

Gauteng Partnership Fund

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About the Institution

The Gauteng Partnership Fund (GPF) is a provincial public entity.¹ It provides project management services to the Gauteng Department of Human Settlements for social infrastructure development and financing services to developers for the construction of affordable housing. The GPF reports to the Member of the Executive Council (MEC) for Human Settlements in the Gauteng Provincial Government. The GPF Board is the accounting authority. In 2024/25, the GPF’s expenditure was R94.8m, and it managed funds of R1bn.²

Flag Status

1	2	3	4	5	6	7	8	9
								
Improper appointments	Co-opting key functions	Climate of fear or favour	Corrupt awards	Financial malpractice	Obstructing accountability	Manipulating perceptions	Private gain	Shadow network

ISS Analysis

- ACTis has raised one flag for the GPF and placed two under monitoring.
 - It is concerning that the current Board and executive team include four individuals linked to alleged unethical behaviour (including corruption, conflicts of interest, nepotism, and mismanagement at other public entities). Board members and executives, not least those responsible for disbursing public funds and serving the public interest, should demonstrate the highest standards of integrity and ethical leadership.
- The GPF’s primary mandate is to provide capital to developers for social infrastructure projects. Its discretionary lending decisions are vulnerable to corruption and abuse if governance controls and oversight structures are weak. In this context, reports of historical loans to politically connected individuals, combined with exceptionally high levels of non-performing loans (NPLs) and high-risk loans, suggest vulnerabilities in the institution’s lending processes that could be exploited for patronage and which warrant continued monitoring.



Flag raised



Flag lowered



Under monitoring

Findings

Flag #1

Improper Appointments



The flag is raised due to concerns about the conduct and appointment of senior leadership and Board members.

- The current Board includes three non-executive members whose past and/or present conduct is a matter of concern.
- Nangamso Matebese has been a GPF Board member and Chairperson of the Audit and Risk Committee since April 2017. In July 2023, the GPF Board ordered an investigation into potentially irregular loans made to Nonkwelo Investments – a company owned by Nceba Nonkwelo, the stepson of Deputy President Paul Mashatile (see Flag #4: Corrupt Awards). In September 2023, Matebese was appointed Special Economic Advisor to Deputy President Mashatile. However, she remains a member of the GPF Board that is investigating the company of Mashatile's stepson.³
- Gugulethu Phakathi was appointed to the GPF Board in June 2023. She remains a member of the Board despite being appointed as Chief Operations Officer (COO) of Johannesburg Water (Joburg Water) in 2024, a position she still holds. This appointment is alleged to have been irregular. She was Chairperson of the Joburg Water Board but resigned eight days before the previous COO's term ended late in October 2023. The position was advertised in December 2023, but Phakathi did not meet the qualification requirements. The advert was subsequently withdrawn. A new advertisement was published in May 2024, and she was appointed. Joburg Water claimed that they lowered the qualification requirements to 'align Johannesburg Water's positions with those of the City of Johannesburg and its entities'.⁴ However, other executive roles at Joburg Water require higher qualification levels consistent with those initially advertised.⁵ The Johannesburg branch of the African National Congress (ANC) reportedly supported enquiries into how its Secretary, Sasabona Manganye, allegedly pressured members of the Joburg Water Board to re-advertise the position with lower qualification requirements and appoint Phakathi. Phakathi is an active member of the ANC, as evidenced by her social media posts.⁶
- Dr Ezra Ndwandwe has been a member of the GPF Board since June 2023.⁷ He is the owner of Ndwandwe Consultancy, which was implicated in Public Protector Thuli Madonsela's 2015 investigation into the Passenger Rail Agency of South Africa. The Public Protector found that a contract awarded to Ndwandwe Consultancy was unlawful.⁸
- Lindiwe Kwele was appointed Chief Executive Officer (CEO) in 2022, despite having been suspended for misconduct while she was acting CEO of the South African Post Office in November 2019 (after four months in the role). Kwele was allegedly accused of 'prejudicial conduct' in management decisions and breaching procurement rules.⁹



Flag raised



Flag lowered



Under monitoring

Flag #4

Corrupt Awards



The flag is being monitored for a pattern of possible favouritism towards particular companies.

