CORPORATE PLAN 2023/24 - 2027/28

ESTABLISHED IN 2001

ECIC

EXPORT CREDIT INSURANCE CORPORATION OF SOUTH AFRICA SOC LTD

1. ACRONYMS AND ABBREVIATIONS

BAC Report	External Audit Report to ECIC Audit Committee
B-BBEE	Broad Based Black Economic Empowerment
ECA	Export Credit Agency
Government	The government of the Republic of South Africa
IBNR	Incurred but not yet reported
IFRS	International Financial Reporting Standards
IMU	Interest Make-up
JKPI	Joint Key Performance Indicator of **the dtic** and its entities
NDP	National Development Plan 2019-2024
PFMA	Public Finance Management Act
SAM	Solvency Assessment and Management prudential regulatory regime
SCR	Solvency Capital Requirement (regulatory capital required determined on standard formula)
SMART Principles	Specific Measurable Achievable Realistic and Timebound
SOC	State Owned Company
the dtic	The Department of Trade, Industry and Competition
$	United States Dollar

2. CONTENTS

3. CORPORATE STRUCTURE

OWNERSHIP AND OPERATING STRUCTURE

4. OFFICIAL SIGN OFF

It is hereby certified that this Corporate Plan was developed by the management of Export Credit Insurance Corporation of South Africa SOC Ltd ("ECIC") under the guidance of the Board.

The Corporate Plan accurately reflects the performance targets which ECIC will endeavour to achieve given the resources made available in the budget for 2023/24 – 2027/28.

Noluthando Mkhathazo:
Chief Financial Officer

Mandisi Nkuhlu:
Acting Chief Executive Officer

Recommended for approval by:

Dheven Dharmalingam
Accounting Authority

5. FOREWORD BY MINISTER

The 2023/24 Corporate Plan of the Export Credit Insurance Corporation reflects the continued efforts of **the dtic** Group to align our financing activities around a common purpose; grounded in efforts to support **Industrialisation** to promote jobs and rising incomes, drive **Transformation** to build an inclusive economy, and build a **Capable State** to ensure improved impact of public policies.

The Corporate Plan contains an ambitious set of targets aimed at working with other financiers in **the dtic** to provide a common pool of industrial development funding that can empower a larger number of South Africans to contribute towards our shared prosperity. In the year ahead, the ECIC will play a critical role in driving growth and job creation, and advancing our strategic objective of preparing for the African Continental Free Trade Agreement. While companies face a challenging global economic environment, the work of the ECIC will help create the conditions for sustained growth that are most needed when times are hardest.

Since the start of the Sixth Administration, the Department of Trade, Industry and Competition and all entities in **the dtic** Group have begun a process of adopting a revised output-driven planning system – grounded in the objective of combining all our efforts towards creating real impact for South Africans.

In 2023/24, **the dtic** concluded this process by introducing 45 output targets, to which the ECIC makes a critical contribution. These include supporting 1 million jobs, mobilising R200 billion in investment, supporting R700 billion in manufacturing exports, and helping Black Industrialists to create 20,000 jobs and R36,8 billion in output. The attached table sets out the 45 outcomes. While the ECIC has incorporated many of these objectives into the Corporate Plan, our next steps will be to further align the work of ECIC with these common targets.

Within one month of tabling this version of the plan, ECIC and **the dtic** will provide me with a revised Corporate Plan to further align with these joint outcomes. This will require revisions to the Corporate Plan, which will be submitted to the Executive Authority for review. These efforts form part of a process of continuous evolution of the dtic Group's work, which combined make for a step-change in connecting our work to real impact that matters to South Africans.

Implementation of this plan must take account of the challenging fiscal environment in which government is operating, and as such as I have instructed all entities to undertake a further review of their spending plans for the period of the plan, and to submit a final, revised financial plan within one month of tabling this version of the plan. This plan should aim to reduce unnecessary spending, and redirect these resources to better serve our core objectives.

The Corporate Plan 2022/23, is hereby submitted in accordance with the Revised Framework on Strategic and Annual Performance Plans.

Ebrahim Patel
Minister of Trade, Industry and Competition
Date: 31 March 2023

6. FOREWORD BY THE CHAIRMAN

The past year continued to be challenging due to further out-breaks of COVID 19, certain major economies remaining in lock down, supply chain disruptions and global economic growth uncertainty. This drastically reduced new project approvals on the African Continent and placed some of the projects covered by our policies into further distress. The ECIC has invested in several strategic initiatives that will bode well for the future policy portfolio growth and economic development impact.

Our core purpose is to partner with 'South African exporters into the rest of Africa' whilst delivering on our social compact to support manufacturing and job creation. In this challenging environment ECIC demonstrates remarkable resilience. The Corporation remains committed to contribute to broad-based value creation in all aspects and will continue to contribute to the collaborative efforts between government, business and labour.

Government recovery strategies and investment plans in relation to the AfCFTA demonstrates its firm commitment to investing in exports and infrastructure as a means of driving economic recovery whilst promoting local industry and the African continent. The ongoing global efforts for sustainability will hopefully start making a difference in our fight to eradicate poverty and inequality.

We need to accelerate in the development of the SMME portfolio, diversify risks to be more resilient and make headway in furthering the implementation of the AfCFTA.

Looking ahead, the African Continent will be held back by a lack of foreign direct investment and a global economy fully occupied in an energy war. The ECIC, with its Stakeholders would need to be innovative in developing smart funding strategies to support the funding vacuum that is sure to persist in the foreseeable future. Failure to do so will hurt the infrastructure rollout on the Continent with dire impact on job creation and the resulting inequality trap.

Also, we need to review our historical view on manufacturing that is tied to "capital goods" and support global products within a new definition of "goods and services." ECIC is committed and well placed in collaboration with its Stakeholders to grow the export of the South African "goods and services" and take advantage of the of the opportunities in the global market created by COVID-19 pandemic and the War in Europe.

Dheven Dharmalingam
Chairperson

PART A:

OUR MANDATE

7. BACKGROUND

The Export Credit Insurance Corporation of South Africa SOC Ltd (ECIC) was founded on 2 July 2001 in terms of the Export Credit and Foreign Investments Insurance Act, 1957 (as amended) with the objective of providing political and commercial risk insurance on behalf of Government for the facilitation of export trade and cross-border investments.

Since its inception the mandate of ECIC has been the facilitation of export trade and cross-border investments. Historically, ECIC has been supporting capital goods exports and services. In 2021, the ECIC mandate was expanded beyond capital goods exports. The authorisation to support non-capital goods exports lays the basis for ECIC to insure consumer goods and short-term export transactions with a tenor of less than two years. The Addendum to the 2016 Agreement between the Minister and the Corporation, which became effective on 31 May 2021, authorises ECIC to insure non-capital goods and identifies sectors related to the various Industrial Sector Master Plans concluded by **the dtic** from time to time as priority areas of focus (on a non-exclusive basis).

As a self-sustaining, limited liability and registered financial service provider (FSP 30656), the Corporation is regulated by the Financial Sector Conduct Authority and the Prudential Authority, respectively. As a Schedule 3B entity under the Public Finance Management Act, 1999 (as amended) the Corporation is subject to legislation applicable to state-owned companies.

The Corporation's mandate is to make South African exporters attractive to international buyers to stimulate economic growth through export transactions that contribute to job creation and global competitiveness. The Corporation's insurance products facilitate international trade and protects financing institutions and exporters against the insured political and commercial risk events. The Corporation's particular focus is on Africa and other emerging markets outside the continent that are considered too risky for conventional insurers.

The competitive and collaborative landscape is within the international export credit agency market. The Corporation's competitive advantage derives from its footprint in Africa; substantial appetite for insuring against political risk despite political volatility; underwriting large, long-term projects with flexible terms and conditions that suit project-specific needs and cash-flow profiles.

PART B:

OUR STRATEGIC FOCUS

8. VISION

To be a world-class export credit insurer in facilitating South African export trade and cross-border investment globally.

9. MISSION

To provide insurance solutions in support of South African goods and services by applying best practice underwriting and risk management principles.

10. VALUES

The Corporation has five values being:

- **Integrity – We strive to conduct every aspect of our business with honesty, integrity, and fairness.**
- **Accountability – We accept transparency and responsibility for our decisions and actions.**
- **Excellence – We are committed to the highest level of performance through continuous improvement of our knowledge, skills and business practices.**
- **Innovation – We encourage open-mindedness and support innovation and the development of new ideas and processes for the continued improvement of the services delivered by our Corporation.**
- **Teamwork – We work together as a team internally and collaborate externally with our stakeholders and customers. We appreciate that as a team, we can achieve much greater things than as individuals.**

These values are reinforced by the Code of Ethics and Business Conduct "the Code" and are also reflected in our policies and procedures.

11. STRATEGIC OBJECTIVES OF THE ENTITY

11.1. Strategic Themes

- **Stakeholder and customer engagement**

  Engage with key stakeholders in order to know and understand their legitimate and reasonable needs, interests and expectations on an ongoing basis to assist the Corporation in effectively executing its mandate.

- **Grow and diversify the business**

  Increase market presence, customer-focused solutions, grow and diversify our portfolio of supported transactions.

- **Operational excellence**

  Continuous investment in effective and efficient integrated systems and processes, invest in our human capital, build knowledge and skills, and a culture of professionalism, innovation and team work to enhance organisational capacity and operational excellence.

- **Good governance and risk management**

  Pursue good governance and sound underwriting and risk management practices to ensure a self-sustainable and socially relevant and economically impactful enterprise.

12. ECIC TIER ONE STRATEGY MAP

12.1. Strategy Map

ECIC Tier One Strategy Map			
Customer / Stakeholder		Stakeholder and customer engagement	
Finance	Enhance financial sustainability		Contribute to trade facilitation that results in job creation
Internal Processes	Improve business processes and systems	Improve staff efficiency	Embed risk management practices
Organisational Capacity	Improve employee value proposition	Enhance transformation	Enhance corporate governance

To execute the strategy, the Corporation has identified 8 key strategic objectives as follows:

I. CONTRIBUTE TO TRADE FACILITATION THAT RESULTS IN JOB CREATION

Proactively attract business from new and existing customers to facilitate more exports and cross border investments.

II. ENHANCE TRANSFORMATION

To ensure a transformed Corporation.

III. IMPROVE EMPLOYEE VALUE PROPOSITION

Maintain a competent and competitive workforce that is able to deliver on the business strategy and the achievement of the Corporation's objectives.

IV. IMPROVE BUSINESS PROCESSES AND SYSTEMS

Automate business processes and systems to improve operational efficiencies of the Corporation.

V. IMPROVE STAFF EFFICIENCY

Maintain an employee cost base within sustainable levels considering earned premiums over the medium-term.

VI. EMBED RISK MANAGEMENT PRACTICES

Embed sound underwriting and risk management practices to ensure a self-sustainable Corporation that transacts within the risk appetite limits.

VII. ENHANCE FINANCIAL SUSTAINABILITY

Grow the business on a financially sustainable basis in order to fulfil the ECIC mandate of facilitating export trade and cross-border investments.

VIII. STAKEHOLDER AND CUSTOMER ENGAGEMENT

Engage stakeholders, customers and employees for the improved facilitation of export trade and cross-border investments.

IX. ENHANCE CORPORATE GOVERNANCE

To ensure effective governance and internal control measures to make ECIC a good corporate citizen.

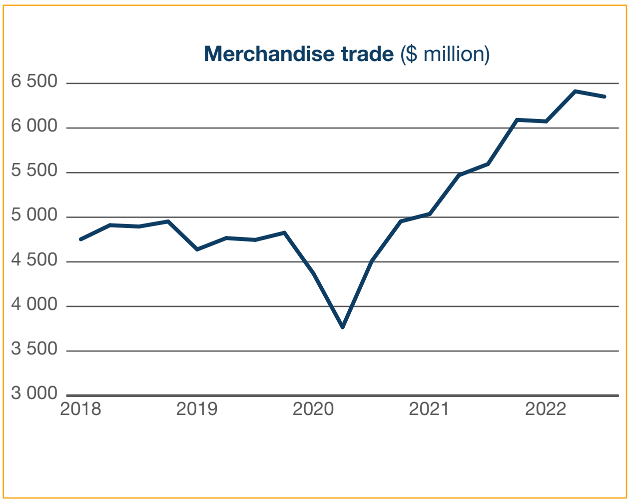
13. SITUATIONAL ANALYSIS

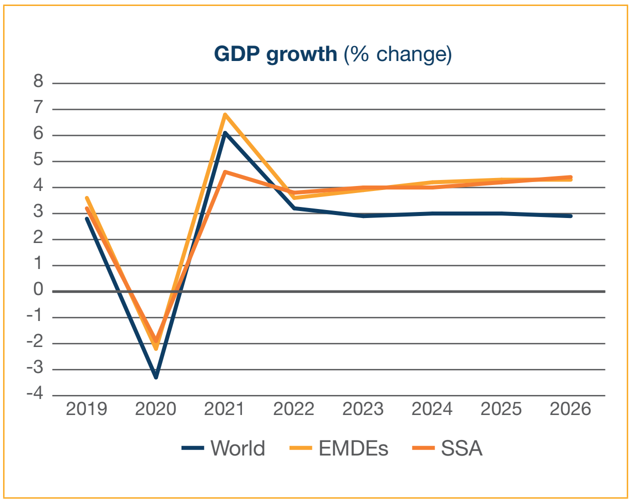
Global economic developments and outlook

Following a strong recovery from the COVID-19 induced recession, the global economy entered a period of persistently high inflation and weaker economic growth. Tightening of financial conditions, supply chain disruptions and high uncertainty caused by the war in Ukraine resulted in lower growth outcomes and a downward revision of future growth projections. The World Bank estimates global growth of 2.9% in 2022, down from its projection of 4.1% in January 2022 (see Figure 1). Growth in Emerging Markets and Developing Economies (EMDEs) has also been revised down as negative spillovers from Russia's invasion of Ukraine is likely to more than offset boost from higher commodity prices.

Food, transport, and commodity price increases resulted in a strong recovery in the value of global trade, rising by 17% in 2021 compared to pre-Covid period (see Figure 1). Supply chains have been affected by the lingering effects of the pandemic including disruptions in major ports and lockdowns in key cities in China. This has been exacerbated by Russia's invasion of Ukraine which has caused shortages and unprecedented increase in prices of key inputs. Global supply chain pressures have been loosening since May 2022 as shipping jams are cleared and consumer demand growth softens. Slower global growth and tightening of monetary conditions will dampen consumption and investment expenditure thus resulting in lower demand for tradable goods. Therefore, global trade will slow to an average of 4.1% in 2023-2024 on the back of weaker demand for tradable goods and loosening of supply chain pressures.

Figure 1: Global Trade and GDP Growth





Data source: IMF and WTO

Global Foreign Direct Investment (FDI) flows increased by 58% from $0.98 trillion in 2020 to $1.58 trillion in 2021 boosted by booming M&A activity and rapid growth in international project finance transactions. Rising interest rates, higher inflation and increased global uncertainty have caused a rise in the cost of capital and will put downward pressure on FDI. These factors, together with increased risk aversion, has put pressure on emerging markets portfolio flows which fell by 90% to $ 33.7 billion in 2022.

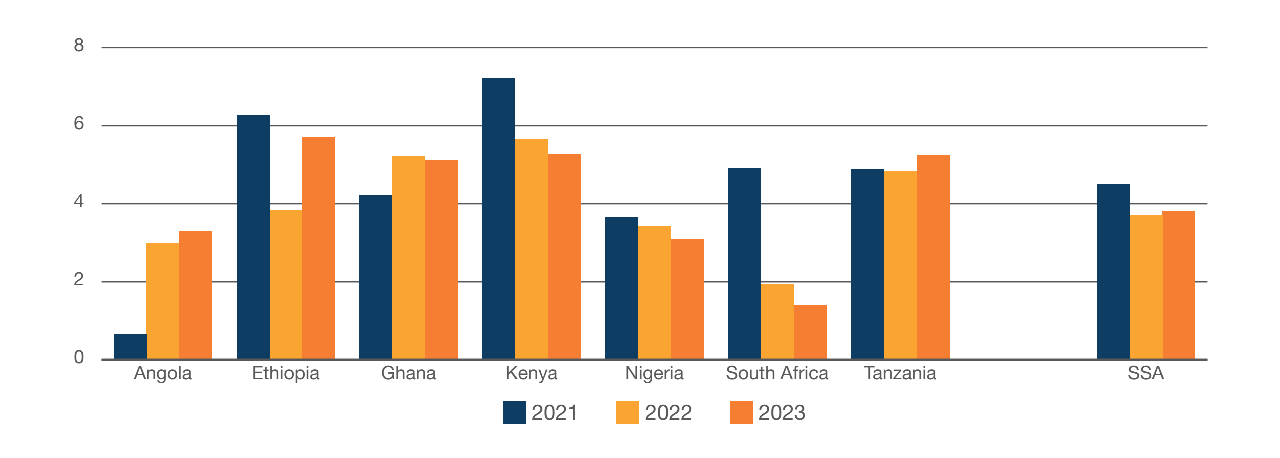
Global inflation has substantially increased, to a 40 year high in some economies, due to high food and energy prices as well as lingering supply-demand imbalances. The oil price, which is the main driver of energy prices, rose to a 14 – year high of $120 per barrel in June 2022. It averaged $100 per barrel in 2022 and is projected to further decline to $92 and $85 in 2023 and 2024, respectively. Central banks responded to above targets inflation rates with aggressive monetary policy tightening. These actions, together with the easing of commodity prices, are expected to bring inflation back to central bank targets by 2024.

EMDEs entered 2022 with incomplete economic recoveries and tighter fiscal space. Many EMDEs increased debt levels to cope with the pandemic with 60 percent of Low-Income Countries in or near debt distress at the beginning of 2022. Tightening global financial conditions and lower appetite for risky assets have increased borrowing costs. This will put further strain on EMDEs as they seek to balance fiscal sustainability with the need to mitigate their economies from adverse effects of the war in Ukraine. Commodity importers are in a more precarious position given weaker public revenues and higher commodity prices. In contrasts, resource rents from higher commodity prices have enabled commodity exporters to better withstand the impact of the Ukraine war.

Regional economic developments and outlook

Sub-Saharan Africa's GDP growth is projected to decelerate from 4.5% in 2021 to 3.6% and 3.8% in 2022 and 2023. High inflation, policy tightening, weaker global growth and geopolitical tensions will weaken domestic and external demand. Elevated oil prices are supporting economic activity in Angola and Nigeria – the two biggest oil producing economies in the region. However, high and persistent inflation is weighing on real incomes and eroding household consumption. Kenya, one of the fastest growing economies on the region, grew by 7.2% in 2021. Growth was driven by services and private consumption, both benefiting from supportive policies and eased COVID-19 restrictions.

Figure 2: GDP Growth and Outlook in Sub-Saharan Africa



Data source: IMF

Foreign direct investment to African countries hit a record $83 billion in 2021, with FDI to Southern Africa accounting for 51% of the total. Growth in FDI inflows was driven by large corporate reconfiguration in South Africa, greenfield projects in Mozambique, Tanzania, Ghana, mining in DRC, and renewable energy projects in Ethiopia. Going forward, FDI projects in SSA will be dominated by the extractive sector (17%), utilities (15%), logistics (10%) and chemicals (9%). FDI flows into the continent mainly come from the USA, France, UK, China, SA, UAE, Germany and Switzerland.

