PRESENTATION TO SELECT COMMITTEE ON PUBLIC ENTERPRISES AND COMMUNICATION

National Treasury experience (Funding requests and attached conditions) in dealing with State-Owned Companies (SOC) and identifying early warning signs of SOC malpractices

PRESENTED BY:

Asset and Liability Division

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

2030 NDP

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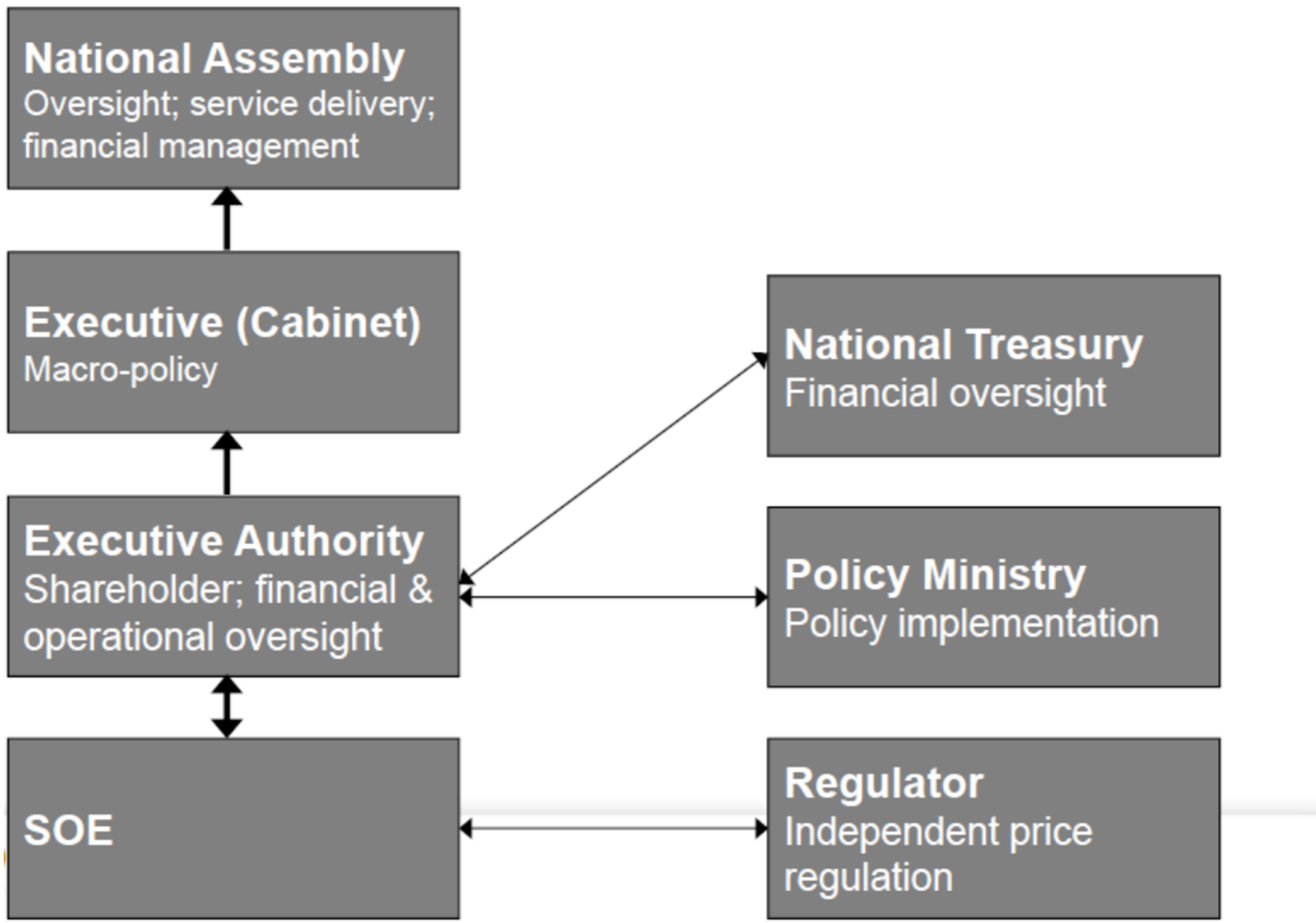
OVERVIEW

