

# ANNUAL PERFORMANCE PLAN 2021/22



mineral resources  
& energy

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA





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## Abbreviations and acronyms

|       |  |
|-------|--|
| 4IR   | Fourth Industrial Revolution                       |
| AEMFC | African Exploration Mining and Finance Corporation |
| AU    | African Union                                      |
| B4SA  | Business for South Africa                          |
| BBBEE | Broad-Based Black Economic Empowerment             |
| BEE   | Black Economic Empowerment                         |
| BRICS | Brazil, Russia, India, China, South Africa         |
| BUSA  | Business Unity South Africa                        |
| CDM   | Clean Development Mechanism                        |
| CGS   | Council for GeoSciences                            |
| CEF   | Central Energy Fund                                |
| CEO   | Chief Executive Officer                            |
| CIPC  | Companies and Intellectual Property Commission     |
| CISF  | Consolidated Interim Storage Facility              |
| DMRE  | Department of Mineral Resources and Energy         |
| DPE   | Department of Public Enterprises                   |
| DPSA  | Department of Public Service and Administration    |
| EEDSM | Energy Efficiency Demand Side Management           |
| EIA   | Environmental Impact Assessment                    |
| ERRP  | Economic Reconstruction and Recovery Plan          |
| EU    | European Union                                     |
| GDP   | Gross Domestic Product                             |
| HDSA  | Historically Disadvantaged South Africans          |

|       |   |
|-------|---|
| HR    | Human Resources                                 |
| IAEA  | International Atomic Energy Agency              |
| IDP   | Integrated Development Plan                     |
| IEA   | International Energy Agency                     |
| IEP   | Integrated Energy Plan                          |
| iGAS  | South African Gas Development Company           |
| IGR   | Inter-governmental Relations                    |
| INEP  | Integrated National Electrification Programme   |
| IPCC  | International Panel on Climate Change           |
| IPP   | Independent Power Producer                      |
| IRP   | Integrated Resource Plan                        |
| IT    | Information Technology                          |
| LNG   | Liquefied Natural Gas                           |
| MCSA  | Mineral Council of South Africa                 |
| MHSC  | Mine Health and Safety Council                  |
| MHSI  | Mine Health and Safety Inspectorate             |
| MPRDA | Mineral and Petroleum Resources Development Act |
| MPR   | Multi-purpose Reactor                           |
| MQA   | Mining Qualifications Authority                 |
| MTEF  | Medium-term Expenditure Framework               |
| MTSF  | Medium-term Strategic Framework                 |
| MW    | Megawatt  |
| MWP   | Mine Work Programme                             |



## Abbreviations and acronyms

|        |  |
|--------|--|
| NDP    | National Development Plan                        |
| Necsa  | South African Nuclear Energy Corporation         |
| NEDLAC | National Economic Development and Labour Council |
| Nersa  | National Energy Regulator of South Africa        |
| NEMA   | National Environmental Management Act            |
| NERA   | National Energy Regulator Amendment              |
| NMOG   | National Macro Organisation of Government        |
| NNR    | National Nuclear Regulator                       |
| NPC    | National Petroleum Company                       |
| NRWDI  | National Radioactive Waste Disposal Institute    |
| NTP    | NTP Radioisotopes SOC Ltd                        |
| OHS    | Occupational Health and Safety                   |
| PASA   | Petroleum Agency of South Africa                 |
| PBMR   | Pebble Bed Modular Reactor                       |
| PGM    | Platinum Group Metals                            |
| PPA    | Petroleum Products Amendment Act                 |
| PV     | Photovoltaic                                     |
| PWP    | Prospecting Work Programme                       |

|        |   |
|--------|---|
| RFI    | Request for Information                             |
| RFP    | Request for Proposal                                |
| RFQ    | Request for Quotation                               |
| SADC   | Southern African Development Community              |
| SANEDI | South African National Energy Development Institute |
| SADPMR | South African Diamond and Precious Metals Regulator |
| SARS   | South African Revenue Service                       |
| SDT    | State Diamond Trader                                |
| SEMA   | Specific Environmental Management Act               |
| SEZ    | Strategic Economic Zone                             |
| SFF    | Strategic Fuel Fund                                 |
| SLA    | Service-level Agreement                             |
| SLP    | Social Labour Plan                                  |
| SOE    | State-owned Entity                                  |
| SoNA   | State of the Nation Address                         |
| SSF    | Strategic Stock Fund                                |
| TWh    | Terawatt-hours                                      |
| WHO    | World Health Organisation                           |





## Executive Authority's Statement

On 15 March 2020, the President of South Africa declared a national state of disaster in terms of the Disaster Management Act of 2002 after the World Health Organisation (WHO) declared COVID-19 a global pandemic.

The COVID-19 pandemic has had a serious impact on societies and has had an immeasurable impact on economies and industries around

the world. The mining and energy industries, being industries that operate on a global scale and rely heavily on people employed, were not spared from this pandemic.

An effective and efficient response to the pandemic, in the form of lockdown restrictions aimed at flattening the curve, has resulted in an economic halt that will have to be revived after the lockdown. The government, through the National Command Council, resolved to re-open the economy in a risk-adjusted approach. It became imperative that the complex initiatives of the Department of Mineral Resources and Energy (DMRE), which were aimed at stimulating the economy, fit into this framework, as they deal with the Department's operational readiness, the South African mining industry's health and safety readiness, as well as interventions and responses within the broader mining and energy sectors.

The Department's complex initiatives and responses during the economic re-opening according to a risk-adjusted approach recognised that the minerals and energy sectors would be operating in an environment characterised by the following:

- The possibility of reduced global demand for commodities
- Global shrinking of the major economies that are the Department's trading partners
- The sector sub-optimally contributing to the country's gross domestic product (GDP)
- Major companies not being as elastic as they should be, and thus unable to absorb losses on a sustained basis

- The possible closure of operations by large mining companies
- Large mining companies scaling down on operations, resulting in job losses because of reduced commodity demand
- The sector being unattractive for new investments as the cost of financing by financial institutions will be high, given the country's junk status as no major new projects may take off in the short to medium term
- Mining rights holders renegeing or defaulting on their mining rights commitments, which impacts on social labour plans
- The risk of mining operations increasing production to capture lost production and thus putting the health and safety of employees at risk

Energy forms an integral part of the economy, and the energy sector is a key enabler for the attainment of national policy imperatives such as those expressed in the National Development Plan (NDP), the Medium-term Strategic Framework (MTSF) and the Reconstruction and Recovery Plan. South Africa needs to grow its energy supply to support economic expansion and, in so doing, alleviate supply bottlenecks and supply or demand deficits in energy-dependent industries such as mining and manufacturing. This will increase the contribution of industry sectors and enable them to create economic benefits for the country, i.e. accelerated growth and job creation.

In recent years, the South African economy has seen the challenge of electricity demand and load shedding due to constrained generation capacity because of the existing lower availability factor of Eskom's existing power-generation plants. Load shedding has had a negative impact on energy-intensive industries and the economy at large.

Electricity prices in South Africa have roughly tripled in real terms over the past decade. The cost of electricity had also been increasing at rates above inflation, thus increasing the cost of doing business in the country. This has resulted in energy-intensive users such as smelters closing their local operations and moving to other countries to remain competitive. This has contributed to job losses and the undermining of the NDP as it envisages mineral beneficiation as a key economic driver of growth.



High electricity prices, load shedding and technology advancement are driving electricity consumers to alternative power supply options. An increasing number of consumers is therefore generating its own power or is planning to do so in the future. This will place further financial strain on Eskom. This development is indirectly driving sector deregulation. If this is examined holistically, it could have unintended consequences.

President Cyril Ramaphosa, in his State of the Nation Address (SoNA) on 13 February 2021, outlined government's main objectives and priorities for 2021. The SoNA focused on the COVID-19 pandemic, accelerating economic recovery, creating jobs and promoting inclusive economic growth, including maintaining black economic empowerment (BEE). Eskom plans to increase its power-generation capacity, fight corruption and strengthen state-owned entities. This annual performance plan will provide the DMRE's response to the President's SoNA commitments

The mining industry is committed to supporting the national COVID-19 vaccine roll-out. There is no doubt that access to an effective vaccine and the significant roll-out of a vaccination programme is crucial in the fight against COVID-19, which will help re-open the economy and save lives and livelihoods.

The Department will increase mining exploration activities with the aim of attracting a minimum of 3% of the total global exploration expenditure. To this end, an exploration strategy for the country will be tabled in Cabinet in this financial year. The implementation of this strategy will ultimately increase the contribution of mining to the GDP. The Department will furthermore ensure a 50% reduction in the current time frames for the issuing of mining licenses and permits and support efforts to invest in green jobs to improve efficiencies through the One Environmental System that will integrate different aspects of the environment. The Department will also deal with confidence-boosting measures, including land rights, digital migration, mineral rights, market tools, local beneficiation and products with export potential, such as ash, gypsum, slag and biomass.

## Economic Reconstruction and Recovery Plan

As announced by the President in his State of the Nation Address, the Department has finalised the procurement for 2 000 MW under the Risk Mitigation Independent Power Producer programme. The Department will initiate the procurement of an additional 1 1 800 MW of power from renewable energy, natural gas, battery storage and coal, in line with the Integrated Resource Plan (IRP) 2019.

In this financial year, the Department issued a request for proposals for 2 600 MW from wind and solar energy as part of Bid Window 5. This will be followed by another bid window in the third quarter of 2021/22. The Department will amend Schedule 2 of the Electricity Regulation Act in the first quarter of 2021/22 to increase the licensing threshold for embedded generation. This will include consultation with key stakeholders on the level at which the new threshold should be set and the finalisation of the necessary enabling frameworks.

The Department will rapidly and significantly increase generation capacity outside of Eskom to deal with the supply and demand deficit as outlined below:

- Initiate the procurement of power from projects that can deliver electricity into the grid within three to twelve months from the date of approval.
- Amend the Electricity Regulations on New Generation Capacity and clarify the requirements for municipalities when undertaking processes to develop or buy power from independent power producers (IPPs).
- Initiate the evaluation of bids for 2 000 MW under the Risk Mitigation Independent Power Producer Programme.

The Department will implement a Framework for the procurement of the 2500MW nuclear energy in this financial year to ensure security of energy supply in a long-term in line with Decision 8 of IRP2019 and support Economic Reconstruction and Recovery Plan. The Department will be engaging key players (Eskom, licensed municipalities and the National Energy Regulator of South Africa (Nersa)) around the level of threshold considering technical



limitations. Three months is achievable, provided the focus does not go beyond just changing the threshold. Nersa has already registered 156 self-generation facilities under 1 MW with a total installed capacity of 72 MW.

Looking ahead, the Department has considered the feasibility of natural gas for economic use in the South African market, which includes accelerating the exploration of South Africa's own natural gas for domestic gas feedstock. Investment in infrastructure to import liquefied natural gas (LNG) is critical. Therefore, the tabling of the Gas Amendment Bill before Parliament, when it happens, should be considered against this backdrop.

Prior to the COVID-19 pandemic, the Department was in the process of consulting stakeholders on the Upstream Petroleum Resources Development Bill. Community consultations were, however, foiled by the lockdown restrictions. The relaxation of restrictions on gatherings will enable the Department to restart consultations. The finalisation of the Bill will unlock the country's untapped potential in the upstream oil and gas reserves.

As directed by the President, the Economic Reconstruction and Recovery Plan (ERRP) should fast-track reforms to reduce the cost of doing business in this country. This will facilitate investment, and achieve economic growth and transformation.

Government is focused on renewing investment in exploration, which is the lifeblood of mining. This will further promote diversification of the economy. The mining sector will actively engage in facilitating renewed investment through a policy framework that provides certainty, investment protection and transformation. The Department is also giving effect to its commitment to reduce time frames for mining and prospecting licenses.

The formalisation of artisanal mining will be accelerated, creating an avenue to mine sterilised deposits. Saving Our Lives, Saving Our Livelihoods is a social compact between government, the social actors and society, which is core to the ERRP. This is reminiscent of the country's ability to overcome the worst and do the unimaginable when we hold hands and act together.

## Mineral resources

The Department will advance localization through mineral beneficiation. This we will do through the implementation of the ferrochrome smelters interventions approved by Cabinet in 2020. This will not only increase the revenue gained from the exploitation of resources, but will also significantly increase the job creation. This industrialization initiative will be rolled out to other mineral commodities.

The Department has identified several interventions as part of the Economic Reconstruction and Recovery Plan to ensure that our economy recovers as quickly as possible following the devastating effects of COVID-19. One such intervention is recognising the crucial role that exploration plays in the development and sustainability of the sector.

The Department is committed to promoting greater exploration in minerals and upstream petroleum activities. In this regard, funds will be allocated for the geoscience research library and geological mapping for the exploration of mining. In support of the critical attributes that support junior mining exploration activities, the Department would like to encourage junior minors to work with the Council for Geoscience (CGS). These include activities such as regulatory certainty, transparency in the licensing system, significant investment in precompetitive geology and tackling the barrier of access to funding.

The Department has resolved the longstanding regulatory uncertainty in respect of the Mining Charter, with BEE ownership excluded at the exploration phase. Secondly, the Department recognises that requisite details of geological information at a scale of 1:50 000 has been grossly insufficient. The CGS is focused on this activity to identify anomalies and drill the latter to a stage of inferred resources.

The Department has drafted the Artisanal and Small-Scale Mining Policy, this policy will provide a focused regulatory regime for this segment of the sector. Further to this, it will create space for the coexistence of large scale mining together with artisanal and small-scale mining thus ensuring optimal exploitation of the country's mineral resources.



The Department calls on all stakeholders in the mining industry to prioritise the health and safety of all persons at mines. In this regard, the Department will intensify its monitoring and evaluation of the mine health and safety management systems through ongoing inspections and audits.

Africa is home to a vast majority of the world's mineral wealth and many parts of our country remain an untapped market. Regional and international partnerships will also be strengthened to ensure that economic growth and development continues. This will contribute to improving intra-African trade as the Department will focus on stepping up integration mechanisms between the regions to further boost economic growth and job creation.

### Ensure security of supply

**We will implement the Nuclear New Build Programme** at the scale and pace that the country can afford to ensure the security of supply in line with IRP2019. We have issued a Section 34 determination for procurement of 2500MW nuclear energy to NERSA for concurrence, and the public hearings commenced in the last financial year. A non-binding Request for Information for the Nuclear New Build Programme was successfully concluded by the Department, and showed tremendous interest to participate in this programme by the investors, industry and reactor suppliers. This showed that we are on the right track to achieve the target of **additional 2500 MW nuclear energy to be procured by 2024.**

**Eskom is in the process of preparing for Long Term Operation (LTO) of Koeberg Nuclear Power Plant.** In May 2020, Eskom submitted a letter of intent to operate Koeberg beyond the 40-year design life to the National Nuclear Regulator. Three out of six Steam Generators for the first unit arrived in September 2020 from the manufacturers in China. We are looking forward to early engagement risk mitigation strategies to unlock potential challenges amongst the stakeholders involved to ensure the success of this project. The department will continue to create an enabling environment through regulations and exercise oversight to monitor progress with Eskom on a regular basis on matters relating to the long-term operation of Koeberg through the Technical Oversight Committee meetings.

**Replacement of SAFARI-1 Research Reactor with Multi-Purpose Reactor (MPR).** The new Multi-purpose Reactor consultation concluded at the FOSAD Cluster and will be submitted to Cabinet in the 2021/22 financial year. Investment for the success of this project is critical for the long-term sustainability and growth of South Africa's world leading capability in the fields of nuclear research and development and nuclear medicine, where South Africa is one of the leading medical isotope suppliers in the world.

In the case of management of nuclear spent fuel, the Ministerial Task Team finalised the review of the pre-feasibility study for the Centralised Interim Storage Facility to be delivered by the National Radioactive Waste Disposal Institute (NRWDI). The facility is intended to enhance management of spent fuel away from the reactor sites in line with international convention and best practice, as well as create jobs and stimulate the economy. The Department of Mineral Resources and Energy with National Radioactive Waste Disposal Institute (NRWDI) will continue work towards the full feasibility study in the development of the Centralised Interim Storage Facility including its regulatory approvals for siting and construction.

**The National Liaison Office (NLO) in the Department provides the strategic interface between South Africa and International Atomic Energy Agency (IAEA) to promote peaceful applications of nuclear technology.** In terms of increased use of nuclear technology, the National Liaison Office facilitated capacity building to enhance the technical and operational capability of professionals in the industry. Transfer of equipment to provide support for the technical cooperation programme in applying nuclear technology for peaceful uses. The Department will finalise the process of acceding to the African Regional Cooperative Agreement for Research, Development and Training related nuclear science and technology.

Energy security in the context of the IRP 2019 is defined as South Africa developing adequate generation capacity to meet its demand for electricity under both the current low-growth economic environment and when the economy turns. Generation capacity must accordingly be paced to restore the necessary reserve margin and to be ahead of the economic growth curve at the least possible cost.



As articulated in the IRP 2019, the Department will continue to pursue a diversified energy mix that reduces reliance on a single or a few primary energy sources. The extent of decommissioning the existing coal fleet due to the end of its design life could provide space for a completely different energy mix relative to the current mix. In the period prior to 2030, the system requirements were largely for incremental capacity addition (modular) and flexible technology to complement the existing installed inflexible capacity.

## Oil and gas

The lockdown measures that were intended to slow down the spread of the virus knocked global and national economies hard; hence, the decline in economic activity worldwide, notably the decreased demand for energy in the oil sector. This, in turn, depressed the prices of crude oil and petroleum products. The crude oil-exporting countries bore the brunt of the low oil prices, while the importing countries benefitted from lower refined product prices. The low oil prices have resulted in a review of several planned upstream and midstream investments in the oil and gas sector. A number of international oil companies are now announcing lay-offs of several workers. The unconventional oil and gas sector is following suit.

Our efforts to diversify our energy sources in terms of the IRP are afoot. To this extent, through CGS and PASA, the shale gas research project in the Karoo is at an advanced stage with the ultra-deep drilling 3500m vertical borehole being drilled. As at the end of February 2021 the 2325m mark had been reached. This drilling programme is scheduled to be completed in September 2021. A significant highlight from the latest reports indicate a new sweet spot area for the Lower Ecca shale gas play in this basin.

In October 2020, Total SA announced a significant gas condensate discovery on the Luiperd prospect, located on Block 11B/12B in the Outeniqua Basin, 175 kilometers off the southern coast of South Africa. This discovery follows the adjacent play opening Brulpadda discovery in 2019, which proved a significant new petroleum province in the region. The Luiperd well was drilled to a total depth of about 3,400 meters and encountered 73 meters of net

gas condensate pay in well-developed good quality Lower Cretaceous reservoirs. We are continuing our engagements with Total and other players on the development of this gas field in South African Waters.

As the country seeks to restore its economies, the Department has had to reimagine the future, adapt and adjust the programmes to create policy certainty, attract investment and save livelihoods. Following the nationwide lockdown, South Africa allowed the petroleum energy sector to operate at full capacity. However, the decreased demand for petroleum products forced some refineries to close. Further relaxation of lockdown regulations has led to a rapid increase in demand, which has resulted in shortages in some energy products, especially petroleum products.

The Department will be repositioning South Africa to be a serious player in the global gas market. It will promote the development of a domestic and regional gas market, and will continue to advance its gas-to-power projects with the Coega special economic zone (SEZ) identified as the first LNG import terminal. This lays a foundation for gas-to-power plants and converting existing power plants from diesel to gas.

Present and future gas discoveries in the country should find their way to its power plants and other petrochemical facilities. This will reduce the importation of beneficiated hydrocarbons. To this end, a Technical Working Group has been established that will produce a commercial business plan for the development of the LNG import-export facilities across various ports of the country.

A National Gas Master Plan will be developed. This will consolidate the country's participation in the development of the Southern African Development Community (SADC) Regional Gas Master Plan, which is aimed at strengthening regional cooperation in the creation of a regional gas market. Against this backdrop, the military insurgency in the gas-rich part of Mozambique is cause for concern. A solution to bring about peace and stability in the affected areas must be found urgently.



To resolve the country's energy challenges, the Department will identify opportunities and exploit them. These efforts should lead to ensuring that the poor and marginalised are included in policy making processes and in economic growth and development initiatives in the energy sector.

### Providing Regulatory Certainty

The Department has heeded the call for the provision of regulatory certainty and is taking decisive action to provide such certainty to our investors and potential investors. To this end, The Regulations to Geo Science Act, the Clean Fuels Regulations and the Biofuels Regulations were gazetted in March 2021. The Upstream Petroleum Bill and the Gas Amendment Bill will be tabled in Parliament. The Nuclear Regulator Amendment Bill, The National Energy Regulator Amendment Bill, The Nuclear Waste Fund Management Bill and the Electricity Regulation Bill will be gazetted for public comments in this financial year. Following the consideration of all comments, these will be processed further for tabling in Parliament.

### Rationalisation of state -owned entities

The President announced that the mandates of all state-owned entities (SOEs) should be re-evaluated to ensure that they are responsive to the country's needs and the implementation of the NDP. In line with the SoNA announcement on 13 February 2021, the Department has approved the establishment of a single governance structure for the current South African Nuclear Energy Corporation (Necsa) Group of Companies, starting from March 2020. This process involves the rationalisation and repurposing of the Necsa Group as a commercial and sustainable State-Owned Company that is able to meet government developmental objectives. The new business model will transition Necsa from the current incoherent quasi-holding operating model, which is dependent on a government grant, to a fully fledged new Necsa business. It is important to note that any changes within the Necsa Group are being done in a manner that ensures that Necsa's core mandate will be delivered and supported through commercial objectives to ensure the future sustainability of the organisation.

In May 2020, the Department announced the planned merger of iGAS, the Strategic Fuel Fund (SFF) and PetroSA to form a single entity that will form the nucleus of an integrated national oil champion, which will be known as the National Petroleum Company (NPC). On 10 June 2020, Cabinet approved the request to merge these three subsidiaries of the CEF. The CEF Board was mandated to manage the process and ensure the establishment of the NPC within six months.

The merger started on 15 September 2020 and a consortium, led by AT Kearny, has been appointed to assist the CEF Group in implementing the project. Over the past MTEF period, the Department has achieved significant progress across the key areas of the rationalisation of SOEs reporting to the Department.

### Conclusion

In conclusion, I would like to thank the Chairperson and members of the Portfolio Committee on Mineral Resources and Energy, the Director-General, departmental officials and our state-owned entities. We all have a binding commitment to serve and execute the mandate of the Department contained in this annual performance plan with diligence in the best interests of the citizens of South Africa.



Executive Authority of the Department of Mineral Resources and Energy





## Accounting Officer Statement

The Department of Mineral Resources and Energy was established on 29 May 2019 by the merger of the Department of Energy and the Department of Mineral Resources to better equip and capacitate the Department to respond to the strategic objectives derived from the NDP, the MTSF and the ERRP. The match and placing process, which emanated from the National Macro

Organisation of Government, was completed in November 2020. Officials were subsequently given placement letters in October 2020.

The Department has conducted change management sessions with various programmes, and will continue to do so during the 2021/22 financial year. The Department will review the start-up organisational structure to align it with the strategic plan with a view to ensuring that the organisational structure is fit for purpose to implement its mandate.

The Department received an unqualified audit opinion with findings as articulated in the 2019/20 annual report. An action plan has been put in place to address findings issued by the Auditor General not to re-occur in the 2020/21 financial year.

The following table summarises the Department's programmes responsible for the execution of its mandate, alignment to the 2019–2024 MTSF and its response to the ERRP:

| Programme                                      | Programme Purpose   |
|--|---|
| Administration                                 | Provide strategic support and management services to the Ministry and the DMRE  |
| Minerals and Petroleum Regulation              | Regulate the mining, minerals and petroleum industry  |
| Mining, Minerals and Energy Policy Development | Formulate and maintain an integrated minerals and energy policy to promote and encourage investment into the mining and energy industry |
| Mine Health and Safety Inspectorate            | Ensure the health and safety of employees in the mines  |
| Programmes and Projects                        | Manage, coordinate and monitor programmes and projects focused on access to mineral and energy resources development                    |
| Nuclear Energy                                 | Manage the nuclear industry   |

In support of the Executive Authority's statement, an overview of the programme priorities is presented below. It is important to reflect on the Department's commitment in the 2019–2024 MTSF. Equitable and sustainable benefit from mineral resources and energy will contribute to Priority 2. This will be achieved through the enforcement of the Mineral and Petroleum Resources Development Act (MPRDA) and the Social and Labour Plan (SLP), and commitments to the Mining Charter, as well as conducting compliance inspections.

The participation of black industrialists will be facilitated, and mining work programmes will be evaluated. The entrance of historically disadvantaged South Africans (HDSAs) will be facilitated and their meaningful economic participation in the minerals and petroleum industry promoted. The monthly returns on issued rights and inspections for sustainable resource use will be assessed and environmental compliance inspections will be increased, coupled with the issuing of notices to remedy environmental non-compliance. A transformed minerals and



petroleum sector will be facilitated in the form of access of HDSAs to the mineral and energy sectors and promoting the meaningful economic participation of HDSAs by participating in consultation and engagement sessions.