Growth in the volume African imports moderated in the first three quarters of 2022, following a strong recovery in 2021. Countries with highest growth in imports include Mozambique, Zambia and Morocco. Despite this, Africa still accounts for a low share (4.4%) of global trade. Commodities and natural resources continue to dominate Africa's export basket and the continent's participation in the global value chain has been minimal. At 15%, intra-African trade is very low compared to cross-border trade in other regions – Europe (67%), Asia (61%), America (47%).

AfCFTA continues to be at the centre of trade policy due to its potential to increase intra-African trade. According to the latest AfCFTA Ratification Status, 44 of the 54 signatories (82%) had deposited their instruments of AfCFTA ratification. Higher investment in infrastructure, strong production capacities, reduction in red tape, improved efficiencies at border posts and increase in security risk will complement AfCFTA in increasing intra-Africa trade.

Debt accumulation increased substantially due to pandemic related expenditure and limited revenue. High interest rates and domestic currency depreciations have increased debt burdens of African economies with around 60% of them now at high risk of debt distress. Zambia and Ghana have defaulted on their debts, and together with Ethiopia and Chad have requested debt restructuring through the G20 Common Framework. As seen in the case of Zambia, restructuring is taking longer than expected due to failure of creditors to reach consensus. The continent is considered a high political risk especially Sudan, Burkina Faso, Togo, DRC, Ethiopia, and Mozambique. Political instability in some African countries poise a downside risk to the overall economic growth over the medium to long term.

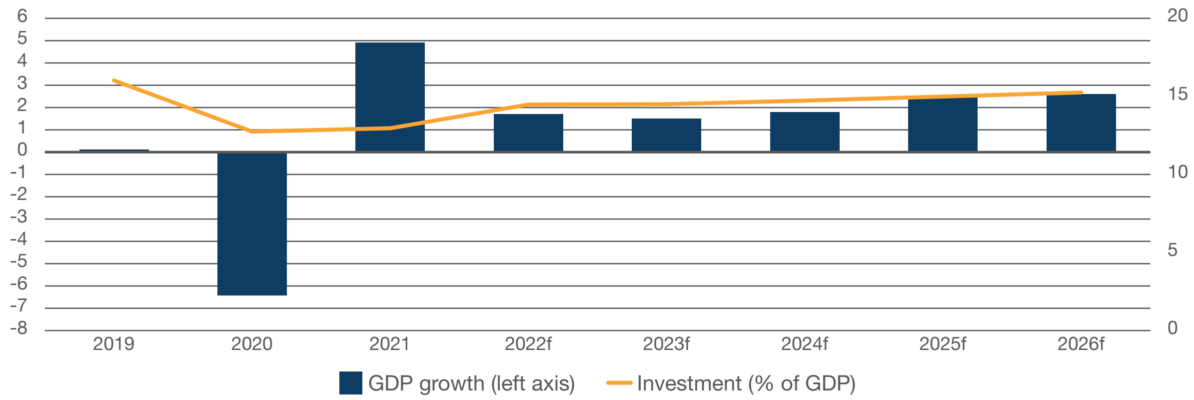
SSA presents strong investment prospects for consumer-focused companies. Populations in some of the country's major cities are projected to grow by more than 100 percent, cumulatively by 2030. The AfCFTA agreement, which was officially launched on the 1st of January 2021, will increase intra-Africa trade and boost incomes and employment across the continent. African countries are expected to invest more in physical infrastructure in support of greater regional trade and industrialisation.

South African economic developments and outlook

South Africa's GDP surprised on the upside, increasing by 1.6% in the third quarter of 2022, from a contraction of 0.7% in the second quarter. However, annual growth estimates for 2022 have been revised down to reflect the impact of extensive load-shedding and worsening terms of trade. Persisting power shortage, decline in real incomes and global economic slowdown will constrain growth in 2023 and 2024.

With an average value of 17% between 2015 and 2021, the ratio of investment in fixed capital to GDP remains far below the National Development Plan target of 30%. Uncertainty induced by the war in Ukraine, tightening financial conditions and ongoing energy supply constraints create a climate that is not supportive of significant growth in investment. Government's efforts to reform the energy sector includes improving performance of the existing fleet of power stations, adding new generation capacity and easing regulatory requirements. These reforms will boost confidence and support the recovery in fixed capital formation in the medium term.

Figure 3: South Africa's GDP and Investment in Fixed Capital



Data source: IMF

The SARB continued its aggressive monetary tightening by increasing the repurchase (repo) rate by 75 basis points in November 2022, the seventh consecutive increase since November 2021. The repo rate, which is at 7%, is now above the level prevailing before the start of the pandemic. The SARB is likely to decelerate its monetary tightening given the peak in inflation.

Real exports of goods and services increased by 4.2% in the third quarter of 2022 following a contraction of 0.2% in the second quarter. South Africa's exports to Africa recovered strongly in 2021 with iron & steel, chemical, plastic and paper products, leading the recovery. Implementation of structural reforms and the enabling environment that will be created by the AfCFTA will boost South Africa's exports to Africa in the future.

Mining and Agriculture, which were the fastest growing sectors in 2021, rebounded in the third quarter of 2022 following two quarters of contraction. The rebound in mining exports was driven by an increase in the export of mineral products and base metals. Whilst the turnaround in agricultural exports was supported by a significant increase in the export of vegetable products.

High commodity prices increased profitability of the mining sector thus resulting in higher tax revenues. This contributed to the narrowing of the budget deficit to 5.7% of GDP in 2021, the budget deficit is projected to narrow further to 4.0% in 2025. As a result, gross national debt is projected to stabilise at 75 of GDP in 2024/25. Risks to the fiscal outlook include higher than budgeted wage bill, social spending pressures and weak financial position of SOEs.

14. SWOT ANALYSIS

Internal strengths and weaknesses

Strengths	Weaknesses
• Open to cover most African countries based on in-depth knowledge and proximity to the market • Flexibility in underwriting terms (tenor, risk rating etc.) • Strong adherence to good corporate governance principles • Embedded Own Risk and Solvency Assessment related processes • Skilled, competent and resilient workforce • Government backing as a shareholder • Peer recognition on large and complex projects • Strong balance sheet and solvency position • Expanded mandate that includes the underwriting of short-term insurance business • Ability to stay the long haul in the workout of distressed transactions	• Limited diversity of transactions that generate premium income • Limited experience in short-term trade credit insurance • Inherently long gestation period of typically supported transactions

External opportunities & threats

Opportunities	Threats
• Leveraging on strategic partnerships • Opportunities in the execution of the African Continental Free Trade Area (AfCFTA) • Advance the use of reinsurance • Expand the insurance cover to Euro-denominated transactions • Collaborate with other DFIs, ECAs and private market insurers • Leveraging technology to enhance and automate business processes to increase efficiencies and remove red tape • Diversify funding sources for SA exports by broadening ECIC cover to non-SA financial institutions	• Potential sovereign credit downgrades for the country that could increase the cost of funds for ECA finance • Ongoing negative impacts of COVID-19 and the threat of other pandemics in the future • Ongoing competition from other ECAs and the private market insurance • Exchange rate volatility resulting in balance sheet erosion as a result of the current tax treatment • Cyber security breaches/attacks • Negative impact of a large claim and/or several small claims • Grey listing of South Africa • Challenge in full recovery of IMU shortfall from government

Strategies to address opportunities and threats

The SWOT Analysis is used to identify strategic targets that address the weaknesses and threats, and take advantage of the strengths and opportunities.

Strengths-Opportunities Strategies	Strengths-Threats Strategies
• Improve employee value proposition • Improve staff efficiency • Enhance transformation • Enhance corporate governance • Embed underwriting and risk management practices • Contribute to trade facilitation that results in job creation • Effective stakeholder and customer engagement	• Improve employee value proposition • Enhance financial sustainability • Effective stakeholder and customer engagement
Weakness-Opportunities Strategies	**Weakness-Threats Strategies**
• Improve business processes and systems • Contribute to trade facilitation that results in job creation • Effective stakeholder and customer engagement	• Improve business processes and systems • Contribute to trade facilitation that results in job creation • Effective stakeholder and customer engagement

15. ALIGNMENT TO GOVERNMENT PRIORITIES

The Corporation's objectives are developed based on the alignment of the ECIC mandate with Government priorities as represented by the Industrial Sector Master Plans, the National Development Plan (NDP), and South Africa's Economic Recovery and Reconstruction Plan.

South Africa's Economic Recovery and Reconstruction Plan includes a focus on increasing SA exports as an opportunity to further strengthen integration, trade and investment within the Africa continent taking advantage of the African Continental Free Trade Agreement. Through the current ECIC insurance activities, the Corporation directly contributes to the implementation of the AfCFTA.

ECIC will further contribute to the implementation of the AfCFTA through the introduction of the short-term insurance business line and the support of the priority sectors included in the various Master Plans as we seek to support a larger portion of the export value chain. The Addendum to the 2016 Agreement between the Minister and the Corporation, which became effective during the 2021/22 financial year, identifies sectors related to the various Industrial Sector Master Plans concluded by **the dtic** from time to time as priority areas of focus. The Corporation's expanded mandate will enhance the ECIC contribution to **the dtic** AfCFTA Export Plan and to the direct and indirect creation of jobs, value addition and competitiveness in export markets.

The entity is also expected to report weekly and quarterly to **the dtic** on how, within its mandate, it has contributed to the achievement of the outcomes for the three Joint Key Performance Indicators (JKPI/s) applicable to **the dtic** and its entities:

- **Joint Indicator 1: Industrialization and Growing the Economy**
  - Building dynamic firms through a combination of efforts in partnership with the private sector, focusing on opportunities to grow in the domestic market (through localisation-promotion policies, sector partnerships, beneficiation, promoting the green economy and fostering higher levels of investment); fostering higher levels of African economic integration through the African Continental Free Trade Area (AfCFTA) and building a wider export market for SA-products; with supply-side reforms to build competitiveness.
  - Containing the following areas:
    - Sector Partnerships: Master Plans (there are nine)
    - Localisation outcomes
    - Beneficiation initiatives
    - Covid industrial production
    - African and Global Exports
    - Green economy initiatives
    - Investment initiatives
- **Joint Indicator 2: Actions to Promote Transformation**
  - Building economic inclusion through transformation programmes in three broad areas: first addressing structural challenges to growth through active competition policies, particularly where the concentration levels in markets limit new entrants and small and medium businesses; second, policies that promote spatial transformation, enabling more balanced growth between rural and urban and between provinces; and third, strengthening the inclusive/transformation in the quality of growth, including broadening ownership and more inclusive corporate governance models.
  - Containing the following areas:
    - BEE promotion and review (black industrialists, women, youth)
    - Worker empowerment measures/outcomes, where appropriate
    - Structure of economy: addressing economic concentration and/or SME promotion
    - Township economy: measures to promote opportunities in the Township economy
    - District Model Reporting: key outputs and outcomes of an entity to be reported in the framework of the 52 spatial units, to the extent possible. Such reports to also include work that may affect SEZs and Industrial Parks, where relevant.
    - Integrated Delivery: entities to identify and implement measures to integrate their work with that of other public institutions in the 52 districts.
- **Joint Indicator 3: Building a Capable State**
  - Building a new culture of partnership in the economy, characterized by greater responsiveness and nimbleness by the Department and entities, which includes reviewing internal processes and legislation/regulations that make it harder for small businesses and investors to grow their businesses (and replacing these with smart regulation that achieves key public policies in the least bureaucratic manner possible).
  - Containing the following areas:
    - Building the entity staffing and governance capacity and quick-response
    - Shared-services with **the dtic** or between entities
    - Integration of work and mandates across relevant dtic-institutions
    - Rationalising functions between the department and entities
    - Addressing red tape and compliance in internal processes, including targets on turnaround times

- Review of legislation and regulations affecting an entity to identify possible reforms to improve the ease of use to external users and create more agile institutions
- Coordinating with other parts of the state to ensuring effective outcomes on mandates and the industrialisation/transformation agenda

The ECIC strategic objectives are aligned with the three themes contained in the abovementioned Joint Key Performance Indicators.

The below table “Alignment to the National Development Plan” details the alignment of applicable ECIC strategic objectives to the NDP, specifically the 2019-2024 Medium-Term Strategic Framework (MTSF) where **the dtic** is the lead/contributing Department.

The below table “Alignment to **the dtic** Joint Key Performance Indicators” details the alignment of the ECIC strategic objectives with the JKPIs.

The below table “Contribution to **the dtic** Key Performance Indicators” details the targeted ECIC contribution to the achievement of the identified targets of **the dtic** based on the ECIC mandate.

Alignment to the National Development Plan

MTSF Priority	MTSF Outcome	the dtic Strategic Focus Areas	ECIC Strategic Theme	ECIC Strategic Objective	ECIC Target
Economic Transformation and Job Creation	Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities	Promote economic inclusion	Good governance and risk management	Enhance transformation	Maintain a Level 1 B-BBEE Score
			Grow the business	Contribute to trade facilitation that results in job creation	Value of deals underwritten
A better Africa and World	Increased Foreign Direct Investment (FDI) and increased exports contributed in economic growth	Expand markets for our products and facilitate entry to those markets			Number of deals underwritten
					Value of approved transactions within expanded sectoral coverage
	Increased intra-Africa trade				Number of companies benefiting under the Export Passport Programme

Alignment to the dtic Joint Key Performance Indicators

Joint KPI	Relevance to ECIC Corporate Plan	ECIC Strategic Objective	ECIC Target
Industrialisation and Growing the Economy	1. Sector Partnerships: Master Plans 2. Localisation programmes 3. African and Global Exports	Contribute to trade facilitation that results in job creation	Value of deals underwritten
			Number of deals underwritten
			The value of deals approved within the expanded mandate
	Integration of work on the core focus areas across **the dtic** institutions	Contribute to trade facilitation that results in job creation	Number of companies benefiting under the Export Passport Programme
Transformation	1. BEE promotion and review 2. Worker empowerment 3. Structure of economy	Enhance transformation	Maintain a Level 1 B-BBEE Score
	1. Structure of economy 2. Integrated Delivery (District Model Reporting)	Contribute to trade facilitation that results in job creation	Number of companies benefiting under the Export Passport Programme
Building a capable state	1. Building the entity staffing and governance capacity and quick-response 2. Addressing red tape and compliance in internal policies	Improve employee value proposition	Retention of staff
		Improve business processes and systems	Percentage (%) of prioritised business processes automated
		Improve staff efficiency	Employee cost to earned premium (3-year average)
		Embed risk management practices	No breaches on risk appetite limits over the 5-year period
			Risk maturity levels of the Corporation
		Enhance financial sustainability	% Increase in equity (excluding foreign exchange movements and related tax)
			Operating cost base of underwriting activities
		Stakeholder and Customer engagement	Click Through Rate (CTR) on the AfCFTA media campaign
			Employee engagement score
		Enhance corporate governance	Clean audit with no repeat findings on BAC Report

Contribution to the dtic Key Performance Indicators

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
R300 billion in manufacturing exports to rest of Africa	This is an outcome of projects approved by the ECIC in prior years. The ECIC mandate is for 50% SA Content on transactions approved. From this SA Content an estimate of manufactured exports has been calculated based on actual reporting to the Minister during 2022/23. Jobs supported is calculated using the ECIC Economic Impact Assessment Model.						USD9,8 million/ R163 million	USD9,8 million/ R167 million	USD9,8 million/ R167 million
Jobs supported by interventions							2 163	2 163	2 163
R27 billion in support programmes	Facilitation of exports and cross border investments	Value of approved transactions	USD27,5 million	USD894 million	USD250 million	USD550 million	USD560 million/ R9,3 billion equivalent	USD570 million/ R9,7 billion equivalent	USD580 million/ R9,9 billion equivalent

16. BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

16.1 Board of directors

The ECIC Board is responsible for determining its strategic direction and ensuring that the implementation of the strategy is legislatively and regulatory compliant. The directors serve a maximum of two three-year terms each. The six Board committees include representatives from National Treasury and **the dtic**, as shareholder, and help the Board to fulfil its roles.

Dheven Dharmalingam
Chairperson

Age: 57

Qualifications: CA (S.A), Member of the Institute of Directors

Areas of expertise: Finance; Taxation and Insurance; Strategy; Change management and Organizational Redesign

Position on other boards: Board member at African Bank Limited, Executive Director of Companies with personal investments

Years of service: 5 years

Vuyelwa Matsiliza, Cert. Dir., Cd(Sa)
Independent Non-Executive Director

Age: 55

Qualifications: MBL, BA Honours in Economics (Cum Laude), Secondary Teachers Diploma

Areas of expertise: Treasury management, Project finance, Corporate finance and investment management, Governance

Position on other boards: Board member at Bayport Financial Services South Africa, Afgri Poultry Pty Ltd (Chairperson), South African Postbank SOC Limited, Phakamani Foundation NPC (pro Bono), IsivandeSethu NPC (pro Bono)

Years of service: 9 years

Siobhain O'mahony
Independent Non-Executive Director

Age: 35

Qualifications: BSc (Hons) (Actuarial Science), Fellow of the Actuarial Society of South Africa, Fellow of the Institute and Faculty of Actuaries

Areas of expertise: Actuarial valuations, Asset-liability matching, Capital adequacy requirements and calculations, Analytics, Pricing and profitability (banking), Loyalty programme design and modelling

Positions on other boards: The South African Cities Network, The South African Institute of Professional Accountants, Member of the Enforcement Committee of the Information Regulator of South Africa, Executive Director of companies with personal investments

Years of service: 9 years

Lerato Mothae
Non-Independent Non-Executive Director (**the dtic**)

Age: 44

Qualifications: BA (Law and International Relations), Honours (International Relations), Masters (International Political Economy and International Trade and Global Finance), Certificates in Trade Negotiations, Bilateral Investment Treaty Negotiations and Project Management, Executive training In Infrastructure Project Conceptualisation and Preparation

Areas of expertise: Strategy, Trade and Investment

Position on other boards: None

Years of service: 4 years

Deshni Subbiah, Cert. Dir.

Independent Non-Executive Director

Age: 39

Qualifications: BSc Actuarial Science (Cum Laude), Fellow of the Actuarial Society of South Africa, Chartered Enterprise Risk Actuary (CERA), Post-Graduate Diploma, General Management (Distinction), Masters in Business Administration (MBA), Certificate in Investments from the Institute of Actuaries (UK)

Areas of expertise: Actuarial and Risk Management.

