



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**

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## **MEDIA STATEMENT**

### **Eskom Municipal Debt Relief Support Programme – Date for Applications Extended**

On 31 March 2023, National Treasury's Intergovernmental Relations unit issued MFMA Circular No. 124 (<https://bit.ly/43DcphL>) as part of the Eskom Municipal Debt Relief. Government's debt relief package for Eskom is intended to improve the utility's balance sheet and facilitates the proposal for Eskom to write off municipal debt under strict conditions and with the guidance of the National Treasury. The primary problem government wants to solve is Eskom's financial and debt crisis which also requires a solution for non-payment of electricity consumption by municipalities.

Following the issuance of the Municipal Debt Relief MFMA Circular No. 124, the National Treasury's Intergovernmental Relations unit embarked on a national roadshow to engage provincial treasuries and municipalities on the contents of the Circular, and to encourage qualifying municipalities to apply for the debt relief programme. The workshops aimed to eliminate misconceptions, clarify areas municipalities may be unclear on, and unpack the conditions attached to participating in the programme.

Of South Africa's 257 municipalities, 136 municipalities owed Eskom R58.5bn in arrears debt as of 31 March 2023. As of 22 September 2023, 37 municipalities have applied to be part of the Eskom Municipal Debt Relief Support Programme, 28 of the 37 have been approved with 9 of them still being assessed. There are 25 additional applications resting with the respective provincial treasury for submission for approval.

The closing date for the Eskom Municipal Debt Relief Support Programme was set for the 30<sup>th</sup> of September 2023 and has now been extended to 31 October 2023 to accommodate more municipalities into the programme.

**Issued by National Treasury**

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