Economic transformation and job creation will be achieved through a transformed mineral, upstream petroleum and downstream sector, as well as a diversified sources of energy supply. This aligns with the initiative to develop and review legislation, policies and strategies as they relate to the mining, mineral, upstream and downstream petroleum and energy sectors. Reliable statistical data on the minerals and energy sectors will also support this priority. Other areas to support investment will be explored – this includes a focus on domestic investment, such as reviewing legislation to reduce barriers for new entrants and small-scale miners, while sustainable resource use will be promoted.

The economic transformation and job creation focus of the Mine Health and Safety Inspectorate (MHSI) promotes health and safety through the implementation of the Occupational Health and Safety (OHS) Improvement Strategy. The Inspectorate will continuously engage with mine management, executives, and communities to analyse the outcomes of inspection and audits. In addition, the department will conduct OHS imbizos and campaigns. Other initiatives will include the promotion and implementation of the OHS small-scale guidelines, dissemination of OHS information and the implementation of the Enforcement Manual for Inspectors and Legal Framework. The review inspections and audit tools will be improved, and major accidents will be analysed to improve investigations. Further initiatives include the development of annual regional inspection plans, conducting qualitative inspections, planning and conducting workshops.

### Legislative and policy interventions

Transforming of the economy and creating jobs is one of the seven apex priorities for the sixth democratic administration, declared by President Cyril Ramaphosa. Policy and regulatory certainty are key to attract investments. To this end, the Department remains committed and

continues to work with the investor community on improving its regulatory framework to provide such certainty.

The Department has advanced with the separation of the upstream legislative provisions for oil and gas from traditional minerals. The Department presented the the draft Upstream Petroleum Development Bill in Cabinet and it will be tabled in Parliament for further processing in this financial year.

Together with Anglo Platinum, the Department – through its agency Mintek – will be working on using hydro-fuel cells as an energy source for mining trucks. The intention is to replace diesel usage with hydro-fuel cell technology. This is a major and innovative project that will have a significant impact on low carbon emissions and cost effectiveness. It is also an example of the good partnership between government and business. In addition to these initiatives, the Department is seeking solutions to network infrastructure challenges facing the mining sector, namely rail and port infrastructure, by engaging the Department of Public Enterprises.

### Community development and social licence

Mining companies must take the communities seriously on whose land they operate. The Department will ensure that the 10 value-creating principles for a modern, successful and productive mining industry are implemented. These principles challenge mining rights holders to do justice as part of their license conditions relating to mining operations. The Department commends those who are playing their part in the creation of a growing, inclusive, competitive and transformed mining industry. It will continue to urge all investors to prioritise social labour projects.

### Mining

The Department will ensure that more exploration takes place in the country with the intention to grow the national target from below 5% to respectable levels within the next few years. Government has invested in the integrated and multi-disciplinary geoscience mapping



programme. Early results are uncovering previously undefined geological features that may host significant mineral wealth, e.g. recently defined extensions of greenstone belts that may host hydrothermal mineral deposits and alkaline complexes.

### Industrial development and beneficiation

The country can create significant value, grow the economy and create employment opportunities through local processing and beneficiation. As part of the Department's efforts in this regard, it is in the process of developing a mining and beneficiation masterplan for the sector as part of implementation of the Mining Leadership Compact, and to grow the contribution of the mineral-energy complex to the economy. Furthermore, government, through its mining research entity, Mintek, will continue to be involved in programmes aimed at identifying and supporting local beneficiation, such as the following:

- Developing a global hydrogen and platinum-based fuel-cell economy
- Establishing a local rare earth element mining and manufacturing industry
- Manufacturing high-value products
- Reviving the declining South African ferro-alloys industry

### Health and safety status in the industry

The health and safety of employees is a key priority. Together, the Department and its employees will make significant progress in 2021/22 to reduce fatalities in the mining sector. In this regard, the Department will double its efforts to reach its goal of zero harm. The Department will collaborate with the mining sector to ensure that there is vigilance on COVID-19. The Mineral Council of South Africa (MCSA) has put a programme in place for the roll-out of the Coronavirus vaccine in partnership with government departments, organised business through Business Unity South Africa (BUSA), Business for South Africa (B4SA), and organised labour. Members of the MCSA are developing plans to assist in the vaccine roll-out, using the sector's

significant healthcare infrastructure and delivery capability. At this stage, only governments can source vaccines from international suppliers, and the South African government is the sole buyer. The Department recently met with the MCSA and CEOs of SOEs on the envisaged plans for the roll-out of the vaccine programme and strategic interventions on COVID-19, as well as occupational health and safety strategies.

### Carbon capture, utilisation and storage

As the Department focuses on energy security, it is also attending to the just transition towards low-carbon emissions. The Council for Geoscience is looking at frontier coalfields and the establishment of additional generation capacity in support of carbon capture storage and utilisation (CCUS). To increase energy efficiency, the CGS will further investigate the potential of carbon utilisation, which contributes to enhanced geothermal energy generation and improved extraction of coalbed methane. To mitigate against health impacts, industry compliance with air quality legislation has to be ensured, including through the implementation of cleaner coal technologies, such as carbon capture, utilisation and storage. Such plant retrofits will be implemented cost-effectively and in consideration of both economically available alternatives and envisioned social consequences. In 2009, the South African National Development Energy Institute (SANEDI) created the South African Centre for Carbon Capture and Storage, which is funded by the South African government, the World Bank, the European Union, Eskom and private sector companies such as Anglo American.

The Centre is mandated to explore carbon capture and storage in South Africa and has made good strides in research into carbon capture and storage and its potential use through collaboration. The Department will be stepping up its efforts in this area through the recent membership of the South African National Energy Development Institute (SANEDI) of the Global CCS Institute and participation in the carbon capture, utilisation and storage work of the International Energy Agency (IEA).



## Energy Efficiency Strategy

The mission of the Department is to develop measures to promote energy savings, reduce the negative impact of energy use on the environment, reduce energy costs to the economy, contribute to sustainable development and achieve a national energy policy. The Department's vision is to optimise energy sector development through the efficient utilisation, production and consumption of energy resources. The National Energy Efficiency Strategy of South Africa was approved by Cabinet in March 2005, reviewed in October 2008 and sets the target for improved energy efficiency in South Africa.

In order to improve capacity for the renewable energy sector's industrialisation and localisation, the Department will develop the Renewable Energy Master Plan report in this financial year.

Energy efficiency has tremendous potential to boost economic growth and avoid greenhouse gas emissions, but the global rate of progress is slowing – a trend that has major implications for consumers, businesses and the environment. The Department has set a target to improve energy efficiency across all sectors through verified and quantified energy savings.

## Procurement of emergency power

The Department released a Request for Information (RFI) on power projects that can deliver power to the grid in the shortest possible time on a least-cost and a least-regret approach. The RFI helps the Department assess the availability of immediately implementable generation options and the commercial terms expected by these projects. Responses were received, which include energy supply and demand side management options for gas, liquid fuels, coal, renewables, storage and nuclear. A preliminary analysis reveals that some proposals can bring power to the grid in less than 24 months. It also suggests that longer-term contracting is required to ensure that prices do not negatively affect the current tariffs.

## Electrification

The Department is taking the following measures to rapidly and significantly increase generation capacity outside of Eskom: The Minister of Mineral Resources and Energy will issue a section 34 Ministerial Determination, to give effect to the IRP 2019, enabling the development of additional grid capacity from renewable energy, natural gas, hydro power, battery storage and coal.

The second determination issued in 2020 requires the procurement of 6 800 MW of solar photovoltaic (PV) and wind capacity for 2022 to 2024. During this financial year, three bid windows will be released, which are aligned with the requirements of the IRP 2019. The Request for Proposals (RFP) for Bid Window 5 will be released for the procurement of 2 600 MW of both wind and solar PV. The bid submission is anticipated in 2021. The RFP for Bid Window 6 will be released in August 2021, procuring another 2 600 MW of wind and solar PV. The RFP for Bid Window 7 will also be released in 2022 procuring 1 600 MW.

Some 180 additional households will be electrified through grid connections and 15 000 will be electrified through non-grid connections.

## Generation for own use

The Department has enabled generation for own use by removing the licensing requirements for certain categories of generation facilities under 1 MW. It has also eased the licensing of generation for own use above 1 MW. The IRP 2019 now makes provision for distributed generation for own use above 1 MW, which takes away the need for ministerial approval for deviation from the IRP before Nersa can process a generation license application. Nersa is reviewing its processes to ensure quick turnaround times.



Through the implementation of the IRP approved in 2019, the Department is exploring ways to reduce high costs and eliminate unreliability of supply. The Department has issued two determinations to enable an additional 13 000 MW into the electricity grid. In the short and medium term that the IRP envisions as a “just transition” from a high- to a low-carbon emission environment. At the same time, the Department aims to diversify electricity generation sources, as well as ensure local and regional development.

### Municipal generation

Enabling municipalities to procure their own power from IPPs, the Department is developing regulations to ensure regulatory certainty, which are aligned with the Electricity Regulation Act, for municipalities to procure or develop their own power generation. The regulations require a municipality to align itself with IRP 2019 and all other applicable laws. For long-term sustainability, a municipality must demonstrate diversity in its customer base, and must ensure that electricity revenue collection meets its electricity operations and energy buying costs. This is especially critical to ensure that paying customers – especially commercial customers – are not burdened with high electricity tariffs as compensation for non-paying users.

South Africa also possesses high-grade resources in commodities, i.e. vanadium, platinum, palladium, nickel, manganese, rare earths, copper and cobalt, which are critical in the global energy storage sector. These resources present a huge potential for the creation of new industries and localisation across the value chain.

### Conclusion

I wish to thank the Minister for his leadership, the entities reporting to the Department and the sector as a whole for their commitment and dedication to the Department. Through prioritising, guidance and consideration of the constructive input received over the past year, I am confident that the Department will finalise all its pending legislation and improve its operational efficiency to drive socio-economic growth and development.

I commit my team to continuing to display high levels of excellence and dedication in the service of the people of South Africa.



Accounting Officer of the Department of Mineral Resources and Energy



## Official sign-off

It is hereby certified that this annual performance plan:

- was developed by the management of the Department of Mineral Resources and Energy under the guidance of the Minister SG Mantashe;
- takes into account all relevant policies, legislation and other mandates for which the Department of Mineral Resources and Energy is responsible; and
- accurately reflects the outcomes and outputs which the Department of Mineral Resources and Energy will endeavour to achieve over the period 2021/22.

### RECOMMENDED BY:

Ms P Gamede

Branch: Corporate Services

Signature: 

Mr D Msiza

Branch: Mine, Health and Safety Inspectorate

Signature: 

Mr T Maqubela

Branch: Minerals and Petroleum Regulation

Signature: 

Ms N Ngcwabe

Branch: Mining, Minerals and Energy Policy Development

Signature: 

Mr J Mbele

Branch: Programmes and Projects

Signature: 

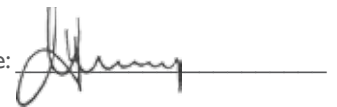
Mr Z Mbambo

Branch: Nuclear

Signature: 

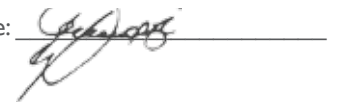
Ms Y Chetty

Chief Financial Officer

Signature: 

Mr L Mulaudzi

Official Responsible for Planning

Signature: 

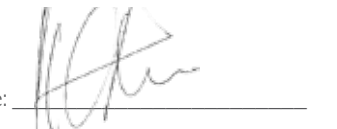
Adv T Mokoena

Accounting Officer

Signature: 

Mr SG Mantashe, MP

Executive Authority

Signature: 





# Part A

Our mandate

## I. Updates to the relevant legislative and policy mandates

The Department of Mineral Resources and Energy derives its mandate from section 24 of the Constitution of South Africa, Act No. 108 of 1996.

### I.1. Legislative mandate

The DMRE derives its founding mandate from the Minerals and Mining Policy for South Africa (White Paper, 1998), which ensures the transparent and efficient regulation of the development of South Africa's mineral resources and minerals industry to meet national objectives and bring optimum benefit to the nation.

The mining arm of the DMRE is primarily driven by the Mineral and Petroleum Development Act (Act No. 28 of 2002) and the Mine Health and Safety Act (Act No. 29 of 1996). The two Acts provide the regulatory framework for the promotion and regulation of the mining, minerals and petroleum industry. They also provide a regulatory framework for ensuring the equitable access to and sustainable development of the nation's mineral resources and related matters

### I.2. Policy mandate

The White Paper on Energy Policy (1998), supplemented by the White Paper on Renewable Energy (2003), sets out government's overarching position on the supply and consumption of energy.

Legislation governing the work of the DMRE are:

- Legislation governing the work of the DMRE are:
- Mines and Works Act, 1956 (Act No. 27 of 1956)
- Mining Titles Registration Act, 1967 (Act No. 16 of 1967)

- Central Energy Fund Act, 1977 (Act No. 38 of 1977)
- Petroleum Products Act, 1977 (Act No. 120 of 1977)
- Diamonds Act, 1986 (Act No. 56 of 1986)
- Mineral Technology Act, 1989 (Act No. 30 of 1989)
- Abolition of the National Energy Council Act, 1991 (Act No. 95 of 1991)
- Geoscience Act, 1993 (Act No. 100 of 1993)
- Nuclear Energy Act, 1993 (Act No. 131 of 1993)
- Mine Health and Safety Act, 1996 (Act No. 29 of 1996)
- National Environmental Management Act, 1998 (Act No. 107 of 1998)
- Nuclear Energy Act, 1999 (Act No. 46 of 1999)
- National Nuclear Regulator Act, 1999 (Act No. 47 of 1999)
- Abolition of Lebowa Mineral Trust Act, 2000 (Act No. 67 of 2000)
- Gas Act, 2001 (Act No. 48 of 2001)
- Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002)
- Gas Regulator Levies Act, 2002 (Act No. 75 of 2002)
- Petroleum Pipelines Act, 2003 (Act No. 60 of 2003)
- Petroleum Pipelines Levies Act, 2004 (Act No. 28 of 2004)
- National Energy Regulator Act, 2004 (Act No. 40 of 2004)
- Precious Metals Act, 2005 (Act No. 37 of 2005)
- Electricity Regulation Act, 2006 (Act No. 4 of 2006)
- National Energy Act, 2008 (Act No. 34 of 2008)
- National Radioactive Waste Disposal Institute Act, 2008 (Act No. 53 of 2008)



## 2. Updates to institutional policies and strategies

### 2.1. The Draft Upstream Petroleum Resources Development Bill, 2019

The Bill seeks to separate petroleum provisions from the mineral provisions to address issues that are pertinent to the upstream petroleum sector. The Bill seeks to provide for participation in the development of petroleum resources, the participation of black persons and the acceleration of exploration activities in the country. It seeks to create an enabling environment to attract investment in the upstream petroleum sector by contributing to the country's economic growth, creating employment, establishing energy security and developing the oil and gas industry.

The Department aims to request Cabinet's approval to introduce the Bill in Parliament in 2021 and once Cabinet approval has been sought, the Minister will introduce the Bill to Parliament.

### 2.2. The Gas Amendment Bill

The Draft Gas Amendment Bill seeks to amend the Gas Act, 2001 (Act No. 48 of 2001) by promoting the efficient, effective, sustainable and orderly development of the construction and operation of gas transmission, storage, distribution, liquefaction and regasification facilities, promoting the provision of efficient, effective and sustainable gas transmission, storage, distribution, liquefaction and re-gasification services, promoting competitive and sustainable trade in gas, promoting the safe, efficient, economic and environmentally responsible transmission, distribution, storage, liquefaction and re-gasification of gas, facilitating the development of integrated energy projects and the development of gas markets and gas facilities, and promoting broad-based black economic empowerment.

The Bill has been approved by Cabinet and will be introduced to Parliament in 2021 where it will undergo parliamentary consultation processes to ensure it is widely endorsed for implementation once passed into law.

### 2.3. The National Nuclear Regulator Amendment Bill

The Bill seeks to remedy the following challenges in the Act:

- Potential nuclear safety risk to occupational exposure of air crew as a result of insufficient regulation governing the South African aviation industry, with only flights that are above 49 000 feet covered by legislation
- The lack of enabling provision for the transfer of a nuclear authorisation, which could result in the unintended situation of a lack of regulatory oversight, leading to potential nuclear safety risk
- The lack of effective enforcement provisions for inspectors undertaking their duties over nuclear authorisation requirements, leading to an inadequately empowered regulator, as evidenced by perpetual non-compliance events
- The need to update the National Nuclear Regulator (NNR) Act of 1999 to be consistent with International Atomic Energy Agency (IAEA) prescripts and best practice. This is informed by the fact that South Africa, as a member state of the IAEA, has subscribed to its prescripts and best practice. Of importance are increased safety levels following the nuclear accident in Japan in 2011 and two international review missions to South Africa, resulting in the incorporation of various safety recommendations.

The Bill will be tabled in Cabinet in 2021 to seek approval and to be published for public comment.

### 2.4. The Radioactive Waste Management Fund (RWMF) Bill 2020

South Africa as a nuclear country, generates high-level radioactive waste through the operations at Eskom's Koeberg Nuclear Power Plant and the South African Nuclear Energy Corporation (Necsa)'s Safari-1 research reactor. Eskom and Necsa operations produce radioactive waste during electricity generation, research and production of medical radioisotopes processes, which require special handling, storage and disposal. There is no infrastructure to permanently store and dispose such waste off-site.

Therefore the Bill seeks to establish a Radioactive Waste Management Fund; manage funds to be utilized for the establishment of infrastructure for high-level radioactive waste storage and disposal; clarify the application of the Act to high level waste whose sole purpose the Fund is



intended to be utilised for and excludes the application of the Act to other waste streams such as low-level waste and intermediary-level waste; specifies the activities of the Institute for which the money in the Fund must be utilised; and establish a Governance structure in a form of a Board that will administer the Fund.

This Bill was tabled at the Ministerial Cluster in August 2020 where recommendations were made, and the Department is currently processing these recommendations. The Bill will serve in Cabinet in 2021/22.

### 2.5. The Draft Geoscience Regulations

These regulations give effect to the provisions of section 25 of the Geoscience Act, 1993 (Act No. 100 of 1993), as amended, which mandated the Minister to develop regulations, and reaffirm the Council as the sole custodian of all geoscience data and information in South Africa. It clarifies and simplifies the construct of the geoscience legislative framework, i.e. definition of words and concepts. The regulations outline procedures and processes to be followed when submitting and accessing geoscience data and information, giving assurance for the Council to discharge its mandate without hinderance.

The draft Geoscience Regulations seek to clarify the manner of submission of geotechnical data and information on reconnaissance and prospecting to the CGS, the procedure for the lodgement of onshore and offshore prospecting data and information on reconnaissance and prospecting, and the submission of data and information relating to reconnaissance and prospecting works' programme. The submission of data and information should be for the attention of the CEO of the CGS. The Regulations furthermore seek to clarify time frames for the submission of geotechnical data by the mining right holder, to prescribe tariffs payable to the Council, the amount of such fees, persons liable to pay such fees, and circumstances that may result in the reimbursement of such fees, and to outline procedures to be followed at Board meetings. They also provide for confidentiality on activities of the Board and provide for the manner in which meetings of the executive committee or any other committee must be nominated. The Regulations will be gazetted for public comments.

### 2.6. The Clean Fuels II Regulations

As part of the improvement of the quality of the liquid fuels under Cleaner Fuels Programme, gov introduced the prohibition of the addition of lead (Pb) into all grades of petrol and the reduction of the sulphur content of standard grade diesel from 3000 to 500 parts per million (ppm). The inaugural Regulations regarding Petroleum Products Specifications and Standards (Cleaner Fuels One / CFI) were promulgated 23 June 2006 under the Petroleum Products Act, 1977 (Act No 120 of 1977) and came into effect in January 2008.

Government has deemed necessary that the fuel specifications be further improved in line with technological advancements and environmental benefits with the Clean Fuels II Regulations.

These regulations seek to further reduce the sulphur content in diesel and petrol from 500ppm to 10 ppm; to reduce the content levels of other elements such as olefin, manganese and aromatics; enable biofuels blending and labelling; and Provide clarity on certain sections that have raised interpretation issues with stakeholders and propose a new implementation date.

The regulations will be gazetted for public comments.

### 2.7. Mandatory Biofuels Blending Regulations

The regulation for mandatory blending of minimum 2% bioethanol in petrol and minimum 5% biodiesel into diesel were gazetted in August 2012 and came into effect on 01 October 2015. The regulations make it mandatory for fuel manufacturers to blend their products with locally produced biofuels as of October 2015. The department is currently in the process of amending the regulations to define regulated transfer price of biofuels as Basic Fuel Price (BFP) and to expand the definition of biofuels to include 2<sup>nd</sup> and 3<sup>rd</sup> generation biofuels since it currently only caters for 1<sup>st</sup> generation.

The Mandatory Blending Regulations will set a national target of 4.5% biofuels penetration in South Africa's fuel pool.

The Potential benefits of a biofuels programme are for socio economic where it will create and



preserve jobs in the agricultural industry, for health where they will be used for blending with conventional mineral fuels thus reducing the air pollutants and GHG emissions in the transport sector; for finance and security of supply where they will reduce imports of transport fuels, dependency on external factors and balance of payments; for improved technology where it will be one of the options for cleaner transport fuels as outlined in the Green Transport Strategy of South Africa; for environmental benefits where it will be used in the aviation industry in line with the objectives of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

The regulations will be gazetted for public comments.

### 2.8. The Liquid Petroleum Gas (LPG) Rollout Strategy

The Department will gazette the LPG Rollout Strategy for public comment in 2021. This strategy follows the review of the LPG Strategy due to challenges that were identified, such as the LPG pricing framework, safety regarding the use of LPG, cylinder management, inadequate LPG import, storage and distribution infrastructure, and lack of transformation (restrictive features of the market).

The successful implementation of the LPG Rollout Strategy hinges on dealing with the following main challenges: the removal of restrictive features in the LPG market, the provision of adequate and open access LPG importation infrastructure to accommodate imports, conducting safety awareness campaigns to deal with negative perceptions on the use of LPG, improved cylinder management and maintenance, fighting or curbing illegal activities such as the cross-border stealing of cylinders and illegal filling, working together with other stakeholders such as the Competition Commission, Department of Employment and Labour and LPG South Africa.

### 2.9. The Artisanal and Small-scale Mining Policy

This policy seeks to create a foundation for the formulation of a dedicated artisanal and small-scale mining legal framework in South Africa, by doing the following:

- Designing incentive schemes to support the sector for artisanal and small-scale miners to be formalised, to comply with the law in a simplified manner, in consultation with National Treasury
- Establishing private and public partnerships, for example with the Mine Health and Safety Council (MHSC), the Mining Qualifications Authority (MQA) and organised business, and to devise interventions for training and skilling artisanal and small-scale miners on aspects such as methods, compliance with environmental management, water use and health and safety requirements.

Through this policy, government will strengthen the laws relating to the criminalisation of illegal mining, including the Criminal Procedure Act, 1977, the Precious Metals Act, 2005, the Second-hand Goods Act, 2009, and the Prevention of Organised Crime Act, 1998, in terms of offences and penalties to deter illegal mining activities. The Department will strengthen enforcement measures such as monthly, quarterly and annual reporting requirements by the artisanal and small-scale industry in terms of production and employment statistics. In carrying out this responsibility, the Department will collaborate with other government departments and entities, industry stakeholders and social partners. The policy will be published for public comment in 2021.