Position on other boards: Land and Agricultural Development Bank of South Africa Life Insurance SOC Ltd, Land and Agricultural Development Bank of South Africa Insurance SOC Ltd

Years of service: 5 years

Lerato Mataboge

Non-Independent Non-Executive Director **(the dtic)**

Age: 44

Qualifications: BA (Law and International Relations), Honours (International Relations), Masters (International Political Economy and International Trade and Global Finance), Certificates in Trade Negotiations, Bilateral Investment Treaty Negotiations and Project Management, Executive training In Infrastructure Project Conceptualisation and Preparation

Areas of expertise: Strategy, Trade and Investment

Position on other boards: None

Years of service: 4 years

Sisa Mayekiso

Independent Non-Executive Director

Age: 40

Qualifications: BCom Honours (Accounting), CA(SA), CFA

Areas of expertise: Accounting, Treasury, Investment & Risk Management.

Positions on other boards: Executive Director of companies with personal investments, Southern African Music Rights Organisation – Board member, Mines 1970 Unclaimed Benefits Preservation Pension & Provident Fund – Board member

Years of service: 5 years

Errol Makhubela

Non-Independent Non-Executive Director (National Treasury)

Age: 45

Qualifications: BCom Finance and Economics, Post graduate diploma in the Law of Banking and Finance, Master of Business Leadership

Areas of expertise: Economics, International Trade Finance, Strategy and Risk Management

Position on other boards: SANRAL

Years of service: 0 years

Adv. Xoliswa Mpanza

Company Secretary

Age: 33

Qualifications: LLB, LLM (Business Law); CSSA Post Graduate Qualification: Company Secretarial and Governance Practice (CIS)

Areas of expertise: Law, Corporate Governance

Positions on other boards: Saint E'steve Home Owners Association NPC

Years of service: 0 years

16.2 Executive Management

The Chief Executive Officer (CEO) is responsible for the Corporation's day-to-day operations and is supported by the Chief Operations Officer, Chief Financial Officer, Chief Risk Officer, Chief Actuarial and Investments and General Counsel. Various units report to the CEO and his executive team. With the exception of the CEO, who is on a three-year contract with a three-month notice period, all other executives are permanent employees who are required to give a month's notice when resigning.

Executives are not bound by a restraint of trade agreement when leaving the Corporation.

Mandisi Nkuhlu
Acting Chief Executive Officer

Age: 54
Qualifications: B. Juris, LLB, Management Advancement Programme, Executive Leadership Programme, Senior Executive Programme
Areas of expertise: Law and Finance
Positions on other boards: None
Years of service: 17 years

Noluthando Mkhathazo
Chief Financial Officer

Age: 40
Qualifications: CA(SA), Management Advancement Programme
Areas of expertise: Finance, auditing and financial management
Positions on other boards: None
Years of service: 13 years

Ntshengedzeni Gilbert Maphula
Acting Chief Operations Officer

Age: 51
Qualifications: BPROC (UNIVEN), LLB (UP), LLM (UP), LLM (UNISA)
Areas of expertise: Cross Boarder Financing, Export Credit Insurance, Political Risk, International Trade and Foreign Investments Project Finance and Sovereign Lending
Positions on other boards: None
Years of service: 17 years

John Omollo
Chief Risk Officer

Age: 54
Qualifications: Master of Business Administration (MBA) Wits, Certified Public Accountant of Kenya (CPA II, III)
Areas of expertise: Risk Management, Project & Structured Finance, Banking and Credit Rating of Financial Institutions
Positions on other boards: None
Years of service: 12 years

Dianne Naicker
Acting General Counsel

Age: 44
Qualifications: BProc Law (UKZN), LLM (International Commercial Law -Manchester, UK), Company Secretarial and Governance Practice (CSSA), Advanced Certificate in Management Practice (Henley Business School)
Areas of expertise: Export Credit Insurance and Project Finance
Positions on other boards: None
Years of service: 11 years

Sias Esterhuizen
Chief Actuarial & Investments

Age: 43
Qualifications: BSc (Financial Mathematics), BSc Hons (Actuarial Mathematics), FASSA (Fellow of the Actuarial Society of South Africa)
Areas of expertise: Actuarial pricing, reserving, capital modelling and risk management disciplines
Positions on other boards: None
Years of service: 6 years

17. DESCRIPTION OF THE PLANNING PROCESS

In developing the Corporate Plan, the Corporation has considered the National Development Plan as the overarching programme that guides the government priorities of the current administration. This is captured in the table demonstrating the link between the ECIC objectives/initiatives and the objectives and vision of the National Development Plan.

Secondly, the priorities of **the dtic** were considered, to ensure that there is alignment between the ECIC objectives and **the dtic** priority areas. This alignment is captured in the table demonstrating the link between **the dtic** priorities and the ECIC mandate and initiatives.

A three-day workshop was held between management and the Board. The strategic themes and objectives will guide the programmes to be implemented by the Corporation for the next five years. These strategic themes and objectives are captured in the strategic map which is a visual representation of how the strategy and the various themes and objectives work together on an integrated basis to enable the Corporation to achieve the intended results.

This allowed management and the Board to take stock of the external operational and competitive environment to help the Corporation better position itself to address the current and impending challenges that are lurking on the horizon. This process has enabled the Corporation to develop programmes, performance targets and measurements in line with the SMART principles.

The different programmes of the Corporation are underpinned by a budget which is predicated on the ability of the Corporation to write new business to fulfil its mandate in the first instance, whilst ensuring that we generate sufficient levels of revenue to ensure financial sustainability of the Corporation as a going concern over the planning period and beyond. The overall financial plan ensures that the Corporation has adequate levels of capital and liquidity to meet the regulatory and operational requirements on a sustainable basis. The increase of the capital base is being pursued because it enables the Corporation to have bigger underwriting capacity towards the fulfilment of its mandate. The capital base will increase as a result of the growth in investment income and the underwriting profits.

The Board convened and approved the draft Corporate Plan at its meeting of 27 October 2022. Pursuant to the review of the draft Corporate Plan by **the dtic**, the updated Corporate Plan was approved by the Board at its 31 January 2023 meeting.

18. FINANCIAL PLAN

The budget is prepared using the US Dollar (USD) functional currency in line with the requirements of the International Financial Reporting Standards. The functional currency is defined as the currency of the primary economic environment in which the entity operates while a foreign currency is defined as a currency other than the functional currency of the entity.

USD is the functional currency as a significant portion of the revenue was received from the USD revenue stream. The foreign currency risk is thus on the Rand transactions and not the USD transactions i.e., when an insurance claim is lodged, ECIC may need to utilise its Rands to purchase USD to pay USD claims. The foreign exchange movements are therefore based on Rand transactions.

When calculating the income tax liability and the spend for ESD and SED, the foreign exchange movements are based on USD transactions in terms of the Income Tax Act. This now creates a mismatch between the Profit Before Tax, Taxation, and ESD and SED Contributions as the last two items are not calculated on a USD functional currency basis.

Currently the Corporation recognises it's insurance contracts in terms of IFRS 4. However, a new accounting standard for insurance contract (IFRS17) became on 01 Jan 2023 which will be applicable to the ECIC from 01 April 2023. As a result, the projection of revenue, expenditure and borrowings statement has been split in two to reflect the changes in accounting standards whereby the forecast to March 2023 is accounted for under IFRS4 while the results for the financial years 2024 to 2028 are accounted for in terms of IFRS 17.

18.1 Projections of revenue, expenditure and borrowings

IFRS 4

R'000	2023
STATEMENT OF FINANCIAL PERFORMANCE	
Insurance revenue	403 834
RI Premium	
Net Premium	**403 834**
Change in Unearned premiums	63 221
Change in RI Unearned premiums	-2 724
Change in Concentration risk	46 980
Change in Unexpired risk	2 836
Earned Premium	**514 148**
Claims Incurred	-221 034
Claims Paid	-1 142 859
Salvages Received	86 174
Change in OCR provision	835 651
Change O/S	2 185
Change in IBNR	833 467
Assessment fees	493
Reinsurance commission	419
Other Operating expenses (Excl. Investments and SED & ESD Contributions)	-143 499
Commission Paid	-232
Underwriting result (before bonus)	**150 295**
Bonus services	-23 270
Underwriting result (after bonus)	**127 025**
Investment Income	131 328
Investment management expense (Incl. Operating expenses)	-22 347
IMU grant and expenses	92 509
Other income	49
Interest expense	-798
Profit Before Tax (before SED & ESD Contibutions)	**327 767**
SED & ESD Contributions (4%) (Incl. Operating expenses)	-8 763
Foreign Exchange gain/(Loss)	-541 318
Profit Before Tax	**-222 314**
Taxation	-282 921
Profit/(Loss) After Tax	**-505 235**

IFRS17

R'000	2024	2025	2026	2027	2028
STATEMENT OF FINANCIAL PERFORMANCE					
Insurance revenue	395 326	517 145	697 483	841 557	916 002
Insurance service expenses	-307 916	-213 956	-40 480	-41 593	-3 133
Net expenses from reinsurance contracts held	-1 883	-14 727	-29 013	-42 397	-50 898
Insurance service result	**85 527**	**288 462**	**627 990**	**757 567**	**861 971**
Change in Unearned premiums		-	-	-	-
Change in RI Unearned premiums		-	-	-	-
Change in Unexpired risk		-	-	-	-
Finance expenses from insurance contracts issued	-7 851	-36 371	-80 796	-113 257	-107 476
Finance income from reinsurance contracts held	17	1 774	5 837	8 942	9 712
Net insurance result	**77 694**	**253 865**	**553 031**	**653 252**	**764 207**
Assessment fees	1 084	1 233	680	723	489
Other Operating expenses (Excl. Investments and SED & ESD Contributions)	-148 079	-151 065	-161 277	-171 568	-177 367
Commission Paid	-	-	-	-	-
Bonus services	-26 268	-27 476	-28 438	-29 433	-29 743
Investment Income	578 910	630 027	740 994	854 285	923 732
Investment management expense (Incl. Operating expenses)	-38 311	-40 155	-47 927	-55 362	-60 006
IMU income	172 783	180 542	188 630	197 080	205 909
IMU expenses	-38 841	-28 436	-19 808	-12 251	-6 414
Other income	-	-	-	-	-
Interest expense	-1 888	-1 517	-1 086	-606	-1 372
Profit Before Tax (before SED & ESD Contibutions)	**577 084**	**817 017**	**1 224 799**	**1 436 119**	**1 619 434**
SED & ESD Contributions (4%) (Incl. Operating expenses)	-38 558	-24 821	-35 139	-47 237	-54 506
Foreign Exchange gain/(Loss)	-45 603	-55 681	0	-1	-0
Profit Before Tax	**492 922**	**736 516**	**1 189 660**	**1 388 882**	**1 564 928**
Taxation	-297 759	-132 431	-126 308	-148 716	-162 331
Profit/(Loss) After Tax	**195 163**	**604 084**	**1 063 352**	**1 240 165**	**1 402 597**
Dividends paid	-	-	-	-	-
Retained profits for the current period	**195 163**	**604 084**	**1 063 352**	**1 240 165**	**1 402 597**
Retained profits for the current period	195 163	604 084	1 063 352	1 240 165	1 402 597

18.2 Asset and liability management

R'000	2023	2024	2025	2026	2027	2028
STATEMENT OF FINANCIAL POSITION						
ASSETS						
Equipment	30 599	21 836	14 786	8 985	2 215	27 403
Investments	9 125 706	8 884 348	10 269 606	12 272 878	14 355 180	15 524 170
Loans and receivables	1 199 504	1 255 921	1 932 083	1 836 176	660 937	495 898
Reinsurance assets	6 506	-	-	-	-	-
Reinsurance contract assets	-	50 104	149 824	275 295	327 309	323 389
Cash and Cash Equivalent	95 686	91 237	92 973	92 973	92 973	92 973
Deferred tax	6 088	6 088	6 088	6 088	6 088	6 088
Taxation receivable	-	-	-	-	-	-
Total Assets	**10 464 087**	**10 309 534**	**12 465 360**	**14 492 395**	**15 444 702**	**16 469 920**
EQUITY AND LIABILITIES						
Equity						
Share Capital and Premium	316 051	316 051	316 051	316 051	316 051	316 051
Foreign Currency Translation Reserve	3 651 126	4 470 120	4 629 447	4 628 472	4 627 406	4 626 781
Other OCI Reserves	-27 545	-60 137	-47 418	-47 418	-47 418	-47 418
Retained Income – Previous Years	4 068 491	3 563 256	3 758 420	4 362 504	5 425 856	6 666 022
– Current Year	-505 235	195 163	604 084	1 063 352	1 240 165	1 402 597
Total Equity	**7 502 888**	**8 484 453**	**9 260 583**	**10 322 961**	**11 562 060**	**12 964 032**
Liabilities						
Provision for Outstanding Claims	-	-	-	-	-	-
Provision for Unearned Premiums Reserve	1 782 118	-	-	-	-	-
Provision for Unexpired Risk Reserve	501 402	-	-	-	-	-
Reinsurance deferred acquisition cost	1 001	-	-	-	-	-
Insurance contract liabilities	-	1 084 128	2 579 794	3 662 520	3 618 142	3 298 632
Taxation payable	-	92 488	-	-	-	-
IMU liability	574 580	419 768	310 933	208 663	124 204	61 007
Reinsurance liabilities	1 071	-	-	-	-	-
Trade and other payables	47 888	176 454	264 750	252 470	99 356	78 290
Lease Liabilities	23 280	19 532	15 086	10 369	4 289	30 745
Employee benefit liability	29 860	32 710	34 214	35 412	36 651	37 214
Total Liabilities	**2 961 200**	**1 825 081**	**3 204 777**	**4 169 434**	**3 882 642**	**3 505 888**
Total Equity and Liabilities	**10 464 087**	**10 309 534**	**12 465 360**	**14 492 395**	**15 444 702**	**16 469 920**

18.3 Cash flow projections

R'000	2023	2024	2025	2026	2027	2028
CASHFLOW						
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash generated by underwriting activities	-914 441	-315 175	811 332	1 330 045	1 284 374	279 966
Interest received	327 593	578 910	630 027	740 994	854 285	923 732
Dividends received	46 588	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
IMU Grant received	150 000	172 783	180 542	188 630	197 080	205 909
IMU Claims Paid	-159 535	-168 270	-143 051	-122 078	-96 710	-69 610
Interest paid	-798	-1 888	-1 517	-1 086	-606	-1 372
Taxation paid	-236 187	-205 271	-224 919	-126 308	-148 716	-162 331
Net cash inflow from operating activities	**-786 780**	**61 089**	**1 252 413**	**2 010 198**	**2 089 706**	**1 176 293**
CASH FLOWS FROM INVESTING ACTIVITIES						
Net acquisition of fixed and intangible assets	-7 202	-1 450	-700	-1 700	-1 325	-1 600
Net (acquisition)/ disposal of investments	-3 512 511	-55 891	-1 247 267	-2 003 273	-2 082 302	-1 168 990
Net proceeds on sale of fixed assets	-	-	-	-	-	-
Net cash (outflow)/ inflow from investing activities	**-3 519 713**	**-57 341**	**-1 247 967**	**-2 004 973**	**-2 083 627**	**-1 170 590**
Lease payments	-1 350	-3 748	-4 446	-5 226	-6 080	-5 703
Net cash (outflow)/ inflow from financing activities	**-1 350**	**-3 748**	**-4 446**	**-5 226**	**-6 080**	**-5 703**
Net increase in cash and cash equivalents	**-4 307 843**	**-0**	**-0**	**0**	**0**	**-0**
Cash and cash equivalents at beginning of year	4 487 620	95 686	91 237	92 973	92 973	92 973
Unrealised foreign exchange gain/(loss) on cash and cash equivalents	-84 092	-4 448	1 736	-	-	-
Cash and cash equivalents at end of year	**95 686**	**91 237**	**92 973**	**92 973**	**92 973**	**92 973**

18.4 Capital expenditure projects

The Corporation has plans to acquire computer systems to modernize its business processes. Improving business processes is one of the corporate objectives highlighted in the strategy.

In the 2023 financial year, an amount of R4.1 million has been budgeted for to procure new office furniture as a result of relocating to new offices.

Total budgeted capital expenditure is per the table below:

R'000	2023	2024	2025	2026	2027	2028
Total capital expenditure	7 202	1 450	700	1 700	1 325	1 600

18.5 Infrastructure plans

The Corporation does not have infrastructure plans for the period 2023/24 – 2027/28.

18.6 Dividend policies

The Corporation follows the practice of no dividend payments.

18.7 Borrowing Plans

The Corporation has no borrowing plans.

18.8 Economic and financial assumptions

The exchange rates listed below have been obtained from Bloomberg:

	2023	2024	2025	2026	2027	2028
USD/ZAR	17,50	16,68	17,00	17,00	17,00	17,00

ASSUMPTIONS USED FOR INSURANCE REVENUE AND EXPENSES

The budgeted insurance revenue and insurance services expenses are based on the expected and actual cash flows for premium receipts, claim payments, allocated policy administration and claims handling expenses, as well as allocated acquisition costs. The new business includes reinsurance facilities business (short term insurance) as per the pipeline. It is assumed that the approved projects will materialise at 100%. A 60% probability was assumed for the pipeline not approved and Moz LNG. A probability of 100% was applied on Liqhobong restructuring. There is no budget for placeholders included throughout the Corporate Planning period. In addition to the above, it has been assumed that USD370m of LNG Total Mozambique will be reinsured, with cover effective from the 1st drawdown date.

Insurance revenue is driven by the following elements:

- Difference in actual premium received compared to expected
- Release of provisioned expected claims
- Release of provisioned Risk Adjustment
- Release of Contractual Service Margin (CSM)

Insurance services expense is driven by the following elements:

- Actual incurred claims
- Raising a Loss Component (LC) for contract becoming onerous or changes to the LC held
- Offset by release of the LC raised previously

Given the lumpiness of ECIC exposures, it is difficult to estimate the size of potential future claims. Incurred claims where budgeted as follow:

- For 2023, claim provision was raised and paid for the two GIC projects at 100% LGD and 100% likelihood, for the amount of $15.4mil.
- For 2024, there is a likelihood for the distressed projects in Ghana (Thengashep and Amandi Hospital) to claim. IBNR was raised and paid at a 25% likelihood which amounts to $18.3mil.
- For 2025 to 2028, IBNR is determined by allowing for 1% for small and medium size projects below $200m and 0.5% for mega projects above this exposure level. The IBNR is build up per month from April 2024 until March 2025. In the following years, the IBNR is adjusted as the exposure changes.

Included expected salvages for Iraq & Seychelles, but not for BiWater, Liqhobong or for GIC. The included salvages were recognised as a negative liability, with retained earnings adjusted. This is because the Iraq & Seychelles claims occurred in the past and the expected salvages would have been accounted for in that accounting period.

ASSUMPTIONS USED FOR INVESTMENTS INCOME

The assumptions used for investment income considered 2 sets of information:

a) expected investment returns per asset class; and

b) expected asset allocation based on the new investment tranche strategy.

OTHER ASSUMPTIONS FOR THE CORPORATION'S BUDGET

- The following assumptions were applied on expenses:
  - o The average increase of total operating expenses over the Corporate Planning period is 4%;
  - o Salary increment is between 3,5% and 6,0% per annum during the strategy period; and
  - o Bonus based on the latest approved policy.
- IMU grant receipt for 2023 is based on the actual amount received from **the dtic** which is limited to projected IMU claim payments (as at August 2022). Post 2023, the IMU grant receipts are based on the MTEF allocation letter received in January 2023.
- IMU grant receipts are exempt for tax purposes.