- Over the last decade there has been a significant decline in the performance of major SOCs as operational costs have increased, net profits have fallen, and debt levels have become increasingly unsustainable.
- A number of these companies do not have sustainable business models and cannot continue to operate or honour their obligations without state support.
- Leading to **increased fiscal risk and multiple bailouts that crowd out important social and other critical expenditure.**
- To reduce SOC demands on limited public resources, SOCs need to develop and implement sustainable turnaround plans that align with their mandates, incorporate long-term structural considerations in their sectors and identify appropriate funding models.
- There is an urgent need to review and enhance legal and institutional arrangements that will improve the financial oversight of SOCs, ensure accountability for their performance, and manage the fiscal risks that currently exist – requires multiple stakeholders and projects
- Executive authorities of SOCs are currently tasked with undertaking structural and policy reforms to ensure the financial sustainability of the SOCs under their ownership control.
- Pending these reforms, it has nevertheless become necessary for NT to pursue opportunities to catalyse progress in the necessary reforms – and one way is through funding/guarantee conditions.
- The work of the Presidential State-Owned Entities Council (PSEC) and supporting government structures is also critical in facilitating and expediting SOC reforms.

SOC OVERSIGHT

- SA has a hybrid/mixed governance model whereby:
  - Some entities are monitored centrally by Department of Public Enterprises e.g., Eskom (energy generation and distribution), Transnet (Rail), Denel (Defence), SAA (airline)
  - Some entities are monitored decentralised through Policy Ministries known as Executive Authorities e.g., TCTA (Water infrastructure); SABC (Broadcasting), SAPO (Post Office), ACSA (Airport company)
- NT (MoF) has a view across the entire SOC portfolio
- Governance oversight over SOCs vests in Parliament, the Executive and the Boards of SOCs
- The Executive Authority is the shareholder representative for government in SOCs

SOC OVERSIGHT…2



SOC OVERSIGHT…3

- **Schedule 2 Major Public Entities**
  - Financed fully or substantially from sources other than the NRF (NRF) – mainly reliant on revenue generating activities
  - Dividends declared at the discretion of the Board
  - Allowed to borrow on the strength of their balance sheets
  - Most entities are taxed
  - E.g. Eskom, Transnet, SAA, SABC, Denel, DBSA, TCTA
- **Schedule 3B National Government Business Enterprises**
  - As per Schedule 2, but entities have more restricted borrowing powers, are more reliant on the NRF for funding,
  - E.g. Water boards, CSIR, Mintek, PRASA, ECIC

Public enterprises operating on commercial principles

- **Schedule 3A National Public Entities**
  - Service delivery organisations fully or substantially funded from the NRF
  - Have to request NT permission to retain any (cash) surplus generated
  - Budget on a cash basis, are not taxed and cannot borrow
  - E.g. SANRAL, HSRC, NEF, NERSA
- **Provincial Public Entities (3C and 3D)**
- **Municipal Public Entities (governed by the MFMA)**

SOC OVERSIGHT: LEGISLATION & MECHANISMS

- Companies Act
- SOE founding legislation
- **Memorandum of Incorporation (MOI)**
- **King IV– Code on corporate governance**
- Independent Regulation – i.e. NERSA
- **Public Finance Management Act (PFMA) and Treasury Regulations**
  - Provides financial framework
  - Affords operational and managerial autonomy
  - Reporting/oversight mechanisms & early detection of financial performance:
    - Shareholder Compact,
    - Corporate Plan, Quarterly Reports, Annual Audited Financial Statements,
    - Borrowing Plans,
    - Government Guarantee Framework,
    - Significant assets investment/divestment,
    - Monitoring Committees – National Treasury, respective SOC, Executive Authority, Policy Department

SOC OVERSIGHT: GOVERNANCE

- National Treasury provides recommendations to Minister of Finance on Board appointments to entities reporting to him (especially Land Bank, DBSA, SASRIA and PIC)
- Provide comments on Board appointments to entities outside Minister's portfolio as and when requested.
- The appointed Boards constitute statutory committees such as the Audit Committee and Social and Ethics Committee and other committees depending on the nature of the entity's business and considering applicable prescripts and codes of good governance.
- Boards and Board Committees report via Corporate Plans and Annual Reports performance.
- The composition (NEDs vs EDs) and skills mix of the Board and Board Committees are crucial for the governance structures' oversight role and performance.
- The Audit Committee provides oversight on the financial reporting process, the audit process, the company's system of internal controls and compliance with laws and regulations.
- The Social and Ethics Committee provides oversight on the entity's activities on social and economic development, good corporate citizenship, environment, health and public safety, consumer relationships and labour and employment.
- Other Board Committees such as the Human Resource and Nomination Committees provide oversight on the entity's labour practices to ensure attraction and retention of required skills set.