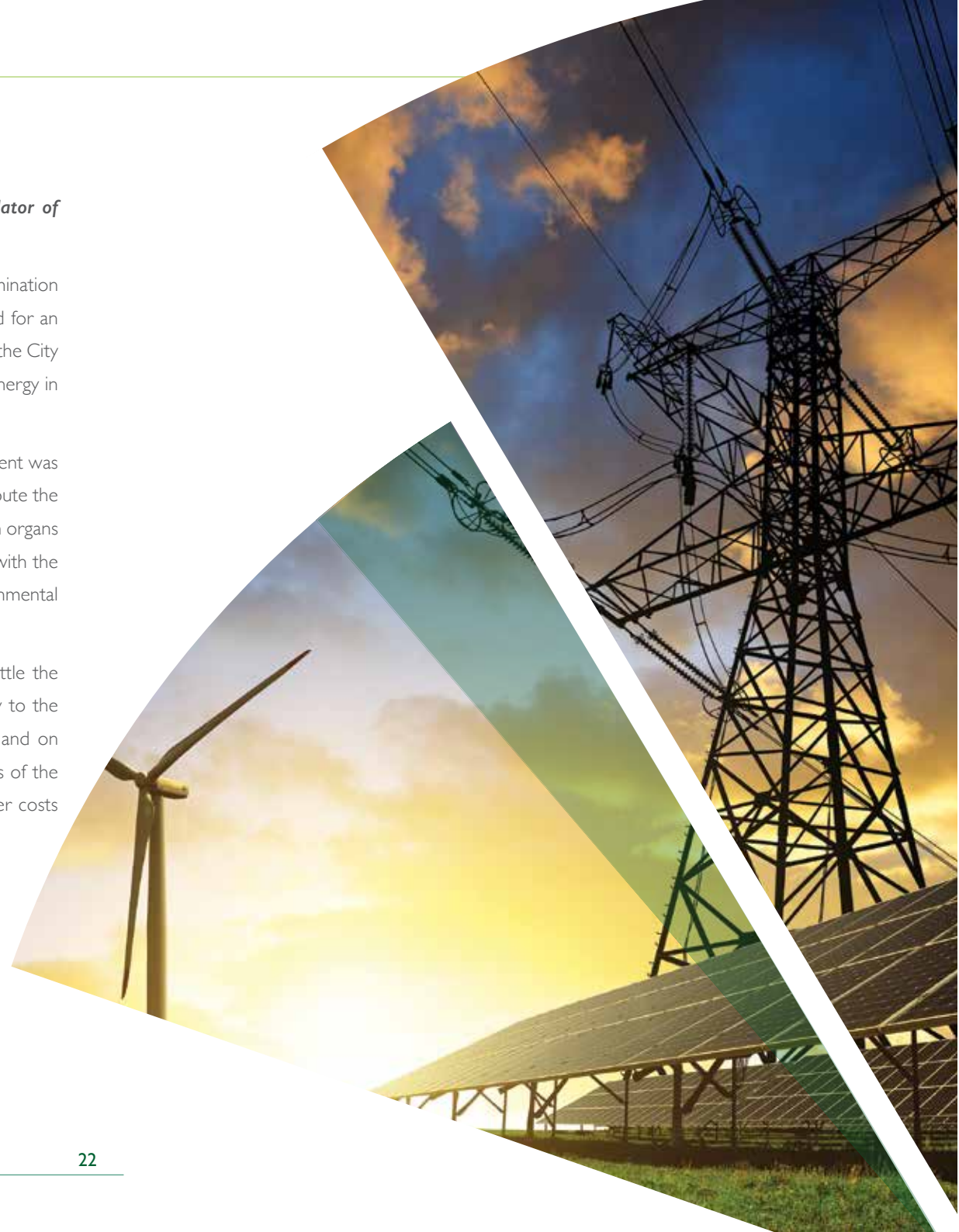
### 3. Updates to relevant court rulings

#### *In the matter between the City of Cape Town and the National Energy Regulator of South Africa and the Minister of Energy*

The City of Cape Town primarily sought an order declaring that a Ministerial determination under section 34 of the Electricity Regulation Act, Act No. 4 of 2006, is not required for an independent power producer to establish a new power plant and supply electricity to the City of Cape Town. The City was of the view that it had a constitutional right to procure energy in any manner it deemed best without a determination by the Minister.

The court application was heard before J Windell on 11 and 12 May 2020, and judgment was handed down on 11 August 2020. The court concurred with the Minister that the dispute the court was asked to adjudicate upon constitutes an intergovernmental dispute between organs of state, and that the application was premature because the City had not complied with the requirements of section 41 of the Constitution and the provisions of the Intergovernmental Relations (IGR) Framework Act, Act No. 13 of 2005.

The court directed the parties to follow the IGR processes and, if all efforts to settle the dispute in terms of Chapter 4 of the IGR Act are unsuccessful, any party may apply to the same court for leave to re-enroll this application for hearing on the same papers and on such conditions as the court may determine. The City was ordered to pay the costs of the hearing on 11 and 12 May 2020, which included the cost of three counsel. All other costs are reserved.





# Part B

Our strategic focus

**Vision:**

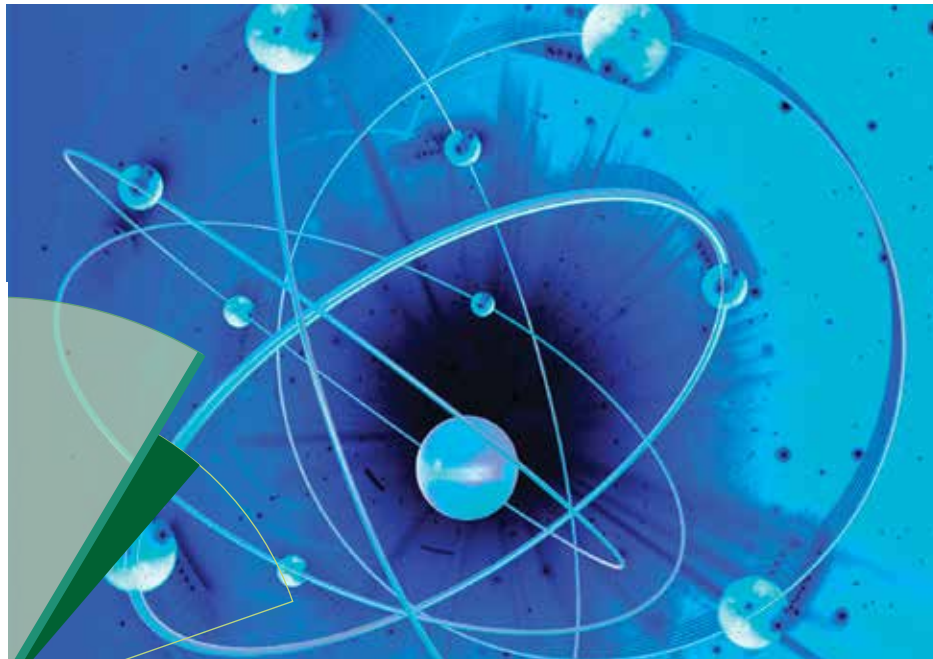
A leader in the transformation of South Africa through economic growth and sustainable development in the mining and energy sectors.

**Mission:**

To regulate, transform and promote the minerals and energy sectors, providing sustainable and affordable energy for growth and development, and ensuring that all South Africans derive sustainable benefit from the country’s mineral wealth.

**Values:**

The service delivery approach of the DMRE is guided by its value system that is summarised in the table below:



|   |  |
|---|--|
| <b>Batho-Pele (Sotho for “People first”)</b>                        | Represents a DMRE that is service-orientated, strives for excellence in service delivery, commits to continuous service delivery improvement for the achievement of a better life for all, and seeks to include all citizens through its services and programmes |
| <b>Ethics</b>   | Represents our moral principles as reflected by the Code of Conduct for Public Servants, i.e. what we understand, know about and mean when we resolve what is right and what is wrong  |
| <b>Honesty</b>  | Represents a facet of moral character and denotes positive, virtuous attributes, such as integrity, truthfulness and straightforwardness, along with the absence of lying, cheating or theft   |
| <b>Integrity</b>  | Represents consistency of actions, values, methods, measures, principles, expectations and outcomes, and is regarded as the honesty and truthfulness or accuracy of one’s actions  |
| <b>Accountability</b>   | Represents the acknowledgment and assumption of responsibility for our actions, decisions, policies, administration and governance   |
| <b>Professionalism</b>  | Represents workers who enjoy considerable work autonomy and are commonly engaged in creative and intellectually challenging work that requires impressive competence in a particular activity  |
| <b>Ubuntu</b>   | Represents our interconnectedness and our approach that is open, available and affirming of others   |
| <b>My public servant – my future (we belong, we care, we serve)</b> | Represents public servants at the centre of delivering quality services to its citizens in line with the dictates of the Constitution of the Republic of South Africa  |



## 4. Updated situational analysis

South Africa, the continent and global countries in the world have been fighting an invisible enemy: COVID-19. Although the spread in the continent is much lower than in other parts of the world today. It is no less worrying considering the limited capabilities and resources of African countries to mitigate the potentially devastating effects of the virus from a public health, social and economic context.

Limited access in the continent to electricity, particularly in health centres and facilities, increases vulnerability to COVID-19. As Africa strives to sustain gains in reducing lack of access to electricity to more than 600 million people today, putting the access agenda among the priorities in the health sectors has become timely.

Due to the COVID-19 crisis, the African economy, similar to the global economy, is impacted on by the disruption of supply chains, mainly through exposure to inputs from Asia, Europe and the Middle East, as well as lower demand in global markets for a wide range of African commodity exports.

Travel bans and lockdowns are not only limiting the movement of people within countries and across borders, but are also disrupting the way of working for individuals, businesses and government departments. The employment effects of COVID-19 are raising socio-economic challenges, as already witnessed in the backstreets of the megacities around the continent.

Leaders of the public and private sectors have been quick to act, and the international development community is expected to extend its commitment to work together to safeguard the economies and livelihoods of millions of people.

The renewable energy sector can play a fundamental role in the fight against the disastrous effects of COVID-19. Access to reliable and sustainable energy is a crucial need and is even more important today for supporting essential services during a global crisis. In a period of extreme crisis, such as the one we are experiencing, ensuring a continuous flow of electricity is essential to keep the strategic infrastructure of the country going. Through strategic investment in sustainable energy, stimulus measures to induce economic recovery will strengthen the foundation of sustainable development.

## 4.1. External Environmental Analysis

### 4.1.1. Global energy sector trends

After such a disruptive year, the overarching theme of 2021 will almost certainly be recovery and reaction from COVID-19. In many ways, recovery is already well underway, with demand and prices in some sectors and fuels already close to, or even above pre-pandemic levels. On the flip side of the coin, the global macro-economy and energy demand is not out of the woods yet.

Coronavirus infections continue to climb and vaccine deployment, in particular widespread deployment to all citizens, is underway, which will weigh on the demand and price recoveries in the opening months of the new year. The balance between a return to normal or even a "new normal" and uncertainty or risks over lingering Coronavirus infections will be key to energy pricing pathways in 2021. In today's global oil markets, decisions about where, how and when to act are dynamic and need the best information to guide one to the best results.

## 4.2. Global trends power generation

Roiled over 2020 by the COVID-19 pandemic, two much-watched international power market outlooks surveying short-term and long-term implications caution that the road ahead will be ridden by complexity.

The International Energy Agency's assessment of 2020 trends and 2021 forecasts, contained in its Electricity Market Report, released on 13 December 2020, warns of lax electricity demand in all major economies over the next year, with the notable exception of China, accompanied by a general plummet in wholesale power prices. The report, which is the agency's inaugural electricity-focused analysis and which it plans to follow with future editions on a half-yearly basis, also suggests that coal is expected to bounce back. But in the IEA's annual World Energy Outlook of 2020 (WEO2020), provides an outlook through to 2040, coal's share in energy demand could dip below 20% for the first time in modern energy history, while renewables are predicted to meet 90% of strong growth in global electricity demand.



The projection is based on the IEA's "stated policies scenario", which considers stated ambitions, including energy components of announced stimulus packages and climate goals, but does not consider the recent surge in net-zero emissions targets, which the IEA incorporates in its legacy report for the first time under a "net zero emissions by 2050 case".

Although both reports caution that much uncertainty remains owing to the pandemic, power sector experts from around the world predicted that their assessments are generally aligned with expectations from the world's diverse power markets.

### Global electricity demand hinges on pandemic recovery

Over the past 15 years, electricity demand has almost stagnated in developed economies despite economic growth and, in total, 93% of worldwide net growth in power demand originated in emerging and developing economies: 58% in China alone. The Electricity Market Report suggests that in 2021, after a sluggish year owing to the pandemic, demand could surge 3% to levels even higher than 2019. However, two-thirds of additional demand is centred in the Asia Pacific region; mostly in China and India, but also in Southeast Asia. One significant effect of the pandemic's lockdowns was a drop in electricity consumption in both the industrial and commercial sectors. Between 2005 and 2018, industry consumed 29%, followed by residential consumption (22%), and consumption by the commercial and services sector (15%). Looking ahead to 2040, the World Energy Outlook suggests the electrification of light industry will become the largest driver of demand growth to 2025. New commitments to develop electrolytic hydrogen production could also significantly increase demand. In the IEA's "stated policies scenario", about 10 TWh could be used to produce 0.4 million tonnes of oil equivalent (Mtoe) of hydrogen by 2030. Residential demand is also set to increase under the "stated policies scenario", owing to the electrification of heating and cooling, and particularly due to a surge in air conditioner sales in emerging markets. Under this scenario, electricity demand in the transport sector could also soar by 2030, when a fleet of 110 million electric cars and other vehicles could account for more than 500 TWh of demand. By 2040, the World Energy Outlook suggests transportation's share of global power demand will rise to 6%, well above 2,000 TWh.

- **Solar is generation's new king**

The World Energy Outlook suggests that, despite the pandemic, net additions of renewable capacity reached a new record of 200 GW in 2020, and total capacity will surge to about 218 GW in 2021; growth that is driven by projects delayed by lockdowns and lapses in investment. In 2025, renewables are expected to overtake coal as the primary means of producing global electricity. The World Energy Outlook suggests that solar PV is now the cheapest source of electricity in most countries and it has been the most-built power technology over the past three years. We are definitely entering a new era and solar PV is becoming the new king."

- **Coal, nuclear and gas face a squeeze**

Outlooks for coal, nuclear, gas and even oil are notable, owing to the stiff competition they face from renewables. About 13 GW of new nuclear is set to begin operation in 2021, and many units are advanced reactors. China is set to begin operations at Shidawowan, a high-temperature reactor; Fuqing 6, the first Hualong One design, and two other ACPR-1000s. India is targeting operation of Bhavini, its first fast reactor, as well as a domestically designed 700 MW heavy water reactor at Kakrapar. Meanwhile, Argentina is expected to begin running the 29 MW Carem, a small modular reactor. The United Arab Emirates is scheduled to put Barakah 2 online, Finland was scheduled to finally commission Olkiluoto 3 (although a recent update suggests the plant will likely start operations in March 2022), and Southern Co. plans to begin operations at Vogtle 3. Other reactors include Ostrovets 2 in Belarus, an APR1400 in South Korea, and an ACPR1000 in Pakistan. The USA, however, is set to retire 5.5 GW of nuclear capacity, and three of the remaining six units in Germany are slated to go offline before the country fully phases out nuclear in 2022. Global coal capacity, meanwhile, is set to soar to 2140 GW in 2021, driven by 30 GW of new capacity in China, with minor additions in India, Japan, Indonesia, Vietnam and Bangladesh. Also notable, the United Arab Emirates is expected to commission Hassyan 1, the first coal unit in the Middle East outside of Israel. Coal retirements will proliferate, however, with the USA set to decommission 3 GW in 2021, as well as 12 GW in Europe. Closures slated in Portugal, Belgium, Austria and Sweden over 2021 will complete phase-outs in those



countries. Meanwhile, natural gas capacity is slated to rise by 30 GW. About 7 GW is in the USA (in Texas and Ohio) and another 7 GW is in the Middle East, in Iran, Saudi Arabia and the United Arab Emirates. Additionally, 10 GW is in Asia, mostly in China and Malaysia.

- **Flexibility is now a cornerstone of electricity security**

Owing to shifting power profiles, mainly an increase in variable capacity, wavering demand and pandemic-related fuel supply disruptions, 2020 showed how important flexibility is and will be to electricity security. One point of consistency across all World Energy Outlook 2020 scenarios is that flexibility needs are set to rise". In the IEA's "stated policies scenario", flexibility needs are set to double globally out to 2040. "The good news is that there are many flexibility sources available from power plants to electricity networks, storage technologies, and demand response measures. Today, coal and gas-fired power plants are the main source of flexibility in many systems, with additional major contributions from low-carbon sources like hydro and nuclear power. Looking ahead, storage and demand-side responses could play central roles in flexibility with the right policies and regulations."

#### 4.3. South Africa's mining industry weathered COVID-19

Stakeholders benefitted from improved profitability, with mining companies strengthening their true social licence to operate in supporting their employees and communities in which they operate.

The mining industry weathered the COVID-19 storm, mostly unscathed, and certainly better than many other sectors. Mining companies have continued to enjoy the gains in commodity prices, assisted by a weaker rand, as platinum basket prices increased, and investors turned to gold as a safe investment amid concerns about the COVID-19 pandemic and global trade tensions. These are some of the highlights from PricewaterhouseCooper's 12<sup>th</sup> edition of SA Mine, a series of publications that highlights trends in the South African mining industry released by PricewaterhouseCooper.

South Africa's mining sector continues to be a meaningful contributor to the economy and has weathered the COVID-19 pandemic in many respects – showing good profitability and retaining strong balance sheets. The long-term future is unknown, however, as there is little

consensus on how the pandemic will impact the mining industry. The pandemic highlighted the absolute need to build back better and mining will play a key role in that recovery."

#### 4.4. Market capitalisation

In 2020, total market capitalisation increased to R1,280 billion from R840 billion. This total is a R439 billion (52%) year-on-year increase from 2019, largely attributed to the increase in market capitalisation of companies within the gold and platinum group metals (PGM) sectors. The total revenue generated by the South African mining industry for the year ended 30 June 2020 grew by 4%. This was mainly driven by PGMs, gold and iron ore, which saw increases in revenue for the 12-month period. The largest portion of revenue (28%) was generated by PGM, demonstrating a 56% increase from the previous year, overtaking coal for the first time since 2010. Gold mining companies had an increase of 35% in revenue. Revenue for the "other mining" segments increased by 7%.

The impact of the COVID-19 pandemic was evident from April 2020, with reductions in revenue being seen across the industry. South African PGM and gold are mainly mined in deep-level underground mines and were therefore hardest hit.

For the South African mine entities, cash generated from operations after working capital changes increased by 50% from the previous year. The gold and PGM sectors were the largest contributors, each contributing R24 billion to the increase in cash generated from operating activities.

Capital expenditure grew with a net increase of 5%. Impairments decreased by 50% when compared to the prior period, which resulted in a R5.9 billion charge to the income statement. The average earnings before interest, taxes, depreciation and amortisation margin of the mining companies included in this analysis was 34%, which represents a 1% increase from the previous period. Net profit grew by 60% because of the increase in PGM and gold prices in the current period. The aggregate tax expense for the mining companies was R37 billion with an effective tax rate of 26%. Furthermore, distribution to shareholders increased to R43 billion (compared to R18 billion in 2019) on the back of improved free cash flows and higher commodity prices.



#### 4.5. Production

Production decreased by 8% year-on-year, with a 44% decrease in production noted in April 2020 because of the pandemic – the most significant of which was due to reductions in gold, diamonds and PGM outputs. Production levels increased in May 2020 following the easing of lockdown restrictions. The COVID-19 pandemic called for a renewed focus from government and business to better peoples' lives and support local communities. Ultimately, the end goal is to accelerate economic recovery and build a new fast growing, inclusive economy buttressed by the massive infrastructure rollout programme that supports re-industrialisation through localization, transforming the structure of the economy, building climate resilience, creating jobs and enhancing productivity while building a critical base for exports focusing on the African continent.

The pandemic highlighted the absolute need to "build back better". Mining will play a key role in that recovery. It is therefore unfortunate that, despite the increased profitability, capital expenditure only increased marginally. While a cautious approach is understandable, impediments to investment need to be removed. Liberalisation of the energy market to ensure reliable and cost-competitive electricity is essential for mining and potential beneficiation opportunities. Hydrogen will play a transformative role in this regard. Progress in the regulatory environment should continue with a need to streamline processes and improve transparency for existing and potential investors.

The mining tax environment should be considered as a whole, with an opportunity to incentivise exploration expenditure. Enabling infrastructure, supporting supply chain and mine-to-market logistics would provide immediate recovery benefits and enhance long-term sustainability. Investment can only be attracted if the South African mining industry can be cost competitive with its global peers.

#### 4.6. The case for hydrogen

In South African mining, hydrogen has been receiving attention for quite some time. There have been several transport initiatives in the sector that are heavily focused on the use of PGM in the catalysts of fuel cells. Although these pilot projects are a good start to bringing hydrogen technology into mining, the focus of their application is quite narrow, looking at only decarbonising the transport portion of a mining operation.

There exists a far larger opportunity to leverage the cross-sector benefits of hydrogen on a microgrid scale, creating a fully green and resilient mining operation. It is now the opportune time for mining companies to consider the vast benefits of hydrogen, given that the cost of renewable hydrogen production is expected to fall by up to 60% over the next decade.

#### 4.7. Creating value for stakeholders

The mining industry continues to add significant value to the country and its people. As a result of the COVID-19 pandemic, mines were requested to invest even more in their local communities and support structures. As reported in company value added statements, employees continue to take the major share of value added at 38%, followed by government through direct taxes (11%), employee taxes (7%), as well as royalties (3%).

#### 4.8. The mining industry's commitment to support the national COVID-19 vaccine roll-out

The COVID-19 pandemic has had a massive impact on the world and South Africa. It is not only a humanitarian crisis, but has also sent significant economic shock waves through the global and local economies. There is no doubt that access to an effective vaccine and the significant roll-out of a vaccination programme is crucial in the fight against COVID-19 to help re-open the economy to save lives and save livelihoods.

The MCSA is committed to supporting a national government-led roll-out of an urgently applied and effective vaccine programme. Members of the MCSA are developing plans to assist in the vaccine roll-out using the sector's significant healthcare infrastructure and delivery



capability. At this stage, only governments are able to source vaccines from international suppliers and the South African government is the sole buyer.

While many sectors are questioning the slow progress of government securing a major bilateral vaccine deal, we are now aware that government is not only seeing the urgent securing of a vaccine as a national priority, but also recognises that it is government's responsibility at a public health care level to guarantee the funding.

President Ramaphosa indicated that Government is close to securing additional 20 million vaccines. Given challenges in the public healthcare infrastructure, there is no doubt that business (BUSA and B4SA), and the mining sector in particular, can play a major role in the end-to-end planning and roll-out of the vaccine programme to assist government and the nation. Cooperative partnerships and urgency are key.

Government will expedite the bilateral negotiations with international suppliers and, working with the BUSA/B4SA structures, to develop the systems and infrastructure to effectively, quickly and transparently implement this programme.

#### 4.9. The economy of South Africa

The economy of South Africa is the second largest in Africa. As a manufacturing hub, it is the most industrialised, technologically advanced and diversified economy on the African continent. South Africa is an upper-middle income economy, one of only eight such countries in Africa. Since 1996, at the end of over 12 years of international sanctions, South Africa's GDP almost tripled to peak at \$400 billion in 2011, but has since declined to roughly \$283 billion in 2020. In the same period, foreign exchange reserves increased from \$3 billion to nearly \$50 billion, creating a diversified economy with a growing and sizable middle class, within two decades of ending apartheid.

South African SOEs play a significant role in the country's economy, with the government owning a share in around 700 SOEs involved in a wide array of important industries. In 2016, the top five challenges to doing business in the country were identified as inefficient government bureaucracy, restrictive labor regulations, a shortage of skilled workers for some

high-tech industries, political instability and corruption, while the country's banking sector was rated as a strongly positive feature of the economy. The nation is among the Group of 20 (G20) countries, and is the only African member of the group.

Mining has been the main driving force behind the history and development of Africa's most advanced economy. Large-scale and profitable mining started with the discovery of a diamond on the banks of the Orange River by Erasmus Jacobs in 1867 and the subsequent discovery and exploitation of the Kimberley pipes a few years later. Gold rushes to Pilgrim's Rest and Barberton were precursors to the biggest discovery of all, the Main Reef/Main Reef Leader on the farm of Gerhardus Oosthuizen, Langlaagte, Portion C, in 1886, which led to the Witwatersrand gold rush and the subsequent rapid development of the biggest goldfield of them all.

South Africa is one of the world's leading mining and mineral-processing countries. Although mining's contribution to the national GDP has fallen from 21% in 1970 to 6% in 2011, it still represents almost 60% of exports. The mining sector accounts for up to 9% of value added. In 2008, South Africa's estimated share of world platinum production amounted to 77%, its share of kyanite and other materials amounted to 55%, chromium to 45%, palladium to 39%, vermiculite to 39%, vanadium to 38%, zirconium to 30%, manganese to 21%, rutile to 20%, ilmenite to 19%, gold to 11%, fluorspar to 6%, aluminum to 2%, antimony to 2%, iron ore to 2%, nickel to 2% and phosphate rock to 1%. South Africa also accounted for nearly 5% of the world's polished diamond production by value. The country's estimated share of world reserves of PGM amounted to 89%, hafnium to 46%, zirconium to 27%, vanadium to 23%, manganese to 19%, rutile to 18%, fluorspar to 18%, gold to 13%, phosphate rock to 10%, ilmenite to 9% and nickel to 5%. It is also the world's third -largest coal exporter.

The mining sector has a mix of privately owned and state-controlled mines, the latter including the African Exploration Mining and Finance Corporation.