ASSUMPTIONS USED FOR THE SHORT-TERM INSURANCE BUSINESS

- Written premiums are based on a probable pipeline. A probability of 60% was applied on pipeline projects.
- For calculation of the claims incurred; the claims ratio is assumed at 70% of the earned premiums.
- There is no budget assumed for salvages receipts.
- Investment of the USD premiums will earn investment income and incur management fees.
- Operational expenditure for business in ZAR will be funded through a bank overdraft from the main business.
- The following direct expenses have been taken into consideration:
  - Personnel costs include bonus for the personnel to be appointed
  - Marketing expenses (allocation from the main budget)
  - Professional fees for industry reports, credit reports
- No indirect costs have been taken into consideration i.e., support and administration costs attributed from the main business.

PART C:

MEASURING OUR PERFORMANCE

JOINT KPI: INDUSTRIALISATION AND GROWING THE ECONOMY

19. CONTRIBUTE TO TRADE FACILITATION THAT RESULTS IN JOB CREATION

19.1. Purpose

To proactively attract business from new and existing customers to facilitate more exports and cross border investments.

19.2 Description

In five years, we will proactively attract business from new and existing customers to facilitate more exports and cross border investments. This programme will include:

- Proactively conducting research in various countries and sectors to identify trade and investment opportunities for South African companies with the aim for the Corporation to match relevant players to those opportunities; and
- Implementing a business development plan that will seek to establish customer focused initiatives along regional, geographic and sector segments; develop initiatives to leverage on local presence and our strategic partners.

In the next five years the successful execution of this programme will be demonstrated in the following key measures:

- Value of new projects approved;
- Number of new projects approved;
- Value of approved transactions within expanded sectoral coverage; and.
- Number of companies benefiting under the Export Passport Programme to be concluded between **the dtic**, ECIC, IDC and NEF.

Positive engagements with the Minister of Trade, Industry and Competition during the 2020/21 financial year contributed to an expanded mandate (which includes the coverage of non-capital goods and sectors where **the dtic** has concluded various Master Plans) which will enable the Corporation to have a greater economic impact on the export value chain and play an important role in the development of **the dtic** AfCFTA Export Plan and implementation of the Industrial Sector Master Plans.

the dtic currently has Master Plans for the following sectors which ECIC will look to cover:

- Automotive;
- Retail Clothing, Textile, Footwear and Leather;
- Poultry;
- Sugar;
- Steel and Metal Fabrication;
- Furniture

Pursuant to the meeting held with the Minister and the Deputy Minister of Trade, Industry and Competition, where the Development Finance Institutions (IDC, NEF and ECIC) within **the dtic** family and the department were challenged to collaborate much closer in pooling resources and embark on programmes that may move the dial in terms of tackling the societal challenges of unemployment and the need for economic inclusion.

ECIC will pursue a Cooperation Agreement to be concluded between **the dtic**, ECIC, IDC and NEF within 6 months of the 2022/23 financial year. **the dtic**, ECIC, IDC and NEF would be regarded as the Sponsors of the Export Passport Programme.

The new and energized element of the Export Passport Programme when compared with the Global Export Passport Programme currently offered by **the dtic**, is that the new programme will combine the exporter training elements with availability of export finance and guarantees that will be extended to the participating companies which will include potential exporters, emerging exporters and the specific needs of the established exporters.

The salient terms of the agreement is that all the four entities will pool their resources to support identified and selected eligible South African companies with different forms of support (within their mandates) in order to enable the selected companies to undergo an exporter incubator programme and/or go straight in to the export passport programme that will provide them with a customised export passport scheme that will assist them to enter the export value chain or increase their contribution in the export value chain. In this regard, the Export Passport Programme will focus on potential exporters, emerging exporters without neglecting established exporters with specific needs to enhance their market access or diversify their products and markets.

By export value chain, it means that the participants in the Export Passport Programme may be a sub-contractor to the ultimate exporter or be the ultimate exporter. Either way, the participants in the Export Passport Programme would be eligible for all forms of support on offer by the Sponsors of the Export Passport Programme. The role of ECIC in the Export Passport Programme is to provide insurance cover to NEF and IDC for finance granted to participants under the Export Passport Programme. The maximum insurance cover to be provided by ECIC will be 90% of the export-oriented loans (supply chain finance) or export credit loans. ECIC insurance cover under the Export Passport Programme may include cover for short term loans, working capital facilities, guarantees etc.

19.3 Performance indicators and performance targets (Contribute to trade facilitation that results in job creation)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Proactively attract business from new and existing customers to facilitate more exports and cross border investments	Facilitation of exports and cross border investments	Value of approved transactions.	USD27,5m	USD894m	USD249,86m	USD550m	USD560m	USD570m	USD580m	USD590m	USD600m
		Number of approved transactions	3 deals approved	4 deals approved	4 deals approved	4 deals approved	4 deals approved	4 deals approved	4 deals approved	4 deals approved	4 deals approved
		Value of approved transactions[1] within expanded sectoral coverage[2]	Not applicable[3]	Engagements held with the Minister for expanded mandate3	2 transactions approved	USD60m[3]	USD70m[3]	USD80m[3]	USD90m[3]	USD100m[3]	USD110m[3]
		Export Passport Programme	Not applicable	Not applicable	A special session held with the Minister on Joint KPIs – collaboration between **the dtic**, and DFIs (NEF, IDC and ECIC)	At least 5 companies that are benefiting under the Export Passport Programme	At least 6 companies that are benefiting under the Export Passport Programme	At least 7 companies that are benefiting under the Export Passport Programme	At least 8 companies that are benefiting under the Export Passport Programme	At least 9 companies that are benefiting under the Export Passport Programme	At least 10 companies that are benefiting under the Export Passport Programme

[1] These transactions are in addition to the "Value of approved transactions" indicator.

[2] These are the sectors identified in the Agreement between the Minister and ECIC effective from the 2021/22 financial year that are related to the various Master Plans concluded by **the dtic** from time to time. The Export Passport Programme transactions supported under this programme will fall under the expanded mandate of ECIC.

[3] Some of these transactions under the expanded mandate are short-term in nature (i.e., with a repayment tenor of less than two years) and from the effective date of the Agreement management has been engaging in a roadshow with the financial institutions and exporters to explain the expanded mandate and working on internal processes and allocating internal resources to rollout the implementation of the expanded mandate.

19.4 Quarterly milestones (Contribute to trade facilitation that results in job creation)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2023/24 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Proactively attract business from new and existing customers to facilitate more exports and cross border investments	Facilitation of exports and cross border investments	Value of approved transactions	USD550m	USD560m	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	USD560m
		Number of approved transactions	4 deals approved	4 deals approved	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	4 deals approved
		Value of approved transactions[1] within expanded mandate[2]	USD60m[3]	USD70m[3]	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	USD70m[3]
		Number of beneficiary companies under the Export Passport Programme	At least 5 companies that are benefiting under the Export Passport Programme	At least 6 companies that are benefiting under the Export Passport Programme	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	At Least 6 companies benefiting under the Export Passport Programme

1. These transactions are in addition to the "Number of approved transactions" indicator.

2. These are the non-capital goods exports (short-term trade business) and the sectors identified in the Agreement between the Minister and ECIC to be effective from the beginning of the 2021/22 financial year that are related to the various Master Plans concluded by **the dtic** from time to time. The Export Passport Programme transactions supported under this programme will fall under the expanded mandate of ECIC.

3. Some of these transactions under the expanded mandate are short-term in nature (i.e., Have repayment tenor of less than two years) and from the effective date of the Agreement management has been engaging in a roadshow with the financial institutions and exporters to explain the expanded mandate and working on internal processes and allocating internal resources to rollout the implementation of the expanded mandate.

19.5 Financial Plan (Expenditure estimates for Contribute to trade facilitation that results in job creation)

Programme Name: Contribute to trade facilitation that results in job creation									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Current payment									
Compensation of employees	14 615	12 969	15 392	17 050	19 272	20 139	20 843	21 571	22 209
Goods & services, etc	7 073	3 524	5 353	8 879	184	-103	5 290	9 912	8 839
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	–	–	–	–	–	–	–	–	–
Other classifications	–	–	–	–	–	–	–	–	–

JOINT KPI: TRANSFORMATION

20. ENHANCE TRANSFORMATION

20.1 Purpose

To ensure a transformed Corporation.

20.2 Description

In the next five years we aim to pursue transformation in accordance with the B-BBEE Act. This programme will include:

- Implementing the ECIC Transformation Strategy to maintain a Level 1 B-BBEE score.

In the next five years the successful execution of this programme will be demonstrated in the following key measure:

- B-BBEE level score.

20.3 Performance indicators and performance targets (Enhance transformation)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Perfor-mance	Medium-Term Targets				
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
To ensure a transformed Corporation	Maintain B-BBEE Score	B-BBEE Level	Level 1	Level 2	Level 1	Level 1	Level 1	Level 1	Level 1	Level 1	Level 1

20.4 Quarterly milestones (Enhance transformation)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2023/24 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
To ensure a transformed Corporation	Maintain B-BBEE Score	B-BBEE Level	B-BBEE Level 1	B-BBEE Level 1	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	B-BBEE Level 1

20.5 Financial Plan (Expenditure estimates for Enhance transformation)

Programme Name: Enhance transformation									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Current payment									
Compensation of employees	3 505	4 416	3 637	4 089	4 708	7 094	7 417	7 753	7 983
Goods & services, etc	39 751	26 160	13 914	5 784	34 587	20 655	30 858	42 837	49 982
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	–	–	–	–	–	–	–	–	–
Other classifications	–	–	–	–	–	–	–	–	–

JOINT KPI: BUILDING A CAPABLE STATE

21. IMPROVE EMPLOYEE VALUE PROPOSITION

21.1 Purpose

To maintain a competent and competitive workforce that is able to deliver on the business strategy and the achievement of the Corporation's objectives.

21.2 Description

In five years, we will have delivered on our strategy and achieved our objectives due to the retention of the knowledge and skill of our employees. This programme includes:

- Developing an appropriate annual training plan to address identified gaps and improve the knowledge and skill of our employees; and
- Implementing a workforce plan that can ensure that ECIC attracts and retains a competent workforce to deliver on its strategy.

In the next five years the successful execution of this programme will be demonstrated in the following key measures:

- Staff retention

21.3 Performance indicators and performance targets (Improve employee value proposition)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
To maintain a competent and competitive workforce that is able to deliver on the business strategy and achievement of objectives	Retention of staff	% Staff retained	90%	90%	97%	Retain at least 85% of staff	Retain at least 85% of staff	Retain at least 85% of staff	Retain at least 85% of staff	Retain at least 85% of staff	Retain at least 85% of staff

21.4 Quarterly milestones (Improve employee value proposition)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2023/24 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Maintain a competent and competitive workforce that is able to deliver on business strategy and the achievement of objectives	Retention of staff	% Staff retained	97%	Retain 85% of staff	Retain 85% of staff	Retain 85% of staff cumulatively	Retain 85% of staff cumulatively	Retain 85% of staff cumulatively

21.5 Financial Plan (Expenditure estimates for Improve employee value proposition)

Programme Name: Improve Employee Value Proposition									
	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
Economic classification	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Current payment									
Compensation of employees	2 015	2 081	2 193	2 350	2 645	2 826	2 925	3 027	3 116
Goods & services, etc	1 198	1 011	791	1 256	1 213	1 074	1 121	1 143	1 172
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	–	–	–	–	–	–	–	–	–
Other classifications	–	–	–	–	–	–	–	–	–

22. IMPROVE BUSINESS PROCESSES AND SYSTEMS

22.1 Purpose

To automate business processes and systems to improve operational efficiencies of the Corporation.

22.2 Description

In five years, we endeavour to significantly enhance and automate the ECIC processes and systems to improve efficiency in the delivery of key services and products. This programme will include:

- Driving digital transformation initiatives geared towards enhancing and automating key business processes and systems.

The successful execution of this programme will be demonstrated based on following key performance indicator:

- Percentage (%) of prioritised business processes automated.

The short-term target of 60% in the 2020/21 financial year was focused on the automation of key support and administrative processes for the Corporation. The medium-term targets are focused on the automation of core business processes that are more technically complex and critical for the Corporation, requiring a more rigorous change management approach to reduce associated risks and ensure business continuity.

22.3 Performance indicators and performance targets (Improve business processes and systems)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Perfor-mance	Medium-Term Targets				
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Improved operational efficiency	Automation of business processes	% Business processes automated	No baseline	30% of business processes automated	48% of business processes automated	70% of business processes automated	80% of business processes automated	90% of business processes automated	95% of business processes automated	100% of business processes automated	N/A

22.4 Quarterly milestones (Improve business processes and systems)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2023/24 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Improved operational efficiency	Automation of business processes	% Business processes automated	48% of business processes automated	80% of business processes automated	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	80% of business processes automated

22.5 Financial Plan (Expenditure estimates for Improve business processes and systems)

Programme Name: Improve business process and systems									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Current payment									
Compensation of employees	6 815	5 348	7 597	7 951	9 010	9 417	9 746	10 086	10 385
Goods & services, etc	2 672	3 370	4 508	4 064	5 355	5 017	5 105	5 330	5 551
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	-	-	-	-	-	-	-	-	-
Other classifications	-	-	-	-	-	-	-	-	-

23. IMPROVE STAFF EFFICIENCY

23.1 Purpose

To maintain an employee cost base within sustainable levels considering earned premiums over the medium-term.

23.2 Description

In five years, we will monitor the employee cost base against the earned premiums earned over a medium-term period. This programme will include:

- Tracking a staff efficiency ratio and consideration thereof in workforce and hiring decisions.

The successful execution of this programme will be demonstrated based on following key performance indicator:

- Staff efficiency ratio.

23.3 Performance indicators and performance targets (Improve staff efficiency)

Goal/ Outcome	Output	Perfor-mance Indicator/ measure	Actual Performance			Estimated Perfor-mance	Medium-Term Targets				
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Sustainable employee costs	Staff efficiency	Employee cost to insurance revenue (3-year average)	15%	14%	13%	Ratio not greater than 31%	Ratio not greater than 31%	Ratio not greater than 31%	Ratio not greater than 31%	Ratio not greater than 31%	Ratio not greater than 31%

23.4 Quarterly milestones (Improve staff efficiency)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2023/24 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Sustainable employee costs	Staff efficiency	Employee cost to insurance revenue (3-year average)	13%	Ratio not greater than 31%		3rd Quarter	4th Quarter	Ratio not greater than 31%

23.5 Financial Plan (Expenditure estimates for Improve staff efficiency)

Programme Name: Embed risk management practices									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Current payment									
Compensation of employees	2 015	2 081	2 193	2 448	2 645	2 826	2 925	3 027	3 116
Goods & services, etc	42	63	42	-5	39	23	23	23	23
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	-	-	-	-	-	-	-	-	-
Other classifications	-	-	-	-	-	-	-	-	-

24. EMBED RISK MANAGEMENT PRACTICES

24.1 Purpose

To embed sound risk management practices to ensure a self-sustainable Corporation that transacts within risk appetite limits.

24.2 Description

In the next five years we aim to pursue good governance and sound risk management practices. This programme will include:

- Maintaining healthy financial, risk and portfolio management ratios.

In the next five years the successful execution of this programme will be demonstrated in the following key measures:

- No breaches on risk appetite limits over the 5-year period (excluding legacy breaches prior to 1 April 2022); and
- Achievement of desired risk maturity levels by 31 March 2025.

24.3 Performance indicators and performance targets (Embed risk management practices)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Self-sustainable Corporation that transacts within risk appetite limits	Embed risk management practices	No breaches on risk appetite limits over the 5-year period	No new transactions breached risk appetite limits	No new transactions breached risk appetite limits	No new transactions breached risk appetite limits	No new transactions breached risk appetite limits	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)
		Risk maturity levels of the Corporation	Not measured	Not measured	Level 2 across most of the metrics	Level 2 across 100% of metrics	Level 3 across 50% of metrics	Level 3 across 75% of metrics	N/A	N/A	N/A

24.4 Quarterly milestones (Embed risk management practices)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2023/24 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Self-sustainable Corporation that transacts within risk appetite limits	Embed risk management practices	No breaches on risk appetite limits (from 1 April 2022)	No new transactions breached risk appetite limits	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)	No breaches on risk appetite limits (from 1 April 2022)
		Risk maturity levels of the Corporation	Level 2 across 100% of metrics	Level 3 across 50% of metrics	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Level 3 across 50% of metrics

24.5 Financial Plan (Expenditure estimates for Embed risk management practices)

Programme Name: Embed risk management practices									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Current payment									
Compensation of employees	18 490	17 554	19 395	21 570	24 367	25 621	26 517	27 444	28 255
Goods & services, etc	6 080	5 403	5 131	8 354	8 797	8 708	9 010	9 307	9 633
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	-	-	-	-	-	-	-	-	-
Other classifications	-	-	-	-	-	-	-	-	-

25. ENHANCE FINANCIAL SUSTAINABILITY

25.1 Purpose

To grow the business on a financially sustainable basis in order to fulfil the ECIC mandate of facilitating export trade and cross-border investments.

25.2 Description

In five years, we will seek to increase the capital base of ECIC to support the growth and sustainability of the business. This programme will include:

- Underwriting profitable business;
- Managing the existing insurance portfolio;
- Collecting salvages; and
- Earning investment income.

In the next five years the successful execution of this programme will be demonstrated in the following key measure:

- Increase in the ECIC equity (excluding foreign exchange movements and related tax); and
- Track the operating cost base of underwriting activities.

25.3 Performance indicators and performance targets (Enhance financial sustainability)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Support the growth and sustainability of the Corporation	Increase in capital base	% Increase in equity (excluding foreign exchange movements and related tax)	10% increase in equity	17% increase in equity	3% increase in equity	5% increase in equity	5% increase in equity	5% increase in equity	5% increase in equity	5% increase in equity	5% increase in equity
	Track the operating cost base of underwriting activities	Operating cost base of underwriting activities	R113m	R110m	R120m	Operating costs not exceeding R149m	Operating costs not exceeding R157m	Operating costs not exceeding R164m	Operating costs not exceeding R171m	Operating costs not exceeding R179m	Operating costs not exceeding R187m

25.4 Quarterly milestones (Enhance financial sustainability)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2023/24 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Support the growth and sustainability of the Corporation	Increase in capital base	% Increase in equity (excluding foreign exchange movements and related tax)	5% increase in equity	5% increase in equity	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	5% increase in equity
	Track the operating cost base of underwriting activities	Operating cost base of underwriting activities	Operating costs not exceeding R149m	Operating costs not exceeding R157m	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Operating costs below R157m

25.5 Financial Plan (Expenditure estimates for Enhance financial sustainability)

Programme Name: Enhance financial sustainability									
Economic classification	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	R ‘000	R ‘000	R ‘000	R ‘000	R ‘000	R ‘000	R ‘000	R ‘000	R ‘000
Current payment									
Compensation of employees	21 537	19 333	22 243	25 125	28 417	29 603	30 638	31 709	32 647
Goods & services, etc	79 417	31 839	782 794	347 955	370 885	317 879	207 327	259 165	228 239
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	240	1 046	1 072	7 202	1 450	700	1 700	1 325	1 600
Other classifications	788 488	62 240	42 018	309 010	375 295	112 933	134 429	156 352	171 649

26. STAKEHOLDER AND CUSTOMER ENGAGEMENT

26.1 Purpose

To engage stakeholders, customers and employees for the improved facilitation of export trade and cross-border investments.