HISTORICAL SOC BAILOUTS

- Government has granted R326 billion in recapitalisations over the period 2013/14 to 2022/23, of which Eskom was the biggest beneficiary.
- Recapitalisations were granted for the implementation of turnaround plans, to repay debt/government guarantees, improve liquidity and for capital expenditure.

SOC Recapitalisations

R'mil	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Eskom	-	-	23 000	-	-	-	49 000	56 000	31 693	21 857	**181 550**
SAA	-	-	-	-	10 000	5 000	5 500	20 954	4 309	2 762	**48 525**
SANRAL	-	-	-	-	-	-	-	-	-	23 736	**23 736**
Sasria	-	-	-	-	-	-	-	-	22 000	-	**22 000**
Land Bank	300	500	-	-	-	-	-	3 000	-	6 000	**9 800**
SAPO	205	-	174	650	3 700	3 263	-	-	-	2 400	**10 392**
Denel	-	-	-	-	-	-	1 800	576	3 036	3 583	**8 994**
DBSA	2 400	2 500	3 000	-	-	-	-	-	-	-	**7 900**
Transnet	-	-	-	-	-	-	-	-	-	5 837	**5 837**
SA Express	-	-	-	-	-	1 249	300	164	-	-	**1 713**
SABC	-	-	-	-	-	-	3 200	-	-	-	**3 200**
ACSA	-	-	-	-	-	-	-	2 325	-	-	**2 325**
	2 905	**3 000**	**26 174**	**650**	**13 700**	**9 512**	**59 800**	**83 019**	**61 037**	**66 175**	**325 973**

EVOLUTION OF APPROACH TO FUNDING CONDITIONS

- Historically, the government has provided funding to SOCs to ensure that they meet their obligations and operate as a going concern.
- Generally, government support was provided without any conditions being attached e.g., Vodacom shares worth R23 billion sold to recapitalise Eskom.
- Overtime, National Treasury realised that there are negative consequences associated with providing funding to SOCs without imposing conditions such as:
  - Poor oversight on how the funds are used;
  - Misuse of funds and lack of accountability;
  - SOCs frequently returning to government for more bailouts; and
  - National Treasury's inability to influence the required reforms/changes.
- Realising the limited impact post government support, National Treasury began imposing pre-and-post conditions.
- Section 4 of the Appropriation Act empowers the Minister of Finance to:
  - Impose conditions on an amount in the Schedule to the Appropriation Act in order to promote:
    - Transparency and accountability; and
    - Effective management of the appropriation.
  - Stop the use of the allocated amount if conditions are not met.

EVOLUTION OF APPROACH TO FUNDING CONDITIONS…2

- Furthermore, National Treasury has progressed to developing conditions in consultation with the SOC and Executive Authorities/Policy Department to enhance accountability, influence underlying root causes for failure and instability.
- These conditions have been tightened to ensure efficient use of financial resources as far as possible and include the following:
  - Pre-disbursement conditions – prior to funds being disbursed, SOC are required to meet certain conditions such as identifying non-core assets, considering introducing Strategic Equity Partners to the business, shareholder approval of turnaround plan.
  - Post-disbursement conditions – these require continuous monitoring through monthly and quarterly meetings, enforcing accountability by disbursing funds according to the achievement of the conditions and monitoring progress on the implementation of the turnaround plan milestones.
- Failure to adhere to these conditions results in the funding being withheld until the SOCs remedy the non-compliance.
- However, some SOCs fail to adhere to these conditions which forces National Treasury to disburse the funds to avoid a default by the SOC and thus increased fiscal exposure.

