the [revised National Biodiversity Framework \(NBF\) 2019 to 2024](#) for implementation. The NBF is taking a two-pronged approach: firstly, it provides an overview of the key national strategies, frameworks and systems applicable to the biodiversity sector; and secondly, it identifies the required interventions that can be used to accelerate the implementation of the high-level priorities of the National Biodiversity Strategy and Action Plan over the next five years.

The activities and projected outcomes of the NBF 2019-2024 aligns with the narrative of the New Deal for Nature and People which aims to protect and restore nature for the benefit of the people and the plant, as envisioned by South Africa.

29 August 2022

Parliament has tabled the [General Laws \(Anti-Money Laundering and Combating Terrorism Financing\) Amendment Bill](#). The primary objective of the Bill is to "address the deficiencies identified in the Mutual Evaluation Report relating to the customer due diligence measures contained in the [Financial Intelligence Centre] Act".

31 August 2022

On 31 August 2022 the Department of Employment and Labour released a [statement](#) in which it indicated that an employer should consider granting additional paid sick leave in the case where an employee's existing sick leave entitlement has been exhausted, in cases of serious harassment. According to Department of Employment and Labour Deputy Director: Employment Equity, Masilo Lefika, this is more so where the employee is on medical advice and requires trauma counselling.

31 August 2022

The Department of Employment and Labour published a [statement](#) on 31 August 2022 which provided that President Ramaphosa will imminently sign amendments to the Employment Equity (EE) Act, 1998 into law. The amendments to the EE Act are intended to empower the Employment and Labour Minister to regulate sector specific EE targets and to regulate compliance criteria to issue EE Compliance Certificate in terms of Section 53 of the EE Act will come into force on 1 September 2023.

The main objectives of the Amendments are to empower the Minister to regulate sector specific EE Targets and to regulate compliance criteria to issue EE Compliance Certificate in terms of Section 53 of the EE Act. This means that organisations that do business with the State will have to be in good standing when it comes to compliance with EE.

## ZIMBABWE

25 August 2022

As part of Zimbabwe's National Health Strategy 2021-2025, which aims at improving the health of the general population and ensuring universal health coverage, the government is [conducting a comprehensive analysis](#) of the healthcare labour market. The analysis started on 14 August 2022, and intends on looking into factors that drive the country's capacity to expand and retain its healthcare workforce. The results of the analysis will help guide the national Human Resources for Health strategic plan.

## Africa wide and other Africa jurisdictions

### 5 August 2022

The Regional Off-Grid Electricity Access Project (**ROGEAP**) was [launched](#) in the Gambia and Cote d'Ivoire. The aim of the ROGEAP is to increase access for households, businesses, public hospitals, and schools to sustainable energy services in the 15 ECOWAS member states as well as in Mauritania, Central African Republic, Chad and Cameroon.

### 18 August 2022

The African Development Bank Group [launched preparations for a new Ten-Year Strategy \(TYS\)](#) 2023-2032), which will supersede its current TYS (2013-2022). The next TYS is expected to provide a vision for how the Bank plans to build on its significant

achievements over the last decade to accelerate Africa's inclusive, green and resilient growth and development. The Bank is holding external consultations to ensure that the needs and requirements of its clients are understood and met.

### 24 August 2022

The SADC Secretariat, in collaboration with WaterAid and the United Nations International Children's Emergency Fund [launched the SADC Hygiene Strategy \(2021 - 2025\)](#). This Strategy aims to improve basic access to water, sanitation, and hygiene practices in the SADC Region. The Member States agreed that in order for hygiene practices to be improved, strong implementation, monitoring, and evaluation systems will be required in the Region.

### 29 August 2022

The Southern African Development Community Project Preparation Development Facility (**SADC PPDF**) has [approved funding of US \\$20.2 million](#) for the preparation of 12 regional projects that cover energy, transport and water sectors. The projects include the Second Alaska-Sherwood powerline in Zimbabwe; the Angola-Namibia transmission interconnector; Kasemeno-Mwenda toll road and Luapula hydro power development both between DRC and Zambia; Mulembo Leyla Hydro in Zambia; and the North South Rail Corridor involving Botswana, DRC, South Africa, Zambia and Zimbabwe, amongst others.

## Global

### 7 August 2022

The United States Senate has [passed the Inflation Reduction Act of 2022](#). The Bill includes a 15% corporate minimum tax, as well as provisions aimed at lowering the cost of prescription drugs. Importantly, it allocates nearly US \$370 billion to climate and energy-focused investments and incentives.

President Biden, after the passing of the Bill, issued a statement stating that this is "the largest investment ever in combatting the existential crisis of climate change".

### 8 August 2022

Under the Biden-Harris Administration, the United States (**US**) have implemented the new [U.S. Strategy Toward Sub-Saharan Africa](#). This strategy intends to advance the US priorities together with regional partners in sub-Saharan African over the next 5 years. The 4 objectives

of the Strategy are: to foster openness and open societies, deliver democratic and security dividends, advance pandemic recovery and economic opportunity, support conservation, climate adaptation, and a just energy transition.

### 8 August 2022

India's parliament has passed the [Energy Conservation \(Amendment\) Bill, 2022](#). The Bill promotes energy efficiency and conservation, and regulates the energy consumption by equipment, appliances, buildings, and industries. The Bill's main proposals are: (i) obligation to use non-fossil fuel energy sources; (ii) carbon trading; (iii) energy conservation code for buildings; (iv) applicability to residential buildings; (v) standards for vehicles and vessels; (vi) regulatory powers of State Electricity Regulatory Commissions; and (vii) composition of the governing council of the Bureau of Energy Efficiency.

### 24 August 2022

It was [reported](#) that the island nation of Japan is planning to restart its mothballed nuclear reactors, and develop new reactors. The move is in light of surging global energy prices, a shortage of energy generation in the country, and lastly, to move Japan towards its "green transformation", the latter being expressly stated by the country's Prime Minister, Fumio Kishida.

### 30 August 2022

Pakistan has faced historical flooding which has caused millions to be displaced, thousands of deaths, and billions of dollars in damage. The [United Nations Refugee Agency has urged](#) support for a massive scale up in emergency relief for the millions of displaced Pakistanis. It is estimated that there are currently 6.4 million people in need of immediate support.

## Recent and upcoming HSF ESG-related publications, webinars and events

- Rio tinto's serbian saga offers a lesson in critical minerals
- Africa competition law update
- The third wheel podcast series: ESG in australia episode 19
- UK energy crisis response – key proposals emerge as winter of discontent looms
- UK review of electricity market arrangements: starting gun fired on multi-year revolutionary reform?
- Conservation and development outcomes to improve under nsw biodiversity reforms
- Independent review of australian carbon credit units: submissions open
- Introduction of biodiversity certificates scheme (BCS)

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## Key SADC ESG contacts

The ESG Tracker SADC Region is compiled by lawyers based in our Johannesburg office.



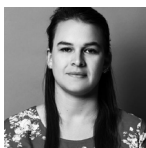
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