



A photograph of President Cyril Ramaphosa of South Africa, speaking at a podium. He is wearing a dark suit, a white shirt, and a red patterned tie. He has a gold South African presidential pin on his lapel. The podium features the circular seal of the Parliament of the Republic of South Africa. The background is blurred, showing other people in formal attire.

# **STATE OF THE NATION ADDRESS 2023**

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## **SUMMARY**





## **Working together to ensure that no one is left behind**

We are focused on those actions that will make a meaningful difference now, that will enable real progress within the next year and that will lay a foundation for a sustained recovery into the future.

We are concentrating on those issues that concern South Africans the most: load shedding, unemployment, poverty and the rising cost of living, crime and corruption.

There are no easy solutions to any of these challenges. Yet we have the strength, the means and the wherewithal to overcome them.

If we work together and act boldly and decisively, leaving no one behind, we will be able to resolve our challenges.

**LEAVE NO  
ONE BEHIND**



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# Addressing load shedding

*A national state of disaster has been declared to address the social and economic effects of the electricity crisis and to reduce the severity of load shedding.*



*“Without a reliable supply of electricity our efforts to grow an inclusive economy that creates jobs and reduces poverty will not succeed.”*

## Load shedding

The **national state of disaster** will enable government to **implement practical measures** to support businesses in the food production, storage and retail supply chain, including for the rollout of generators, solar panels and uninterrupted power supply.

Where technically possible, it will enable us to **exempt critical infrastructure** such as hospitals and water treatment plants from load shedding.



- Appoint a **Minister of Electricity** in the Presidency to assume full responsibility for overseeing all aspects of the electricity crisis response, including the work of the National Energy Crisis Committee
- **Add new generation capacity** to the grid as quickly as possible, while maintaining rigorous environmental protections, procurement principles and technical standards
- Initiate immediate measures to **improve the performance** of Eskom's existing power stations and stabilise the longer-term energy system
- Roll out **solar panels** and invest in **new transmission lines and substations**, especially in areas of high concern
- Adjust the **bounce-back loan scheme** to enable small businesses to invest in solar equipment
- Amend the bounce-back loan scheme requirements to allow banks and development finance institutions to **expedite the leasing of solar panels** to their clients

## Load shedding

### ESKOM

Under its new board, Eskom is deploying people and resources to ensure its **smooth running** and to **improve the reliability** of the six power stations that have contributed the most to load shedding.

National Treasury is finalising a solution to Eskom's **R400 billion debt burden** in a manner that is equitable and fair to all stakeholders.



- **Deploy people and resources** to improve the reliability of power stations that have contributed to reduce load shedding
- **Finalise a debt solution** to enable the utility to make necessary investments in maintenance and transmission
- Buy excess power from **private generators** to capacitate the national grid
- Start operating the **National Transmission Company**

## Just transition to a low-carbon economy

Through the Just Energy Transition (JET) Investment Plan, **R1.5 trillion will be invested** in our economy over the next five years in **new frontiers** such as renewable energy, green hydrogen and electric vehicles.



- Develop and undertake an implementation plan for the **JET Investment Plan**

Government is all set to table the Electricity Regulation Amendment Bill to **transform the energy sector** and establish a **competitive electricity market**.



- Table the **Electricity Regulation Amendment Bill**





# Growing the economy and jobs

*"We have laid a firm foundation based on the commitments we made for faster growth through our investment drive, economic reforms, public employment programmes and an expanding infrastructure programme."*

## Presidential Employment Stimulus

The Presidential Employment Stimulus has created over 1 million work and livelihood opportunities. Government is also **creating work opportunities** using the capability of organisations beyond government, in areas such as urban agriculture, early childhood development, public art and tackling gender-based violence.



- Recruit a further **50 000 participants** for the next phase of the **Social Employment Fund** to undertake work for the common good
- Recruit a further **36 000 participants** for the **National Youth Service** to enable young people to contribute to their communities, develop their skills and grow their employability
- Recruit the remaining **10 000 young people** for the **digitisation of paper records**

## Presidential Employment Stimulus

**Women farmers** made up an impressive **68% of the 140 000 small-scale farmers** who received input vouchers to buy seeds, fertiliser and equipment, providing a boost for food security and agricultural reform.



- **Scale up production input vouchers** to reach a combined 250 000 small-scale farmers

## Freeing small businesses

To **drive economic growth** and **increase employment opportunities**, government is supporting small-and medium-sized enterprises, and making it easier for entrepreneurs to start businesses.



- Introduce **amendments to the Businesses Act** to reduce regulatory impediments for SMMEs and co-operatives
- Strengthen the **bounce-back loan scheme** to assist SMMEs and informal businesses

Through the Small Enterprise Finance Agency (SEFA) government plans to **provide R1.4 billion** in financing to over **90 000 entrepreneurs**.



- **Provide financing** to SMMEs through SEFA

Government is working in partnership with the SA SME Fund to **establish a R10 billion fund** to support SMME growth, with **R2.5 billion** from government and **R7.5 billion** from the private sector.