EVOLUTION OF APPROACH TO FUNDING CONDITIONS: ESKOM

- National Treasury has evolved from attaching largely operational compliance conditions on Eskom.
- These required Eskom to report on measures being implemented on areas such as coal contracts, improving Energy Availability Factor and progress on unbundling.
- However, these conditions were not able to introduce operational reforms or direct the business to invest in certain priority areas e.g. Capital Expenditure, Maintenance etc.
- Hence, despite the continued financial support, the entity continued to experience financial and operational decline.
- Although Eskom conditions requires that the government funding be used to pay off only the debt and interest, the entity has not been able to improve its financial position because it still relied on borrowings to fund its capital investment requirements.

NEW APPROACH TO CONDITIONS: ESKOM

- National Treasury is now considering a new approach to Government Support which include the following:
  - Directing the funding to settling debt and interest only and not for operational purposes.
  - Forcing the SOCs to identify efficiencies within the business which should contribute towards reducing the funding gap.
  - No new borrowing, unless written permission is granted by the Minister of Finance
  - Encouraging management to actively consider Strategic Equity Partners (SEP) to assist the business with balance sheet and expertise.
  - Limiting the capital investment focus to certain areas of the business e.g., Eskom is not allowed to invest in new capital expenditure.
  - Additionally, National Treasury is now proposing that all future bailout be provided as loans which will only be converted upon the SOCs achieving its conditions.
  - Failure to achieve the conditions will result in the loan being repayable with interest.
  - This approach will encourage SOCs entities to achieve their conditions in order to benefit from the conversion to equity as it will improve their balance sheets.
  - National Treasury is also undertaking an independent assessment of all Eskom coal fleet and envisages that some of the recommendations will be incorporated into Eskom corporate plan and be monitored on a quarterly basis jointly with the Department of Public Enterprises (DPE).

NEW APPROACH TO CONDITIONS: DENEL

- In the case of Denel, the following conditions have been imposed:
  - Written confirmation that the Shareholder (DPE) supports the turnaround plan, including the identified restructuring initiatives.
  - Alignment amongst stakeholders (Executive Authority and Policy Departments) on the disposal of non-core assets by SOC.
  - Strategic Equity Partnerships (SEP) strategy identifying dependencies, blockages and mitigating strategies developed in consultation with relevant key stakeholders (i.e. Policy Departments).
  - Funds are earmarked specifically and exclusively for obligations and initiatives outlined in the turnaround plan.
  - Funds can only be drawn down upon realising proceeds from the remaining identified non-core assets (promotes accountability and self help mechanisms).

GOVERNMENT GUARANTEES

- Guarantees were intended to be issued based on the following 1996 Cabinet approved guidelines:
  - Limiting the issuance of guarantees to reduce the gross contingent liability obligation;
  - Allow public entities to borrow on the strength of their balance sheets using guarantees;
  - Using guarantees, in exceptional cases to support restructuring objectives and to meet international agreement obligations; and
  - Levying guarantee fees to equalise benefits on borrowing cost margins of public entities borrowing with a guarantee and those borrowing without a guarantee.
- To improve the quality of requests submitted to the Fiscal liability committee (FLC) and Minister of Finance, an Instruction Note outlining minimum criteria to be met before guarantees are considered was issued by the Minister of Finance in December 2020.
- Minimum criteria includes:
  - There should be a demonstrable need for government to accept the risk (i.e., the underlying transaction must be necessary in the fulfilment of the applicant's mandate in accordance with government's overall strategy);
  - The applicant must demonstrate adequately that it will generate sufficient cash flows during the term of the underlying transaction (e.g., debt obligation) that will enable it to settle its obligation in line with the terms of the transaction timeously;
  - The guarantee, security, indemnity, borrowing limit, or transaction for which an approval is being applied for, should be offered by government and should be in line with all applicable legislation;

GOVERNMENT GUARANTEES…2

- The type of project that the underlying financing is needed for should be in line with the applicant's mandate;
- Sufficient evidence that, a clear assessment of the underlying project viability or lending activity in the case of a development finance institution (DFI), has been conducted by the relevant Ministry should be submitted as part of the application. Where it is determined that the underlying project will yield social benefits without generating enough revenue and returns that will enable the public entities to service the required debt, then the project or lending activity should be funded through the budget appropriation process; and
- Public entities that have previously not adhered to guarantee conditions should not submit applications for new guarantees.

- Requests that do not meet the criteria are not considered by the FLC.