- The GPF is still trying to recoup funds from Nonkwelo Investments, which reportedly received irregular loans between 2013 and 2017. Deputy President Mashatile, Nonkwelo's stepfather, was Gauteng MEC for Human Settlements (to whom the GPF reports) from 2016 to 2018. According to findings from a forensic investigation released on 13 November 2023, there was no evidence of influence in the loan-granting process. However, there were several irregularities with the loans. The initial loan was issued in 2013. The associated project became financially unviable due to difficulties and cost overruns. Two further loans were issued for this project in 2017, along with permission to change the scope. Despite no legal basis, the project shifted from building low-cost housing to building student accommodation. No proper site investigation or due diligence was performed. No repayments were made on the R7.2m dispensed, and no housing or student accommodation was built. The GPF reportedly made several unsuccessful attempts to recover the funds between 2020 and 2024. In January 2025, they sought legal means to recoup capital and interest in the amount of R12.6m. The two parties agreed to mediation in September 2025. No further updates are available.¹⁰

Flag #5

Financial Malpractice



The flag is being monitored for ongoing questionable financial management.

- According to the GPF's 2023/24 annual report, NPLs comprised 57% of its loan book.¹¹ No update was included in the 2024/25 annual report, but GPF's analysis of its loan book's credit quality showed that 60% of loans were categorised as high risk ('loans four months in arrears').¹² International development banks consider NPL levels high if they exceed 10%.¹³ NPLs led to a declared impairment loss of R50.4m for 2024/25.¹⁴ The GPF stated that this was largely due to the current economic conditions experienced by its loan beneficiaries and delayed project approvals.¹⁵



Flag raised



Flag lowered



Under monitoring

Recommended Actions

	DUTY BEARER	ACTION(S)	ASSOCIATED FLAGS
1.	Gauteng Member of the Executive Council for Human Settlements	Review appointment of Board members implicated in maladministration, misconduct, conflicts of interest or corruption.	Flag #1: Improper appointments
2.	Gauteng Partnership Fund	- Review and tighten financial controls on loan award decisions. - Institute an independent audit of loans categorised as 'high risk' to check for conflicts of interest or irregular award decisions.	Flag #4: Corrupt awards
3.	Auditor-General of South Africa	Conduct a special audit of selected high-risk GPF loans.	Flag #4: Corrupt awards Flag #5: Financial Malpractice
4.	Gauteng Provincial Legislature Standing Committee on Public Accounts	Call for greater transparency and accountability in GPF loan practices.	Flag #1: Improper appointments Flag #4: Corrupt awards



Flag raised



Flag lowered



Under monitoring

The 9 Flags

Flag #1

Improper Appointments

Improper appointments, dismissals or failure to remove individuals in senior positions may be used to drive a corrupt agenda.

Flag #2

Co-opting Key Functions

Informal control may be established over critical functions within the institution to abuse them.

Flag #3

Climate of Fear or Favour

The working culture favours loyalty over duty; alignment with a corrupt agenda is rewarded, and resistance is punished.

Flag #4

Corrupt Awards

Contracts, licences, partnerships, loans and/or investments may be awarded irregularly and repeatedly benefit the same actors.

Flag #5

Financial Malpractice

The institution's financial management practices may be abused to advance a corrupt agenda.

Flag #6

Obstructing Accountability

The institution's internal operations might be deliberately obscured to hide potential misconduct.

Flag #7

Manipulating Perceptions

A public narrative that frames misconduct as innocence may be promoted.

Flag #8

Private Gain

Illicit gains may be distributed to benefit the same actors.

Flag #9

Shadow Network

The same public and private actors may collude to gain control over an institution's assets and functions, benefiting repeatedly.

About ACTis

What is ACTis?

The Anti-Corruption Tracker Information System is an initiative of the Anti-Corruption and Accountability Project at the Institute for Security Studies. It provides analysis on corruption and state capture in South Africa, to inform early intervention and enforcement. It utilises a system of indicators and an AI-driven data-collection and analysis tool, validated by human experts. It identifies risks within individual government institutions and produces actionable recommendations to address them, with a view to disrupting patterns of state capture and corruption.