- Establish **R10 billion SMME growth fund** with SA SME Fund



## Supporting women-owned businesses

In support of **women's economic empowerment** government will direct at least **40% of its public procurement spend** to women-owned businesses.



- Continue to establish an enabling environment to **support women entrepreneurs**

The Industrial Development Corporation has earmarked approximately **R9 billion to invest in women-led businesses**. Other entities including the Public Investment Corporation and the National Empowerment Fund have also committed to establish special purpose vehicles to support women-owned businesses.



- Enable access by women-owned businesses to **funds earmarked by development finance institutions** to drive inclusive economic growth

## Cutting red tape

The **red tape reduction team** has taken a collaborative approach to help businesses to grow, working with departments and agencies to make it easier to do business.



- Continue with measures to **reduce red tape in priority areas**, including the mining rights system, tourism transport operator licenses, visas and work permits, early childhood development and the informal sector

## Making and buying local

The Department of Agriculture Land Reform and Rural Development and the Department of Health will address existing conditions for the **cultivation of hemp and cannabis** to allow outdoor cultivation and collection of harvests from traditional farmers.



- Implement **changes to the policy and regulatory framework** for hemp and cannabis

## Structural reforms

**Transnet and private sector companies will conclude partnerships** at the Durban and Ngqura container terminals, to enable new investment in our ports and improve their efficiency.



- Finalise award to preferred bidders for Durban and Ngqura **container terminals**

Our rail network has suffered from many years of underinvestment, lack of maintenance, criminal activity and inefficiency. To address this, last year, we adopted the **National Rail Policy** to guide the modernisation and reform of the rail sector.



- **Rehabilitate** idle locomotives and **expand fleet**

In the telecommunications sector, the **completion of the spectrum auction** has unlocked new investment and contributed R14 billion to the fiscus.



- Migrate the remaining households to **digital television signal** and complete the switch-off of analogue transmission

## Skills for a growing economy

The most effective and sustainable way to build an economy is to equip people with the skills and know-how to drive it. The National Skills Fund is providing **R800 million** in 2023 to **develop skills in the digital and technology sector** through an innovative model that links payment for training to employment outcomes.



- Strengthen the connection between the skills we develop and the skills the workplace needs, to ensure we **capacitate people with relevant skills to enter the job market** with confidence

## Skills for a growing economy

Government will be implementing recommendations for work visas, which include establishing a more **flexible points-based system** to attract skilled immigration, implementing a **trusted employer scheme** to make the visa process easier for large investors and streamlining application requirements.



- Implement recommendations of **work visa review**
- Introduce a remote worker visa and a special dispensation for **high-growth start-ups**





# Building better lives

*Government recognises that education is an investment in the future of our country, and our objective is to provide quality education that prepares young people for current challenges and future opportunities.*

*We are also undertaking measures to address the rising cost of living and combat poverty and hunger by providing various forms of support, basic services and assistance to households and individuals.*

*The support and planning mechanisms that government has put in place is finally delivering increased public investment in infrastructure.*

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*"The reliable supply of water is essential for the well-being of people and the growth of our economy."*

*"Access to quality education for all is the most powerful instrument we have to end poverty."*

## Improving education

The Department of Basic Education is **streamlining the requirements** for early childhood learning and development centres as part of a **long-term solution to reducing inequality**.



- Pare down and **simplify requirements for ECD centres** to access support and enable thousands more to **receive subsidies from government**

The Sanitation Appropriate for Education (SAFE) initiative, together with the Accelerated School Infrastructure Delivery Initiative (ASIDI), has **built 55 000 appropriate toilets** with resources from the public and private sector.



- Complete construction of **safe sanitation** in outstanding schools

Government is working to strengthen the link between the **skills that we develop and the skills the workplace needs**, and finalise funding for higher education and training, particularly for students who fall outside current NSFAS criteria.



- Expand **vocational education and training** through implementation of the three-stream model
- Finalise the **Comprehensive Student Funding Model** for higher education
- Increase the number of **students entering artisan training** in TVET colleges from 17 000 to 30 000 in 2023

## Fighting hunger and poverty

Government is taking measures to **address poverty** and counter the **rising cost of living**.



- Extend the **Social Relief of Distress Grant** to end March 2024
- Ensure that existing social grants are increased to **cushion the poor against rising inflation**
- Develop a longer-term alternative for **targeted basic income support** to replace the SRD Grant

*“Through a strengthened and expanded social protection system, fewer people will live in poverty and fewer households will experience hunger.”*

## Building infrastructure

Government is taking steps to unlock massive value for poor households by **processing the backlog of title deeds**.



- Expedite the issuing of **title deeds for subsidised housing**.

To ensure **water security** now and into the future, the Department of Water and Sanitation is leading the process of **investing in major infrastructure projects** across the country.



