

National Council of Provinces question: Question CW 202E

Mrs E C van Lingen (DA-EC) to ask the Minister of Energy:

- (1) Whether, with regard to the electrification programme that has not been implemented in the King Sabata Dalindyebo Municipality in the Eastern Cape, the municipal manager has signed any contract/agreement with her department before the end of February 2011; if not, why not; if so, what are the relevant details;
- (2) (a) what were the (i) undertakings and (ii) targets by the municipality to perform their duties according to the agreement, (b) what are the terms of reference and (c) what funding is involved in this programme;
- (3) (a) when must this project be completed and (b) what steps will be implemented if the municipality does not deliver on the agreement? CW202E

REPLY

- (1) As part of the Division of Revenue Act and standard process of allocating funding to a municipality, a contract has to be signed between the Department of Energy and the respective municipality, which is linked to the specific project(s) that have been identified in the specific financial year. In the case of King Sabata Dalindyebo Municipality, two contracts have been signed by the Municipal Manager for the 2009/10 and 2010/11 financial years respectively. The contract for the 2010/11 was signed in April 2010.

(2) (a) (i) – (ii) The undertakings and targets for the two respective financial years were 1429 households connections for 2009/10, 1000 connections for 2010/11, as well as the upgrading of the Sidwadwa substation (phase 2).

(b) The municipality identified the connections through their internal IDP and the allocations were funded accordingly. The municipality is responsible for the appointment of the contactors, while the Department of Energy made the payment according to the DoRA allocation to the municipality.

(c) For 2009/10 financial year, an allocation and payment were made for R16 million (1429 connections), and R7,2 million in 2010/11 was transferred for a 1000 connections. The upgrade of the Sidwadwa substation (phase 2) was funded for an amount of R 800 000 in the 2010/11 financial year.

(3) (a) It is expected that the projects will be completed in the financial year in which the funding is allocated. While the funds are already allocated from National Treasury from April the same year, the municipality usually begins with the appointment of contractors at the end of their financial year, which is in July. That is excluding any other hold-ups due to rezoning, EIA's and completion of houses.

(b) The department will then allow funding to be rolled-over to the next financial year, only on condition that a clear motivation is obtained and there is proof of progress in the delivery of the project. If there is no satisfactory progress a report will be submitted to National Treasury. In terms of the King Sabata Dalindyebo Municipality, contractors are currently being appointed as all the designs are completed.