



**MINISTRY OF ENERGY
REPUBLIC OF SOUTH AFRICA**

National Assembly: 1525

Mr J F Smalle (DA) to ask the Minister of Energy:

- (1) Which municipalities did not utilise all their funding from the Integrated National Electrification Programme in the 2012-13 financial year;
- (2) what processes have been put in place by her department to prevent this underspending in future? NW1871E

Reply:

It is important to note that there is a mismatch between the financial years of the Municipalities and that of the National government. As a result the municipal projects for 12/13 are only supposed to be completed by the end of June 2013. In addition, it took about 6-8 weeks after municipal financial year closure before the complete delivery figures and expenditure can be reported on due to the slow pace the reports are submitted, as well as to verify the completion of these projects. Hence, the figures given below are accurate figures as of end of April 2013, which also contain in some cases figures of May 2013. This table below is therefore not the accurate figures for the full 12/13 financial year, which will only be available at the end of August 2013.

It is also important to note that not all projects are completed in the 12/13 financial year, since in some cases the rollout of these infrastructure projects are running over a longer period than one financial year.

| Municipality Name Province | Unreported Funds(R'000) | Outstanding Connections |
|---------------------------------------|--------------------------------|---|
| Eastern Cape | | |
| Buffalo City | 2,235 | 238 House hold and Bulk Infrastructure. |
| Nelson Mandela | 2,273 | 860 Household |
| Camdeboo | 810 | Bulk |
| Mbhashe | 15,000 | 748 Household |
| Sakhisizwe | 0 | Bulk infrastructure |
| Mnguma | 13,838 | 646 Household and Bulk infrastructure |
| Inxuba yethemba | 2,600 | Bulk infrastructure |
| Tsolwana | 841 | 200 Household |
| Emalahleni | 6,691 | 238 Household |
| Intsika yethu | 9,996 | 1669 House hold |
| Engcobo | 29,710 | 2194 House hold |
| Elundini | 1,000 | Bulk infrastructure |
| Inquza Hill | 1,452 | 392 Household |
| Nyandeni | 1,027 | Bulk infrastructure |
| Mhlontlo | 4,620 | 1538 Household |
| King Sabata Dalindyebo | 15,420 | 677 Household and Bulk |

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|----------------------|--------|--|
| | | infrastructure |
| Mbizana | 0 | 827 Household |
| Great Kei | 0 | Bulk infrastructure |
| Matatiele | 0 | 400 House hold |
| Umzimbuvu | 6,967 | 1660 Household |
| Ntabankulu | 1,010 | 260 Household |
| | | |
| Free state | | |
| | | |
| Mangaung | 12,399 | 0 Household and Bulk infrastructure |
| Kopanong | 1,848 | 49 Household |
| Naledi | 500 | 45 Household |
| Matjhabeng | 2,000 | 200 Household |
| Nala | 0 | Bulk infrastructure |
| Maluti a Phofung | 3,774 | 859 Household |
| Phumelela | 3,000 | 100 Household and Bulk infrastructure |
| Moqhaka | 2,000 | Bulk infrastructure |
| Mohokare | 0 | 200 Household |
| Mafube | 6,434 | 968 Household |
| Mantsopa | 9 | 0 Household |
| | | |
| Gauteng | | |
| | | |
| Ekurhuleni | 30,249 | 0 Household and Bulk infrastructure |
| City of Johannesburg | 33,000 | 3300 Household |
| Emfuleni | 19,260 | 1440 Household and Bulk infrastructure |
| Randfontein | 4,709 | Bulk infrastructure |

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|-----------------------|--------|---------------------------------------|
| City of Tshwane | 2,800 | 0 Household and Bulk infrastructure |
| Merafong city | 3,126 | 5 Household |
| | | |
| KZN | | |
| | | |
| EThekwini | 0 | 01 Household |
| Vulamehlo | 5,000 | 497 Household |
| Impendle | 3,940 | 333 Household |
| Mkhambathini | 7,000 | 636 Household |
| Mtubatuba | 2,361 | 554 Household |
| Emnambithi /Ladysmith | 0 | Bulk infrastructure |
| Indaka | 2,516 | 266 Household |
| Endumeni | 7,000 | 467 Household |
| Nquthu | 2,339 | 136 Household |
| Umvoti | 0 | Bulk infrastructure |
| | 10,000 | 822 Household |
| Newcastle | | |
| Abqulusi | 8,000 | 615 Household and Bulk infrastructure |
| Ulundi | 8,000 | 550 Household |
| Umhlabu yalingana | 5,000 | 277 Household |
| Jozini | 9,000 | 500 Household |
| Hlabisa | 11,937 | 666 Household |
| Ntambanana | 19,333 | 1136 Household |
| Umlalazi | 12,821 | 790 Household |
| Mthonjaneni | 5,952 | 350 Household |
| Nkandla | 0 | 1332 Household |
| | 0 | 500 Household |
| Msunduzi | | |
| KwaDukuza | 0 | Bulk infrastructure |
| Maphumulo | 6,000 | 544 Household |
| Ingwe | 0 | 189 Household |
| Umzimkhulu | 10,000 | 667 Household |
| | | |
| Limpopo | | |
| | | |
| Greater Tzaneen | 10,160 | 1300 Household |
| Baphalaborwa | 3,213 | 400 Household |