**South Africa's real GDP growth rate from 2015 to 2025 compared to previous years**

| Year | GDP growth rate |
|------|-----------------|
| 2025 | 2.34%           |
| 2024 | 2.14%           |
| 2023 | 1.52%           |
| 2022 | 1.54%           |
| 2021 | 3%              |
| 2020 | -8%             |
| 2019 | 0.15%           |
| 2018 | 0.79%           |
| 2017 | 1.42%           |
| 2016 | 0.4%            |
| 2015 | 1.19%           |

**4.10. Statistics**

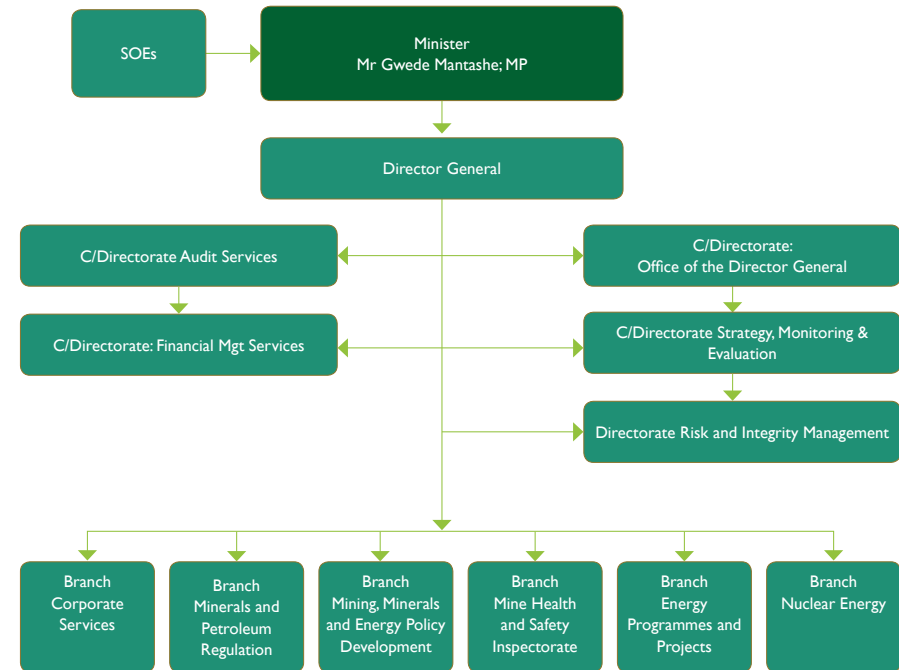
The statistics depict South Africa's real GDP growth rate from 2015 to 2019, with projections until 2025. The GDP refers to the total market value of all goods and services that are produced within a country per year. It is an important indicator of the economic strength of a country. Real GDP is adjusted for price changes and is therefore regarded as a key indicator for economic growth. In 2019, South Africa's real GDP had increased by about 0.15% compared to the previous year.



**5. Internal environment analysis**

**5.1. Organisational Environment**

*Figure 1: DMRE's organisational structure*



The merger of the Department of Mineral Resources and the Department of Energy into a new Department of Mineral Resources and Energy effective from 1 April 2020 saw a majority of efforts during the 2020/21 financial year flowing into the matching and placement of staff which was concluded at the end of the financial year. The approved organisational start-up structure comprises of 1647 posts, with a vacancy rate of 7.89% on active posts. The start-up structure aimed at executing the department's strategy was implemented during



a period within which spatial adjustment of budget was pronounced by National Treasury to be implemented by Government departments with the view to respond to the President's Covid 19 response package.

The department's contribution towards Covid 19 response package was submitted to National Treasury with the downward net change of the based line allocation. This resulted in a need to reprioritise funding in various economic classifications including compensation of employees for the MTEF. Filling of vacant positions has been prioritised for completion during this financial year. There is a need to review the start-up structure and embark on the restructuring of the organogram with a view to align with the 2020-2025 strategic plan and budget programme structure. This will present an opportunity to re-organize the current functions and resources necessary for execution of the strategic plan.

### 5.1.1. Training and Development

The implementation of the new start-up structure for the DMRE emphasised the significance of capacity building and in order to enhance skills required to execute the mandate of the department, there is a need for a skills audit to be conducted with the view to ensure that the correctly skilled DMRE work force is fit for purpose for service delivery. The skills audit process launched in 2020/2021 could not be finalised due to the protracted match and placing processes, coupled with COVID-19 pandemic challenges. Furthermore, the department could not submit a Work Skill Plan (WSP) to SETA for the year due to the fact that DMRE was not registered as a juristic person. An intervention measure has since been put in place to provide training to officials pending the registration of the department as a legal entity at SETA.

The Department had 64 active bursary holders for the 2020/21 financial year with additional 62 new bursaries offered to serving employees for the 2021 academic year. This brings the total number of employees studying part-time in various Tertiary Institutions to 159. The Internship programme has extended the contract of 46 Interns and 1 Learnership for 2021/22. 76 Graduate Interns will be placed within various programmes of the department effective from the 1<sup>st</sup> April 2021.

## Gender

The COVID-19 pandemic is causing untold human suffering and is heightening gender-based inequalities, not only in South Africa, but also around the world. The ongoing attacks on women and children led to His Excellency, President Cyril Ramaphosa, declaring gender-based violence and femicide a second pandemic following COVID-19. Gender-based violence, whether physical, sexual, emotional or economic, is recognised globally as one of the most widespread and persistent violations of the rights of women and girls.

The introduction and approval of the National Gender Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Strategic Framework by government, which the sector is expected to implement, gives guidance on how men and women can be economically empowered. The increase in female participation represents a rising percentage of the overall labour force of the industry. This does not translate to a significant improvement in the behaviour and attitude towards female miners. In fact, abuse, harassment and intimidation by male colleagues remains a challenge that many women confront daily at work and at home.

The Department will hold hands as a sector to fight the scourge of gender-based violence in our workplace, families, societies and nations. As a key economic sector, it will take care of its surrounding mining community and empower women economically so that they can be part of the entire mining and minerals value chain. This is one of the solutions that the Department can implement to solve the challenge of financial insecurity many women face, which in turn leads to gender-based violence.



## Youth and Disabled Persons

Governments across the globe find themselves having to adapt to the “new normal” of saving and protecting lives, while ensuring that economic activities continue. The country’s economic recovery plan allows us to emerge stronger from the fallout of COVID-19.

The mineral sector presents various opportunities for young and disabled people throughout the entire mining value chain. In order for us to ensure a strong economic recovery, current innovations in minerals and energy policy will help to rebuild our economy as we go forward towards a least-emissions economy. The Department will explore solutions to stimulate economic recovery.

The department encourages young and disabled people to prioritise education and training, focusing on mathematics, science and technology, to grow and transform the South African economy. This is critical as we work to transform the mining and energy sectors for the benefit of all South Africans. The Mining Charter is used as a key instrument to transform the mining sector as it creates regulatory certainty, sustainable growth and a competitive and transformed mining industry. The Charter is important to South Africa realising its long-term objectives of eliminating poverty, reducing inequality and creating jobs.

The Department intends to see more people from designated groups participating in the sector as owners and managers of mines, as well as service providers. The Department supports and implements youth upliftment programmes for new entrants identified throughout the mining value chain and energy sector.

### 5.2. Strengths and weaknesses: key elements

| ELEMENT        | STRENGTH  | WEAKNESS  | RESPONSE  |
|----------------|---|---|---|
| Personnel      | <ul style="list-style-type: none"> <li>Specialised skilled people in most portfolios</li> <li>Experience in the field</li> <li>Academically qualified</li> </ul>                                | <ul style="list-style-type: none"> <li>Insufficient, misplaced and unplaced skills and personnel</li> <li>Sub-optimal corporate culture (or identity): gap between lived reality and the principles in document and policy.</li> </ul>  | <ul style="list-style-type: none"> <li>Skills audit and implementation of recommendations</li> <li>Culture audit and implementation of recommendations</li> <li>Develop a DMRE culture – the way we act and interact</li> </ul> |
| Finance        | <ul style="list-style-type: none"> <li>Compliance to statutory and regulatory financial frameworks.</li> <li>Culture of cooperation in the sharing and reprioritization of resources</li> </ul> | <ul style="list-style-type: none"> <li>Poor financial management (spending not aligned to operational plans and performance)</li> <li>Underspending</li> </ul>  | <ul style="list-style-type: none"> <li>Collaboration with SOEs</li> <li>Financial and project management training</li> </ul>  |
| Infrastructure | Established infrastructure in place to be improved  | <ul style="list-style-type: none"> <li>Inadequate resources</li> <li>Irrationalised resource allocation</li> </ul>  | Develop and implement resource plan (smart office)  |
| Leadership     | The Department is resourced with leadership qualities to drive the organisation forward   | <ul style="list-style-type: none"> <li>Lack of commitment</li> <li>Corporate culture decay</li> <li>Lack of capacity to execute at the apex of the state</li> </ul>   | <ul style="list-style-type: none"> <li>Consequence management</li> <li>Invest in developing a corporate culture – DMRE way of Leading</li> <li>Leadership training</li> </ul>   |
| Management     | Qualified managers who are capable of delivering on the mandate of the Department   | <ul style="list-style-type: none"> <li>Lack of ownership of our work</li> <li>Lack of commitment “wheelbarrow syndrome”</li> <li>Lack of capacity to execute at the apex of the state</li> <li>Use consultants even where skill sets exist</li> <li>Resistance to change</li> </ul> | <ul style="list-style-type: none"> <li>Consequence management</li> <li>Management training</li> <li>Coaching and mentoring</li> <li>Change management and culture training on the DMRE way of managing</li> </ul>               |
| Systems        | Established systems in place to be improved from manual to digital  | <ul style="list-style-type: none"> <li>Outdated software systems</li> <li>Poor communication systems</li> </ul>   | <ul style="list-style-type: none"> <li>Procure latest systems</li> <li>Establish and implement effective communication systems</li> </ul>   |





# Part C

Measuring our performance

## 6. Institutional programme performance information

The Department will focus on the six core programmes on which the annual performance plan is premised. These programmes are the enabling functions that will allow the Department to meet the outcomes set out in its strategic plan.

### 6.1. Programme I: Administration

#### Purpose

To provide support services to the Department to fulfil its mandate and achieve its strategic objectives

#### Functions

- Render auxiliary support and security services
- Render strategic human resources services
- Perform an oversight role to all the Department's SOEs
- Ensure the provision of communications and media-related services
- Provide professional legal support and advisory services to the Ministry and the Department
- Develop and maintain all departmental application systems and ensure sound information technology services

### Strategic linkages to key national frameworks including the MTSF and the ERRP

| Framework  | Linkage   | Branch Outcome                                  |
|--|---|---|
| MTSF   | <b>Priority 1</b>                               |   |
|  | Capable, ethical and developmental state        |   |
|  | Functional, efficient and integrated government | Functional, efficient and integrated government |
|  | Improved governance and accountability          | Improved governance and accountability          |
|  | <b>Priority 2</b>                               |   |
|  | Economic transformation and job creation        |   |
| Investing in accelerated inclusive growth          | Investing in accelerated inclusive growth       |   |
| <b>CONSOLIDATED BRANCH OUTCOMES FOR 2021/22</b>    |   |   |
| 1. Functional, efficient and integrated government |   |   |
| 2. Improved governance and accountability          |   |   |
| 3. Investing in accelerated inclusive growth       |   |   |

Programme I is well positioned to support National Priority 1: A capable, ethical and developmental state by focusing on the following:

- Effective and efficient strategic corporate services
- An efficient, effective and development-oriented Department
- Promoting sound corporate governance practices within the DMRE



## 6.1.1. Outcomes, outputs, performance indicators and targets

| MTSF/ERRP outcome                               | Branch outcome                                  | Outputs  | Output indicators   | Annual Targets             |         |         |  |   |   |   |
|---|---|--|---|----------------------------|---------|---------|--|---|---|---|
|   |   |  |   | Audited/Actual performance |         |         | Estimated performance  | MTEF period   |   |   |
|   |   |  |   | 2017/18                    | 2018/19 | 2019/20 | 2020/21  | 2021/22   | 2022/23   | 2023//24  |
| Functional, efficient and integrated government | Functional, efficient and integrated government | Wasteful and fruitless expenditure eliminated  | Percentage reduction of wasteful and fruitless expenditure compared to prior year | N/A                        | N/A     | N/A     | 100% elimination of wasteful and fruitless expenditure       | 100% elimination of wasteful and fruitless expenditure                      | 100% elimination of wasteful and fruitless expenditure                      | 100% elimination of wasteful and fruitless expenditure                      |
|   |   | Reduced irregular expenditure  | Percentage reduction of irregular expenditure compared to prior year              | N/A                        | N/A     | N/A     | 100% reduction of irregular expenditure                      | 100% reduction of irregular expenditure compared to prior year              | 100% reduction of irregular expenditure compared to prior year              | 100% reduction of irregular expenditure compared to prior year              |
|   |   | Unqualified audit opinion in the Department  | Receipt of an unqualified audit opinion for year under review                     | N/A                        | N/A     | N/A     | 100% reduction of qualified audits                           | Receipt of an unqualified audit opinion for year under review               | Receipt of an unqualified audit opinion for year under review               | Receipt of an unqualified audit opinion for year under review               |
| Improved governance and accountability          | Improved governance and accountability          | Consequences for corruption and misconduct enforced  | Percentage resolution of reported incidents of corruption                         | N/A                        | N/A     | N/A     | 95% resolution of reported incidents of corruption           | 95% resolution of reported incidents of corruption                          | 95% resolution of reported incidents of corruption                          | 95% resolution of reported incidents of corruption                          |
|   |   | Promote integrity and ethical conduct  | Number of reports with detailed implementation of the DMRE Fraud Prevention Plan  | N/A                        | N/A     | N/A     | Establish ethics committees and adhere to terms of reference | Four reports with detailed implementation of the DMRE Fraud Prevention Plan | Four reports with detailed implementation of the DMRE Fraud Prevention Plan | Four reports with detailed implementation of the DMRE Fraud Prevention Plan |
| Functional, efficient and integrated government | Functional, efficient and integrated government | Oversee the development of departmental Strategic and Annual Performance Plans and monitor the | Approval of Annual Performance Plans  | N/A                        | N/A     | N/A     | Approved Annual Performance Plan                             | Approved Annual Performance Plan  | Approved Annual Performance Plan  | Approved Annual Performance Plan  |
|   |   |  | Number of quarterly performance Reports produced                                  | N/A                        | N/A     | N/A     | Four quarterly reports produced                              | Four quarterly reports produced   | Four quarterly reports produced   | Four quarterly reports produced   |
|   |   |  | Annual Report tabled in Parliament  | N/A                        | N/A     | N/A     | Annual Report produced and approved                          | Annual Report produced and approved   | Annual Report produced and approved   | Annual Report produced and approved   |



| MTSF/ERRP outcome                         | Branch outcome                            | Outputs  | Output indicators   | Annual Targets                                |   |   |  |  |  |  |
|---|---|--|---|---|---|---|--|--|--|--|
|   |   |  |   | Audited/Actual performance                    |   |   | Estimated performance  | MTEF period  |  |  |
|   |   |  |   | 2017/18                                       | 2018/19                                       | 2019/20                                       | 2020/21  | 2021/22  | 2022/23  | 2023//24   |
|   |   | Enter into Shareholder Compact with schedule 2A SOEs   | Approved shareholder compacts   | N/A   | N/A   | N/A   | Approved shareholder compacts  | Approved shareholder compacts  | Approved shareholder compacts  | Approved shareholder compacts  |
|   |   | Approval of SOEs Annual Performance Plans  | Approved Annual Performance Plan  | N/A   | N/A   | N/A   | Approved SOEs Annual Performance Plan tabled in Parliament                             | Approved Annual Performance Plan tabled in Parliament                                  | Approved Annual Performance Plan tabled in Parliament                                  | Approved Annual Performance Plan tabled in Parliament                                  |
|   |   | Progress updates on implementation of corporate plan/annual performance plan                   | SOEs' quarterly performance reports produced  | N/A   | N/A   | N/A   | SOEs' quarterly performance reports produced   | SOEs' quarterly performance reports produced   | SOEs' quarterly performance reports produced   | SOEs' quarterly performance reports produced   |
|   |   | Annual progress updates on implementation of corporate plan/annual performance plan            | SOEs' Annual reports tabled in Parliament   | N/A   | N/A   | N/A   | SOEs' Annual reports tabled in Parliament  | SOEs' Annual reports tabled in Parliament  | SOEs' Annual reports tabled in Parliament  | SOEs' Annual reports tabled in Parliament  |
|   |   | Integrated programme performance report on the implementation of the 2019–2024 MTSF priorities | Number of quarterly reports that detail the implementation of the 2019–2024 MTSF priorities | N/A   | N/A   | N/A   | Four quarterly reports that detail the implementation of the 2019–2024 MTSF Priorities | Four quarterly reports that detail the implementation of the 2019–2024 MTSF Priorities | Four quarterly reports that detail the implementation of the 2019–2024 MTSF Priorities | Four quarterly reports that detail the implementation of the 2019–2024 MTSF Priorities |
| Investing in accelerated inclusive growth | Investing in accelerated inclusive growth | Job creation   | Percentage of approved invoices from service providers paid within 30 days of receipt       | 100% approved invoices from service providers | 100% approved invoices from service providers | 100% approved invoices from service providers | 100% approved invoices from service providers  | 100% approved invoices from service providers  | 100% approved invoices from service providers  | 100% approved invoices from service providers  |



## 6.1.2. Output indicators: annual and quarterly targets

| Programme I – Administration                    |   |   |   |   | Quarter 1   | Quarter 2   | Quarter 3   | Quarter 4   |
|---|---|---|---|---|---|---|---|---|
| MTSF/ERRP outcome                               | Branch outcome                                  | Output  | Output indicator  | 2021/22 Target  |   |   |   |   |
| Functional, efficient and integrated government | Functional, efficient and integrated government | Wasteful and fruitless expenditure eliminated       | Percentage reduction of Wasteful and fruitless expenditure compared to prior year | 100% reduction of Wasteful and fruitless expenditure compared to prior year | No incidents of wasteful and fruitless expenditure, and reporting of identified cases requiring investigation | No incidents of wasteful and fruitless expenditure, and reporting of identified cases requiring investigation | No incidents of wasteful and fruitless expenditure, and reporting of identified cases requiring investigation | 100% elimination of wasteful and fruitless expenditure compared to prior year |
|   |   | Reduced irregular expenditure                       | Percentage reduction of irregular expenditure compared to prior year              | 100% reduction of irregular expenditure compared to prior year              | No incidents of irregular expenditure; and reporting of identified cases requiring investigation              | No incidents of irregular expenditure and reporting of identified cases requiring investigation               | No incidents of irregular expenditure and reporting of identified cases requiring investigation               | 100% reduction of irregular expenditure compared to prior year                |
|   |   | Unqualified audit opinion in the Department         | Receipt of an unqualified audit opinion for year under review                     | Unqualified audit opinion for year under review                             | N/A   | Receipt of an unqualified audit opinion for year under review   | N/A   | N/A   |
| Improved governance and accountability          | Improved governance and accountability          | Consequences for corruption and misconduct enforced | Percentage resolution of reported incidents of corruption                         | 95% resolution of reported incidents of corruption                          | Implement the integrated Anti-fraud and Corruption Strategy and policy  | Implement the integrated Anti-fraud and Corruption Strategy and policy  | Implement the integrated Anti-fraud and Corruption Strategy and policy  | 95% resolution of reported incidents of corruption                            |
|   |   | Promote integrity and ethical conduct               | Number of reports with detailed implementation of the DMRE Fraud Prevention Plan  | Four reports with detailed implementation of the DMRE Fraud Prevention Plan | Report with detailed implementation of the DMRE Fraud Prevention Plan   | Report with detailed implementation of the DMRE Fraud Prevention Plan   | Report with detailed implementation of the DMRE Fraud Prevention Plan   | Report with detailed implementation of the DMRE Fraud Prevention Plan         |



| Programme I – Administration                    |   |   |  |   | Quarter 1                                    | Quarter 2                                    | Quarter 3  | Quarter 4  |
|---|---|---|--|---|--|--|--|--|
| MTSF/ERRP outcome                               | Branch outcome                                  | Output  | Output indicator                                   | 2021/22 Target  |  |  |  |  |
| Functional, efficient and integrated government | Functional, efficient and integrated government | Oversee the development of departmental Strategic and Annual Performance Plans and monitor their implementation thereof | Approval of Annual Performance Plans               | Approved Annual Performance Plan  | -  | -  | First Draft submitted to DPME  | APP tabled in Parliament   |
|   |   |   | Number of quarterly Performance Reports produced   | Four quarterly reports produced   | One quarterly report produced                | One quarterly report produced                | One quarterly report produced  | One quarterly report produced                                    |
|   |   |   | Annual Report tabled in Parliament                 | Report produced and approved  | -  | Annual Report tabled in Parliament           | -  | -  |
|   |   | Enter into Shareholder Compact with schedule 2A SOEs  | Approved Shareholder Compacts/ Corporate Plans     | Approved shareholder compacts/ Corporate Plans                          | -  | -  | Schedule 2A SOE's first draft shareholder Compacts/ Corporate Plans reviewed and submitted to the Minister | Shareholder Compact /Corporate Plans of Schedule 2 SOEs approved |
|   |   | Approval of Schedule 3A SOEs Annual Performance Plans   | Approved Schedule 3A SOEs Annual Performance Plans | Approved Schedule 3A SOEs Annual Performance Plans tabled in Parliament | -  | -  | Schedule 3A SOE's first draft APPs reviewed and submitted to the Minister                                  | APP tabled in in Parliament                                      |
|   |   | Progress updates on implementation of corporate plan/ Annual Performance Plans  | SOEs' quarterly performance reports produced       | SOEs Quarterly Performance Reports produced                             | SOEs' quarterly performance reports produced | SOEs' quarterly performance reports produced | SOEs' quarterly performance reports produced   | SOEs' quarterly performance reports produced                     |
|   |   | Annual Progress updates on implementation of corporate plan/ Annual Performance Plans                                   | SOEs' Annual reports tabled in Parliament          | SOEs' Annual reports tabled in Parliament                               | -  | SOEs' Annual reports tabled in Parliament    | -  | -  |



| Programme I – Administration                    |   |  |   |   | Quarter 1   | Quarter 2   | Quarter 3   | Quarter 4   |
|---|---|--|---|---|---|---|---|---|
| MTSF/ERRP outcome                               | Branch outcome                                  | Output   | Output indicator  | 2021/22 Target  |   |   |   |   |
| Functional, efficient and integrated Department | Functional, efficient and integrated Department | Integrated programme performance report on the implementation of the 2019–2024 MTSF priorities | Number of quarterly reports that detail the implementation of the 2019–2024 MTSF priorities | Four quarterly reports that details the implementation of the 2019–2024 MTSF priorities | One quarterly report that details the implementation of the 2019–2024 MTSF priorities | One quarterly report that details the implementation of the 2019–2024 MTSF priorities | One quarterly report that details the implementation of the 2019–2024 MTSF priorities | One quarterly report that details the implementation of the 2019–2024 MTSF priorities |
| Investing in accelerated inclusive growth       | Investing in accelerated inclusive growth       | Job creation   | Percentage of approved invoices from service providers paid within 30 days of receipt       | 100% approved invoices from service providers paid within 30 days of receipt            | 100% approved invoices from service providers paid within 30 days of receipt          | 100% approved invoices from service providers paid within 30 days of receipt          | 100% approved invoices from service providers paid within 30 days of receipt          | 100% approved invoices from service providers paid within 30 days of receipt          |

### 6.1.3. Explanation of planned performance over the medium-term period

Programme I: Administration will focus on creating an effective and efficient strategic support services to the line function and ensures of the implementing the National Skills Development (NSD) strategy and maintaining a vacancy rate level of below or equal to 10%. The department's five-year communication strategy will be finalised and a re-branding of all DMRE entities will be considered. The programme will support the development of policies and standard operating procedures for all its functions, as well as develop new web platforms, both for intranet and website users. An efficient, effective and development-oriented department aligns with MTSF Priority I and emphasis will be placed on reviewing and implementing a service delivery improvement plan, ICT strategies and enterprise architecture that are aligned with the department's strategic objectives. ICT infrastructure will be upgraded and refreshed, including the development and implementation of an enterprise software solution. This will promote access to information for decision-making and facilitating investment. A Corporate Governance of ICT framework will be considered implemented.

Significant emphasis will be placed on eradicating fraud and corruption in the Department. The DMRE will develop an Investigative policy / procedure and provide minimum anti-fraud and

corruption capacity to conduct investigations on reported/ alleged cases of maladministration, irregularities, fraud and corruption during the restructuring of the departmental organisation. The ethics structures, framework and policy will be developed in the first quarter of 2020/21 and implement thereof will commence in the third quarter of 2020/21 financial year.

To promote sound corporate governance practices within the DMRE, the programme will manage appeals, litigation, legal drafting (such as opinions, agreements and legislation), Promotion of Access to Information Act (PAIA) request, and MHI Inquiries and Investigations. An integrated stakeholder management framework will be developed. Initiatives around additional funding will be driven by programme I through the financial management services in consultation with various programme managers. Different funding mechanisms should be explored, including funds set aside, donor funding, engagement with National Treasury (NT), the redirection of resources, collaboration, sponsorships, and funding for communication activities. This Programme will pursue different funding mechanism (set aside, donor funding, Engagement with NT, redirection of resources, collaboration, sponsorships, funding for communication activities) to realize the outputs and improvements in related performance indicators that are anticipated over the MTSF period.