GOVERNMENT GUARANTEES…3

- The development and implementation of the minimum criteria were developed in response to the ever-growing portfolio that was also deteriorating significantly in terms of the quality of the risk.
- The deterioration in quality was mostly impacted by the fact that at inception requests of very poor quality were considered and approved.
- National Treasury has diligently ensured adherence to the minimum criteria and as such requests that do not meet the criteria are not served at the FLC or presented to the Minister for consideration. Applicants would then receive correspondence from the Minister indicating that the request has not been considered due to non-compliance.
- Implications are that most SOC requests have not met the criteria.
- This has led to a decline in the volume of issued guarantees between 2021 and 2023.
- The quality of the portfolio has not deteriorated any further with the risk not getting higher than prior to the introduction of the minimum criteria.

Government guarantees – as at March 2023

R billion	2020/21		2021/22		2022/23	
	Guarantee	Exposure[2]	Guarantee	Exposure[2]	Guarantee	Exposure[2]
Public institutions	**581,6**	**384,7**	**559,9**	**395,3**	**478,5**	**396,1**
of which:						
Eskom	*350,0*	*298,3*	*350,0*	*313,0*	*350,0*	*337,8*
SANRAL	*37,9*	*37,4*	*37,9*	*42,0*	*37,9*	*28,6*
Trans-Caledon Tunnel Authority	*43,0*	*13,2*	*25,0*	*9,6*	*25,0*	*8,7*
South African Airways	*19,1*	*6,7*	*19,1*	*2,8*	*19,1*	*0,3*
Land and Agricultural Bank of South Africa	*9,6*	*2,4*	*9,6*	*1,9*	*8,1*	*0,4*
Development Bank of Southern Africa	*10,0*	*4,9*	*9,9*	*5,2*	*9,9*	*5,5*
Transnet	*3,5*	*3,8*	*3,5*	*3,8*	*3,5*	*3,8*
Denel	*6,9*	*3,4*	*3,4*	*3,5*	*3,4*	*0,3*
South African Express	*0,2*	*0,0*	*0,0*	*0,0*	*0,0*	*0,0*
Industrial Development Corporation	*0,5*	*0,1*	*0,5*	*0,1*	*0,5*	*0,1*
South African Reserve Bank[3]	*100,0*	*13,7*	*100,0*	*12,8*	*20,0*	*10,0*
Independent power producers	**200,2**	**176,7**	**200,2**	**165,7**	**208,5**	**187,1**
Public-private partnerships[4]	**8,0**	**8,0**	**7,9**	**7,9**	**7,1**	**7,1**

1. A full list of guarantees is given in Table 11 of the statistical annexure in the Budget Review
2. Total amount of borrowing, adjustments to inflation-linked bonds as a result of inflation rate changes and accrued interest
3. In April 2022, the Minister approved the reduction of the loan guarantee scheme to R20 billion
4. These amounts only include national and provincial PPP agreements
Source: National Treasury

- Government's exposure to contingent liabilities emanating from guarantees issued to public entities, (representing utilised guarantees) is expected to reach R396.1 billion in from R384.7 billion as at 31 March 2021.
- The total issued guarantees declined from R581.6 billion in 2020/21 to a projected R478.5 billion as at 31 March 2023.
- Exposure to Eskom comprises 85.3 per cent of the total.

What is the role of the PSEC in resolving some of these challenges?

- The mandate of the Presidential State-Owned Entity Council (PSEC) includes strengthening the framework governing SOEs including the introduction of an overarching Act governing SOEs and the determination of an appropriate Shareholder Ownership Model.
- PSEC is expected to ensure that SOE-specific interventions are implemented to stabilise companies through the strengthening of their governance, addressing their immediate liquidity challenges and implementing agreed turnaround strategies.
- Furthermore, the Council will review business models, capital structure and sources of financing for SOEs and will monitor and mitigate risks through three workstreams:
  - Governance Workstream;
  - Finance Option Workstream; and
  - Consolidation and Crisis Management Workstream.
- While the focus is on 20, mainly schedule 2, entities, PSEC's work has been slow and it is unclear how their work will be implemented.

How is NT responding to SOC challenges?