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|----------------------|--------|---------------------------------------|
| Makhado | 1,750 | 237 Household |
| Polokwane | 13,500 | 2287 Household |
| Lepelle Nkumpi | 4,000 | 500 Household |
| Modimolle | 2,923 | 375 Household |
| Mogalakwena | 7,869 | 1019 Household |
| Makhudumathaga | 1,283 | 400 Household |
| Greater Tubatse | 15,200 | No project List or Project Name |
| Maruleng | 0 | 455 Household |
| Thulamela | 0 | 823 Household |
| | | |
| Mpumalanga | | |
| | | |
| Mkhondo | 643 | 63 Household |
| Steve Tshwane | 1,256 | 0 Household |
| Emalaheni | 13,500 | 800 Household and Bulk infrastructure |
| Albert Luthuli | 0 | 306 Household |
| Thembisile | 2,839 | 273 Household |
| Umjindi | 2,160 | 587 Household and Bulk infrastructure |
| Msukaligwa | 0 | 129 Household |
| Thabachweu | 4,960 | 558 Household |
| Bushbuckridge | 6,980 | 882 Household |
| Nkomazi | 100 | 1150 Household |
| | | |
| Northern Cape | | |
| | | |
| Richterveld | 156 | 93 Household |
| Kamiesberg | 1,000 | 100 Household |

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|---------------------|--------|--|
| | | |
| Khai-ma | 1,000 | Bulk infrastructure |
| Dikgatlong | 640 | 0 Household |
| Nama khoi | 113 | 70 Household |
| Hantam | 1,000 | 200 Household |
| Umsobomvu | 725 | 0 Household |
| Thembelihle | 469 | Bulk infrastructure |
| Sol Plaatjies | 13,232 | 1300 Household and Bulk infrastructure |
| Gamagara | 334 | Bulk infrastructure |
| Phokwane | 96 | 0 Household |
| Karoo hoogland | 640 | 210 Household and Bulk infrastructure |
| Khara -hais | 0 | 800 Household |
| Siyathemba | 0 | Bulk infrastructure |
| | | |
| North West | | |
| | | |
| Rustenburg | 15,473 | 1066 Household and Bulk infrastructure |
| City of Matlosana | 1,000 | 91 Household |
| Ventersdorp | 1,817 | 822 Household and Bulk infrastructure |
| Tswaing | 3,898 | 252 House Hold |
| | 3,800 | 372 House hold |
| Tlokwe | | |
| | | |
| Western Cape | | |
| | | |
| Cederberg | 611 | 180 Household and Bulk infrastructure |
| Langeberg | 320 | 17 Household |

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|-----------------|-------|-------------------------------------|
| Theewaterskloof | 640 | 0 Household and Bulk infrastructure |
| Cape Agulhas | 1,000 | 0 Household |
| Mosselbay | 300 | 30 Household |
| George | 6,766 | Bulk infrastructure |
| Bitou | 185 | 117 Household |
| Beaufort west | 3,150 | Bulk infrastructure |
| Drakenstein | 0 | 68 Household |
| Breedevalley | 0 | 6 Household |

(2) what processes have been put in place by her department to prevent this underspending in future? NW1871E

Reply:

In the rollout of electrification infrastructure projects it is important to note that the majority (>96%) of all allocated funds are utilized on the contracted connections or infrastructure of the programme, however not always in the allocated financial year, but some funds are roll over to outer financial years. The limited funds that are not utilized to complete a specific project are returned to the fiscus. Hence, underspending of funds is not common in the electrification programme, while slow spending is monitored. The following actions are implemented in addressing the slow spending in a specific financial year.

- Municipalities are contractually required to supply the Department with monthly updated reports on progress as soon as the projects are initiated.
- The progress of projects is monitored by regional offices.
- Non Compliance letters are sent to municipalities that are not spending according to the expenditure plan agreed upon in the beginning of each financial year.
- Provincial and District Energy forums are platforms which the Department use to guide municipalities in terms of spending funds and delivery of projects.
- Midyear Review (re-gazetting process) on Non Performance municipalities where slow spending municipalities funds are reallocated to projects which have to possibility of spending the funds within the specific financial year.
- Municipalities are allowed to apply to the Department for roll-over of funds to outer financial years, if the project could not be completed due to one or other reason.
- Offsetting of funds by National Treasury on Municipalities that are not utilized effectively (recover funds through equitable share).

End