Findings are shared directly with government and other duty-bearers, civil society organisations, the media and the public, empowering authorities to intervene, strengthening accountability, and enabling citizens activism.

Links to ACTis Information:

Further project information may be found at the following links:

[Terms and Definitions](#)

[Project Methodology and Analytical Framework](#)

[About the Anti-Corruption and Accountability project](#)

[About the Institute for Security Studies](#)

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Flag raised



Flag lowered



Under monitoring

References

- ¹ National Treasury, Public Institutions listed in PFMA Schedules 1, 2, 3A, 3B, 3C and 3D, 21 November 2025, <https://www.treasury.gov.za/legislation/pfma/public%20entities/2025-11-21%20Public%20institutions%20Sch%201-3D.pdf>.
- ² Gauteng Partnership Fund, Annual Report 2024/25, <https://gpf.org.za/wp-content/uploads/2025/11/GPF-AR-2024-25-Interactive.pdf>, p. 117.
- ³ News24, Deputy president's new advisor is a trustee of Gauteng entity probing his son-in-law's loan millions, 13 September 2023, <https://www.news24.com/investigations/deputy-presidents-new-advisor-is-a-trustee-of-gauteng-entity-probing-his-son-in-laws-loan-millions-20230913>.
- ⁴ Mail & Guardian, Joburg Water accused of nepotism, 5 July 2024, <https://mg.co.za/news/2024-07-05-joburg-water-accused-of-nepotism/>.
- ⁵ Mail & Guardian, Joburg Water accused of nepotism, 5 July 2024, <https://mg.co.za/news/2024-07-05-joburg-water-accused-of-nepotism/>.
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- ⁷ Gauteng Partnership Fund, Annual Report 2024/25, <https://gpf.org.za/wp-content/uploads/2025/11/GPF-AR-2024-25-Interactive.pdf>, p. 52, 135.
- ⁸ Public Protector, Derailed: A report on an investigation into allegations of maladministration relating to financial mismanagement, tender irregularities and appointment irregularities against the Passenger Rail Agency of South Africa (PRASA), August 2015, https://www.gov.za/sites/default/files/qcis_document/201508/publicprotectorinvestigationreportno3of201516prasa24082015a.pdf.
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- ¹⁰ News24, Gauteng agency bent over backwards to give loans to Mashatile's son-in-law, probe finds, 14 November 2023, <https://www.news24.com/investigations/gauteng-agency-bent-over-backwards-to-give-loans-to-mashatiles-son-in-law-probe-finds-20231114>; News24, Mashatile Unmasked: GPF takes Mashatile's son-in-law to court for R12.6m housing loan, 24 August 2025, <https://www.news24.com/investigations/mashatile-unmasked-gpf-takes-mashatiles-son-in-law-to-court-for-r126m-housing-loan-20250823-1118>.
- ¹¹ Gauteng Partnership Fund, Annual Report 2023/24, <https://www.gpl.gov.za/wp-content/uploads/2024/09/GPF-Annual-Report-2023-24.pdf>.
- ¹² A credit quality analysis in an annual report evaluates a company's ability to meet financial obligations by reviewing its loans and receivables. See: Gauteng Partnership Fund, Annual Report 2024/25, <https://gpf.org.za/wp-content/uploads/2025/11/GPF-AR-2024-25-Interactive.pdf>, p. 135.
- ¹³ See, for example: E Jing, Impact of high non-performing loan ratios on bank lending trends and profitability, August 2020, <https://www.authorea.com/users/349581/articles/474564-impact-of-high-non-performing-loan-ratios-on-bank-lending-trends-and-profitability>.
- ¹⁴ Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. See: Gauteng Partnership Fund, Annual Report 2024/25, <https://gpf.org.za/wp-content/uploads/2025/11/GPF-AR-2024-25-Interactive.pdf>, pp. 109-110.
- ¹⁵ Gauteng Partnership Fund, Annual Report 2023/24, <https://www.gpl.gov.za/wp-content/uploads/2024/09/GPF-Annual-Report-2023-24.pdf>, p.129; Gauteng Partnership Fund, Annual Report 2024/25, <https://gpf.org.za/wp-content/uploads/2025/11/GPF-AR-2024-25-Interactive.pdf>, p. 100, 135.



Flag raised



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