26.2 Description

In the next five years we aim to improve stakeholder satisfaction. This programme will include:

- Measuring stakeholder satisfaction through periodic surveys to avoid stakeholder fatigue and obtain more reliable survey outcomes;
- Measuring employee engagement and organisational culture through annual surveys; and
- Implementing the following annual ECIC Plans to address the survey outcomes:
  i. Marketing and Communications Plan;
  ii. Employee Engagement Plan; and
  iii. Stakeholder Engagement Plan.

In the next three years the successful execution of this programme will be demonstrated in the following key measures:

- Corporate Reputation Index Performance (CRIP) score;
- Click Through Rate (CTR) on the AfCFTA media campaign;
- Culture Entropy score; and
- Employee engagement score.

26.3 Performance indicators and performance targets (Stakeholder and customer engagement)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Stakeholder and customer engagement	Maintain a high Corporate Reputation Index Performance (CRIP) score	CRIP score	CRIP score of 80,6%	N/A	N/A	CRIP score of 70%	N/A	N/A	CRIP score of 70%	N/A	N/A
	To increase brand visibility in selected African countries	Click Through Rate (CTR) on the AfCFTA media campaign	N/A	N/A	N/A	N/A	CTR score of 0.10	CTR score of 0.10	N/A	N/A	N/A
	Improve employee engagement and organisational culture	Employee engagement score / Culture Entropy score	Employee engagement score of 67%	N/A	Employee engagement score of 76,6%	Culture Entropy score below 30%	Employee engagement score of 70%	Culture Entropy score below 30%	Employee engagement score of 70%	Culture Entropy score below 20%	Employee engagement score of 70%

26.4 Quarterly milestones (Stakeholder and customer engagement)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2023/24 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Stakeholder and customer engagement	To increase brand visibility in selected African countries	Click Through Rate (CTR) on the AfCFTA media campaign	Not measured	CTR score of 0.10	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	CTR score of 0.10
	Improve employee engagement and organisational culture	Employee engagement score	Employee engagement score of 76,6% in 2021/22	Employee engagement score of 70%	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Employee engagement score of 70%

26.5 Financial Plan (Expenditure estimates for Stakeholder and customer engagement)

Programme Name: Stakeholder and customer engagement									
	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Economic classification	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Current payment									
Compensation of employees	15 421	15 541	16 154	17 990	20 066	20 802	21 529	22 282	22 941
Goods & services, etc	4 459	2 871	6 013	7 857	8 226	8 663	8 922	9 642	10 139
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	-	-	-	-	-	-	-	-	-
Other classifications	270 275	178 826	-39 489	820 271	16 478	112 267	19 808	12 252	6 414

27. ENHANCE CORPORATE GOVERNANCE

27.1 Purpose

To ensure effective governance and internal control measures.

27.2 Description

In the next five years we aim to pursue good governance. This programme will include:

- Maintaining effective governance and internal control measures as assessed by the external assurance providers.

In the next five years the successful execution of this programme will be demonstrated in the following key measure:

- Clean Audit with no repeat findings on the BAC report (judgemental differences not taken into account).

A clean audit refers to a financially unqualified audit opinion with no material findings on reporting on performance objectives or non-compliance with legislation. The BAC Report refers to the External Audit Report to the ECIC Audit Committee.

Judgemental differences are differences in views i.e. auditors view vs management's view. These will usually arise if it is an assumption about the future/ use of estimates or where the accounting standards are not prescriptive on the treatment.

27.3 Performance indicators and performance targets (Enhance corporate governance)

Goal/ Outcome	Output	Performance Indicator/ measure	Actual Performance			Estimated Performance	Medium-Term Targets				
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
To ensure effective governance and internal control measures	Effective governance and internal control measures	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not taken into account)	Clean audit	Clean audit	Clean audit	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not taken into account)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not taken into account)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not taken into account)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not taken into account)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not taken into account)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not taken into account)

27.4 Quarterly milestones (Enhance corporate governance)

Goal/ Outcome	Output	Performance Indicator/ measure	Baseline	2023/24 Annual Target	Quarterly milestones			
					1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
To ensure effective governance and internal control measures	Effective governance and internal control measures	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not taken into account)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not taken into account)	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not taken into account)	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Annual target with quarterly progress reporting	Clean audit with no repeat findings and no more than 3 new findings on the BAC report (judgemental differences not taken into account)

27.5 Financial Plan (Expenditure estimates for Enhance corporate governance)

Programme Name: Enhance corporate governance									
	Expenditure outcome			Adjusted Appropriation	Medium-Term Expenditure Estimate				
Economic classification	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Current payment									
Compensation of employees	14 985	13 138	15 757	17 481	19 659	18 527	19 100	19 690	20 273
Goods & services, etc	3 288	3 072	3 144	3 662	3 776	3 740	3 852	3 977	4 108
Payments of capital assets									
Building and other fixed structure									
Machinery & equipment	-	-	-	-	-	-	-	-	-
Other classifications	-	-	-	-	-	-	-	-	-

PART D:

LINKS AND OTHER PLANS

28. ASSET MANAGEMENT PLAN

The nature of the liabilities assumed by ECIC such as claim payment obligations, future expenses and stakeholders' expectations (e.g., regulatory requirements and strategic investments or payments), essentially drive the determination of its investment strategy. ECIC has an imperative to ensure payment obligations are fulfilled timeously whilst maintaining or improving financial soundness by charging competitive premiums and generating investment returns to create value for all stakeholders. This delicate balancing act necessitates an integrated approach to managing risk arising from investment activities, those inherent in its liabilities and changes in the structure of liabilities.

Consequently, ECIC adopts an Asset Liability Matching approach and liability cognisant investment philosophy. The aim is to minimise asset-liability mismatching risk by investing in suitable assets after taking account of the nature, timing and amount of its liabilities and expected cash flows within the corporation's risk tolerance and solvency framework.

The Corporation implements the investment strategy by appointing suitable external fund managers and setting appropriate investment guidelines for the management of the various asset classes. Relevant market benchmarks are allocated to each fund manager and performance and risk is measured, reported and monitored regularly.

The main principles underlying the Corporation's investment strategy, process and associated investment decisions is captured in the ECIC Investment Policy Statement (IPS). The IPS establishes appropriate investment guidelines and specifies measures to actively monitor the achievement of investment objectives. It furthermore references investment decisions within the risk management and solvency framework of the Corporation, and the mitigation and monitoring of other investment related risks. The Corporation manages and maintains two currency investment portfolios in Rand and in US Dollars.

The investment portfolio is constructed by segmenting it into parts and allocating matching assets for each currency's cashflow, liability and capital requirements. Residual or excess assets are invested to seek investment growth.

This approach ensures strategic and reporting emphasis on the most material components of the corporation's obligations in setting the investment strategy and allows matching assets and individualised risk and return objectives for each identified tranche. As the asset allocation to each tranche is intuitively based on liability values which are recalculated quarterly, shifts between tranches can be tracked and timeously updated.

The investment tranche approach allows for excess assets to be invested in longer dated instruments. These assets will not be used for frequent rebalancing or short- to medium-term cashflow and claims requirements. This reduces the risk of disinvesting higher risk-return assets at times of heightened market volatility and downturns. The working capital, technical provisions and capital requirement tranches are collectively referred to as the Total Reserving Tranche. The tranches for each currency portfolio are defined as follows:

- Working Capital Tranche: provides liquidity to meet operational expenses or known other payments over the next 12 months. Funds are invested in this tranche with time-, operational and cost-effective access to meet payments as they fall due;
- Technical Provisions Tranche: provides assets that are reserved for liability obligations or provisions (including IMU liability) to maximise capital efficiency and solvency. The assets consider the duration of the liabilities to mitigate increases in liability values that are due to interest rate changes;
- Capital Requirements Tranche: provides low-risk liquid assets that are reserved for non-life underwriting capital requirements and risk margin. The tranche serves as a buffer for large, unexpected claim payments or other obligations. It also serves as a low-risk asset class that can be used for tranche shifts and other asset transitions during times of heightened volatility or adverse market conditions; and
- Excess Tranche: the funds left over after funding the working capital, the technical provisions and the capital requirements tranches. Assets in this tranche will seek to maximise investment growth by investing in riskier assets over longer periods.

Portfolio Structure

The Corporation manages and maintains two currency investment portfolios in Rand and in US Dollars.

The Rand portfolio is primarily managed to back Rand denominated liabilities and absorb all operational expenses of the Corporation. It is a diversified moderate risk portfolio which invests in Rand-denominated Equities, Listed Property, Government Bonds, Corporate Bonds, Cash, and global equities and bonds.

The US Dollar portfolio is primarily managed to back the US Dollar denominated liabilities and IMU payments. It is invested in US dollar denominated cash, government and corporate bonds, and multi asset class portfolios. The Corporation has approval to retain its US Dollar and Euro premium income in their respective foreign currency portfolios. The Corporation does not yet have liabilities or assets denominated in Euro.

29. INFORMATION AND COMMUNICATION TECHNOLOGY PLAN

29.1 Introduction

The current ICT Corporate Plan 2020/21 – 2023/24 provides a roadmap for the digital transformation strategy of the Corporation over the 4-year period. A total budget of R49.2m has been allocated towards the implementation of the strategy over the period.

29.2 ICT Strategy Priorities

The ICT Corporate Plan identifies 4 focus areas and 13 strategic initiatives that have been prioritised by the Corporation to enable the delivery of its mandate, these include:

Focus Areas	Strategic Initiatives	Priority	Completion/ Target Date
1. Strategic and operational alignment of ICT to business objectives	1.1 Review ICT Governance, develop an Enterprise Architecture and review the ICT Strategy	High	Q2 2021/22
2. Automate and enhance business processes	2.1 Replace the HR module	High	Q4 2020/21
	2.1 Upgrade the ERP system	High	Q3 2021/22
	2.2 Procure the Risk and Compliance System	High	Q4 2020/21
	2.3 Enhance and automate core business processes	High	Q4 2023/24
	2.4 Develop BI & Data Analytics platform	Medium	Q4 2022/23
3. Develop ICT capacity and capability	3.1 Revise the ICT organisational structure	High	Q4 2020/21
	3.2 Refresh Computer Hardware	Medium	Q2 2022/23
	3.3 Replace LAN Switches and Wireless Access Points	Medium	Q3 2022/23
	3.4 Procure an ICT Configuration Management Tool	Low	Q4 2023/24
	3.5 Implement an Enterprise-wide Performance Management Solution	Medium	Q4 2023/24
4. Improve communication and collaboration	4.1 Procure audio and video conferencing equipment	Medium	Q4 2022/23
	4.2 Internal training of users on collaboration tools offered by Office 365	Medium	Q4 2022/23

29.2 Defining and measuring success

The measure of success for the implementation of the ICT Corporate Plan is based on the value delivered for the Corporation, including the percentage (%) of business processes automated resulting in process and cost efficiencies. The ICT Corporate Plan is reviewed annually to ensure continuous alignment to the strategic goals of the Corporation.

29.3 Reporting

The strategy implementation progress is reported quarterly to the ICT governance structures, including the ICT Steering Committee, Executive Committee, Risk Committee and Board. The implementation plan progress is reported quarterly to the ICT governance structures, including the ICT Steering Committee, Executive Committee, Risk Committee and Board.

30. RISK MANAGEMENT

Risk Management Plan (incl. risk strategy and process)

Risk management provides the Corporation with guardrails to ensure continued risk taking is done in a prudent and sustainable manner. As a regulated entity, ECIC risk management standards and practices must align to the regulators' standards an ongoing requirement to ensure license conditions are met. Similarly, as an outward looking entity that competes in the global arena, ECIC risk management practices are continually aligned to international best practice.

The Corporation has also constructed risk appetite limits and tolerances to ensure judicious and prudent underwriting that does not allow for excessive risk taking whilst sufficiently deploying capital. The risk appetite ensures obligor, sector and country concentration are kept within pre-set bounds. The Corporation's investible assets are also allocated in-line with risk-based principles taking into account risk-return constraints.

The Board, whilst responsible for providing oversight is the custodian of the Corporation's risk management and governance structures, whilst accountability for risk management remains with each individual within their respective functional areas. In line with good and effective corporate governance, the Board has delegated the responsibility of reviewing the effectiveness of the risk management system to the Risk Committee that is charged with risk oversight, compliance as well as ICT governance.

The three lines-of-defence principle

At the forefront are the business units whose day-to-day activities give rise to varied types of risk. Typically, the first line of defence consists of the operational and support areas of the business and are responsible for managing own risks emanating from their respective areas of responsibility. The risk management process is a continuous iteration that comprise of establishment of context, identification of risks, risk measurement, risk treatment, and reporting on a continuous basis.

The second line of defence consists of the control functions of Risk, Compliance and Actuarial Control. The primary responsibility of the risk control function is to establish and maintain the risk management framework which is the totality of risk policies, procedures and processes. as well as provide independent risk oversight and report risks to executive management, Board-level committees and the Board.

The audit function is responsible for providing assurance and is the third line of defence. It provides an independent assessment of the adequacy and effectiveness of the Corporation's overall system of internal controls and risk governance structures. The audit function reports independently to the Audit Committees of the Board.

Risk management framework, policies and procedures

The Corporation's Risk Management Framework comprise of the totality of risk policies procedures and processes. The risk policies set out minimum control measures that ensures alignment and consistency in treatment of major risks that include identification, measurement, treatment and reporting. Implementation of the risk management policies is the responsibility of the executive and business unit managers. Compliance with risk policies is monitored through self-assessments and independent reviews by the internal audit function.

The capital adequacy measurement using the solvency capital required (SCR) from the standard formula is one of the key features of the solvency assessment and management (SAM) regime.

The Corporation has determined that the standard formula does not sufficiently reflect the risk of the corporation. To compensate for the deficiency, the Corporation has adopted the use of economic capital.

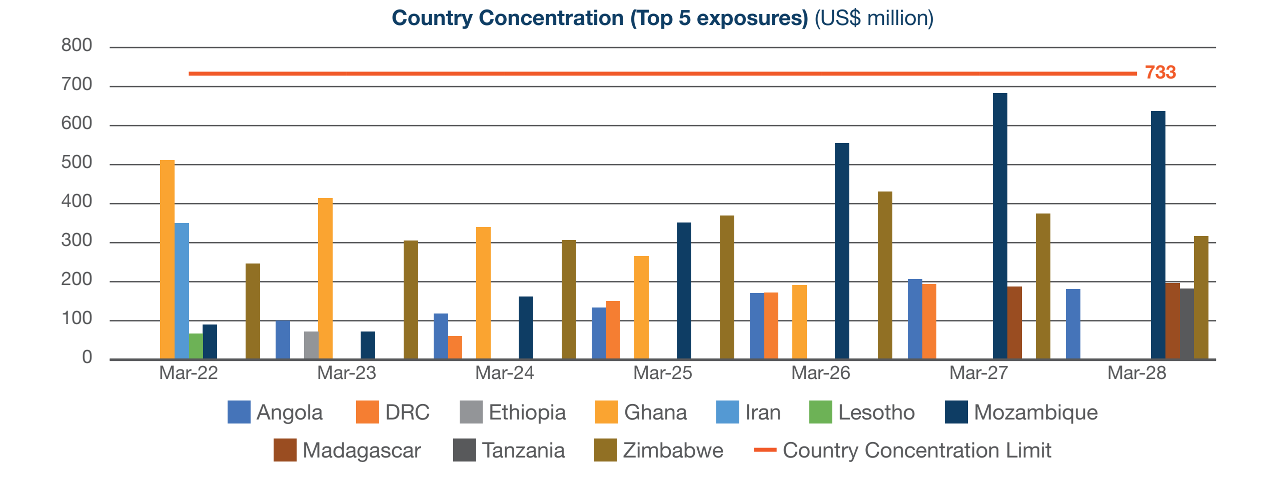
Risk appetite

RISK APPETITE UNDERWRITING METRICS

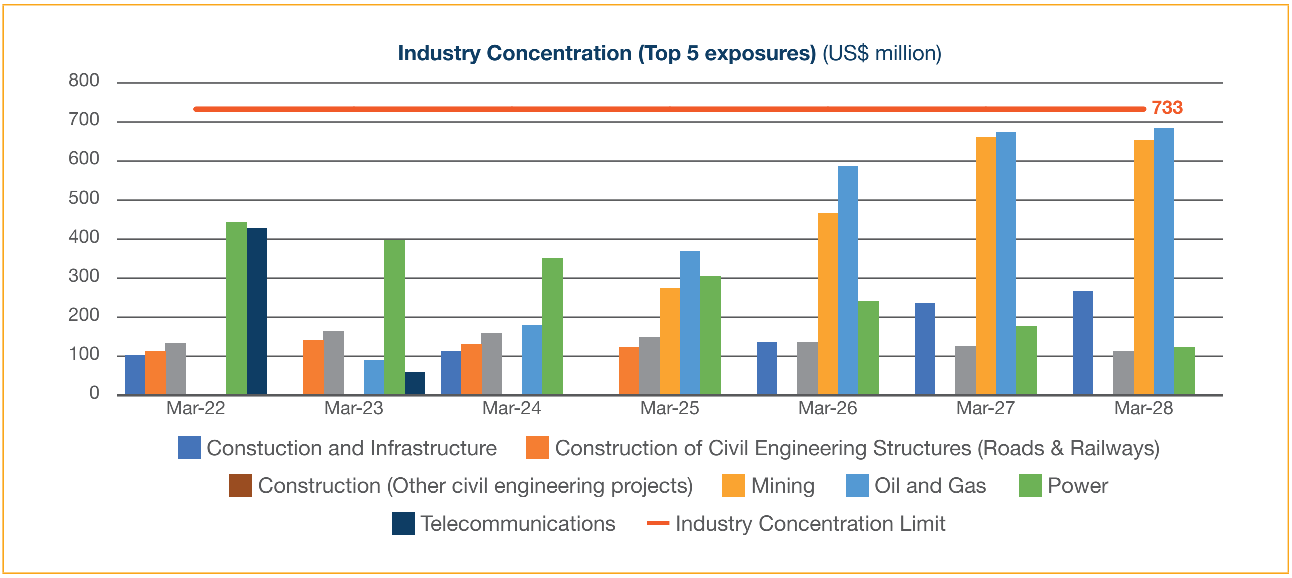
Given that concentration is a major risk for the Corporation, concentration limits are set within the Risk Appetite as follows:

- Maximum underwriting capacity that can be sustained by the available capital as at 31 March 2022. The measure is the leverage ratio of underwritten insured value relative to the corporation's equity.
- The maximum combined loss (gross of claim salvages) of a single event from exposures in a single country.
- The maximum combined loss (gross of claim salvages) of a single event from exposures in an industry.
- The maximum loss (gross of claim salvages) of a single obligor/project.