- There has been a significant shift in SOC bailouts over the years – although the quantum of the bailouts have not decreased, the manner in which the bailouts have been structured brings in a greater degree of accountability.
- While NT has a role in influencing SOC decision-making, our leverage is limited and rely on a handful of tools – e.g., foreign borrowing limits, guarantees, other PFMA applications and other interventions through the government system.
- However, we do get more involved when SOCs are distressed or require bailouts and Operation Vulindlela provides an additional opportunity to influence the policy environment in which SOCs operate.
- NT is developing a new framework for managing bailouts to SOCs to reduce fiscal risks and promote long-overdue reforms. The preliminary framework will be published for consultation and will thereafter be submitted to Cabinet.


THANK YOU

APPENDIX: DETAILS ON SOC BAILOUTS

Eskom 1

- In 2008, Parliament approved that funding totalling R60 billion be provided in the form of a subordinated loan to Eskom to support its capital expenditure programme. The money was appropriated as follows: R10 billion in 2008/09; R30 billion in 2009/10 and R20 billion in 2010/11 through the budget of the National Treasury.
- To strengthen Eskom's balance sheet, Cabinet approved the provision of a support package in September 2014, which included the conversion of the existing R60 billion subordinated loan to equity. The conversion of the subordinated loan did not have direct cash flow impact either for Eskom or Government.
- The support package also included an allocation of R23 billion to Eskom which was to be funded through the sale of non-strategic assets.
- Over the period 2015/16 to 2022/23, Eskom received bailouts to the value of R181.55 billion excluding the conversion of the subordinated loan.
- In the February 2019 Budget Speech, the Minister of Finance announced that Government has set aside R23 billion per year for the ten years to financially support Eskom, with the accumulated fiscal support amounting to R230 billion.

Eskom 2

- However, due to a decline in Eskom's financial position, a Special Appropriation Bill was tabled on an urgent basis to allocate a significant portion of the R230 billion fiscal support earlier than initially planned.
- Of the R230 billion government support package, Government has provided R158.6 (R49 billion, R56 billion, R31.7 billion and R21.9 billion for 2019/20, 2020/21, 2021/22 and 2022/23 respectively). Of R21.9 billion in equity allocated for the 2023 financial year, R11 billion was received by 31 December 2022, with the remaining balance received in January 2023.
- In the 2023 Budget, the Minister of Finance proposed a total debt-relief arrangement for Eskom of R 254 billion.
- This consists of two components. One is R184 billion. This represents Eskom's full debt settlement requirement in three tranches over the medium term. Second is a direct take-over of up to R70 billion of Eskom's loan portfolio in 2025/26.
- Because of the structure of the debt relief, Eskom will not need further borrowing during the relief period.
- Government will finance the arrangement through the R66 billion baseline provision announced in the 2019 Budget, and R118 billion in additional borrowings over the next three years.

South African Airways (SAA)

- The total direct recapitalisation amount for SAA since 2007 until the airline was placed into business rescue in December 2019, amounts to R22.8 billion.
- An additional R16.4 billion was allocated over the 2020 Medium Term Expenditure Framework (MTEF) period for the repayment of government guaranteed debt.
- An additional R10.5 billion was also made available to SAA in 2020/21 for the implementation of the business rescue plan following the 2020 Medium Term Budget Policy Statement (MTBPS).
- The Minister of Finance has also announced an additional allocation of R1 billion in the February 2023 budget speech for SAA for the settlement of outstanding business rescue process obligations.
- Therefore, when the 2023 Appropriation Bill is assented into law, SAA will have received a total of R50.7 billion in direct government funding from 2007 to 2022, of which R48.4 billion will have been received in the past 10 years.

Airports Company South Africa (ACSA)

- The COVID-19 pandemic and the subsequent travel restrictions negatively affected the operations of ACSA. ACSA recorded a 92% decline in traffic volumes in the first six months of 2020/21 when compared with 2019/20.
- Traffic volumes were not expected to return to the pre-covid 19 levels in the medium-term, leading to shortfalls in available funds to meet ACSA's operational requirements.
- To mitigate against the impact of the pandemic, ACSA engaged with its shareholders, including Government, on possible shareholder support.
- As a result, Government allocated R2.3 billion to ACSA in the 2020 Medium-Term Budget Policy Statement (MTBPS) for the purchase of redeemable preference shares to cover the shortfall resulting from the reduced traffic volumes.

