

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 2370**

**QUESTION:**



**2370**. **Ms B M van Minnen (DA)** **to ask the Minister of Public Enterprises:**

On a recent oversight visit by the Standing Committee on Public Accounts (Scopa) to the Megawatt Park Power Station, the board of Eskom indicated that (a) it is required by his department to put together a corporate plan articulating key performance indicators (KPIs), which would culminate into performance agreements and (b) a plan is in place, but it has to get the consent from his department before it will be shared with Scopa, (i) what are the details of the progress on getting consent from his department and (ii) by what date will the plan be signed off?

**REPLY:**

(a)

The Minister gives strategic direction to the entity through the Strategic Intent Statement (SIS).  Regulation29.1 of Treasury Regulations, read with section 52 of the Public Finance Management Act (PFMA) requires the entity to develop a Corporate Plan that covers three years and must include, inter alia, strategic objectives and outcomes identified and agreed on by the executive authority (the Minister of Public Enterprises) in the shareholder’s compact. The Shareholder’s Compact (SHC) is a negotiated performance agreement between the Shareholder and the Board.

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The Corporate Plan (which provides a perspective on Eskom’s strategy execution trajectory), drives the delivery of the approved SHC, directing the relevant business areas to deliver the KPI targets that have been compacted on.

The Corporate Plan is reviewed annually to factor in the SHC decreed KPI targets and to ensure that Eskom’s strategy execution is realigned to the prevailing operating realities. The Corporate Plan was taken through the appropriate Eskom governance process (Exco/Board) for approval and was submitted to the Ministers of Public Enterprises and Finance on 31 March 2022, in accordance with Treasury Regulations 29.1.3.

(b)(i) (ii)

Some of the information is deemed commercially sensitive, including industry analysis (including suppliers and customers bargaining power over the company and comparisons, benchmarking, competitive advantages, and corporate calendars). The SHC and the Corporate Plan are therefore largely company confidential internal documents. The Corporate Plan, in presentation format, can be shared with external parties, including Parliament, funders, rating agencies and other Government Departments. Given the disclosure of sensitive information that could have a negative impact on the entity, and undertaking to share information with Parliament, I will direct Eskom to share a redacted copy of the Shareholder Compact within the next month.