

**NATIONAL ASSEMBLY  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 1500 [NW1710E]  
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**1500. Dr D T George (DA) to ask the Minister of Finance:**

How will the expansion of the development finance institutions be financed?

NW1710E

**REPLY:**

In the 2015 Budget speech, the Minister of Finance stated that State Owned Companies including Development Finance Institutions (DFIs) will be financed through offsetting asset sales so that there is no net impact on the budget deficit.

Going forward, Government will also consider issuance of Government Guarantees to enhance borrowing capacities of the DFIs. However, this will be subject to:

- a. DFIs being able to turn around their performances and delivery on government priorities;
- b. DFIs' business plans demonstrating that risks associated with these borrowings/exposures will be managed in a sustainable and prudent manner; and
- c. The government closely monitoring the DFIs' turnaround and overall performance.

DFIs are also encouraged to explore options for partnerships and co-financing with the private sector. Crowding in the private sector will enable the DFIs to leverage more capital for new development projects.