## 6.1.4. Programme resource consideration

| Programme I: Administration<br>(Sub-programmes) | BASELINE           |                    |                    |                               |                           |                       | MEDIUM TERM EXPENDITURE<br>FRAMEWORK |                        |                        |
|---|--------------------|--------------------|--------------------|-------------------------------|---------------------------|-----------------------|--------------------------------------|------------------------|------------------------|
|   | 2017/18            | 2018/19            | 2019/20            | 2020/21                       |                           |                       | 2021/22                              | 2022/23                | 2023/24                |
|   | Audited<br>outcome | Audited<br>outcome | Audited<br>outcome | Voted (Main<br>appropriation) | Adjusted<br>appropriation | Budget<br>adjustments | Indicative<br>baseline               | Indicative<br>baseline | Indicative<br>baseline |
| Rand thousand                                   | R'000              | R'000              | R'000              | R'000                         | R'000                     | R'000                 | R'000                                | R'000                  | R'000                  |
| Ministry  | 78,841             | 73,699             | 57,313             | 58,040                        | 48,069                    | - 9,971               | 39,439                               | 38,741                 | 38,788                 |
| Departmental Management                         | 41,150             | 47,377             | 29,778             | 58,655                        | 49,130                    | - 9,525               | 41,350                               | 41,678                 | 41,682                 |
| Audit Services                                  | 16,414             | 17,830             | 19,748             | 23,170                        | 19,936                    | - 3,234               | 22,330                               | 22,490                 | 22,498                 |
| Financial Administration                        | 83,853             | 84,740             | 88,613             | 100,428                       | 89,365                    | - 11,063              | 100,736                              | 102,138                | 102,645                |
| Corporate Services                              | 327,015            | 333,169            | 374,177            | 305,794                       | 286,305                   | - 19,489              | 306,644                              | 310,373                | 311,136                |
| Office Accommodation                            | 57,599             | 65,285             | 61,626             | 96,256                        | 96,256                    | -                     | 113,269                              | 116,451                | 116,836                |
| <b>Total Sub-programmes</b>                     | <b>604,872</b>     | <b>622,100</b>     | <b>631,255</b>     | <b>642,343</b>                | <b>589,061</b>            | <b>- 53,282</b>       | <b>623,768</b>                       | <b>631,871</b>         | <b>633,585</b>         |

| Programme I: Administration<br>(Economic classification) | BASELINE           |                    |                    |                               |                           |                       | MEDIUM TERM EXPENDITURE<br>FRAMEWORK |                        |                        |
|--|--------------------|--------------------|--------------------|-------------------------------|---------------------------|-----------------------|--------------------------------------|------------------------|------------------------|
|  | 2017/18            | 2018/19            | 2019/20            | 2020/21                       |                           |                       | 2021/22                              | 2022/23                | 2023/24                |
|  | Audited<br>outcome | Audited<br>outcome | Audited<br>outcome | Voted (Main<br>appropriation) | Adjusted<br>appropriation | Budget<br>adjustments | Indicative<br>baseline               | Indicative<br>baseline | Indicative<br>baseline |
| Rand thousand  | R'000              | R'000              | R'000              | R'000                         | R'000                     | R'000                 | R'000                                | R'000                  | R'000                  |
| <b>Current payments</b>                                  | <b>585,281</b>     | <b>603,571</b>     | <b>617,687</b>     | <b>621,467</b>                | <b>568,185</b>            | <b>- 53,282</b>       | <b>601,848</b>                       | <b>608,793</b>         | <b>609,638</b>         |
| <b>Compensation of employees</b>                         | <b>299,359</b>     | <b>319,937</b>     | <b>333,883</b>     | <b>365,472</b>                | <b>335,510</b>            | <b>- 29,962</b>       | <b>327,769</b>                       | <b>327,773</b>         | <b>327,786</b>         |
| Salaries and wages                                       | 261,672            | 279,997            | 291,480            | 320,703                       | 294,248                   | - 26,455              | 286,862                              | 286,863                | 286,871                |
| Social contributions                                     | 37,687             | 39,940             | 42,403             | 44,769                        | 41,262                    | - 3,507               | 40,907                               | 40,910                 | 40,915                 |
| <b>Goods and services</b>                                | <b>285,922</b>     | <b>283,633</b>     | <b>283,804</b>     | <b>255,995</b>                | <b>232,675</b>            | <b>- 23,320</b>       | <b>274,079</b>                       | <b>281,020</b>         | <b>281,852</b>         |
| Administrative fees                                      | 2,762              | 2,164              | 2,295              | 3,213                         | 2,697                     | - 516                 | 2,760                                | 2,777                  | 2,787                  |
| Advertising  | 1,782              | 2,621              | 2,316              | 4,769                         | 1,777                     | - 2,992               | 4,832                                | 4,977                  | 4,996                  |
| Minor assets   | 1,719              | 534                | 943                | 4,267                         | 2,113                     | - 2,154               | 4,324                                | 4,446                  | 4,461                  |
| Audit costs: External                                    | 11,555             | 11,334             | 12,400             | 9,778                         | 9,778                     | -                     | 9,907                                | 10,210                 | 10,249                 |
| Bursaries: Employees                                     | 1,864              | 2,482              | 2,228              | 3,042                         | 3,042                     | -                     | 3,082                                | 3,177                  | 3,188                  |
| Catering: Departmental activities                        | 982                | 1,013              | 729                | 1,628                         | 514                       | - 1,114               | 1,652                                | 1,685                  | 1,691                  |
| Communication (goods and services)                       | 14,872             | 8,226              | 20,194             | 6,731                         | 6,708                     | - 23                  | 6,823                                | 6,958                  | 6,985                  |



| Programme I: Administration<br>(Economic classification) | BASELINE           |                    |                    |                               |                           |                       | MEDIUM TERM EXPENDITURE<br>FRAMEWORK |                        |                        |
|--|--------------------|--------------------|--------------------|-------------------------------|---------------------------|-----------------------|--------------------------------------|------------------------|------------------------|
|  | 2017/18            | 2018/19            | 2019/20            | 2020/21                       |                           |                       | 2021/22                              | 2022/23                | 2023/24                |
|  | Audited<br>outcome | Audited<br>outcome | Audited<br>outcome | Voted (Main<br>appropriation) | Adjusted<br>appropriation | Budget<br>adjustments | Indicative<br>baseline               | Indicative<br>baseline | Indicative<br>baseline |
|  | R'000              | R'000              | R'000              | R'000                         | R'000                     | R'000                 | R'000                                | R'000                  | R'000                  |
| Computer services  | 34,823             | 31,102             | 28,506             | 31,723                        | 43,517                    | 11,794                | 40,842                               | 42,044                 | 42,207                 |
| Consultants: Business and advisory services              | 6,024              | 5,069              | 3,944              | 7,798                         | 6,304                     | 1,494                 | 7,911                                | 8,149                  | 8,180                  |
| Legal services (goods and services)                      | 3,152              | 3,552              | 1,368              | 1,120                         | 1,120                     | -                     | 1,135                                | 1,169                  | 1,173                  |
| Science and technological services                       | -                  | -                  | 791                | -                             | -                         | -                     | -                                    | -                      | -                      |
| Contractors  | 995                | 1,327              | 1,158              | 3,075                         | 2,418                     | 657                   | 3,117                                | 3,199                  | 3,211                  |
| Agency and support/outsourced services                   | 189                | 297                | 23                 | 879                           | 781                       | 98                    | 891                                  | 919                    | 922                    |
| Entertainment  | 18                 | -                  | -                  | 279                           | 195                       | 84                    | 283                                  | 276                    | 277                    |
| Fleet services (including government motor transport)    | 7,133              | 8,122              | 8,403              | 5,676                         | 5,676                     | -                     | 4,261                                | 4,243                  | 4,265                  |
| Consumable supplies                                      | 1,767              | 1,507              | 1,226              | 3,988                         | 2,552                     | 1,436                 | 4,044                                | 4,127                  | 4,142                  |
| Consumables: Stationery, printing and office supplies    | 4,545              | 4,652              | 3,192              | 7,189                         | 3,909                     | 3,280                 | 7,287                                | 7,485                  | 7,512                  |
| Operating leases   | 122,444            | 129,762            | 127,570            | 92,027                        | 92,027                    | -                     | 109,001                              | 112,010                | 112,379                |
| Rental and hiring  | 213                | 87                 | 217                | 27                            | -                         | 27                    | 27                                   | 26                     | 27                     |
| Property payments  | 13,514             | 14,355             | 15,224             | 15,628                        | 15,628                    | -                     | 15,818                               | 16,311                 | 16,373                 |
| Transport provided: Departmental activity                | -                  | -                  | -                  | -                             | -                         | -                     | -                                    | -                      | -                      |
| Travel and subsistence                                   | 41,171             | 42,500             | 37,826             | 33,758                        | 16,799                    | 16,959                | 26,421                               | 26,632                 | 26,550                 |
| Training and development                                 | 7,462              | 6,626              | 4,412              | 8,177                         | 8,077                     | 100                   | 8,284                                | 8,527                  | 8,560                  |
| Operating payments                                       | 3,324              | 2,954              | 6,101              | 7,470                         | 6,185                     | 1,285                 | 7,571                                | 7,779                  | 7,807                  |
| Venues and facilities                                    | 3,612              | 3,347              | 2,738              | 3,753                         | 858                       | 2,895                 | 3,806                                | 3,894                  | 3,910                  |
| Interest and rent on land                                | -                  | 1                  | -                  | -                             | -                         | -                     | -                                    | -                      | -                      |
| Interest (including interest on unitary payments (PPP))  | -                  | 1                  | -                  | -                             | -                         | -                     | -                                    | -                      | -                      |
| <b>Transfers and subsidies</b>                           | <b>7,409</b>       | <b>4,024</b>       | <b>9,150</b>       | <b>3,505</b>                  | <b>3,505</b>              | <b>-</b>              | <b>3,551</b>                         | <b>3,665</b>           | <b>3,679</b>           |
| Departmental agencies and accounts                       | 1,048              | 1,108              | 1,170              | 1,209                         | 1,209                     | -                     | 1,225                                | 1,258                  | 1,263                  |
| Households   | 6,361              | 2,916              | 7,980              | 2,296                         | 2,296                     | -                     | 2,326                                | 2,407                  | 2,416                  |
| <b>Payments for capital assets</b>                       | <b>12,182</b>      | <b>14,418</b>      | <b>4,404</b>       | <b>17,371</b>                 | <b>17,371</b>             | <b>-</b>              | <b>18,369</b>                        | <b>19,413</b>          | <b>20,268</b>          |
| Buildings and other fixed structures                     | 263                | 636                | 276                | 2,126                         | 2,126                     | -                     | 2,286                                | 2,416                  | 2,522                  |



| Programme I: Administration<br>(Economic classification) | BASELINE           |                    |                    |                               |                           |                       | MEDIUM TERM EXPENDITURE<br>FRAMEWORK |                        |                        |                |
|--|--------------------|--------------------|--------------------|-------------------------------|---------------------------|-----------------------|--------------------------------------|------------------------|------------------------|----------------|
|  | 2017/18            | 2018/19            | 2019/20            | 2020/21                       |                           |                       | 2021/22                              | 2022/23                | 2023/24                |                |
|  | Audited<br>outcome | Audited<br>outcome | Audited<br>outcome | Voted (Main<br>appropriation) | Adjusted<br>appropriation | Budget<br>adjustments | Indicative<br>baseline               | Indicative<br>baseline | Indicative<br>baseline |                |
|  | R'000              | R'000              | R'000              | R'000                         | R'000                     | R'000                 | R'000                                | R'000                  | R'000                  |                |
| Transport equipment                                      | 2,565              | 1,972              | -                  | -                             | -                         | -                     | -                                    | -                      | -                      |                |
| Other machinery and equipment                            | 8,562              | 11,810             | 4,085              | 15,245                        | 15,245                    | -                     | 16,083                               | 16,997                 | 17,746                 |                |
| Software and other intangible assets                     | 792                | -                  | 43                 | -                             | -                         | -                     | -                                    | -                      | -                      |                |
| Payments for financial assets                            | -                  | 87                 | 14                 | -                             | -                         | -                     | -                                    | -                      | -                      |                |
| <b>Total Economic Classification</b>                     | <b>604,872</b>     | <b>622,100</b>     | <b>631,255</b>     | <b>642,343</b>                | <b>589,061</b>            | <b>-</b>              | <b>53,282</b>                        | <b>623,768</b>         | <b>631,871</b>         | <b>633,585</b> |

#### 6.1.5. Risk Exposures for Programme I

| Outcome   | Risk and Consequence   | Risk Mitigation  |
|---|--|--|
| Functional, Efficient and Integrated Government | Non-compliance with SCM prescripts and procedures results in: <ol style="list-style-type: none"> <li>1. Adverse audit opinion</li> <li>2. Incur irregular expenditure</li> <li>3. Departmental reputational damage</li> </ol>  | <ol style="list-style-type: none"> <li>1. Checklist developed to enforce strict adherence to SCM prescripts.</li> <li>2. All deviations from SCM procedures applied correctly and duly approved</li> <li>3. Regular Information / awareness sessions and workshops conducted to update officials on SCM developments</li> </ol>  |
| Investing in accelerated inclusive growth       | Valid invoices not paid within 30 days resulting in: <ol style="list-style-type: none"> <li>1. Reputational damage to DoE</li> <li>2. Adverse audit findings</li> <li>3. Underspending of the budget</li> <li>4. Negative impact of socio economic growth in SMMEs</li> <li>5. Non-compliance with prescripts i.e. Treasury Regulations</li> </ol> | <ol style="list-style-type: none"> <li>1. Regular monitoring of invoice register and follow up on outstanding invoices from project managers for certification process.</li> <li>2. Regular monitoring of contracts and age analysis to determine lack of movement in balances</li> <li>3. Expediting process done regular and follow up on long outstanding transactions</li> </ol> |



## 6.2. Programme 2: Minerals and Petroleum Regulation

### Purpose

To regulate the mining, minerals and petroleum industry.

### Functions

- Ensure orderly development of the mineral and petroleum industry through implementation of the MPRDA and the PPA
- Ensure technical, economic and legal compliance and enforcement in line with the PPA and MPRDA
- Manage compliance and enforcement of prospecting and mining activities with NEMA
- Regulating the petroleum industry and ensuring the security of fuel supply in the country
- Provide a specialised empowerment transaction assessment service
- Render a specialised administration and information service in minerals and petroleum licensing
- Regulate fuel pricing to promote access to affordable petroleum products

### Strategic linkages to key national frameworks including the MTSF and ERRP

| Framework  | Linkage   | Branch Outcome  |
|--|---|---|
| <b>MTSF</b>  | <b>Priority 2: Economic Transformation and Job Creation</b>   |   |
|  | Investing in accelerated inclusive growth   | <ul style="list-style-type: none"> <li>• Increased employment in the mining and petroleum sectors</li> <li>• Increased livelihoods in mining communities</li> <li>• Transformed mining and petroleum sectors (industrialisation)</li> </ul> |
|  | Increased compliance with licensing conditions  | <ul style="list-style-type: none"> <li>• Compliant mining and petroleum sectors</li> </ul>  |
|  | Increased compliance with fuel specification regulations  | <ul style="list-style-type: none"> <li>• Fuel specification regulation compliant petroleum sector</li> </ul>  |
|  | Economic participation in the mining and petroleum sectors  | <ul style="list-style-type: none"> <li>• Transformed petroleum and mining sectors (HDSA participation)</li> </ul>   |
| <b>ERRP</b><br>Area I: Ensuring energy security  | 50% reduction in the current timeframes for mining licenses and support efforts to invest in green jobs. (reduction to 50% can be done but the processing timelines would require legislative amendments) | <ul style="list-style-type: none"> <li>• Transformed petroleum and mining sectors (HDSA participation)</li> <li>• Transformed mining and petroleum sectors (Industrialisation)</li> </ul>   |
| <b>CONSOLIDATED BRANCH OUTCOMES FOR 2021/22:</b>   |   |   |
| <ol style="list-style-type: none"> <li>1. Increased employment in the mining and petroleum sectors</li> <li>2. Increased livelihoods in mining communities</li> <li>3. Transformed mining and petroleum sectors (industrialisation)</li> <li>4. Compliant mining and petroleum sectors</li> <li>5. Fuel specification regulation compliant petroleum sector</li> <li>6. Transformed petroleum and mining sectors (HDSA participation)</li> </ol> |   |   |



Economic transformation and job creation will also stem from an efficient, effective and development-oriented department. The branch will also conduct compliance inspections and reports, including SLPs, and issue statutory notices or orders for non-compliance. These include mine economics verification, environmental and random fuel sample inspections. Petroleum, prospecting and mining applications will be adjudicated in line with legislated time frames (90% for petroleum applications and 70% for mineral applications).

With regard to spatial integration, human settlements and local government (Priority 5), this branch will implement the Housing and Living Conditions Standards for the Mining Sector and inspection with special reference to housing aspects. It will also pursue the integration of IDPs and SLPs. Priority 1 (a capable, ethical and developmental state) will be supported by the improved enforcement of all mineral- and energy-related legislation in partnership with law enforcement agencies (the South African Police Service, the National Prosecuting Authority, the South African Revenue Service and the South African Reserve Bank).

### 6.2.1. Outcomes, outputs, performance indicators and targets

| MTSF/ERRP outcome                         | Branch outcome   | Outputs  | Output indicators  | Annual Targets             |         |         |  |  |  |  |
|---|--|--|--|----------------------------|---------|---------|--|--|--|--|
|   |  |  |  | Audited/Actual performance |         |         | Estimated performance                          | MTEF period                                    |  |  |
|   |  |  |  | 2017/18                    | 2018/19 | 2019/20 | 2020/21  | 2021/22  | 2022/23  | 2023//24                                       |
| Investing in Accelerated Inclusive Growth | Increased employment in the mining and petroleum sectors | Jobs created   | Number of jobs to be created through the issuing of mining rights and petroleum licences | N/A                        | N/A     | N/A     | 4 000  | 4 000  | 4 000  | 4 000  |
|   | Improved livelihoods in mining communities               | SLP development projects   | Number of SLP development projects completed   | 120                        | 120     | 120     | 120  | 120  | 120  | 120  |
|   |  | Participation in district planning forums                                    | Percentage of participation in district planning forums                                  | N/A                        | N/A     | N/A     | 100% participation in district planning forums | 100% participation in district planning forums | 100% participation in district planning forums | 100% participation in district planning forums |
| Transformed mining and petroleum sectors  | Black-owned mining and petroleum companies               | Number of black industrialists created through mining and petroleum charters | 10   | 10                         | 10      | 10      | 10   | 10   | 10   |  |



| MTSF/ERRP outcome                              | Branch outcome             | Outputs  | Output indicators   | Annual Targets             |         |         |                       |             |         |          |
|--|----------------------------|--|---|----------------------------|---------|---------|-----------------------|-------------|---------|----------|
|  |                            |  |   | Audited/Actual performance |         |         | Estimated performance | MTEF period |         |          |
|  |                            |  |   | 2017/18                    | 2018/19 | 2019/20 | 2020/21               | 2021/22     | 2022/23 | 2023//24 |
| Increased compliance with licensing conditions | Compliant mining sector    | SLP inspections  | Number of SLP inspections conducted                                 | 306                        | 251     | 120     | 212                   | 212         | 212     | 251      |
|  |                            | Legal compliance inspections   | Number of legal compliance inspections (mineral laws-MLA) conducted | 212                        | 155     | 63      | 150                   | 150         | 150     | 150      |
|  |                            | Mining economics (Mine Work Programme (MWP) Prospecting Work Programme (PWP) inspections | Number of Mining Economics (MWP/PWP) inspections conducted          | 500                        | 500     | 500     | 500                   | 500         | 500     | 500      |
|  |                            | Environmental inspections  | Number of environmental inspections conducted                       | 1 583                      | 1 502   | 760     | 1 275                 | 1 275       | 1 275   | 1 275    |
|  | Compliant petroleum sector | Petroleum retail site inspections  | Number of petroleum retail site compliance inspections conducted    | 2099                       | 1 500   | 1 367   | 540                   | 1 500       | 1 500   | 1 500    |



| MTSF/ERRP outcome   | Branch outcome               | Outputs  | Output indicators  | Annual Targets             |         |         |                       |             |         |          |
|---|------------------------------|--|--|----------------------------|---------|---------|-----------------------|-------------|---------|----------|
|   |                              |  |  | Audited/Actual performance |         |         | Estimated performance | MTEF period |         |          |
|   |                              |  |  | 2017/18                    | 2018/19 | 2019/20 | 2020/21               | 2021/22     | 2022/23 | 2023//24 |
| Increased compliance with fuel specification regulations  | Compliant Petroleum sector   | Fuel testing and sampling                                      | Number of fuel samples tested  | 1 080                      | 1 080   | 1 080   | 1 080                 | 1 080       | 1 080   | 1 080    |
| Economic participation in the petroleum and mining sectors  | Transformed petroleum sector | Increased participation of HDSA owned and controlled companies | Percentage of petroleum licence applications approved with a minimum of 50% HDSA ownership | 50%                        | 50%     | 50%     | 50%                   | 50%         | 50%     | 50%      |
| A 50% reduction in the current timeframes for mining licenses and support efforts to invest in green jobs | Transformed mining sector    | Increased participation of black people in the mining sector   | Number of rights and permits granted and/ or issued to HDSA controlled entities            | 178                        | 183     | 97      | 120                   | 120         | 120     | 183      |



## 6.2.2. Output indicators: annual and quarterly targets

| Programme 2: Minerals and Petroleum Regulation (MPR) |  |  |  |  | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|--|--|--|--|-----------|-----------|-----------|-----------|
| MTSF/ERRP outcome                                    | Branch outcome   | Outputs                                    | Output indicators  | 2021/22 Target                                 |           |           |           |           |
| Investing in accelerated inclusive growth            | Increased employment in the mining and petroleum sectors     | Jobs created                               | Number of jobs to be created through the issuing of mining rights and petroleum licences | 4 000 (cumulative)                             | 1000      | 2 000     | 3000      | 4 000     |
|  | Improved livelihoods in mining communities                   | SLP development Projects                   | Number of SLP development projects completed   | 120 (cumulative)                               | 30        | 60        | 90        | 120       |
|  |  | Participation in district planning forums  | % of participation in district planning Forums   | 100% participation in district planning forums | 100%      | 100%      | 100%      | 100%      |
|  | Transformed mining and petroleum sectors (industrialization) | Black owned mining and petroleum companies | Number of black industrialists created through mining and Petroleum charters             | 10 (cumulative)                                | 2         | 5         | 7         | 10        |
| Increased compliance with licensing conditions       | compliant mining and petroleum sectors                       | SLP project inspections                    | Number of SLP Project inspections conducted  | 212 (cumulative)                               | 53        | 106       | 159       | 212       |
|  |  | Legal compliance inspections               | Number of legal compliance inspections (mineral laws conducted)                          | 150 (cumulative)                               | 37        | 74        | 112       | 150       |
|  |  | Mining economics (MWP/PWP) inspections     | Number of mining economics (MWP/PWP) inspections conducted                               | 500 (cumulative)                               | 125       | 250       | 375       | 500       |
|  |  | Environmental Inspections                  | Number of environmental inspections conducted  | 1 275 (cumulative)                             | 319       | 638       | 957       | 1 275     |
|  |  | Retail Site compliance inspections         | Number of retail site compliance inspections conducted                                   | 1 500 (cumulative)                             | 300       | 800       | 1 100     | 1 500     |



| Programme 2: Minerals and Petroleum Regulation (MPR)  |   |  |  |                    | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|---|---|--|--|--------------------|-----------|-----------|-----------|-----------|
| MTSF/ERRP outcome   | Branch outcome  | Outputs  | Output indicators  | 2021/22 Target     |           |           |           |           |
| Increased compliance with fuel specification regulations  | Fuel specifications regulation compliant petroleum sector     | Fuel testing and sampling                                      | Number of fuel samples tested  | 1 080 (cumulative) | 270       | 540       | 810       | 1 080     |
| Economic participation in the petroleum and mining sectors  | Transformed petroleum and mining sectors (HDSA participation) | Increased participation of HDSA owned and controlled companies | Percentage of petroleum licence applications approved with a minimum of 50% HDSA ownership | 50%                | 50%       | 50%       | 50%       | 50%       |
| A 50% reduction in the current timeframes for mining licenses and support efforts to invest in green jobs |   | Increased Participation of HDSA in the mining sector           | Number of rights and permits issued to HDSA controlled entities                            | 120 (cumulative)   | 30        | 60        | 90        | 120       |

### 6.2.3. Explanation of planned performance over the medium-term period

This programme has identified interventions to ensure that the DMRE outcomes are achieved through the delivery of the outcomes and related indicator targets. Improvement in turnaround time of licensing will be achieved by strengthening capacity and review of the process through the use of technology to track and unblock bottlenecks. Cooperation will be encouraged between the department, Department of Water and Sanitation (DWS) and Department of Environmental Affairs (DEA) to implement one environmental system for improved integration. The outcome will be an expedient licensing regime.

The optimal utilisation of the mineral resources will be achieved by addressing the significant number of mines that are under care-maintenance, business rescue and liquidation. A framework on dealing with those mines will be developed and the Ten Point Plan reviewed. The availability of geological data will improve the current concentration of petroleum and minerals. The department will encourage partnerships between emerging junior miners, and review legislation with regards to the petroleum bill. Inputs obtained from stakeholders will

lead to inclusive, equitable and competitive exploration. Lack of transformation in minerals and petroleum sectors that are reflective of the country's demographics, will be addressed. Compliance with the relevant legislative frameworks will be enforced and additional funding mechanisms for exploration, mining and petroleum will be explored.