TRANSNET

- The Special Appropriation Act (2022) provided Transnet with R2.9 billion to accelerate locomotive repair and maintenance.
- The Adjustments Appropriation Act (2022) provided an additional R2.9 billion to Transnet to restore infrastructure damage caused during the April 2022 floods in KwaZulu-Natal

SANRAL

- SANRAL was allocated R23.7bn to settle maturing debt and debt-related obligationsincluding debt obligations related to Gauteng Freeway Improvement Project, through a Special Appropriation Bill in 2022.

SABC

- In 2019, the SABC was experiencing severe liquidity constraints threatening its going concern status due to a decline in audience share resulting in low revenue.
- This resulted in government allocating R3.2 billion to the South African Broadcasting Corporation (SABC) through the contingency reserve in 2019/20. The funds were intended to help the SABC pay its bills, acquire new content and conduct maintenance required in line with its turnaround plan. The SABC was required to meet a set of pre-conditions before any funding was disbursed.

South African Post Office (SAPO)

- SAPO's financial position deteriorated drastically after the cessation of the (universal service obligation (USO) subsidy in 2013.
- The unfunded USO mandate coupled with its outdated business model resulted in SAPO relying on loan funding for its working capital requirements.
- As SAPO could not repay these loans, SAPO required R7.9 billion in recapitalizations over the period 2014 to 2019 to repay outstanding debt as well as to implement its turnaround plan and invest in capital expenditure.
- Despite SAPO, receiving recapitalisations and its USO funding being reinstated in 2019, SAPO still could not improve its financial position due to its outdated business model relying on traditional mail which is declining globally.
- SAPO's decline was exacerbated by the Covid-19 pandemic, resulting in government approving a recapitalization of R2.4 billion in 2023 to assist SAPO in implementing its new turnaround plan.

DENEL

- Denel has been experiencing liquidity and solvency challenges that emanated from, amongst others, weak governance structures, poor programme execution, poor working capital management, a high-cost base with declining revenues, poor contracting resulting in the entity taking on unprofitable projects etc.
- Due to Denel's ailing financial position, the entity has not been able to meet its financial obligations i.e., guarantee obligations, supplier and salary payments, tax obligations etc.
- Therefore, in 2019/20 and 2020/21 Denel was recapitalised with R1.8 billion and R576 million, respectively. These funds were provided in support of the entity's turnaround plan.
- An additional, R3.4 billion has been allocated in 2022/23 to assist the entity with the completion of its turnaround plan. These funds will only be disbursed to the entity following adherence to the conditions attached thereto.
- In 2021/22 and 2022/23, Denel was provided with funds amounting R3.035 billion and R204.7 million respectively. These funds assisted the entity to meet obligations under its Domestic Medium Term Note Programme i.e., payment of maturing bonds and associated interest payments.

SASRIA

- Following the July 2021 unrest, Sasria received claims that were higher than anticipated and this significantly deteriorated Sasria's financial position.
- Thus, in 2021/22, Government recapitalised Sasria with R22 billion.
- The funds enabled the entity to settle valid claims and assist the entity to recover its solvency cover ratio in line with the regulatory (Prudential Authority) requirements.

Land Bank

- Since the 2009/10 financial year, the Land Bank has received recapitalisation to the value of R13.5 billion as follows:
  - R3.5 billion over the financial years 2009/10 to 2014/15. This was provided in order to address the challenges faced by the Land Bank at the time which included financial mismanagement.
  - Following defaulting on its debt obligations on 01 April 2020, R3 billion was allocated to the Land Bank during the June 2020 Supplementary Budget. The R3 billion was earmarked to assist the Land Bank in repaying lenders and resumes its lending activities.
  - During the 2021 National Budget, an additional R7 billion was allocated to the Land Bank. The funding was meant to (a) cure the default position of the Land Bank; and (b) re-establish its development and transformation mandate. R5 billion was allocated for FY2022, with R1 billion allocated for each of FY2023 and FY2024. Due to delays in curing the default position, the R5 billion allocated for in FY2022 was only transferred in FY2023.
- Any consideration for additional funding will be provided to the Land Bank upon completion of a new business case, subject to government Budget processes.

The Development Bank of Southern Africa

- In 2014 to 2016 the DBSA received a total injection of R7,9 billion to support its turn around strategy and restructuring, to supplement the DBSA's capital and to support their development mandate.