- As part of the **Umzimvubu Water Project**, begin construction of the **Ntabelanga Dam** and irrigation infrastructure, and the distribution of water to communities
- Begin full-scale construction for **Lesotho Highlands Phase Two**

One of the greatest obstacles to infrastructure investment is the **lack of technical skills and project management capacity**.



- Infrastructure SA to expand support for project preparation in **rural and under-resourced areas**



# Making communities safer

*We are strengthening the police to prevent crime and improving the capacity of the National Prosecuting Authority and courts to ensure perpetrators are brought to justice.*

*This includes putting more police on the streets and setting up specialised teams that will focus on specific types of crime.*

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*“In January last year, I signed into law three key pieces of legislation that afford greater protection to survivors of gender-based violence and ensure that perpetrators are no longer able to use legislative loopholes to evade prosecution.”*



## Gender-based violence

Government is implementing new legislation which has **strengthened the criminal justice system**, put more effective deterrents in place to promote accountability, and **enabled better protection and support for survivors**.



- Improve the accessibility and **functioning of Sexual Offences Courts**
- Expand the network of **Thuthuzela Care Centres**
- Provide **financial support for various programmes** that address GBVF, from protection and prevention to rebuilding social cohesion and justice

## Fighting crime

Government has embarked on a process of reform to improve the **effectiveness of our fight against crime, corruption and sabotage**.



- Undertake reforms in safety and security using the **Operation Vulindela** approach
- Allocate more funding to **SAPS, NPA and SIU** in the 2023 Budget
- Continue to tackle economic sabotage and related crimes through **multi-disciplinary economic infrastructure task teams**

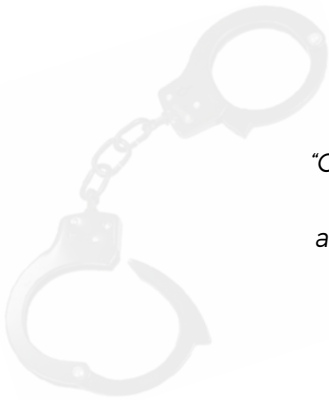
Government continues to **visibly increase police presence** on the streets as further deterrent to criminal activities, especially in crime hotspots.



- Recruit an additional **10 000 new police personnel**
- **Identify and target crime hotspots** by analysing data in a manner that makes the best use of the information



*Government has zero tolerance for corruption and is working to rebuild the capacity of law enforcement agencies and other institutions that were weakened by state capture and corruption.*



*"Our reinvigorated law enforcement agencies are taking firm action against companies and individuals alleged to have been involved in state capture."*

### State Capture Commission

Government is addressing the **systemic weaknesses** identified by the Commission to prevent state capture in any form going forward.



- Continue implementing a plan of action based on **Zondo Commission recommendations**

## Strengthening the fight against corruption

Government is working to further **empower the Witness Protection Unit** through the introduction of stronger legislation to **protect whistleblowers and witnesses**.



- Introduce amendments to the **Protected Disclosures Act and Witness Protection Act**
- Improve access to the **witness protection programme** for public servants who expose maladministration, corruption and unethical conduct

Government is finalising the draft Public Procurement Bill to **close policy gaps in procurement** as a measure to prevent corruption.



- Introduce the **Public Procurement Bill** to improve efficiency, ensure value for money and increase transparency in procurement

The **National Anti-Corruption Advisory Council** is in place to advise on suitable mechanisms to stem corruption.



- Introduce legislation to make the **Investigating Directorate permanent**
- Finalise proposal to **overhaul and strengthen anti-corruption** institutional architecture
- Work with civil society, including the private sector, to effectively **implement an anti-corruption strategy**



# Making government work

*As part of efforts to build a capable state, government is taking measures to minimise the scope for political interference in state-owned enterprises by adopting a centralised model. It is also taking action to transform the public service into a professional and ethical sector.*

*“Our greatest weaknesses are in state-owned enterprises and local government.”*

## State-owned enterprises

The Presidential SOE Council will **establish a state-owned holding company** as part of a centralised shareholder model.



- Finalise SOE Shareholder Management Bill to ensure **effective oversight** of SOEs.

*"The poor performance of many local governments remains an area of concern."*

## Public service reform

Government, in line with the framework for the professionalisation of the public service, is amending legislation and introducing mandatory requirements to ensure **appointment of qualified public servants**.



- Amend legislation and strengthen **Public Service Commission** to ensure the appointment of qualified people to the public service
- Introduce **integrity assessments** as a mandatory requirement
- Introduce **entry exams** to ensure a high competency standard

Government is implementing a number of interventions to **address failures at local government level and improve basic service delivery**.



- Enhance the **capacity of public representatives** and officials
- Maintain and **upgrade local infrastructure**
- Invoke the powers of national government to **intervene where municipalities fail** to meet their responsibilities

The **Presidency and National Treasury will work together** to rationalise government departments, entities and programmes over the next three years.



- **Develop a proposal for rationalisation** of departments, entities and programmes



THE PRESIDENCY  
REPUBLIC OF SOUTH AFRICA