Accessibility and availability to land for exploration, monitoring of compliance, and mining is necessary. The department will engage respective landowners (trusts, chiefs, municipalities etc.) and consider legislative amendments around petroleum activities. Infrastructure development (energy, rail, and water) will improve the availability and accessibility of supporting infrastructure for mining and petroleum. The department will engage other departments (Department of Agriculture, Forestry and Fisheries (DAFF), Department of Public Enterprises (DPE), Department of Water and Sanitation (DWS) to facilitate access to essential facilities (such as import/export facilities, storage, and pipelines).



The cost of energy to the mining sector is a great concern. Own energy generation will be encouraged and supported to reduce the cost of energy to the mining sector. The department will pursue meaningful state participation in Eskom's coal supply, as well as sustainable and affordable energy for mining. Significant efforts will be made to eradicate illegal Mining and illicit petroleum trading by reviewing the legislative framework to prevent illegal mining (such as the Municipal Public-Private Partnership Pilot Programme (MPPP). In addition, a framework on how to support artisan miners will be developed and implemented. Collaboration with SARS and other law enforcement agencies will also aid in eradicating illegal mining.

Job losses in the mining and petroleum sectors will be minimised by developing guidelines to business rescue processes, and actively participating in liquidation processes. The department will develop guidelines on how to manage, care and maintain, develop guidelines on section 52 process, and strengthen the Ten Point Plan. Sustainable implementation of the social labour plans will be achieved by strengthening the framework and facilitating intergovernmental forums led by the department. This will address the lack of formalised community structures.

Electricity blackouts caused by the inadequate household energy supply will be met through the rollout of liquid petroleum gas (LPG) as an alternative, conducting LPG Safety Awareness campaigns and encouraging more investments in the LPG sector. This will help reduce reliance on electricity usage. South Africa's reliance on international crude oil will be reduced through the electrification of the transportation sector, and an integrated approach to transport sector transition. Oil field exploration will be pursued and a targeted source diversification strategy will be developed focusing on Africa, while both the Biofuels Framework and Strategic Stock Policy will be implemented.

#### 6.2.4. Programme resource considerations

| Programme 2: Minerals and Petroleum Regulation<br>(Sub-programmes) | BASELINE           |                    |                    |                               |                           |                       | MEDIUM TERM EXPENDITURE<br>FRAMEWORK |                        |                        |
|--|--------------------|--------------------|--------------------|-------------------------------|---------------------------|-----------------------|--------------------------------------|------------------------|------------------------|
|  | 2017/18            | 2018/19            | 2019/20            | 2020/21                       |                           |                       | 2021/22                              | 2022/23                | 2023/24                |
|  | Audited<br>outcome | Audited<br>outcome | Audited<br>outcome | Voted (Main<br>appropriation) | Adjusted<br>appropriation | Budget<br>adjustments | Indicative<br>baseline               | Indicative<br>baseline | Indicative<br>baseline |
| Rand thousand  | R'000              | R'000              | R'000              | R'000                         | R'000                     | R'000                 | R'000                                | R'000                  | R'000                  |
| Minerals and Petroleum Management                                  | 8,696              | 13,407             | 14,280             | 33,207                        | 17,023                    | - 16,184              | 16,769                               | 16,988                 | 16,935                 |
| Mineral Regulation and Administration                              | 353,410            | 365,115            | 414,606            | 425,774                       | 407,480                   | - 18,294              | 411,200                              | 416,384                | 417,230                |
| Environmental Enforcement and Compliance                           | 12,395             | 15,051             | 16,409             | 17,339                        | 15,520                    | - 1,819               | 22,238                               | 22,327                 | 22,316                 |
| Petroleum Compliance Monitoring, Enforcement and Fuel Pricing      | 18,781             | 19,262             | 18,644             | 26,524                        | 23,534                    | - 2,990               | 29,434                               | 30,005                 | 30,059                 |
| Petroleum Licensing and Fuel Supply                                | 55,859             | 57,781             | 62,067             | 71,869                        | 62,892                    | - 8,977               | 63,121                               | 63,182                 | 63,197                 |
| <b>Total</b>   | <b>449,141</b>     | <b>470,616</b>     | <b>526,006</b>     | <b>574,713</b>                | <b>526,449</b>            | <b>- 48,264</b>       | <b>542,762</b>                       | <b>548,886</b>         | <b>549,737</b>         |



| Programme 2: Minerals and Petroleum Regulation<br>(Economic Classification) | BASELINE           |                    |                    |                               |                           |                       | MEDIUM TERM EXPENDITURE<br>FRAMEWORK |                        |                        |
|---|--------------------|--------------------|--------------------|-------------------------------|---------------------------|-----------------------|--------------------------------------|------------------------|------------------------|
|   | 2017/18            | 2018/19            | 2019/20            | 2020/21                       |                           |                       | 2021/22                              | 2022/23                | 2023/24                |
|   | Audited<br>outcome | Audited<br>outcome | Audited<br>outcome | Voted (Main<br>appropriation) | Adjusted<br>appropriation | Budget<br>Adjustments | Indicative<br>Baseline               | Indicative<br>Baseline | Indicative<br>Baseline |
| Rand thousand   | R'000              | R'000              | R'000              | R'000                         | R'000                     | R'000                 | R'000                                | R'000                  | R'000                  |
| <b>Current payments</b>   | <b>293,932</b>     | <b>312,799</b>     | <b>334,374</b>     | <b>373,301</b>                | <b>326,613</b>            | - 46,688              | <b>341,151</b>                       | <b>342,734</b>         | <b>342,791</b>         |
| Compensation of employees   | 244,993            | 253,276            | 269,164            | 302,679                       | 277,318                   | - 25,361              | 278,846                              | 278,844                | 278,843                |
| Salaries and wages  | 210,949            | 217,499            | 231,182            | 265,602                       | 243,167                   | - 22,435              | 244,046                              | 244,044                | 244,044                |
| Social contributions  | 34,044             | 35,777             | 37,982             | 37,077                        | 34,151                    | - 2,926               | 34,800                               | 34,800                 | 34,799                 |
| <b>Goods and services</b>   | <b>48,939</b>      | <b>59,523</b>      | <b>65,210</b>      | <b>70,622</b>                 | <b>49,295</b>             | - 21,327              | <b>62,305</b>                        | <b>63,890</b>          | <b>63,948</b>          |
| Administrative fees   | 889                | 678                | 1,185              | 1,063                         | 1,063                     | -                     | 1,079                                | 1,103                  | 1,107                  |
| Advertising   | 208                | 242                | 63                 | 1,559                         | 572                       | - 987                 | 1,581                                | 1,611                  | 1,617                  |
| Minor assets  | 17                 | 13                 | 15                 | 137                           | 161                       | 24                    | 139                                  | 142                    | 143                    |
| Catering: Departmental activities   | 319                | 1,188              | 235                | 889                           | 833                       | - 56                  | 901                                  | 924                    | 928                    |
| Communication (Good & Services)   | 3,941              | 3,653              | 3,538              | 4,563                         | 6,123                     | 1,560                 | 4,624                                | 4,738                  | 4,756                  |
| Computer services   | 759                | 4,329              | 3,979              | 7,543                         | -                         | - 7,543               | -                                    | -                      | -                      |
| Consultants: Business and advisory services                                 | 8,919              | 10,201             | 6,490              | 13,154                        | 11,839                    | - 1,315               | 13,365                               | 13,773                 | 13,825                 |
| Legal services (Good & Services)  | 5,680              | 6,577              | 5,115              | 1,234                         | 1,234                     | -                     | 1,250                                | 1,283                  | 1,288                  |
| Science and technological services  | -                  | -                  | 863                | -                             | -                         | -                     | -                                    | -                      | -                      |
| Contractors   | 21                 | 70                 | 65                 | 26                            | 24                        | - 2                   | 26                                   | 27                     | 27                     |
| Fleet services (including government motor transport)                       | 3,870              | 5,100              | 5,543              | 4,580                         | 4,580                     | -                     | 4,640                                | 4,762                  | 4,780                  |
| Consumable supplies   | 641                | 667                | 97                 | 1,228                         | 1,213                     | - 15                  | 1,244                                | 1,275                  | 1,281                  |
| Consumables: Stationery, printing and office supplies                       | 1,031              | 963                | 1,370              | 2,794                         | 1,750                     | - 1,044               | 2,831                                | 2,905                  | 2,916                  |
| Operating leases  | 229                | 757                | 813                | 163                           | 163                       | -                     | 165                                  | 169                    | 170                    |
| Rental and hiring   | -                  | 463                | 53                 | 22                            | 22                        | -                     | 22                                   | 23                     | 23                     |
| Property payments   | 1                  | -                  | -                  | 5                             | 5                         | -                     | 5                                    | 5                      | 5                      |
| Travel and subsistence  | 19,911             | 22,520             | 33,468             | 25,353                        | 15,939                    | - 9,414               | 24,040                               | 24,611                 | 24,518                 |
| Training and development  | 188                | 57                 | 65                 | 775                           | 775                       | -                     | 786                                  | 807                    | 809                    |
| Operating payments  | 847                | 761                | 1,592              | 1,426                         | 1,416                     | - 10                  | 1,446                                | 1,476                  | 1,482                  |
| Venues and facilities   | 1,468              | 1,284              | 661                | 4,108                         | 1,583                     | - 2,525               | 4,161                                | 4,256                  | 4,273                  |
| <b>Transfers and subsidies</b>  | <b>154,077</b>     | <b>157,563</b>     | <b>191,546</b>     | <b>201,367</b>                | <b>199,791</b>            | - 1,576               | <b>201,564</b>                       | <b>206,102</b>         | <b>206,894</b>         |



| Programme 2: Minerals and Petroleum Regulation<br>(Economic Classification) | BASELINE           |                    |                    |                               |                           |                       | MEDIUM TERM EXPENDITURE<br>FRAMEWORK |                        |                        |
|---|--------------------|--------------------|--------------------|-------------------------------|---------------------------|-----------------------|--------------------------------------|------------------------|------------------------|
|   | 2017/18            | 2018/19            | 2019/20            | 2020/21                       |                           |                       | 2021/22                              | 2022/23                | 2023/24                |
|   | Audited<br>outcome | Audited<br>outcome | Audited<br>outcome | Voted (Main<br>appropriation) | Adjusted<br>appropriation | Budget<br>Adjustments | Indicative<br>Baseline               | Indicative<br>Baseline | Indicative<br>Baseline |
| Rand thousand   | R'000              | R'000              | R'000              | R'000                         | R'000                     | R'000                 | R'000                                | R'000                  | R'000                  |
| Departmental agencies and accounts  | 65,865             | 59,105             | 61,544             | 63,630                        | 62,054                    | - 1,576               | 62,027                               | 62,894                 | 63,136                 |
| Foreign governments and international organisations                         | 1,074              | -                  | 2,554              | 3,205                         | 3,205                     | -                     | 3,247                                | 3,333                  | 3,346                  |
| Private enterprises   | 87,138             | 98,439             | 127,448            | 134,532                       | 134,532                   | -                     | 136,290                              | 139,875                | 140,412                |
| Households  | -                  | 19                 | -                  | -                             | -                         | -                     | -                                    | -                      | -                      |
| <b>Payments for capital assets</b>  | <b>1,132</b>       | <b>179</b>         | <b>58</b>          | <b>45</b>                     | <b>45</b>                 | <b>-</b>              | <b>47</b>                            | <b>50</b>              | <b>52</b>              |
| Other machinery and equipment   | 1,132              | 179                | 58                 | 45                            | 45                        | -                     | 47                                   | 50                     | 52                     |
| <b>Payments for financial assets</b>  | <b>-</b>           | <b>75</b>          | <b>28</b>          | <b>-</b>                      | <b>-</b>                  | <b>-</b>              | <b>-</b>                             | <b>-</b>               | <b>-</b>               |
| <b>Total</b>  | <b>449,141</b>     | <b>470,616</b>     | <b>526,006</b>     | <b>574,713</b>                | <b>526,449</b>            | <b>- 48,264</b>       | <b>542,762</b>                       | <b>548,886</b>         | <b>549,737</b>         |

| Programme 2: Minerals and Petroleum Regulation<br>(Detail of Transfer Payments) | BASELINE           |                    |                    |                               |                           |                       | MEDIUM TERM EXPENDITURE<br>FRAMEWORK |                        |                        |
|---|--------------------|--------------------|--------------------|-------------------------------|---------------------------|-----------------------|--------------------------------------|------------------------|------------------------|
|   | 2017/18            | 2018/19            | 2019/20            | 2020/21                       |                           |                       | 2021/22                              | 2022/23                | 2023/24                |
|   | Audited<br>outcome | Audited<br>outcome | Audited<br>outcome | Voted (Main<br>appropriation) | Adjusted<br>Appropriation | Budget<br>Adjustments | Indicative<br>Baseline               | Indicative<br>Baseline | Indicative<br>Baseline |
| Rand thousand   | R'000              | R'000              | R'000              | R'000                         | R'000                     | R'000                 | R'000                                | R'000                  | R'000                  |
| Employee social benefits  | -                  | 19                 | -                  | -                             | -                         | -                     | -                                    | -                      | -                      |
| African Petroleum Producers' Association  | 1,074              | -                  | 2,554              | 3,205                         | 3,205                     | -                     | 3,247                                | 3,333                  | 3,346                  |
| South African Diamond and Precious Metals Regulator                             | 65,865             | 59,105             | 61,544             | 63,630                        | 62,054                    | - 1,576               | 62,027                               | 62,894                 | 63,136                 |
| Petroleum Agency South Africa   | 87,138             | 98,439             | 127,448            | 134,532                       | 134,532                   | -                     | 136,290                              | 139,875                | 140,412                |
| <b>Total Transfer Payments</b>  | <b>154,077</b>     | <b>157,563</b>     | <b>191,546</b>     | <b>201,367</b>                | <b>199,791</b>            | <b>- 1,576</b>        | <b>201,564</b>                       | <b>206,102</b>         | <b>206,894</b>         |



### 6.2.5. Risk Exposures for Programme 2

| Outcome                                   | Risk and Consequence  | Risk Mitigation  |
|---|---|--|
| Investing in accelerated inclusive growth | Non-compliance with Mining Charter resulting in economic instability, failure to transform the mining industry sustainably  | <ol style="list-style-type: none"> <li>1. Workshops on the Mining Charter 2018</li> <li>2. Collaboration with the CPIC/B-BBEE Commission in respect of cases of fronting</li> <li>3. Notices, directives, orders and instructions issued in terms of the MPRDA</li> </ol>  |
| Investing in accelerated inclusive growth | Non-compliance to licensing requirements in line with the Liquid Fuels Charter objectives resulting in: <ul style="list-style-type: none"> <li>- Perpetuated inequalities in the sector (Failure to promote section 9 of the constitution).</li> <li>- Inadequate reporting on the status of transformation.</li> </ul> | <ol style="list-style-type: none"> <li>1. Continuous regular BBBEE compliance audit</li> <li>2. Publish and implement the recommendation of the 2016 Petroleum Retail audit.</li> <li>3. SOPs for licensing processes to be aligned to BBBEE framework</li> <li>4. Petroleum Controller to issue a Directive for implementing section 10 of BBBEE Act</li> <li>5. Aligning Liquid Fuels Charter to the BBBEE Act and Code of good practices</li> </ol> |

### 6.3. Programme 3: Mining, Minerals and Energy Policy Development

#### Purpose

Develop and review minerals and energy legislation and policies to promote transformation, attract investment and encourage sustainable development in the mining and energy sectors.

#### Functions

- Provide support and manage the dissemination of information and publications
- Develop policy and legislative in frameworks for the minerals and energy sectors
- Promote minerals development and advice on trends in the mining industry to attract investment
- Promote economic growth and attract investments into South Africa's mining and energy sectors
- Ensure the security of mineral resources and energy supply through planning
- Coordinate Global relations through the implementation of international agreements



## Strategic linkages to key national frameworks including MTSF and ERRP

| Framework  | Linkage  | Branch outcome  |
|--|--|---|
| MTSF   | <b>Priority 2: Economic Transformation and job creation</b><br>Investing in accelerated inclusive growth         | <ul style="list-style-type: none"> <li>Transformed, competitive, and sustainable minerals and energy sectors</li> <li>Increased investment and job creation in the mining and petroleum sectors</li> <li>Reliable statistics and economic analysis on the minerals and energy sectors to promote evidence-based policy making, investment and growth</li> </ul> |
|  | <b>Priority 5: Spatial integration, human settlements and local government</b><br>Greenhouse gas reduction       | <ul style="list-style-type: none"> <li>Greenhouse gas reduction</li> </ul>  |
|  | <b>Priority 7: A better Africa and world</b>   | <ul style="list-style-type: none"> <li>Economic diplomacy that promotes regional integration, global cooperation and development</li> </ul>   |
| ERRP<br>(Area I: Ensuring energy security)   | Diversification of energy sources within just transition context   | <ul style="list-style-type: none"> <li>Secure energy supply</li> </ul>  |
|  | Increase mining exploration activity with the aim of increasing 3% expenditure in global exploration expenditure | <ul style="list-style-type: none"> <li>Greenhouse gas emission reduction</li> </ul>   |
|  |  | <ul style="list-style-type: none"> <li>Reliable statistics and economic analysis on the minerals and energy sectors to promote evidence-based policy making, investment and growth</li> <li>Increased investment and job creation in the mining and petroleum sectors</li> </ul>  |
| <b>CONSOLIDATED BRANCH OUTCOMES FOR 2021/22:</b>   |  |   |
| <ol style="list-style-type: none"> <li>Transformed, competitive and sustainable minerals and energy sectors</li> <li>Increased investment and job creation in the mining and petroleum sectors</li> <li>Secure energy supply</li> <li>Greenhouse gas emission reduction</li> <li>Reliable statistics and economic analysis on the minerals and energy sectors to promote evidence-based policy making, investment and growth</li> <li>Economic diplomacy that promotes regional integration, global cooperation and development</li> </ol> |  |   |

The implementation of IRP 2019 will support the MTSF priority focused on promoting energy access, efficiency and diversified sources.

The Mine Health and Safety Act and the Petroleum Health and Safety Act will be amended to meet the needs of education, skills and health in the mining and energy sectors.

Spatial integration, human settlements and local government will benefit from quality data and analysis – quality economic analysis on the mining and energy sectors, including household energy access data, will be provided.

Priority 1 (a capable, ethical and developmental state) will be supported in the form of improved turnaround times, and developing and reviewing internal processes to contribute towards the continuous development of improved systems for monitoring and evaluation.

Existing bilateral and multilateral agreements will be implemented, to support Priority 7 (a better Africa and world).



## 6.3.1. Outcomes, outputs, performance indicators and targets

| MTSF/<br>ERRP<br>outcome                  | Branch<br>outcome   | Outputs                                       | Output<br>indicators   | Annual targets   |  |  |                          |  |   |   |
|---|---|---|--|--|--|--|--------------------------|--|---|---|
|   |   |   |  | Audited/actual performance   |  |  | Estimated<br>performance | MTEF period  |   |   |
|   |   |   |  | 2017/18  | 2018/19  | 2019/20                                | 2020/21                  | 2021/22  | 2022/23   | 2023/24   |
| Investing in accelerated inclusive growth | Transformed, competitive, and sustainable minerals and energy sectors | Clean Fuels 2 Regulations                     | Clean Fuels 2 Regulations amended                                      | Cabinet Memorandum on new oil refinery developed for internal approval | Draft proposal on Clean Fuels 2 implementation framework | N/A                                    | N/A                      | Clean Fuels 2 Regulations developed for promulgation                     | Implementation of Clean Fuels 2 Regulations               | Implementation of Clean Fuels 2 Regulations               |
|   |   | Biofuels Mandatory Blending Regulations       | Biofuels Mandatory Blending Regulations amended                        | Cabinet Memorandum on Biofuels has undergone multiple revisions        | Biofuels Cabinet recommendation addressed                | Biofuels Regulatory Framework gazetted | N/A                      | Biofuels Mandatory Blending Regulations developed for promulgation       | Biofuels Mandatory Blending Regulations implemented       | Biofuels Mandatory Blending Regulations implemented       |
|   |   | LPG Roll-out Strategy                         | LPG Roll-out Strategy developed  | N/A  | N/A  | N/A                                    | N/A                      | LPG Strategy approved  | LPG Strategy implemented                                  | LPG Strategy implemented                                  |
|   |   | Community Relocation Guidelines               | Community Relocation Guidelines developed                              | N/A  | N/A  | N/A                                    | N/A                      | Community Relocation Guidelines developed for promulgation               | Community Relocation Guidelines implemented               | Community Relocation Guidelines implemented               |
|   |   | Upstream Petroleum Resources Development Bill | Draft Bill presented to Cabinet for approval and tabling in Parliament | N/A  | N/A  | N/A                                    | N/A                      | Draft Upstream Petroleum Resources Development Bill tabled in Parliament | Implemented Upstream Petroleum Resources Development Bill | Implemented Upstream Petroleum Resources Development Bill |
|   |   | Mine Health and Safety Amendment Bill         | Draft Bill presented to Cabinet for approval and tabling in Parliament | N/A  | N/A  | N/A                                    | N/A                      | Draft Mine Health and Safety Amendment Bill tabled in Parliament         | Mine Health and Safety Amendment Bill implemented         | Mine Health and Safety Amendment Bill implemented         |



| MTSF/<br>ERRP<br>outcome                  | Branch<br>outcome   | Outputs   | Output<br>indicators   | Annual targets             |         |         |                                    |   |  |   |
|---|---|---|--|----------------------------|---------|---------|------------------------------------|---|--|---|
|   |   |   |  | Audited/actual performance |         |         | Estimated<br>performance           | MTEF period   |  |   |
|   |   |   |  | 2017/18                    | 2018/19 | 2019/20 |                                    | 2020/21   | 2021/22  | 2022/23                                     |
|   |   | National Petroleum Company Bill                                       | Draft National Petroleum Company Bill  | N/A                        | N/A     | N/A     | N/A                                | Draft National Petroleum Company Bill developed and submitted to Cabinet for approval                   | National Petroleum Company Bill tabled in Parliament | National Petroleum Company Bill implemented |
| Investing in accelerated inclusive growth | Increased investment and job creation in the mining and petroleum sectors | Economic reports on Bojanala District                                 | Number of economic reports on analysis and support for Bojanala District Model | N/A                        | N/A     | N/A     | N/A                                | 4   | 4  | 4   |
|   |   |   | Number of economic models of the mining and energy sectors                     | N/A                        | N/A     | N/A     | N/A                                | 4   | 4  | 4   |
|   |   | Report on economic viability of shale gas exploration in South Africa | Report on economic viability of shale gas exploration in South Africa produced | N/A                        | N/A     | N/A     | N/A                                | Report on economic viability of shale gas exploration in South Africa submitted to Cabinet for approval | N/A  | N/A   |
|   |   | Beneficiation Master Plan   | Beneficiation Master Plan approved   | N/A                        | N/A     | N/A     | Approved Beneficiation Master Plan | Beneficiation Master Plan approved  | Implementation of Beneficiation Master Plan          | Implementation of Beneficiation Master Plan |



| MTSF/<br>ERRP<br>outcome                  | Branch<br>outcome    | Outputs                                      | Output<br>indicators   | Annual targets             |         |         |   |  |                                       |                                       |
|---|----------------------|--|--|----------------------------|---------|---------|---|--|---------------------------------------|---------------------------------------|
|   |                      |  |  | Audited/actual performance |         |         | Estimated<br>performance  | MTEF period  |                                       |                                       |
|   |                      |  |  | 2017/18                    | 2018/19 | 2019/20 |   | 2020/21  | 2021/22                               | 2022/23                               |
|   |                      | Investment promotion initiatives implemented | Number of investment promotion initiatives implemented and reported on     | N/A                        | N/A     | N/A     | Five investment promotion events in the minerals and energy industrial complex held       | 3  | 3                                     | 3                                     |
|   |                      |  | Number of investment promotion conferences and exhibitions participated in | N/A                        | N/A     | N/A     | N/A   | 9  | 9                                     | 9                                     |
| Investing in accelerated inclusive growth | Secure energy supply | National Nuclear Regulator Amendment Bill    | National Nuclear Regulator Bill submitted to Cabinet                       | N/A                        | N/A     | N/A     | Final National Nuclear Regulator Amendment Bill tabled to Cabinet for public consultation | Amendment Bill submitted to Cabinet for tabling in Parliament for promulgation                         | Monitor the implementation of the Act | Monitor the implementation of the Act |
|   | Secure energy supply | Radioactive Waste Management Fund Bill       | Bill submitted to Cabinet  | N/A                        | N/A     | N/A     | Final Radioactive Waste Management Fund Bill tabled at Cabinet for public consultation    | Radioactive Waste Management Fund Bill submitted to Cabinet for tabling in Parliament for promulgation | Implementation of the Act             | Implementation of the Act             |