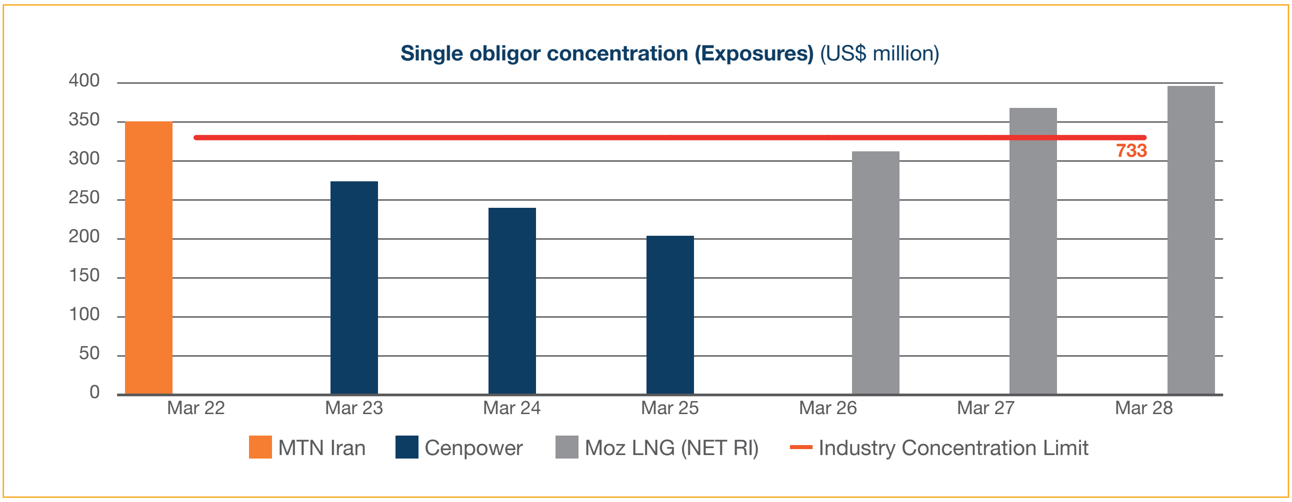
The graphs below show the projected exposures against country, industry and single obligor limits respectively. Single obligor limit breach is projected for March 2026 to 2027 when Moz LNG is expected to be fully drawn. However approvals for the deviation are in place.



- Ghana represents the country with highest exposure in the portfolio from March 2022 to 2024.
- Due to movements in the portfolio (portfolio run-off, prepayments, rise in underwritten projects), from 2026 Mozambique represents the highest exposure in the portfolio, followed by Zimbabwe.
- No breaches are forecast in the Corporate Planning period.



- Power representing the largest exposure until March 2024.
- As of March 2025, the Oil and Gas Industry dominates with new !projects being added from the pipeline.
- As of March 2026, Mining is projected lo become the second largest concentrated industry.
- No breaches in appetite limits in the period.



- MTN Iran represents the largest single obligor exposure in March 2022, but expires in August 2022 with MTN confirmation of non-renewal.
- As MTN Iran exposure expires, Cenpower is projected to become the largest single obligor until March 2025.
- In 2020 a limit of US$ 430m MozLNG was approved (being gross amount of US$ 800m with re-insurance of US$370m).
- If drawndown proceeds as expected, from March 2026 MozLNG becomes leading obligor overtaking Cenpower.
- Whist MozLNG exposure will surpass the US$330m single obligor limit, it will remain within Board pre-approved limit of US$ 430m,
- MTN exposure as US$351 has an administered LGD of 45%
- Export Credit; 100% LGD on existing exposures. New a application must justify a lower LGD up to a limit of 35% for transactions > 330m.

Risk Budget

The Corporation has allocated capital to three risk measures; underwriting, investments and currency. The first two reflect the Corporation's revenue generating activities, the third item is a default US dollar currency position by virtue of the Corporation's business being predominantly dollar based. The capital allocation between these three is split 70:20:10 respectively. Capital allocation to operational risk is minimal and has been aggregated into the underwriting capital allocation.

The US dollar assets accord the Corporation a natural currency hedge in claim incidents. The rand portfolio caters for operational expenses and settling tax liabilities, whilst also available for claims payment in case of shortfalls in US dollar assets. For every dollar asset that ECIC holds in excess of its liabilities, the regulatory solvency calculation imposes a currency risk charge, thus attracting a capital charge, purely from the fact that US dollar assets exceed US dollar liabilities. This is premised on the argument that a strong rand would impair the US dollar assets if converted to meet rand liabilities.

Emerging Risks

Global economic growth projection has been revised downwards in October to 3.2 percent from the July projection of 3.6 percent against a 2021 growth rate of 6.1% albeit from a low base following the contraction in 2020. Similarly, 2023 growth forecast is down to 2.7 percent from the initial 3.6 percent. The global growth slowdown is anchored on the deceleration in major economies with US economy contracting in first-half of 2022, Euro-area is expected to contract in the second half of 2022, and effects of Chinese lockdown and restructuring of its real estate sector. The risk to the outlook remains on the downside as policy normalization in leading economies diverge from the rest of the world and leading central banks miscalculation of the inflation point of inflexion resulting in tightening financial markets, and debt distress in emerging economies, as well as Chinese real estate risks spilling over into the financial sector resulting in growth curtailment. Geopolitical tensions on the back the Russia-Ukraine war threaten to widen especially if the war escalates into the use of non-conventional weapons by Russia which could galvanize the Western democracies as well as other allies to both sides from across the globe.

31. ETHICS AND FRAUD PREVENTION PLAN

The Board of Directors is responsible for ensuring that the Corporation has an effective, efficient and transparent system of controls for financial, risk management and internal control. Fraud and corruption remain a threat to public trust and confidence, it is therefore essential to recognise fraud prevention as an integral part of strategic management. It is imperative for the Board to set the right tone at the top in so far as prevention and management of fraud in the Corporation is concerned. At a country level, reports by watchdog organisations such as Transparency International (TI) assess and rate countries on various parameters that include fraud and corruption amongst others. Such reports are key especially when used by foreign investors to make decisions for foreign direct investment (FDI) destinations.

The Government has zero tolerance for the malaise of fraud and corruption in the public sector and has made it mandatory for public entities to develop fraud prevention plans as stipulated in the Treasury Regulations. Fraud prevention invariably referred to as fraud risk management embodies the whole system of processes and procedures designed and implemented to ensure that vulnerabilities that could arise from fraudulent conduct are curtailed and eliminated altogether. The system is intended to prevent, deter and detect fraud.

The Corporation Fraud Prevention Policy, and Ethics and Fraud Prevention Plan cover all acts of dishonesty including fraud, corruption and theft. The success of any fraud prevention initiative or fraud prevention plan inevitably depends on the buy-in and co-operation of the management and staff. The risk management philosophy at ECIC that also covers fraud and corruption is that everyone in their roles is responsible for risks that emanate or impact their area of responsibility.

In the planning period, fraud risk assessments have been conducted across all business units and fraud risk registers compiled. High risk processes and areas identified within the risk registers will form part of the combined assurance plans for in-depth review by internal audit.

The Fraud Prevention Policy inter alia embodies the following:

- Defines, sets control procedures to prevent, identify and deter fraud;
- Assigns appropriate responsibilities for ensuring key controls are complied with;
- Provides for the procedure for investigating all incidences of actual, attempted or suspected fraud, and all instances of major control breakdowns;
- Encourages staff and other key stakeholders to be vigilant and raise fraud-awareness at all levels and in all arrangements with the Corporation;
- Provides staff and key stakeholders with effective confidential reporting mechanisms and encourages their use;
- Co-operation with law enforcement and other appropriate authorities in the investigation and prosecution of those suspected of fraud or perpetrating fraud against the Corporation.

The Corporation's Ethics and Fraud Prevention Plan promotes fraud prevention as stipulated below:

- Ensure the Corporation's Code of Ethics and Business Conduct is reviewed to reflect the values and standards of the Corporation, as well as ensure that staff and stakeholders receive appropriate training and aware-ness on the Code and other applicable ethics policies such as the Conflict of interest and Gift Policy;
- Ensure regular fraud and corruption training and awareness campaigns throughout the Corporation, with a focus on recent cases, legislation and relevant trends;
- Promote continuous training by Management to raise appropriate awareness of internal processes and policies aimed at fraud and corruption prevention;
- Encourage use of "Tip Offs" reporting hotline or management of any fraudulent, unethical or corrupt activities in line with the Whistle-Blowing Policy of the Corporation.

The fraud communication and awareness initiatives are reviewed annually with the assistance of independent service providers where applicable to incorporate emerging risks and embed international best practice.

The tip-offs report as well as progress on the achievements under the fraud prevention plan are tabled at Audit, and Social and Ethics Committees. In the event of any member of the Board of Directors, or key staff being implicated in fraud, corruption or gross negligence, the matter is also reported to the shareholder, external auditor, the Auditor-General, the Prudential Authority and the Financial Sector Conduct Authority.

The Ethics and Fraud Prevention Plan is a live document that is updated on a continuous basis to ensure the Corporation remains abreast of emerging trends to effectively promote ethical behaviour, entrench sound values as well as fight fraud and corruption.

32. RISK MANAGEMENT – RISK REGISTER

#	Objectives	Risk name	Root causes of the risk	Consequence of the risk	Key Controls	Risk owner	Residual risk exposure	RR factor	Action plans	Target date	Status	Comments
1	Contribute to Trade facilitation	Uncertain macro-economic outlook	Business projections may be significantly impacted by uncertain macro-economic outlook	Curtailment in project pipeline resulting in reduced premium income	Proactive deal origination	COO	Priority 4	8.00	On-going pipeline monitoring	Ongoing	In progress	The combination of global growth slowdown due to COVID-19 & South Africa credit downgrade, the deal pipeline could be constrained in the outer years (years 3 & 5)
				Potential sovereign default risk from over-indebted countries due to elevated external debt for COVID containment measures amongst others	1. Use of a debt sustainability framework 2. Monitor fiscal consolidation measures in various countries 3. Transactions adhere to Country limits	COO	Priority 4	8.00	Leverage government to government goodwill to avoid default	Ongoing	In progress	Direct sovereign cover for over-indebted countries is currently done on a case-by-case basis (i.e., strategic projects to national economy, projects with ring-fenced proceeds/ revenue) as well as looking at debt consolidation measures
		Competition	Increased competition from other ECAs with flexible underwriting criteria	Loss of business due to content requirement	'1. 'Limit cover to achieved content 2. Utilize reinsurance for the content deficient portion	COO	Priority 5	4.50		Ongoing	Final tests & maintain	
			Uncompetitive SA Exporters	Inability to win international bids	1. Part of the intervention is for SA exporters to form JVs or to sub-contract with experienced international contractors in limited expertise sectors such as Gas, Power etc. 2. Issue letters of support to SA contractors	COO	Priority 4	8.00		Ongoing	In progress	- ECIC crowds in participation of South African contractors as partners or sub-contractors of the major international contractors i.e., the LNG projects
2	Enhance Financial Sustainability	Uncertain macro-economic outlook	Investment assumption may be significantly impacted by an uncertain macro-economic outlook	Increased volatility resulting in capital loss in investments	Diversification of investment portfolio	CAI	Priority 5	4.50	Implement Tranching	August 31, 2022	Planned	
		Pandemic risk	The COVID-19 pandemic has triggered global economic slowdown in 2020 and marginal growth to 2019 levels in 2021.	1. Insufficient pipeline due to depressed markets adversely impacting premiums 2. Potentially heightened claims incidents due to the pandemic effects adversely affecting premiums 3. Depressed markets resulting in value erosion of investment portfolio	1. On the underwriting side proactive deal origination 2. Restructuring of struggling projects to avoid potential claims 3. Preparation of Out of cycle ORSA to quantify risks 4. Diversification of investment portfolio	COO & CAI	Priority 4	8.00	1. Effects on pipeline being monitored 2. Investment portfolio monitoring	Ongoing	In progress	EXCO continually monitors the impact of the pandemic on the economic activities in sectors and countries that ECIC has existing exposure and future business, as well as effects on the investment portfolio.

#	Objectives	Risk name	Root causes of the risk	Consequence of the risk	Key Controls	Risk owner	Residual risk exposure	RR factor	Action plans	Target date	Status	Comments
		SA Credit Downgrade	Uncompetitive ECIC paper due to lower credit rating not affording banks sufficient capital relief under Basel 3	1. Sub-investment grade sovereign credit rating force SA banks to seek better rated paper at ECIC's expense. 2. High cost of borrowing for SA banks constrains funding sources for ECIC-backed projects	‘ Differentiation; ECIC underwriting in difficult geographies is a competitive advantage	COO	Priority 4	8.00	1. Need to get a cut-through agreement in instances where reinsurance is taken 2. SARB to issue a sub-sovereign rating guideline in 2023	March 31, 2023	In progress	Cut-through discussion with reinsurance market on-going
			SA Bonds removed from FTSE-WGBI after downgrade	1. Institutional & mandate investors exit SA GB 2. Taper induced volatility triggered by portfolio outflow	Diversification of investment portfolio	CAI	Priority 5	4.80		Ongoing	Final tests & maintain	Institutional & mandate investors exited SA GB, but yield seeking investors have piled back in, almost to pre-downgrade levels Taper induced volatility remains
		Exchange Rate Risk	Rand weakness inflating value of USD assets.	Unrealised capital gains arising from currency movement eroding ECIC balance through tax	No control as this is based on current law	CFO	Priority 3	14.40	Seek dtic intervention with NT (at ministerial level) to allow for tax calculation on USD numbers	Ongoing	In progress	ECIC has previously held discussions with NT & SARs via Deloitte Discussions to be held with dtic on tax implications
3	Improve staff efficiency	High escalation of employee costs beyond CPI	Employee costs do not take into account approved budgets	Unsustainable remuneration	1. Maintain approved headcount 2. Internal reallocation of headcount (where possible) 3. Appointments to be within approved budgets	Head: HC	Priority 5	4.50	Monitor effects of new controls and respond accordingly	Ongoing	In progress	
4	Improve Business Processes and systems	ICT Risk	Risk of ICT breach resulting in unauthorised access	Unauthorised access of ECIC network resulting in unauthorized activities	1. Firewalls are currently in place; and 2. Use of outsourced hosting services 3. Vulnerability test conducted on an ongoing basis 4. Dedicated information security analyst in place	GC	Priority 4	8.00	1. Perform a limited penetration test on the ECIC cloud environment 2. Perform a comprehensive penetration test on the ECIC environment at new premises	1. November 30th, 2021 2. December 31st, 2022	Planned	see action plan
			Automation targets not met	Long lead times and error prone processes & inconsistent decision making	1. Business process automation plan 2. Implementation of the ICT Corporate Plan	GC	Priority 4	8.00	Implement the business process automation plan & ICT strategy	Ongoing	In progress	Implement the business process automation plan & ICT strategy per below timelines (FYE) Y0: 60% Y1: 70%, Y2: 80%, Y3: 90%, Y4: 95%, Y5: 100%
		Accounting Standards Changes	Change in accounting standards for insurance sector (from IFRS 4 to IFRS 17 & from IAS 39 to IFRS 9)	1. Qualified audit opinion	1. IFRS Implementation Plan 2. Attendance at relevant workshops 3. Regular progress updates to EXCO & Board	CFO & CAI	Priority 3	11.20	1. Tracking & Implementation of IFRS 9 & 17 Implementation Plan 2. Monthly progress reports to EXCO 3. Implementation of IFRS 9 to run concurrently with IFRS 17 to avoid further delays	Ongoing	In progress	1. Tracking & Implementation of IFRS 9 & 17 Implementation Plan 2. Monthly progress reports to EXCO 3. Implementation of IFRS 9 to run concurrently with IFRS 17 to avoid further delays

#	Objectives	Risk name	Root causes of the risk	Consequence of the risk	Key Controls	Risk owner	Residual risk exposure	RR factor	Action plans	Target date	Status	Comments
5	Enhance Corporate Governance	Regulatory/ Legislative changes	Increased risk of non-compliance	Risk of loss of license in case of breach of solvency	Multiple metrics in use 1.Risk capacity – Tier 1 capital available to absorb potential losses 2.Risk appetite – SCR > 115%, EC > 110% 3.Maximum underwriting capacity at 10x equity 4.Portfolio concentration limits – country & industry $733 MM & single obligor limit $330MM	CRO & CAI	Priority 5	4.80	Update risk appetite limits post-prepayment(s)	Ongoing	In progress	Update risk appetite limits post-prepayment(s)
		Deterioration of the Corporation's B-BBEE score	- Decline in EE score - Large Procurement from Low B-BBEE rated suppliers - Failure to meet SED/ ESD spend targets	Decline in the Corporation's level 1 B-BBEE score	Incremental procurement is directed towards highly rated B-BBEE suppliers	CFO, CAI & GC	Priority 4	8.00	- Strive towards EE targets - Continued high value procurement from suppliers with B-BBEE score > 4.	Ongoing	In progress	1. The Corporation B-BBEE rating declined to level 2 in 2021 from level 1 in 2020. 2. Following the development of fund manager transformation plan, up-coming fund manager appointments will have to adhere to the plan
6	Improve Stakeholder & Customer engagement	Reputational Risk & Brand Visibility	Adverse customer & stakeholder brand perception	Negative publicity, decreasing level of advocacy and brand unfamiliar to market	'1. Marketing & Communications Plan 2. Stakeholder Engagement Plan	COO, Head MC & CSR & Manager in the Office of the CEO	Priority 4	8.00			In progress	
7	Improve Employee Value Proposition	Culture Risk	Failure to live the values of the Corporation	The risk of inappropriate culture taking root in the company	1. Employee induction process 2. Ethics sessions held with staff annually 3. Declaration of conflict of interest as and when necessary	Head: HC	Priority 4	8.00	1. increased socialization of the values on an ongoing basis 2. Rotational remote-office work 3. Innovative online collaboration	Ongoing	In progress	
8	Embed Risk Management Practices	Failure to embed ORSA in the company	Slow uptake of the ORSA process	1. Poor decision making 2. Regulatory findings	1. Adoption of ORSA driven decision making 2. Resolution of Independent ORSA review findings 3. EXCO and Board involvement and input into the ORSA process	CRO & CAI	Priority 4	8.00	1. Resolution of all findings (Internal Audit, HAF, Independent ORSA review)	Ongoing	In progress	1. Resolution of all findings (Internal Audit, HAF, Independent ORSA review)

Inherent Impact		
Insignificant (1)	1	Brief local inconvenience or loss of an asset with minor or no impact on the business / insignificant financial loss
Minor (2)	2	Disruption in business lasting between 8 and 24 hours / Minor impact on costs of less than 5%. Minor impact on underwriting result of less than 2%
Moderate (3)	3	Disruption in business lasting between 24 and 36 hours / Moderate impact on costs between 5% and 10% of applicable budget. Moderate impact on underwriting result of between 2% to 5%
Major (4)	4	Reduction in continuity of business for a period of between 36 and 48 hours / Cost overrun of between 10% and 20% of applicable budget. Affect underwriting result of between 5% and 10%
Catastrophic (5)	5	Risk event will result in widespread and lengthy reduction in continuity of business lasting more than 48 hours. /Cost overrun of > 20% of applicable budget. Affect underwriting results of > 10%

Inherent Likelihood		
Rare (1)	1	The risk has never occurred before and is unlikely to occur
Unlikely (2)	2	The risk is unlikely to occur
Possible (3)	3	The risk has occurred before and there is a possibility that it may reoccur
Likely (4)	4	The risk has occurred before and is likely to occur again
Almost Certain (5)	5	The risk is almost certain to occur in the current circumstances

Control Effectiveness		
Risk reduced significantly	20%	Risk is totally avoided
Very effective	40%	Risk is significantly transferred
Effective	65%	Effective in managing the risk or risk is moderately transferred
Weak	80%	Controls are effective to mitigate the risk but requires continuous monitoring
Ineffective	100%	Controls are ineffective in managing the risk

Risk Category	Risk Subcategory	
Operational Risk	People	
	Controls	
	Systems	
	Process	
Strategy Risk	Strategy Risk	
Regulatory Risk	Regulatory Risk	
Reputational Risk	Reputational Risk	

33. HUMAN CAPITAL PLAN

33.1 Introduction

The Strategic Human Capital Plan (SHCP) sets forth the framework for managing the Corporation's human capital system through 2027/2028. This plan builds on the Human Capital Corporate Plan for the period 2022/23 to 2026/27 and aligns with the Corporation's 2023/24 to 2027/28 Corporate Plan. The plan identifies three strategic human capital goals relating to attracting, motivating, and retaining diverse talent, building capacity and engaging employees.

