



MINISTRY OF ENERGY
REPUBLIC OF SOUTH AFRICA

NATIONAL COUNCIL OF PROVINCES: 154

154. Mrs M C Dikgale (ANC-Limpopo) to ask the Minister of Energy:

Whether his department's intervention to ensure that the Solar Water Heating programme enforces the inclusion of a 70% local content threshold to enhance, optimise the benefits of localisation and create jobs has yielded any successes; if not, (a) why not and (b) what are his department's plans in this regard; if so, (i) to what extent, (ii) how many new jobs have been created, (iii) how is it monitored and (iv) what are the further relevant details? CO542E

REPLY:

- (a) Yes, the implementation of the Solar Water Heating Programme requires the utilization of systems that meet 70% local content on collector and tank as designated under the Preferential Procurement Framework Act.
- (b) The Department of Energy has developed a contracting model to maximize localization and job creation.
 - (i) The revised contracting model entails amongst others incentivizing local manufacturing and empowerment of small and medium enterprises for the installation of Solar Water Heater Systems.
 - (ii) It is expected that the revised contracting model would increase the local content and the number jobs through the value chain of the SWH programme in terms local manufacturing, distribution and installation.
 - (iii) The Department has developed an online monitoring systems for verifying the number of systems installed. In addition, the Department has established a dedicated project management unit to monitor and report on the achieved deliverables including jobs created, small and medium enterprise development and number of systems installed.

- (iv) A Steering Committee has been established comprising of Departments of Energy, Trade and Industry, Economic Development, Eskom, IDC, SALGA and National Treasury. In addition, the Department provides quarterly progress reports to the Presidential Infrastructure Coordinating Commission (PICC).