| MTSF/<br>ERRP<br>outcome | Branch<br>outcome  | Outputs  | Output<br>indicators | Annual targets             |           |   |  |   |  |         |
|--------------------------|--|--|----------------------|----------------------------|-----------|---|--|---|--|---------|
|                          |  |  |                      | Audited/actual performance |           |   | Estimated<br>performance   | MTEF period   |  |         |
|                          |  |  |                      | 2017/18                    | 2018/19   | 2019/20   |  | 2020/21   | 2021/22  | 2022/23 |
| Secure energy<br>supply  | Cost update<br>study on high-<br>level waste for<br>the Radioactive<br>Waste<br>Management<br>Fund | Number<br>of progress<br>reports on cost<br>update study<br>on high-level<br>waste for<br>Radioactive<br>Waste<br>Management<br>Fund | N/A                  | N/A                        | N/A       | N/A   | Two quarterly<br>progress reports<br>on cost update<br>study on high-<br>level waste for<br>Radioactive Waste<br>Management Fund | Two quarterly<br>progress reports on<br>cost update study<br>on high-level waste<br>for Radioactive<br>Waste Management<br>Fund | Two quarterly<br>progress reports<br>on cost update<br>study on high-<br>level waste for<br>Radioactive Waste<br>Management Fund |         |
|                          | Gas Master Plan  | Gas Master<br>Plan submitted<br>to Cabinet   | N/A                  | N/A                        | N/A       | Draft Gas<br>Master<br>Infrastructure<br>Plan   | Gas Master Plan<br>submitted to<br>Cabinet   | Implementation<br>of the Gas Master<br>Infrastructure Plan  | Implementation<br>of the Gas Master<br>Infrastructure Plan   |         |
|                          | National Energy<br>Regulator<br>Amendment<br>(NERA) Bill   | Amended<br>NERA Bill   | N/A                  | N/A                        | N/A       | National<br>Energy<br>Regulator Act   | Amended NERA<br>Bill submitted to<br>Cabinet   | Monitoring the<br>implementation of<br>the National Energy<br>Regulator Act   | Monitoring the<br>implementation<br>of the National<br>Energy Regulator<br>Act   |         |
|                          | Electricity<br>Regulation Act<br>(ERA)   | Amended ERA<br>Bill  | N/A                  | N/A                        | N/A       | Electricity<br>Regulation Act<br>Act  | Amended ERA<br>Bill submitted to<br>Cabinet  | Monitoring the<br>implementation<br>of the Electricity<br>Regulation Act  | Monitoring the<br>implementation<br>of the Electricity<br>Regulation Act   |         |
|                          | Just energy<br>transition plan   | Just energy<br>transition plan   | N/A                  | N/A                        | Draft IEP | Draft report<br>on full scoping<br>on the first<br>phase of the<br>development<br>of the just<br>energy<br>transition plan<br>developed | Just energy<br>transition plan<br>approved   | Review/update<br>sector plans (IRP,<br>LFRM, GID)   | Review, update<br>and submit the<br>Integrated Energy<br>Plan  |         |



| MTSF/<br>ERRP<br>outcome  | Branch<br>outcome                       | Outputs   | Output<br>indicators   | Annual targets             |         |         |   |  |   |   |
|---|---|---|--|----------------------------|---------|---------|---|--|---|---|
|   |   |   |  | Audited/actual performance |         |         | Estimated<br>performance  | MTEF period  |   |   |
|   |   |   |  | 2017/18                    | 2018/19 | 2019/20 | 2020/21   | 2021/22  | 2022/23   | 2023//24  |
| Greenhouse<br>gas reduction<br>(MTSF)   | Greenhouse<br>gas emission<br>reduction | Greenhouse<br>gas assessment<br>and reporting<br>framework for<br>the mining and<br>energy sector | Greenhouse<br>gas assessment<br>and reporting<br>framework<br>for mining and<br>energy sector<br>developed         | N/A                        | N/A     | N/A     | Greenhouse<br>gas reporting<br>and<br>assessment<br>framework<br>submitted for<br>Ministerial<br>approval | Greenhouse<br>gas assessment<br>and reporting<br>framework<br>approved | Approved<br>greenhouse<br>gas assessment<br>and reporting<br>framework<br>implemented | Approved<br>greenhouse<br>gas assessment<br>and reporting<br>framework<br>implemented |
|   |   | Carbon offset<br>projects<br>contributing<br>to greenhouse<br>gas emission<br>reduction           | Number of<br>carbon offset<br>projects<br>approved   | N/A                        | N/A     | N/A     | 4   | Four carbon offset<br>projects approved                                | 4   | 4   |
| Diversification<br>of energy<br>sources within<br>just transition<br>context (ERRP) | Greenhouse<br>gas emission<br>reduction | Carbon offset<br>projects<br>contributing<br>to greenhouse<br>gas emission<br>reduction           | Report on<br>energy- related<br>climate change<br>response<br>measures<br>monitored,<br>quantified and<br>reported | N/A                        | N/A     | N/A     | 1   | Report on<br>monitored<br>and quantified<br>initiatives                | 1   | 1   |
|   |   |   | Number of<br>approved Clean<br>Development<br>Mechanism<br>(CDM) projects  | N/A                        | N/A     | N/A     | 2   | Two CDM<br>projects approved   | 2   | 2   |



| MTSF/<br>ERRP<br>outcome                                  | Branch<br>outcome   | Outputs  | Output<br>indicators  | Annual targets             |         |         |                          |   |   |   |
|---|---|--|---|----------------------------|---------|---------|--------------------------|---|---|---|
|   |   |  |   | Audited/actual performance |         |         | Estimated<br>performance | MTEF period   |   |   |
|   |   |  |   | 2017/18                    | 2018/19 | 2019/20 |                          | 2020/21   | 2021/22   | 2022/23   |
| Investing in accelerated inclusive growth                 | Reliable statistics and economic analysis on the minerals and energy sectors to promote   | Economic reports on the performance of the minerals and energy sectors | Number of monthly minerals and energy performance economic reports (GDP)                | 25                         | 25      | 25      | 15                       | 12  | 12  | 12  |
| Increase mining exploration and mining investments (ERRP) | evidence-based policy making, investment and growth                                       | Quality mineral publications   | Number of quality publications published  | 25                         | 25      | 25      | 15                       | 8   | 8   | 8   |
|   |   | Quality energy publications  | Number of energy statistics reports published   | 4                          | 4       | 4       | 4                        | 4   | 4   | 4   |
| A better Africa and world                                 | Economic diplomacy that promotes regional integration, global cooperation and development | Existing bilateral agreements implemented                              | Number of progress reports on agreed areas of collaboration and cooperation implemented | N/A                        | N/A     | N/A     | 10                       | 10 progress reports produced on existing agreements implemented                 | 10 progress reports produced on existing agreements implemented                 | 10 progress reports produced on existing agreements implemented                 |
|   |   | Existing multilateral agreements implemented                           | Number of progress reports on multilateral strategic partnerships                       | N/A                        | N/A     | N/A     | 5                        | 10 progress reports produced on multilateral strategic partnerships implemented | 10 progress reports produced on multilateral strategic partnerships implemented | 10 progress reports produced on multilateral strategic partnerships implemented |



## 6.3.2. Output indicators: annual and quarterly targets

| Programme 3: Mining, Mineral and Energy Policy |   |   |  |   | Quarter 1  | Quarter 2  | Quarter 3                                       | Quarter 4  |
|--|---|---|--|---|--|--|---|--|
| MTSF/ERRP outcome                              | Branch outcome  | Outputs                                       | Output indicators  | 2021/22 target  |  |  |   |  |
| Investing in accelerated inclusive growth      | Transformed, competitive, and sustainable minerals and energy sectors | Clean Fuels 2 Regulations                     | Clean Fuels Regulations amended  | Clean Fuels 2 Regulations developed for promulgation                                  | N/A  | Published for public comment   | Stakeholder consultation report                 | Clean Fuels 2 Regulations developed for promulgation                 |
|  |   | Biofuels Mandatory Blending Regulations       | Biofuels Mandatory Blending Regulations amended                        | Biofuels Mandatory Blending Regulations developed for promulgation                    | N/A  | Published for public comment   | Stakeholder consultation report                 | Biofuels Mandatory Blending Regulations developed for promulgation   |
|  |   | LPG Roll-out Strategy                         | LPG Roll-out Strategy developed  | LPG Strategy approved   | N/A  | Published for public comment   | Stakeholder consultation report                 | LPG Strategy approved by Cabinet                                     |
|  |   | Community Relocation Guidelines               | Community Relocation Guidelines developed                              | Community Relocation Guidelines developed for promulgation                            | N/A  | Published for public comment   | Stakeholder consultation report                 | Community Relocation Guidelines submitted for promulgation           |
|  |   | Upstream Petroleum Resources Development Bill | Draft Bill presented to Cabinet for approval and tabling in Parliament | Draft Upstream Petroleum Resources Development Bill tabled in Parliament              | Draft Upstream Petroleum Resources Development Bill presented for Cabinet approval to table the Bill in Parliament | Draft Upstream Petroleum Resources Development Bill Tabled in Parliament | N/A   | N/A  |
|  |   | Mine Health and Safety Amendment Bill         | Draft Bill presented to Cabinet for approval and tabling in Parliament | Draft Mine Health and Safety Amendment Bill tabled in Parliament                      | Draft Mine Health and Safety Amendment Bill presented for Cabinet approval to table the Bill in Parliament         | N/A  | N/A   | Draft Mine Health and Safety Amendment Bill tabled in Parliament     |
|  |   | National Petroleum Company Bill               | Draft National Petroleum Company Bill                                  | Draft National Petroleum Company Bill developed and submitted to Cabinet for approval | Benchmarking exercise  | Benchmarking report  | Draft National Petroleum Company Bill completed | Draft National Petroleum Company Bill submitted for Cabinet approval |



| Programme 3: Mining, Mineral and Energy Policy |   |   |  |   | Quarter 1   | Quarter 2   | Quarter 3  | Quarter 4   |
|--|---|---|--|---|---|---|--|---|
| MTSF/ERRP outcome                              | Branch outcome  | Outputs   | Output indicators  | 2021/22 target  |   |   |  |   |
|  | Increased investment and job creation in the mining and petroleum sectors | Economic reports on Bojanala District                                 | Number of economic reports on analysis and support for Bojanala District Model | 4   | Report on economic profiling of Bojanala District                                 | Report on economic analysis with interventions through the DDM              | Progress report on the implementation of interventions                         | Economic impact report on the implementation of interventions   |
|  |   |   | Number of economic models of the mining and energy sectors                     | 4   |   |   |  |   |
|  |   | Report on economic viability of shale gas exploration in South Africa | Report on economic viability of shale gas exploration in South Africa produced | Report on economic viability of shale gas exploration in South Africa submitted to Cabinet for approval | N/A   | N/A   | N/A  | Report on economic viability of shale gas exploration in South Africa submitted to Cabinet for approval |
|  |   | Beneficiation Master Plan   | Beneficiation Master Plan approved   | Beneficiation Master Plan approved  | Stakeholder consultations   | Submission to Cabinet for approval  | Approved Beneficiation Master Plan   | N/A   |
|  |   | Investment promotion initiatives implemented                          | Number of investment promotion initiatives implemented and reported on         | 3   | One investment promotion initiative implemented (Northern Cape Mining and Energy) | One investment promotion initiative implemented (Limpopo Mining and Energy) | One investment promotion initiative implemented (North West Mining and Energy) | Consolidated report on investment promotion initiatives implemented                                     |



| Programme 3: Mining, Mineral and Energy Policy |                      |   |   |   | Quarter 1   | Quarter 2  | Quarter 3  | Quarter 4   |
|--|----------------------|---|---|---|---|--|--|---|
| MTSF/ERRP outcome                              | Branch outcome       | Outputs   | Output indicators   | 2021/22 target  |   |  |  |   |
|  |                      |   | Number of investment promotion conferences and exhibitions participated in                                    | 9   | Three investment promotion conferences and exhibitions participated in (Africa Utility Week, World Futures Energy Summit, and Angola Oil and Gas) | Two investment promotion conferences and exhibitions participated in (Africa Down Under, China Mining) | One investment promotion conference and exhibition participated in (Africa Oil Week) | Three investment promotion conferences and exhibitions participated in (Mining Indaba, Prospectors and Developers Association of Canada, Africa Energy Forum) |
|  | Secure energy supply | National Nuclear Regulator Amendment Bill                                       | Bill submitted to Cabinet   | Amendment Bill submitted to Cabinet for tabling in Parliament for promulgation                                | N/A   | Draft Bill gazetted for public comment   | Report on consolidated public comments   | Amendment Bill submitted to Cabinet for tabling in Parliament for promulgation  |
|  |                      | Radioactive Waste Management Fund Bill  | Radioactive Waste Management Fund Bill submitted to Cabinet   | Bill submitted to Cabinet for tabling in Parliament for promulgation  | N/A   | Draft Bill gazetted for public comment   | Report on consolidated public comments   | Bill submitted to Cabinet for tabling in Parliament for promulgation  |
|  |                      | Cost update study on high-level waste for the Radioactive Waste Management Fund | Number of progress reports on cost update study on high-level waste for the Radioactive Waste Management Fund | Two quarterly progress reports on cost update study on high-level waste for Radioactive Waste Management Fund | N/A   | One progress report  | N/A  | One progress report   |



| Programme 3: Mining, Mineral and Energy Policy |                                   |  |  |  | Quarter 1  | Quarter 2   | Quarter 3  | Quarter 4  |
|--|-----------------------------------|--|--|--|--|---|--|--|
| MTSF/ERRP outcome                              | Branch outcome                    | Outputs  | Output indicators  | 2021/22 target   |  |   |  |  |
|  |                                   | Gas Master Plan  | Gas Master Plan submitted to Cabinet   | Gas Master Plan submitted to Cabinet                                   | Planning philosophy report   | Draft base case report  | Base case report gazetted for public comment                                 | Gas Master Plan submitted to Cabinet for approval                      |
|  |                                   | NERA Bill  | Amended NERA Bill  | Amended NERA Bill submitted to Cabinet                                 | Report on consolidated public comments   | Amendment Bill submitted to Cabinet for tabling in Parliament for promulgation          | N/A  | N/A  |
|  |                                   | ERA Bill   | Amended ERA Bill   | Amended ERA Bill submitted to Cabinet                                  | Report on consolidated public comments   | Amendment Bill submitted to Cabinet for tabling in Parliament for promulgation          | N/A  | N/A  |
|  |                                   | Just energy transition plan  | Just energy transition plan  | Just energy transition plan approved                                   | Research and analytical report on indicators underpinning the development of just transition | Report on modelling and scenario planning in line with the country's policies and plans | Stakeholder consultation report on the formulation of a just transition plan | Just energy transition plan approved                                   |
| Greenhouse gas reduction (MTSF)                | Greenhouse gas emission reduction | Greenhouse gas assessment and reporting framework for the mining and energy sector | Greenhouse gas assessment and reporting framework for mining and energy sector developed | Greenhouse gas assessment and reporting framework approved by Minister | First draft greenhouse gas assessment and reporting framework                                | Report on stakeholder consultation  | Second draft greenhouse gas assessment and reporting framework               | Greenhouse gas assessment and reporting framework approved by Minister |
|  |                                   | Carbon offset projects contributing to greenhouse gas emission reduction           | Number of carbon offset projects approved  | Four carbon offset projects approved                                   | One project approved   | One project approved  | One project approved   | One project approved   |



| Programme 3: Mining, Mineral and Energy Policy                          |   |  |   |  | Quarter 1  | Quarter 2   | Quarter 3   | Quarter 4  |
|---|---|--|---|--|--|---|---|--|
| MTSF/ERRP outcome   | Branch outcome  | Outputs  | Output indicators   | 2021/22 target   |  |   |   |  |
| Diversification of energy sources within just transition context (ERRP) |   |  | Report on energy- related climate change response measures monitored, quantified and reported | Report on energy- related climate change response measures monitored, and quantified initiatives submitted | Report on energy- related climate change response measures monitored, and quantified initiatives submitted | N/A   | N/A   | N/A  |
|   |   |  | Number of approved CDM projects   | Two CDM projects approved  | N/A  | 1   | N/A   | 1  |
| Investing in accelerated inclusive growth                               | Reliable statistics and economic analysis on the minerals and energy sectors to promote evidence-based policy making, investment and growth | Economic reports on the performance of minerals and energy sectors | Number of monthly minerals and energy performance economic reports (GDP)                      | 12   | 3  | 3   | 3   | 3  |
| Increase mining exploration and mining investments                      |   | Quality mineral publications                                       | Number of quality mineral publications published  | 8  | Two (one minerals bulletin and one energy bulletin)  | Two (one minerals bulletin and one energy sources bulletin) | Two (one minerals bulletin and one energy bulletin) | Two (SAMI and Chrome Strategy Implementation Report)   |
|   |   | Quality energy publications  | Number of energy statistics reports published   | 4  | N/A  | Draft reports developed                                     | Draft reports peer reviewed and edited              | Four reports published (one Energy Price, one Energy Balance, one Energy Trade, one Energy Statistics booklet) |



| Programme 3: Mining, Mineral and Energy Policy |   |  |   |   | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|---|--|---|---|-----------|-----------|-----------|-----------|
| MTSF/ERRP outcome                              | Branch outcome  | Outputs                                      | Output indicators   | 2021/22 target  |           |           |           |           |
| A better Africa and world                      | Economic diplomacy that promotes regional integration, global cooperation and development | Existing bilateral agreements implemented    | Number of progress reports on agreed areas of collaboration and cooperation implemented | 10 progress reports produced on existing agreements implemented                 | 10        | 10        | 10        | 10        |
|  |   | Existing multilateral agreements implemented | Number of progress reports on multilateral strategic partnerships                       | 10 progress reports produced on multilateral strategic partnerships implemented | 10        | 10        | 10        | 10        |

### 6.3.3. Explanation of planned performance over the medium-term period

This branch will continue to focus on developing and reviewing mining, mineral, upstream & downstream petroleum, as well as, energy legislation, policies and strategies to encourage investment, growth and transformation in the mining and energy sectors. To enable energy supply and encourage the diversification of energy resources, the following legislative instruments will receive focus over the MTSF period:

- National Nuclear Regulator Amendment Bill Radioactive Waste Management Fund Bill Gas Amendment Bill National Energy Regulator Amendment Bill
- Develop an Integrated Energy Plan

An increase in mining Investments will be encouraged by the development and finalization of a Mining Masterplan that should result in national priority sectors growing their contribution to GDP growth from the current 3% and exports increasing by 4% annually. Growth will further be encouraged by improving accessibility through improved response and turnaround times for mining rights applications and the processing of permits. In addition, Transition plans will be finalised for the energy sector to improve the state of geological Infrastructure. These interventions will be augmented by promotional efforts to attract investment the sector. Energy security will be encouraged by the establishment of an Independent transmission

company under Eskom Holdings. A Cabinet Proposal on the National Energy Regulator Bill to amend NERSA governance structure will be completed in the short term and a Cabinet Proposal of the "end-state" electricity sector is anticipated in the second year of the MTF.

To address environmental outputs and targets, and to comply with environmental and climate obligations and aspirations, and economic growth and poverty alleviation imperatives, the implementation of IRP2019 is critical. Within the scope of this Programme, the National Environmental Management Act (NEMA) and Specific Environmental Management Act (SEMA) will be amended in support of the targeted performance improvements.

A framework for a just transition to a low carbon economy will be finalized in the first year of the MTSF followed by the development of an engagement framework for affected communities in year two. These milestones will inform the review, update and submission of a revised IEP in the fifth year of the MTSF. In order to enable injection of carbon, reduce emissions, Climate change challenges prompt the just transition to a low-carbon economy for which the IRP2019 and the Socio Economic Impact Assessment System (SEIAS) are crucial. The achievement of this outcome will be further enhanced by the implementation



of strengthened stakeholder segmentation, a stakeholder targeting strategy, and a diplomacy framework that will be developed and implemented.

To mitigate competing land use, such as the Spatial Planning and Land Use Management Act (SPLUMA), agriculture, the Square Kilometre Array (SKA), and private land, an intergovernmental relations framework and policy position will be crafted and implemented with assistance from the Council for Geoscience (CGS).

Compliance with statistical and data commitments with national and international bodies and the quality of economic reports and data will be augmented by the development of enabling

information technology infrastructure and by partnering with other Departmental resources, mine economics, SSM and the South African Revenue Service (SARS). These should assist with resolving the issues around the quality and availability of data and statistics.

Furthermore, synergies and alignment will be encouraged to foster greater cohesion to ensure the DMRE is in a better position to meet outputs in support of the department's outcomes. New partnerships will be implemented or developed and existing ones will be strengthened with SOEs, Government organisations and social partners to grow investment potential in the mining and energy sectors.

#### 6.3.4. Programme resource considerations

| Programme 3: Mining, Minerals and Energy Policy Development (Sub-programmes) | BASELINE        |                 |                 |                            |                        |                    | MEDIUM TERM EXPENDITURE FRAMEWORK |                     |                     |
|--|-----------------|-----------------|-----------------|----------------------------|------------------------|--------------------|-----------------------------------|---------------------|---------------------|
|  | 2017/18         | 2018/19         | 2019/20         | 2020/21                    |                        |                    | 2021/22                           | 2022/23             | 2023/24             |
|  | Audited outcome | Audited outcome | Audited outcome | Voted (Main appropriation) | Adjusted appropriation | Budget adjustments | Indicative baseline               | Indicative baseline | Indicative baseline |
| Rand thousand  | R'000           | R'000           | R'000           | R'000                      | R'000                  | R'000              | R'000                             | R'000               | R'000               |
| Mining, Minerals and Energy Policy Development Management                    | 28,146          | 22,432          | 12,035          | 28,178                     | 17,499                 | - 10,679           | 22,362                            | 22,505              | 22,538              |
| Minerals and Petroleum Policy  | 28,680          | 34,608          | 23,807          | 33,102                     | 25,302                 | - 7,800            | 26,936                            | 27,251              | 27,269              |
| Nuclear, Electricity and Gas Policy  | 11,129          | 14,066          | 13,011          | 20,998                     | 14,992                 | - 6,006            | 19,775                            | 20,081              | 20,102              |
| Economic Analysis and Statistics   | 34,437          | 39,885          | 46,795          | 8,575                      | 16,865                 | 8,290              | 51,406                            | 51,857              | 52,033              |
| Economic Growth, Promotion and Global Relations                              | 757,036         | 854,588         | 735,908         | 876,347                    | 832,773                | - 43,574           | 697,898                           | 737,448             | 732,507             |
| Mineral and Energy Planning  | 20,453          | 17,251          | 18,877          | 25,904                     | 20,958                 | - 4,946            | 16,189                            | 16,347              | 16,365              |
| <b>Total</b>   | <b>879,881</b>  | <b>982,830</b>  | <b>850,433</b>  | <b>993,104</b>             | <b>928,389</b>         | <b>- 64,715</b>    | <b>834,566</b>                    | <b>875,489</b>      | <b>870,814</b>      |