33.2. HR STRATEGIC PRIORITIES

33.2.1 Human Capital Goals (2023/24 -2027/28)

The 2028 SHCP focuses on three strategic human capital goals relating to attracting, motivating, and retaining diverse talent, building capacity and engaging employees.

33.2.2 Human Capital Goal 1 – Maintain ability to attract, hire and retain key talent

The Corporation seeks to improve each year the quality and diversity of its hires. Further, the Corporation seeks to strengthen its employee value proposition to enable talent acquisition and retention.

Detailed below are the objectives and initiatives to be implemented:

Human Capital Objective	Human Capital Initiative	Rationale	2024 Target
Attract and hire, the best talent to address the evolving talent needs in our business	Recruitment and selection of best talent	Best talent required to implement corporate strategy.	Vacancies filled within 90-120 days on an ongoing basis.
Create talent pipeline through graduate programme	Appoint and develop graduates/interns	Build own talent pipeline through graduate programme	Appoint and develop graduates/interns

Human Capital Objective	Human Capital Initiative	Rationale	2024 Target
Improve talent diversity	Employment Equity Plan	Talented people we attract to ECIC need to reflect the diversity of South Africa's population.	Implementation of the Employment Equity Plan
Create a work environment that addresses the current and future needs of our employees in a digitized workplace	Hybrid working arrangement implemented	Leveraging hybrid working to increase impact and productivity.	Hybrid working monitored throughout the year.
Improve remuneration & recognition practices	Conduct salary market benchmarking	Remuneration & recognition are key drivers of motivation and retention.	Salary market benchmark conducted
Improve remuneration & recognition practices	Review and improve incentive schemes and recognition programme	Remuneration, reward and recognition play a key role to motivate and retain diverse talent	Review and Improve incentives scheme(s) and recognition programme.

33.2.3 Human Capital Goal 2 – Building capacity to achieve desired performance

The Corporation seeks to improve its skills sets and implement targeted learning initiatives through a blended learning approach comprised of classroom learning, on the job learning, online learning and mobile learning platforms. Indicated below are the objectives and initiatives to be implemented:

Human Capital Objective	Human Capital Initiative	Rationale	2024 Target
Improve knowledge and skills for the new reality	Conduct skills audit Compile and implement an annual training plan	Skills audit to identify and match skills Targeted learning initiatives	Skills audit completed Implementation of the annual training plan
Improve performance management	Continue to improve the performance management system and goal setting	Performance management plays a key role in the achievement of the business strategy	Implementation of the Performance Management Improvement Plan
Implement succession planning programme	Succession plans included in the individual employee's Personal Development Plan	Availability of key skills is a threat to business growth	Annual Succession plans implemented.

33.2.4 Human Capital Goal 3 – Engaged Employees

The Corporation seeks to improve employee engagement, employee wellness and organisational culture with this goal. Detailed below are the objectives and initiatives linked to this goal:

Human Capital Objective	Human Capital Initiative	Rationale	2024 Target
Rethink organisational structure, roles and ways of working	Review of jobs	Review utilisation of staff, roles & organisational structure	Jobs to be reviewed on completion of the planned organisational design project.
Improve employee engagement levels	Conduct employee engagement survey	Engaged employees are more productive	Conduct an employee engagement survey and achieve a score of 70% or higher.
Improve the wellness of our employees	Compile and implement wellness plan	Employees that are well perform optimally	Annual Employee wellness plan implemented
Define and design organisational culture which will enable achievement of strategy	Organisational Culture Project	Corporation to build a customer centric, ethical, performance driven and innovative culture.	Results of the organisational culture assessment used to conduct culture workshop(s)
Design a fit for purpose organisation	Organisational design project implemented	Evolving our organisation to suit a changing business and strategic context	Organisational design review project completed

33.2.5 Defining and measuring success

The ultimate measure of success for the 2028 SHCP will be its overall impact on the Corporation's business strategy results.

33.2.6 Reporting

Annual reports on the implementation of the SHCP will be tabled to the Human Resources and Remunerations Committee for monitoring.

33.2.7 Conclusion

The Human Capital strategies and objectives as reflected in this SHCP are flexible and will continuously be realigned to the business and organisational requirements as reflected in the Corporate Corporate Plan.

34. STAKEHOLDER MANAGEMENT FRAMEWORK

34.1 Introduction and purpose

The ECIC Board has adopted the principles of openness, integrity and accountability as espoused in King IV. One of the objectives of King IV is to encourage transparent and meaningful reporting to stakeholders. To enable this King IV advocates for a stakeholder-inclusive approach.

There is an interdependent relationship between ECIC and its stakeholders, and the ECIC's ability to create value for itself depends on its ability to create value for others.

In order to know and understand the legitimate and reasonable needs, interests and expectations of ECIC's major stakeholders, management needs an ongoing relationship with those stakeholders. Understanding stakeholder's expectations will assist the Board in effectively executing the ECIC mandate.

Stakeholder inclusivity involves the balancing of interests over time by way of prioritising and, in some instances, trading off interests. A decision on how to achieve this balance is made on a case-by-case basis, as current circumstances and exigencies require but should always be done in the best interests of ECIC over the longer term.

Balancing the needs, interests and expectations of stakeholders is a dynamic and ongoing process. The measurement of the quality of stakeholder relationships indicates how effectively ECIC is able to strike this balance in its decisions.

The Stakeholder Management Framework seeks to achieve the following:

- More equitable and sustainable social development by giving those who have a right to be heard the opportunity to be considered in decision-making processes;
- Determine material issues for sustainability management and reporting;
- Enable better management of risk and reputation;
- Allow for a pool of resources (knowledge, people, money and technology) to solve problems and reach objectives that cannot be reached by single organisations;
- Enable understanding of complex operating environments, including market developments and cultural dynamics;
- Enable learning from stakeholders, resulting in product and process improvements, and innovations;
- Inform, educate and influence stakeholders in a way that can improve their decisions and actions, which will in turn have an impact on ECIC and on society; and
- Contribute to the development of trust-based and transparent stakeholder relationships.

To achieve the above goals the Stakeholder Management Framework focuses on the following areas as recommended by King IV:

- Arrangements for governing and managing stakeholder relationships;
- Methodologies for identifying individual stakeholders and stakeholder groupings;
- Determination of material stakeholders based on the extent to which they affect, or are affected by, the activities, outputs and outcomes of the organisation;
- Management of stakeholder risk as an integral part of organisation-wide risk management;
- Key areas of focus;
- Formal mechanisms for engagement and communication with stakeholders, including the use of dispute resolution mechanisms and associated processes;
- Measurement of the quality and effectiveness of material stakeholder relationships, and appropriate responses to the outcomes; and
- Areas of focus.

Formal dispute resolution will be in terms of the ECIC Complaints Resolution Policy.

34.2 Governing and managing stakeholder relationships

ECIC's Social and Ethics Committee (SEC) is responsible for "Reviewing the adequacy and effectiveness of the Company's engagement and interaction with its stakeholders." This Committee sits twice a year. The role of the Committee per its Terms of Reference is to:

- Monitor that there is a robust process for managing the Company's reputation as detailed in the Stakeholder Management Framework;
- Monitor that management proactively deals with stakeholder relationships in an integrated manner;
- Monitor that there is an equitable treatment of stakeholders in line with the Stakeholder Management Framework;
- Monitor that there is a transparent and effective communication with stakeholders to build and maintain their trust and confidence; and
- Monitor that there is a mechanism in place geared at ensuring that disputes are resolved effectively, efficiently and expeditiously as possible.

In terms of the Board Charter, the Board has the following roles and responsibilities regarding stakeholder management:

- Act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles;
- Appreciate that stakeholder's perceptions affect the Company's reputation; and
- At least once a year, review shareholder, client and other relevant stakeholder relations.

Stakeholder management and engagement has been delegated to the CEO in terms of the ECIC Delegation Matrix. The Manager: Office of the CEO is responsible for the implementation of this Stakeholder Management Framework and reporting back to SEC and the Board on the progress.

The Stakeholder Management Framework is reviewed by management based on the engagements that have occurred over the period since the previous review, and approved by SEC and Board.

An annual Stakeholder Engagement Plan to address the identified needs and expectations is approved by SEC. The achievement of the Stakeholder Engagement Plan is an ECIC strategic objective and is monitored by the Manager: Office of the CEO.

34.3 Identifying stakeholders and stakeholder groups

The Stakeholder Management Framework focuses on a broad spectrum of identified stakeholders, each with its own unique environment potentially being of value to the ECIC in our efforts to stimulate exports of goods and services.

Stakeholder identification is informed by the ECIC mandate and is guided by the following attributes:

DEPENDENCY:

Groups or individuals who are directly or indirectly dependent on ECIC's activities, products or services and associated performance, or on whom ECIC is dependent in order to operate.

RESPONSIBILITY:

Groups or individuals to whom ECIC has, or in the future may have, legal, commercial, operational or ethical/ moral responsibilities.

TENSION:

Groups or individuals who need immediate attention from ECIC with regard to financial, wider economic, social or environmental issues.

INFLUENCE:

Groups or individuals who can have an impact on ECIC's or a stakeholder's strategic or operational decision-making.

DIVERSE PERSPECTIVES:

Groups or individuals whose different views can lead to a new understanding of the situation and the identification of opportunities for action that may not otherwise occur.

34.4 Determination of material stakeholders based on the extent to which they affect, or are affected by the activities, outputs and outcomes of the organisation

We map stakeholder importance and influence annually to ensure that we stay abreast of the dynamic environments, locally and in Africa, in which they operate.

Our systems promote and record stakeholder interaction and our responses to their needs, while enhancing our understanding of trends and changes in stakeholder expectations and interests.

Based on this the following material stakeholder groups have been identified:

- Key government departments;
- Parliament;
- FSCA and Prudential Authority (Regulator);
- Customers (financial institutions and exporters);
- Partners;
- Governments of importing countries;
- Employees; and
- The media.

34.5 Formal mechanisms for engagement and communication with stakeholders, including the use of dispute resolution mechanisms and associated processes

Responsibility for the engagement and communication with stakeholders resides with the below Stakeholder group owners.

ECIC Stakeholder group owners:

Stakeholder group owner	Stakeholder group	How addressed
Office of the CEO	**the dtic** National Treasury Parliament Portfolio Committee on Trade, Industry and Competition DIRCO Berne Union South African Chamber of Commerce and Industry World Economic Forum	Stakeholder Engagement Plan

Stakeholder group owner	Stakeholder group	How addressed
Business Development	Afreximbank BRICS ECAs Customers DPE entities Export Councils Embassies and Ambassadors High Commissions	Origination Plan
Marketing and Communication	Media Other stakeholders	Marketing and Communications Strategy
Human Capital	Employees	Employee Engagement Plan
Compliance	FSCA PA	Annual Compliance Monitoring Plan

34.6 Measurement of the quality and effectiveness of material stakeholder relationships, and appropriate responses to outcomes

The quality and effectiveness of material stakeholder relationships is measured by the Brand, Reputation & Customer Satisfaction Survey which will be tracked as a strategic objective going forward. A Stakeholder Engagement Survey was also undertaken with key stakeholders not addressed by the Brand, Reputation & Customer Satisfaction Survey.

BRAND, REPUTATION & CUSTOMER SATISFACTION SURVEY

The primary measure of the quality and effectiveness of material stakeholder relationships is the Brand, Reputation & Customer Satisfaction Survey Report. The main objectives of the survey are:

- Brand awareness: Assess ECIC's brand value and brand equity.
- Corporate reputation: Determine ECIC's corporate reputation level
- Desired reputation: Develop a roadmap to aid ECIC in realising its desired reputation level
- Perceptions: Ascertain the current perceptions of ECIC amongst its key external stakeholders

The survey is conducted every three years. The latest survey was conducted in March 2023. The annual Customer Engagement Plan, Stakeholder Engagement Plan, and Marketing and Communications Strategy are designed to maintain a high rating on the survey.

STAKEHOLDER ENGAGEMENT SURVEY

The Survey had the objectives of identifying opportunities to strengthen ECIC's engagement with stakeholders, identify strengths and challenges, and to recommend improvement actions.

The challenges identified from the Survey are included in the Areas of Focus below and will be addressed in the Stakeholder Engagement Plan:

34.7 Areas of focus

Based on the identified needs and expectations from engagements since 1 April 2019 the following will be focused on in the future:

1. Clearly delineating the factors impacting the execution of the ECIC mandate and address those within our control;
2. Enhancing stakeholder engagement bulletins informing stakeholders of developments at ECIC, deals supported as well as portfolio analysis;
3. Communication of successful projects;
4. Presenting “one face” to stakeholders even if different ECIC staff interact with the same stakeholder;
5. Improve transparency of communication and effectiveness of information sharing initiatives;
6. Identification of potential business opportunities;
7. Management of risk; and
8. Enabling reporting of unethical behaviour by ECIC representatives.

35. MARKETING AND COMMUNICATION STRATEGY

35.1 Purpose

Create awareness and understanding of the ECIC mandate with the aim of unlocking business opportunities by initiating a programmatic campaign emphasising ECIC’s expanded mandate and the AfCFTA. The AfCFTA media campaign will be focused on the AfCFTA boasting various social media activations which are aligned to ECIC trade and business events amongst other Governance and Project areas. The social media activations showcased noteworthy growth in the click through rate (CTR) measurement on Twitter and LinkedIn inclusive of the digital programmatic campaign. The URL for the campaign landing pages for the programmatic digital engagements was also finalised and the contact forms managed by the Business Development Unit, which is now also available in French and Portuguese.

35.2 AfCFTA Campaign

- To develop and implement a targeted marketing and communications campaign in relation to the African Continental Free Trade Area (AfCFTA)
- Develop and implement targeted local and international marketing and communications initiatives
- Initiating an ECIC advocacy programme with key local and international stakeholders to raise the level of awareness and understanding of the ECIC brand

The successful execution of the campaign will be demonstrated in the following measure:

- Improve brand visibility through the programmatic social media campaign by measurement of the Click Through Rate (CTR) of 0.05 – 0.15.

ANNEXURE A: MATERIALITY AND SIGNIFICANCE FRAMEWORK

1. Scope

The Board of Export Credit Insurance Corporation (ECIC) is responsible for developing a Materiality and Significance Framework that must be updated annually before the start of the financial year. The Materiality and Significance Framework must be incorporated into the Corporate Plan of the Corporation.

2. Legislative Requirements

Section 54(2) of the Public Finance Management Act (Act no. 1 of 1999) (PFMA) requires that the accounting authority (Board of the Corporation) must inform the relevant treasury and submit relevant particulars to its executive authority for approval in respect of any of the following qualifying transactions:

- participation in a **significant** partnership, trust, unincorporated joint venture or similar arrangements [section 54(2)(b)];
- acquisition or disposal of a **significant** shareholding in a company [section 54(2)(c)];
- acquisition or disposal of a **significant** asset [section 54(2)(d)];
- commencement of cessation of a **significant** business activity [section 54(2)(e)]; and
- a **significant** change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement [section 54(2) (f)].

Section 55(2)(b)(i) of the PFMA requires the annual report and financial statements of a public entity to "include particulars of any **material** losses through criminal conduct and **any** irregular and fruitless and wasteful expenditure that occurred during the financial year".

In terms of section 55(1)(d) of the PFMA the annual report and financial statements of the Corporation must be submitted to the National Treasury. Based on the submitted information, the National Treasury may decide to conduct further investigations into the activities of the Corporation. As a result, it is important for the Corporation to set the materiality and significance figures at an appropriate level to ensure that the correct information is included in the annual report and financial statements, and communicated to the National Treasury for approval.

The Treasury Regulations state the following:

- TR 28.3.1 – For purposes of material [section 55(2) of the Act] and significant [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority.

3. Defining "Materiality" and "Significance"

3.1 MATERIALITY

Materiality is defined in the Handbook of *International Auditing, Assurance, and Ethics Pronouncements* (2005 edition) as follows:

"Information is material if its omission or misstatement could influence the *economic decisions of users taken* on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point rather than being a primary qualitative characteristic which information must have if it is to be useful."

The materiality of losses through criminal conduct, irregular expenditure and fruitless and wasteful expenditure should be evaluated both individually and in aggregate.

3.2 SIGNIFICANCE

Significant is defined as "extensive or important enough to merit attention" and may, therefore, be interpreted as of relative importance to the Corporation as a whole. Thus, a transaction will be significant if conducting the transaction is vitally important in order to fulfil the Corporation's mandate and for it to operate effectively. These types of transactions could include a major re-structuring of the balance sheet through changes in financing or accounting policies, etc.

As with "material" there is no set rule for calculating a "significant monetary value." The Corporation should consider the importance of the transaction, that is, the impact of the transaction on the Corporation as a whole.

From the interpretations above, it can be seen that there is a difference between "material" and "significant." Significant is larger than material, as a significant transaction impacts on the Corporation as a whole. An occurrence may be material but not necessarily significant, whereas any occurrence that is significant will be material.

The materiality figure calculated by the Corporation should not exceed the figure used (reviewed annually) by the external auditors, because it could indicate a difference of opinion regarding the materiality of misstatements.

4. Determining the Materialty/Significance Levels

Factors to consider in determining the materiality and significance levels for the Corporation include, but are not limited to:

4.1 NATURE OF THE CORPORATION BUSINESS

The Corporation should be guided by its accountability and the sensitivity of its accounts, activities and functions regarding its regulatory duties. The Corporation should also consider the impact that its materiality and significance framework, and therefore the information reported to the National Treasury, could have on decisions and actions taken by the National Treasury.

1.2 Statutory requirements

Materiality and significance levels may be influenced by considerations such as the legal impact of those Acts with which the Corporation is required to comply. The Corporation should consider all pertinent statutory requirements in formulating its materiality and significance framework.

4.3 Risks

There is an inverse relationship between materiality/significance and the level of risk; that is, the lower the risk, the higher the materiality/significance level, and vice versa. For example, where the internal controls preventing/detecting irregular, fruitless or wasteful expenditure are insufficient, the control risk is high, and the materiality needs to be set at a lower level. The Corporation should look at risk management limits set for transactions of an operational nature.

4.4 Quantitative and qualitative factors

The Corporation should take both quantitative (amount) and qualitative (nature) factors into consideration. Although significance may contain quantitative elements, it may require more qualitative considerations in comparison to materiality. This in turn requires professional judgment and particular regard for the specific transaction in the context of the Corporation as a whole. Due to the fact that the decision as to which qualitative factors should be considered in setting the significance level requires notably more professional judgment, the Board should consider this decision.

4.5 Nature of the transaction

In setting a monetary value for significance, it may be practicable to differentiate between the following two types of transactions:

- transactions that are operational in nature, that is, part of the Corporation's normal, everyday business of regulating financial institutions; and
- transactions that are strategic in nature, that is, outside the Corporation's normal, everyday business or transactions that are non-routine or that would impact on the business or financial position of the Corporation as a whole.

Losses resulting from criminal conduct may be seen as material based on the public accountability of the Corporation, regardless of the monetary value of the amount.

Refer to Annexure A for the materiality/significance factors that have been taken into account in arriving at the Materiality and Significance Level for the Corporation.

5. Compliance

To ensure compliance to the PFMA the following steps will be taken:

	Detail	Person Responsible	Date
1	Review materiality and significance framework in consultation with external auditor	CFO	As per Treasury guidelines
2	Approval of framework	Board	Annual – January
3	Include framework in Corporate Plan	CFO	Annual – January
4	Include framework in annual report	CFO	Annual – August
5	Include particulars of any losses through criminal conduct, irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year in annual report	CFO	Annual – August
6	Maintain a register on all irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year	Head of Procurement and CFO	In place, relevant items recorded on the register as and when they occur
7	Report all material/significant items to Board	CEO	As and when they occur

SUB-ANNEXURE A

DETERMINING THE MATERIALITY AND SIGNIFICANCE LEVELS

1. Approach

To determine the materiality and significance levels, the following principles will be applied:

1.1 MAIN FACTOR TO DETERMINE MATERIAL AMOUNT

The operating requirements of the Corporation are to ensure that all its expenses are recovered through insurance premiums and investment income. The Corporation also has legislative requirements to hold a minimum amount of capital to reduce the risk of insolvency from paying claims.

1.2 PERCENTAGE TO BE USED

The percentage used will be calculated by using the following factors as a guideline:

- percentage used in prior year;
- percentage used by external auditor in determining the external audit materiality amount; and
- comparison with possible external entities.

The percentage will be adjusted taking qualitative factors into consideration.

With regard to the information to be presented to National Treasury in terms of the Section 54(2) of the PFMA to the following quantitative factors will be considered:

- Qualifying transactions of an operational nature: 1% of Total Assets
- Qualifying transactions of a strategic nature: 1% of Equity
- Regardless of the monetary value thereof all direct equity investments:
  - greater than 20% require formal information to the Executive Authority; or
  - greater than 50% require approval by the Executive Authority.
- S54(d) Except with regards for salvaging purposes in respect of underwriting activities, any asset that comprises 30% of Total Assets.
- S54(e) If the activity comprises a capital outlay of, or will require an upfront capital outlay of, 30% of Total Assets.
- S54(f) Where the change is not covered by the mandate of ECIC.

A qualifying transaction may also be considered significant based on considerations other than financial when, in the opinion of the Board, it is considered to be significant for the application of section 54.

The decision on which non-financial issues may be considered rests with the Board as representative body of the shareholder. As an example, the Board may consider a qualifying transaction as significant when it could impact significantly on a mandate of the Minister.

The following range of percentages is generally used by the audit profession to determine materiality:

- 0.25% to 1% of gross revenue;
- 0.5% to 2% of total assets;
- 1% to 2% of gross profit;
- 2% to 5% of shareholders' equity;
- 2.5% to 10% of pre-tax profit.

2. Parameters to use for materiality factor

2.1 QUANTITATIVE BASES FOR CONSIDERATION

Revenue	2022/23 R'000 (Forecast)	2021/22 R'000	2020/21 R'000
Net Insurance Premium Revenue	514 148	512 654	611 453
Claims Incurred	–	–	69 331
Assessment Fees	493	435	271
Reinsurance commission	419	429	347
Net Investment Income	131 328	297 453	822 981
Other income	49	60	190
Total revenue	**646 437**	**811 031**	**1 504 573**

Assets	2022/23 R'000 (Forecast)	2021/22 R'000	2020/21 R'000
Total Assets	10 464 087	10 136 431	10 204 214

Shareholders' Equity	2022/23 R'000 (Forecast)	2021/22 R'000	2020/21 R'000
Shareholders' Equity	7 502 888	6 646 714	6 504 738

Profit before tax	2022/23 R'000 (Forecast)	2021/22 R'000	2020/21 R'000
Profit/(Loss) before tax	(222 314)	278 725	1 835 771

2.2 QUANTITATIVE RANGES FOR CONSIDERATION

Minimum	2022/23 R'000 (Forecast)	2021/22 R'000	2020/21 R'000
0.25% of Revenue	1 616 092	2 027 578	3 761 433
0.5% of Assets	52 320 437	50 682 155	51 021 070
2% of Shareholders' Equity	150 057 752	132 934 280	130 094 760
2.5% of Profit before tax	(5 557 855)	6 968 125	45 894 275

Mid	2022/23 R'000 (Forecast)	2021/22 R'000	2020/21 R'000
0.5% of Revenue	3 232 185	4 055 155	7 522 865
1% of Assets	104 640 875	101 364 310	102 042 140
2.5% of Shareholders' Equity	187 572 190	166 167 850	162 618 450
5% of Profit before tax	(11 115 710)	13 936 250	91 788 550

Maximum	2022/23 R'000 (Forecast)	2021/22 R'000	2020/21 R'000
1% of Revenue	6 464 369	8 110 310	15 045 730
2% of Assets	209 281 749	202 728 620	204 084 280
5% of Shareholders' Equity	375 144 379	332 335 700	325 236 900
10% of Profit before tax	(22 231 420)	27 872 500	183 577 100

2.3 BASIS PERCENTAGE TO BE USED

As stated in the framework the materiality amount should not be more than the materiality amount used for external audit purposes. The materiality amount of R102 million used by the external auditors for the 2021/22 audit was 1% of the 2020/21 Total Assets. The norm in the audit industry is to use Profit before tax but due to the volatile nature of this base (as can be seen in 2.1 and 2.2 above) the external auditors chose to use Total Assets due to its stability.

It is therefore recommended that the minimum amount of 0.5% of the 2022/23 Total Assets (R52 320 437) be used for reporting to EXCO, Board and inclusion in the Annual Report.

3. Calculation of materiality amount

Statement of Financial Performance	2022/23 R'000 (Forecast)	2021/22 R'000	2020/21 R'000
Revenue	646 436 925	811 031 000	1 504 573 000
Percentage used	0,50%	0,50%	0,50%
Materiality amount	**3 232 185**	**4 055 155**	**7 522 865**

Statement of Financial Position	2022/23 R'000 (Forecast)	2021/22 R'000	2020/21 R'000
Total Assets	10 464 087 473	10 136 431 000	10 204 214 000
Percentage used	0,50%	0,50%	0,50%
Materiality amount	**52 320 437**	**50 682 155**	**51 021 070**

4. Reasonableness review

The materiality for the 2021/22 audit as determined by the external auditors was R102 million as per the calculation detailed in 2.3 above.

5. Conclusion

The materiality amount recommended for the Corporation for the financial year 2023/24 is R52 million.

All irregular expenditure and fruitless and wasteful expenditure are considered material.

ANNEXURE B: INDICATOR PROFILES

1. Contribute to trade facilitation that results in job creation

1. Indicator title	Number of approved transactions	Value of approved transactions	Value of approved transactions within expanded sectoral coverage	Number of companies benefitting under the Export Passport Programme
2. Short definition	Number of approved transactions	Value of approved transactions	Value of approved transactions within expanded mandate	Export Passport Programme
3. Purpose/ importance	To increase revenue generating capacity	To increase revenue generating capacity	To increase revenue generating capacity	To increase revenue generating capacity
4. Source/ collection of data	Resolutions of Projects EXCO; Finance, Investment and Insurance Committee; and Board	Resolutions of Projects EXCO; Finance, Investment and Insurance Committee; and Board	Resolutions of Projects EXCO; Finance, Investment and Insurance Committee; and Board	Resolutions of Projects EXCO; Finance, Investment and Insurance Committee; and Board
5. Method of calculation	Count the number of the insurance applications approved per 4 above	Sum the value of the insurance applications approved per 4 above	Sum the value of the insurance applications approved per 4 above that are specifically included in Addendum to the 2016 Agreement between the Minister and ECIC	Number of companies benefitting under the Export Passport Programme
6. Data limitations	None	None	None	None
7. Type of indicator	Lagging	Lagging	Lagging	Lagging
8. Calculation type	Count	Sum	Sum	Sum
9. Reporting cycle	Annual	Annual	Annual	Annual
10. Desired performance	Achieve set targets	Achieve set targets	Achieve set targets	Achieve set targets
11. Indicator responsibility	COO	COO	COO	COO

2. Enhance transformation

1. Indicator title	Maintain B-BBEE level
2. Short definition	B-BBEE level
3. Purpose/ importance	Improve B-BBEE level and employment equity initiatives to enhance the national transformation agenda towards and inclusive economy
4. Source/ collection of data	B-BBEE scorecard
5. Method of calculation	B-BBEE level
6. Data limitations	None
7. Type of indicator	Lagging
8. Calculation type	B-BBEE level
9. Reporting cycle	Annual
10. Desired performance	Achievement of agreed milestone
11. Indicator responsibility	General Counsel

3. Improve employee value proposition

1. Indicator title	Percentage of staff retained
2. Short definition	% Staff retained
3. Purpose/ importance	To maintain a competent and competitive workforce that is able to deliver on the business strategy and the achievement of the Corporation's objectives
4. Source/ collection of data	Report from the HR System
5. Method of calculation	(Start of Period Headcount + External Hires – Terminations)/(Start of Period Headcount + External Hires) * 100. The calculation of staff retention excludes FTCs who cannot be retained by nature of their contracts.
6. Data limitations	None
7. Type of indicator	Leading
8. Calculation type	Count
9. Reporting cycle	Quarterly
10. Desired performance	Achievement of agreed milestone
11. Indicator responsibility	Head: HR

4. Improve business processes and systems

1.	**Indicator title**	**Percentage of staff retained**
2.	**Short definition**	% Business processes automated
3.	**Purpose/ importance**	Improve business processes and systems to improve operational efficiency
4.	**Source/ collection of data**	2020/21 – 2023/24 Business process automation plan Signed-off reports by the respective business process owners
5.	**Method of calculation**	The business process automation plan identifies a total of 46 business processes to be automated % Business processes automated = (no. of automated processes / total processes) * 100
6.	**Data limitations**	None
7.	**Type of indicator**	Leading
8.	**Calculation type**	Percentage
9.	**Reporting cycle**	Annual
10.	**Desired performance**	Achievement of agreed milestone
11.	**Indicator responsibility**	Head: ICT

5. Improve staff efficiency

1.	**Indicator title**	**Staff efficiency**
2.	**Short definition**	Staff efficiency
3.	**Purpose/ importance**	To maintain an employee cost base within sustainable levels considering insurance revenue over the medium-term
4.	**Source/ collection of data**	Translated management accounts
5.	**Method of calculation**	Employee costs (salaries and short-term incentives) for the financial year to 3-year average of Insurance revenue and assessment fees
6.	**Data limitations**	None
7.	**Type of indicator**	Lagging
8.	**Calculation type**	Percentage
9.	**Reporting cycle**	Annual
10.	**Desired performance**	Achievement of agreed milestone
11.	**Indicator responsibility**	Head: HR

6. Embed risk management practices

1. Indicator title	Ensure no breaches of risk appetite limits over the 5-year period	Desired Risk Maturity Levels
2. Short definition	Risk appetite limits	Risk maturity levels
3. Purpose/ importance	Embed sound risk management practices to ensure a self-sustainable Corporation that transacts within risk appetite limits	Embed sound risk management practices to ensure a self-sustainable Corporation that transacts within risk appetite limits
4. Source/ collection of data	Strategic Risk Reports	Strategic Risk Reports
5. Method of calculation	Number of breaches on Risk Appetite table from 1 April 2022	Percentage of Risk Maturity Levels at a 3
6. Data limitations	None	None
7. Type of indicator	Lagging	Lagging
8. Calculation type	Number	Percentage
9. Reporting cycle	Annual	Annual
10. Desired performance	Achieve set target	Achieve set target
11. Indicator responsibility	CRO	CRO

7. Enhance financial sustainability

1. Indicator title	Percentage increase in equity	Track the operating cost base of underwriting activities
2. Short definition	Percentage increase in equity	Track the operating cost base excluding bonus of underwriting activities
3. Purpose/ importance	Increase capital base to support the growth and sustainability of the Corporation	Increase capital base to support the growth and sustainability of the Corporation
4. Source/ collection of data	Management accounts (USD functional currency)	Management accounts (USD functional currency and presented in Rands)
5. Method of calculation	Percentage increase of profit after tax (excluding foreign exchange gains/ losses and related tax) over the equity at the end of previous financial year. The related tax is the USD equivalent of the ZAR functional currency tax adjustment.	Operating cost excluding bonus within the Underwriting Result section of the management accounts
6. Data limitations	None	None
7. Type of indicator	Lagging	Lagging
8. Calculation type	Percentage	Number
9. Reporting cycle	Annual	Annual
10. Desired performance	Achieve set targets	Achieve set targets
11. Indicator responsibility	CFO	CFO

8. Stakeholder and customer engagement

1. Indicator title	Culture Entropy score	Corporate Reputation Index Performance (CRIP) score	Click Through Rate (CTR) score
2. Short definition	Culture Entropy score	Corporate Reputation Index Performance (CRIP) score	CTR score
3. Purpose/ importance	To improve organisational culture	To maintain a high brand, reputation and stakeholder satisfaction score	To increase brand visibility in selected African countries
4. Source/ collection of data	Result of survey	Result of survey	Result from media agency report
5. Method of calculation	Result of survey	Result of survey	Result from media agency report
6. Data limitations	None	None	None
7. Type of indicator	Lagging	Lagging	Lagging
8. Calculation type	Percentage	Percentage	Percentage
9. Reporting cycle	Annual	Annual	Annual
10. Desired performance	Achieve set targets	Achieve set targets	Achieve set targets
11. Indicator responsibility	Head: HR	COO, Head: Marketing, Communications and CSR, Manager: Office of the CEO	Head: Marketing, Communications and CSR

9. Enhance corporate governance

1. Indicator title	**Effective governance and internal control measures**
2. Short definition	Clean audit with no repeat findings on the BAC report
3. Purpose/ importance	To ensure a transformed Corporation with effective governance and internal control measures
4. Source/ collection of data	External Audit BAC Report
5. Method of calculation	Count
6. Data limitations	None
7. Type of indicator	Lagging
8. Calculation type	Count
9. Reporting cycle	Annual
10. Desired performance	Achievement of agreed milestone
11. Indicator responsibility	CFO

ANNEXURE C: OUTPUT TARGETS WITHIN THE DTIC-GROUP OF ENTITIES

Investment

Output
100 Investor facilitation and unblocking interventions provided
2 new SEZs designated and support work with provinces related to industrial parks

Industrial production

Output
R40 billion in additional local output committed or achieved
R40 billion in Black Industrialist output achieved

Exports and trade

Output
R700 billion in manufacturing exports
R300 billion in manufacturing exports to other African countries
R2.5 billion in exports of Global Business Services (GBS)
1 Implementation of the AFCFTA
10 High impact trade interventions completed
4 Protocols finalised under the AfCFTA

Industrial support

Output
R30 billion in support programmes administered by or in partnership with the dtic group
R15 billion support programmes to enterprises in areas outside the 5 main metros
R8 billion in financial support programmes to SMMEs, and women and youth-empowered businesses
R7.5 billion in financial support programmes to enterprises in labour absorbing sectors
Promotion of a transparent and just adjudication process for incentive applications

Transformation

Output
R800 Million in Equity Equivalent Investment Programme agreements agreed or administered
20 000 additional workers with shares in their companies
10 high-impact outcomes on addressing market concentration, at sector or firm level.

Jobs

Output
1 million jobs supported or covered by Master Plans
100 000 jobs to be created (50 000 social economy fund part-time or temporary job opportunities and 50 000 full-time jobs)
23 000 jobs in Black Industrialists firms

Energy

Output
R1.3 billion in financial support to enterprises including SMMEs to mitigate impact of load shedding through energy resilience fund
1400 Megawatts of energy from projects facilitated
550 Megawatts of energy available for the grid
1 Energy One-stop Shop operational
Expedited regulatory amendments and flexibility, to promote energy efficiency

Green economy targets

Output
1 Strategy and advocacy finalised responding to green non-tariff barriers (Carbon Border Adjustment Mechanism (CBAM)
1 EV Strategy finalised
1 Finalisation of green hydrogen commercialisation framework

Stakeholder engagement and impacts

Output
10 Business Forums hosted aimed at supporting increased FDI, exports and outward investment.
1000 Case studies of firms, workers, entrepreneurs, professionals or communities impacted by the dtic measures: including 12 local films/documentaries telling the SA story
52 Community outreach programmes by the dtic group
5 Conferences, summits, and international forums hosted
10 Successful actions completed on price monitoring and excessive pricing or price gouging

Addressing crime

Output
Grey-listing: Publication of 'Know Your Shareholder' Regulations and Follow Ups
1 Metal trading system developed to identify stolen public infrastructure entering the scrap metal value-chain, export market or legitimate metal production industry

Red tape and state capability targets

Output
4 High-impact measures to improve the efficiency and/or effectiveness, of the dtic's policy or programme interventions.
10 High-impact measures to reduce red tape or improve turnaround times in administration of incentives and work of agencies
6 Impact assessments or enhancements of trade instruments or measures

Improving the capacity and responsiveness of the state and social partnership

Output
4 Pieces of priority legislation amended, tabled or submitted to Executive Authority, Cabinet or Parliament.
7 Master Plans managed and 1 new masterplan to be finalised.
Oversight of IDC, NEF and ECIC to ensure that at least 95% of planned KPIs are achieved
Oversight of other entities to ensure that at least 95% of planned KPIs are achieved
50 Mergers and acquisitions where public interest conditions have been incorporated