| Programme 3: Mining, Minerals and Energy Policy Development (Economic classification) | BASELINE        |                 |                 |                            |                        |                    | MEDIUM TERM EXPENDITURE FRAMEWORK |                     |                     |
|---|-----------------|-----------------|-----------------|----------------------------|------------------------|--------------------|-----------------------------------|---------------------|---------------------|
|   | 2017/18         | 2018/19         | 2019/20         | 2020/21                    |                        |                    | 2021/22                           | 2022/23             | 2023/24             |
|   | Audited outcome | Audited outcome | Audited outcome | Voted (Main appropriation) | Adjusted appropriation | Budget adjustments | Indicative baseline               | Indicative baseline | Indicative baseline |
| Rand thousand   | R'000           | R'000           | R'000           | R'000                      | R'000                  | R'000              | R'000                             | R'000               | R'000               |
| Current payments  | 144,087         | 155,828         | 139,921         | 181,342                    | 142,461                | - 38,881           | 160,502                           | 161,961             | 162,065             |
| <b>Compensation of employees</b>  | <b>103,281</b>  | <b>108,441</b>  | <b>108,213</b>  | <b>126,815</b>             | <b>105,313</b>         | - 21,502           | <b>106,245</b>                    | <b>106,242</b>      | <b>106,240</b>      |
| Salaries and wages  | 91,103          | 95,633          | 95,290          | 111,280                    | 92,138                 | - 19,142           | 92,986                            | 92,984              | 92,981              |
| Social contributions  | 12,178          | 12,808          | 12,923          | 15,535                     | 13,175                 | - 2,360            | 13,259                            | 13,258              | 13,259              |
| <b>Goods and services</b>   | <b>40,806</b>   | <b>47,387</b>   | <b>31,708</b>   | <b>54,527</b>              | <b>37,148</b>          | - 17,379           | <b>54,257</b>                     | <b>55,719</b>       | <b>55,825</b>       |
| Administrative fees   | 975             | 778             | 600             | 3,503                      | 2,503                  | - 1,000            | 3,564                             | 3,675               | 3,688               |
| Advertising   | 5,691           | 931             | 1,588           | 3,347                      | 1,670                  | - 1,677            | 3,375                             | 3,453               | 3,468               |
| Minor assets  | 4               | -               | -               | 115                        | 115                    | -                  | 116                               | 118                 | 118                 |
| Audit costs: External   | -               | 70              | -               | -                          | -                      | -                  | -                                 | -                   | -                   |
| Catering: Departmental activities   | 407             | 1,170           | 182             | 1,147                      | 805                    | - 342              | 1,161                             | 1,191               | 1,195               |
| Communication (goods and services)  | 890             | 2,091           | 461             | 1,398                      | 1,398                  | -                  | 1,427                             | 1,474               | 1,480               |
| Computer services   | 8               | -               | 123             | 57                         | -                      | - 57               | -                                 | -                   | -                   |
| Consultants: Business and advisory services   | 3,019           | 354             | 2,036           | 9,641                      | 8,844                  | - 797              | 9,771                             | 10,017              | 10,055              |
| Legal services (goods and services)   | 8,134           | 10,699          | 1,804           | 305                        | 305                    | -                  | 305                               | 309                 | 310                 |
| Science and technological services  | -               | -               | -               | -                          | -                      | -                  | -                                 | -                   | -                   |
| Contractors   | 1,404           | 5,531           | 969             | 2,665                      | 2,654                  | - 11               | 2,694                             | 2,756               | 2,767               |
| Agency and support/outsourced services  | -               | 585             | -               | -                          | -                      | -                  | -                                 | -                   | -                   |
| Fleet services (including government motor transport)                                 | 251             | 280             | 33              | -                          | -                      | -                  | -                                 | -                   | -                   |
| Consumable supplies   | 54              | 71              | 85              | 238                        | 239                    | 1                  | 241                               | 249                 | 251                 |
| Consumables: Stationery, printing and office supplies                                 | 298             | 637             | 1,355           | 1,847                      | 1,372                  | - 475              | 1,872                             | 1,926               | 1,934               |
| Operating leases  | 431             | 18              | 6               | -                          | -                      | -                  | -                                 | -                   | -                   |
| Rental and hiring   | 924             | 472             | 10              | 2,353                      | 353                    | - 2,000            | 2,357                             | 2,386               | 2,396               |
| Travel and subsistence  | 11,417          | 13,001          | 13,395          | 15,509                     | 9,090                  | - 6,419            | 14,737                            | 15,140              | 15,086              |
| Training and development  | 269             | 282             | 59              | 888                        | 888                    | -                  | 906                               | 933                 | 937                 |
| Operating payments  | 7,334           | 3,616           | 3,643           | 7,446                      | 4,946                  | - 2,500            | 7,603                             | 7,850               | 7,881               |
| Venues and facilities   | - 704           | 6,801           | 5,359           | 4,068                      | 1,966                  | - 2,102            | 4,128                             | 4,242               | 4,259               |
| <b>Transfers and subsidies</b>  | <b>735,087</b>  | <b>826,926</b>  | <b>710,507</b>  | <b>811,663</b>             | <b>785,829</b>         | - 25,834           | <b>673,960</b>                    | <b>713,417</b>      | <b>708,633</b>      |



| Programme 3: Mining, Minerals and Energy Policy Development (Economic classification) | BASELINE        |                 |                 |                            |                        |                    | MEDIUM TERM EXPENDITURE FRAMEWORK |                     |                     |
|---|-----------------|-----------------|-----------------|----------------------------|------------------------|--------------------|-----------------------------------|---------------------|---------------------|
|   | 2017/18         | 2018/19         | 2019/20         | 2020/21                    |                        |                    | 2021/22                           | 2022/23             | 2023/24             |
|   | Audited outcome | Audited outcome | Audited outcome | Voted (Main appropriation) | Adjusted appropriation | Budget adjustments | Indicative baseline               | Indicative baseline | Indicative baseline |
| Rand thousand   | R'000           | R'000           | R'000           | R'000                      | R'000                  | R'000              | R'000                             | R'000               | R'000               |
| Departmental agencies and accounts  | 366,988         | 405,983         | 414,062         | 499,765                    | 481,070                | - 18,695           | 356,877                           | 387,595             | 389,084             |
| Foreign governments and international organisations                                   | 842             | 559             | 631             | 825                        | 825                    | -                  | 836                               | 867                 | 870                 |
| Public corporations   | 367,256         | 420,368         | 295,814         | 311,073                    | 303,934                | - 7,139            | 316,247                           | 324,955             | 318,679             |
| Households  | 1               | 16              | -               | -                          | -                      | -                  | -                                 | -                   | -                   |
| <b>Payments for capital assets</b>  | <b>707</b>      | <b>45</b>       | <b>5</b>        | <b>99</b>                  | <b>99</b>              | <b>-</b>           | <b>104</b>                        | <b>111</b>          | <b>116</b>          |
| Other machinery and equipment   | 707             | 45              | 5               | 99                         | 99                     | -                  | 104                               | 111                 | 116                 |
| Payments for financial assets   | -               | 31              | -               | -                          | -                      | -                  | -                                 | -                   | -                   |
| <b>Total</b>  | <b>879,881</b>  | <b>982,830</b>  | <b>850,433</b>  | <b>993,104</b>             | <b>928,389</b>         | <b>- 64,715</b>    | <b>834,566</b>                    | <b>875,489</b>      | <b>870,814</b>      |

| Programme 3: Mining, Minerals and Energy Policy Development (Detail of Transfer Payments) | BASELINE        |                 |                 |                            |                        |                    | MEDIUM TERM EXPENDITURE FRAMEWORK |                     |                     |
|---|-----------------|-----------------|-----------------|----------------------------|------------------------|--------------------|-----------------------------------|---------------------|---------------------|
|   | 2017/18         | 2018/19         | 2019/20         | 2020/21                    |                        |                    | 2021/22                           | 2022/23             | 2023/24             |
|   | Audited outcome | Audited outcome | Audited outcome | Voted (Main appropriation) | Adjusted Appropriation | Budget Adjustments | Indicative Baseline               | Indicative Baseline | Indicative Baseline |
| Rand thousand   | R'000           | R'000           | R'000           | R'000                      | R'000                  | R'000              | R'000                             | R'000               | R'000               |
| International Energy Forum  | 275             | -               | -               | -                          | -                      | -                  | -                                 | -                   | -                   |
| Generation IV International Forum   | 567             | 559             | 631             | 825                        | 825                    | -                  | 836                               | 867                 | 870                 |
| Employee social benefits  | 1               | 16              | -               | -                          | -                      | -                  | -                                 | -                   | -                   |
| Mintek  | 367,256         | 350,368         | 295,814         | 311,073                    | 303,934                | - 7,139            | 316,247                           | 324,955             | 318,679             |
| Council for Geoscience  | 365,988         | 314,936         | 414,062         | 499,765                    | 481,070                | - 18,695           | 356,877                           | 387,595             | 389,084             |
| Council for Geoscience: Economic competitiveness and support package                      | -               | 90,000          | -               | -                          | -                      | -                  | -                                 | -                   | -                   |
| Mintek: Economic competitiveness and support package                                      | -               | 70,000          | -               | -                          | -                      | -                  | -                                 | -                   | -                   |
| Council for Geoscience: Expanded public works programme                                   | 1,000           | 1,047           | -               | -                          | -                      | -                  | -                                 | -                   | -                   |
| <b>Total Transfer Payments</b>  | <b>735,087</b>  | <b>826,926</b>  | <b>710,507</b>  | <b>811,663</b>             | <b>785,829</b>         | <b>- 25,834</b>    | <b>673,960</b>                    | <b>713,417</b>      | <b>708,633</b>      |



### 6.3.5. Risk Exposures for Programme 3

| Outcome                                      | Risk and Consequence  | Risk Mitigation  |
|--|---|--|
| Enhanced relations with Africa and the World | Uncoordinated and unproductive investment promotion initiatives leading to misaligned efforts and limited outputs | <ol style="list-style-type: none"> <li>1. Develop a Concept and Project Plan per targeted investment forum</li> <li>2. Monitor against set targets as per individual project plan</li> </ol> |

### 6.4. Programme 4: Mine Health and Safety Inspectorate

#### Purpose

To execute the Department's mandate to safeguard the health and safety of mine employees, nearby communities and people affected by mining activities

#### Functions

- Promote health and safety
- Contribute to skills development and transformation
- Implement service level agreements (SLAs)
- Develop and review internal processes
- Improve turnaround times
- Promote corporate governance

The MHSI strives towards a safe and healthy mining industry. This is to be achieved by reducing mining-related deaths, injuries and ill health through the formulation of national policy and legislation, the provision of advice and the application of systems that monitor and enforce compliance with the law in the mining sector.

#### Strategic linkages to key national frameworks including MTSF and ERRP

| Framework  | Linkage  | Branch Outcome  |
|--|--|---|
| MTSF   | <b>Priority 2:</b> Economic transformation and job creation<br>Investing for accelerated inclusive growth        | Improved and streamlined regulatory, service delivery, operational, health and safety processes and collaboration across regulators and relevant role players |
|  | <b>Priority 3:</b> Education, skills and health<br>Total life expectancy of South Africans improved              |   |
| ERRP (Area 1: Ensuring energy security)  | Increase mining exploration activity with the aim of increasing 3% expenditure in global exploration expenditure | Improved and streamlined regulatory, service delivery, operational, health and safety processes and collaboration across regulators and relevant role players |
| <b>CONSOLIDATED BRANCH OUTCOMES FOR 2021/22:</b>   |  |   |
| I. Improved and streamlined regulatory, service delivery, operational, health and safety processes and collaboration across regulators and relevant role players |  |   |

The MHSI is dedicated to matching the seven national priorities where it is capable. The decent employment through inclusive growth outcome of the programme supports MTSF priorities 1, 2 and 4.



## 6.4.1. Outcomes, outputs, performance indicators and targets

| MTSF/ERRP outcome  | Branch outcome  | Outputs  | Output indicators   | Annual Targets             |         |         |                       |             |         |          |
|--|---|--|---|----------------------------|---------|---------|-----------------------|-------------|---------|----------|
|  |   |  |   | Audited/Actual performance |         |         | Estimated performance | MTEF period |         |          |
|  |   |  |   | 2017/18                    | 2018/19 | 2019/20 | 2020/21               | 2021/22     | 2022/23 | 2023//24 |
| Investing for accelerated inclusive growth   | Improved and streamlined regulatory, service delivery, operational, health and safety processes and collaboration across regulators and relevant role players | Improvement in mine health and safety parameters | Percentage reduction in occupational fatalities compared to the prior year                        | 3%                         | 1%      | 17%     | 10%                   | 10%         | 10%     | 10%      |
| Total life expectancy of South Africans improved   |   |  | Percentage reduction in occupational injuries compared to the prior year                          | 6%                         | 13%     | 2%      | 5%                    | 5%          | 5%      | 5%       |
| Increase mining exploration activity with the aim of increasing 3% expenditure in global exploration expenditure |   |  | Percentage reduction in occupational diseases (including tuberculosis) compared to the prior year | 25%                        | 13%     | 4%      | 10%                   | 10%         | 10%     | 10%      |
|  |   |  | Percentage of investigations completed (initiated vs completed)                                   | 78%                        | 84%     | 80%     | 80%                   | 80%         | 80%     | 80%      |
|  |   |  | Percentage of inquiries completed (initiated v/s completed)                                       | 85%                        | 98%     | 100%    | 80%                   | 80%         | 80%     | 80%      |
|  |   |  | Number of qualitative inspections conducted (cumulative, including individual and group audits)   | 9363                       | 9425    | 8250    | 8 800                 | 8 396       | 8 396   | 8 396    |



## 6.4.2. Output indicators: annual and quarterly targets

| Programme 4: Mine Health and Safety Inspectorate (MHSI)  |   |   |  |  | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
|--|---|---|--|--|-----------|-----------|-----------|-----------|
| MTSF/ERRP outcome  | Branch outcome  | Outputs   | Output indicators  | 2021/22 target   |           |           |           |           |
| Investing for accelerated inclusive growth   | Improved & streamlined regulatory, service delivery, operational, health & safety processes and collaboration across regulators and relevant role players | Improvement in mine health and safety parameters (fatalities, injuries and diseases)            | Percentage reduction in occupational fatalities compared to prior year               | 10%  | 10%       | 10%       | 10%       | 10%       |
| Total life expectancy of South Africans improved   |   |   | Improvement in mine health and safety parameters (fatalities, injuries and diseases) | Percentage reduction in occupational injuries compared to prior year | 5%        | 5%        | 5%        | 5%        |
| Increase mining exploration activity with the aim of increasing 3% expenditure in global exploration expenditure |   | Percentage reduction in occupational diseases (including tuberculosis) compared to prior year   | 10%  | 10%  | 10%       | 10%       | 10%       |           |
|  |   | Percentage of investigations completed (initiated vs completed)                                 | 80%  | 80%  | 80%       | 80%       | 80%       |           |
|  |   | Percentage of inquiries completed (Initiated v/s completed)                                     | 80%  | 80%  | 80%       | 80%       | 80%       |           |
|  |   | Number of qualitative inspections conducted (cumulative, including individual and group audits) | 8396   | 2099   | 4198      | 6297      | 8396      |           |



### 6.4.3. Explanation of planned performance over the medium-term period

The outputs of this Programme will be achieved by promoting health and safety, contributing to skills development and transformation. Pursuing an efficient, effective and development oriented public service, and empowering, fair and inclusive citizenship, will assist with establishing improved and streamlined regulatory, service delivery, operational, health & safety processes and collaboration across regulators and relevant role players. This will be achieved by promoting corporate governance, and improving turnaround times MHSI's economic transformation and job creation focus promotes health and safety through the implementation of the OHS Improvement Strategy. The inspectorate engages continuously with Mine Management and Executives, and analyses the outcomes of inspection and audits. It also conducts OHS imbizos and campaigns as required.

Other initiatives include the promotion and implementation of the OHS small scale guidelines, dissemination of OHS information, and the implementation of the Enforcement Manual for Inspectors and Legal Framework. The review inspections and audit tools will be improved and major accidents will be analyzed to improve investigations. Further initiatives include the development of annual regional inspection plans, conducting qualitative inspections, and planning and conducting workshops.

### 6.4.4. Programme resource considerations

| Programme 4: Mine Health and Safety Inspectorate (Sub-programmes) | BASELINE        |                 |                 |                            |                        |                    | MEDIUM TERM EXPENDITURE FRAMEWORK |                     |                     |
|---|-----------------|-----------------|-----------------|----------------------------|------------------------|--------------------|-----------------------------------|---------------------|---------------------|
|   | 2017/18         | 2018/19         | 2019/20         | 2020/21                    |                        |                    | 2021/22                           | 2022/23             | 2023/24             |
|   | Audited outcome | Audited outcome | Audited outcome | Voted (Main appropriation) | Adjusted appropriation | Budget adjustments | Indicative baseline               | Indicative baseline | Indicative baseline |
| Rand thousand   | R'000           | R'000           | R'000           | R'000                      | R'000                  | R'000              | R'000                             | R'000               | R'000               |
| Mine Health and Safety Management                                 | 12,450          | 11,757          | 10,076          | 55,960                     | 44,388                 | - 11,572           | 12,079                            | 12,314              | 12,225              |
| Mine Health and Safety Regions                                    | 180,966         | 185,373         | 197,066         | 159,469                    | 160,730                | 1,261              | 211,607                           | 212,453             | 212,595             |
| Occupational Health   | 11,959          | 13,200          | 14,587          | 17,265                     | 14,480                 | - 2,785            | 13,982                            | 14,050              | 14,041              |
| <b>Total</b>  | <b>205,375</b>  | <b>210,330</b>  | <b>221,729</b>  | <b>232,694</b>             | <b>219,598</b>         | <b>- 13,096</b>    | <b>237,668</b>                    | <b>238,817</b>      | <b>238,861</b>      |



| Programme 4: Mine Health and Safety Inspectorate (Economic Classification) | BASELINE        |                 |                 |                            |                        |                    | MEDIUM TERM EXPENDITURE FRAMEWORK |                     |                     |
|--|-----------------|-----------------|-----------------|----------------------------|------------------------|--------------------|-----------------------------------|---------------------|---------------------|
|  | 2017/18         | 2018/19         | 2019/20         | 2020/21                    |                        |                    | 2021/22                           | 2022/23             | 2023/24             |
|  | Audited outcome | Audited outcome | Audited outcome | Voted (Main appropriation) | Adjusted appropriation | Budget adjustments | Indicative baseline               | Indicative baseline | Indicative baseline |
| Rand thousand  | R'000           | R'000           | R'000           | R'000                      | R'000                  | R'000              | R'000                             | R'000               | R'000               |
| <b>Current payments</b>  | 196,108         | 203,119         | 215,305         | 229,434                    | 216,338                | - 13,096           | 230,079                           | 230,985             | 230,962             |
| <b>Compensation of employees</b>   | 165,879         | 171,111         | 184,195         | 192,426                    | 179,583                | - 12,843           | 194,995                           | 195,001             | 194,999             |
| Salaries and wages   | 146,398         | 150,612         | 162,738         | 168,855                    | 157,515                | - 11,340           | 170,659                           | 170,665             | 170,663             |
| Social contributions   | 19,481          | 20,499          | 21,457          | 23,571                     | 22,068                 | - 1,503            | 24,336                            | 24,336              | 24,336              |
| <b>Goods and services</b>  | 30,229          | 32,008          | 31,110          | 37,008                     | 36,755                 | - 253              | 35,084                            | 35,984              | 35,963              |
| Administrative fees  | 220             | 261             | 246             | 505                        | 505                    | -                  | 512                               | 525                 | 527                 |
| Advertising  | -               | -               | 77              | 256                        | 86                     | - 170              | 259                               | 266                 | 267                 |
| Minor assets   | 22              | 10              | 1               | 84                         | 84                     | -                  | 85                                | 87                  | 88                  |
| Catering: Departmental activities  | 238             | 27              | 87              | 197                        | 93                     | - 104              | 199                               | 205                 | 206                 |
| Communication (goods and services)   | 532             | 1,083           | 5               | 1,321                      | 1,321                  | -                  | 1,339                             | 1,373               | 1,379               |
| Computer services  | -               | 40              | 354             | 995                        | -                      | - 995              | -                                 | -                   | -                   |
| Consultants: Business and advisory services                                | 469             | 263             | 105             | 2,260                      | 2,260                  | -                  | 2,290                             | 2,350               | 2,359               |
| Legal services (goods and services)  | 749             | 676             | 451             | 949                        | 949                    | -                  | 962                               | 987                 | 991                 |
| Contractors  | 174             | 141             | 142             | 293                        | 364                    | 71                 | 297                               | 305                 | 305                 |
| Entertainment  | -               | -               | -               | 5                          | 5                      | -                  | 5                                 | 5                   | 5                   |
| Fleet services (including government motor transport)                      | 318             | 377             | 396             | 3,378                      | 3,378                  | -                  | 3,423                             | 3,513               | 3,527               |
| Inventory: Food and food supplies  | -               | -               | -               | 2                          | 2                      | -                  | 2                                 | 2                   | 2                   |
| Consumable supplies  | 454             | 452             | 448             | 627                        | 567                    | - 60               | 635                               | 652                 | 654                 |
| Consumables: Stationery, printing and office supplies                      | 650             | 786             | 657             | 2,459                      | 1,361                  | - 1,098            | 2,492                             | 2,557               | 2,567               |
| Operating leases   | 44              | 35              | 18              | 32                         | 565                    | 533                | 32                                | 33                  | 33                  |
| Rental and hiring  | -               | -               | -               | 6                          | 6                      | -                  | 6                                 | 6                   | 6                   |
| Travel and subsistence   | 25,813          | 27,027          | 27,161          | 21,432                     | 23,544                 | 2,112              | 20,310                            | 20,823              | 20,743              |
| Training and development   | 176             | 407             | 136             | 869                        | 869                    | -                  | 880                               | 903                 | 907                 |
| Operating payments   | 254             | 375             | 664             | 548                        | 548                    | -                  | 555                               | 570                 | 572                 |
| Venues and facilities  | 116             | 48              | 162             | 790                        | 248                    | - 542              | 801                               | 822                 | 825                 |
| <b>Transfers and subsidies</b>   | 7,880           | 6,656           | 6,382           | 2,448                      | 2,448                  | -                  | 6,732                             | 6,926               | 6,953               |



|                                    |                |                |                |                |                |          |               |                |                |                |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------|---------------|----------------|----------------|----------------|
| Departmental agencies and accounts | 7,880          | 6,656          | 6,382          | 2,448          | 2,448          | -        | 6,732         | 6,926          | 6,953          |                |
| Payments for capital assets        | 1,387          | 93             | 7              | 812            | 812            | -        | 857           | 906            | 946            |                |
| Other machinery and equipment      | 1,387          | 93             | 7              | 812            | 812            | -        | 857           | 906            | 946            |                |
| Payments for financial assets      | -              | 462            | 35             | -              | -              | -        | -             | -              | -              |                |
| <b>Total</b>                       | <b>205,375</b> | <b>210,330</b> | <b>221,729</b> | <b>232,694</b> | <b>219,598</b> | <b>-</b> | <b>13,096</b> | <b>237,668</b> | <b>238,817</b> | <b>238,861</b> |

| Programme 4: Mine Health and Safety Inspectorate (Details of Transfer Payments) | BASELINE        |                 |                 |                            |                        |                    | MEDIUM TERM EXPENDITURE FRAMEWORK |                     |                     |
|---|-----------------|-----------------|-----------------|----------------------------|------------------------|--------------------|-----------------------------------|---------------------|---------------------|
|   | 2017/18         | 2018/19         | 2019/20         | 2020/21                    |                        |                    | 2021/22                           | 2022/23             | 2023/24             |
|   | Audited outcome | Audited outcome | Audited outcome | Voted (Main appropriation) | Adjusted appropriation | Budget adjustments | Indicative baseline               | Indicative baseline | Indicative baseline |
| Rand thousand   | R'000           | R'000           | R'000           | R'000                      | R'000                  | R'000              | R'000                             | R'000               | R'000               |
| Mine Health and Safety Council  | 6,162           | 4,803           | 4,386           | 344                        | 344                    | -                  | 4,581                             | 4,717               | 4,736               |
| Mining Qualifications Authority   | 1,718           | 1,853           | 1,996           | 2,104                      | 2,104                  | -                  | 2,151                             | 2,209               | 2,217               |
| <b>Total Transfer Payments</b>  | <b>7,880</b>    | <b>6,656</b>    | <b>6,382</b>    | <b>2,448</b>               | <b>2,448</b>           | <b>-</b>           | <b>6,732</b>                      | <b>6,926</b>        | <b>6,953</b>        |

#### 6.4.5. Risk Exposures for Programme 4

| Outcome   | Risk and Consequence  | Risk Mitigation   |
|---|---|---|
| Improved and streamlined regulatory, service delivery, operational, health and safety processes and collaboration across regulators and relevant role players | Exposure to occupational health and public health hazards including SARS - COV 2 resulting in occupational diseases, medical death and reputational damage of the department (DMRE) | <ol style="list-style-type: none"> <li>Input into review of the regulatory framework (When applicable).</li> <li>Conduct inspections, audits, investigations and inquiries to enforce compliance.</li> <li>Engagement between MHSI &amp; ICT on the development of a system to verify exposure levels submitted by the mines</li> </ol> |
| Improved and streamlined regulatory, service delivery, operational, health and safety processes and collaboration across regulators and relevant role players | Exposure to dangerous working conditions resulting in injuries, fatalities and reputational damage of the department (DMRE)   | <ol style="list-style-type: none"> <li>Conduct inspections, audits, investigations and inquiries to enforce compliance</li> <li>Engagement with CEO's of mining companies.</li> <li>Biennial Mine Health and Safety summit</li> </ol>   |



## 6.5. Programme 5: Programmes and Projects

### Purpose

To manage, coordinate and monitor energy and minerals programmes and projects

### Functions

- Oversee the national electrification programme
- Ensure the management of programmes and projects function
- Oversee programme and projects focused on the development, improvement and transformation of electricity generation, transmission and distribution
- Provide strategic guidance on environmental management and climate change
- Advance energy efficiency
- Ensure integration into mainstream energy supply in South Africa

### Strategic linkages to key national frameworks including MTSF and ERRP

| Framework  | Linkage   | Branch Outcome   |
|--|---|--|
| MTSF   | <b>Priority: 2</b> Economic transformation and job creation<br>Supply of electricity secured  | <ul style="list-style-type: none"> <li>• Additional power generation capacity secured</li> <li>• Renewable energy sector industrialisation and localisation</li> </ul>   |
|  | <b>Priority 4:</b><br>Spatial integration, human settlements and local government <ul style="list-style-type: none"> <li>• State of geological infrastructure improved</li> <li>• Improve capacity to deliver basic services</li> <li>• Improved capacity to deliver basic services, quality infrastructure and Integrated public transport to increase household access to basic services</li> </ul> | <ul style="list-style-type: none"> <li>• AMD migrated</li> <li>• State of geological infrastructure improved</li> <li>• Electrification of additional households</li> <li>• Improved energy efficiency across all sectors</li> </ul> |
| ERRP (Area I: Ensuring energy security)  | Diversification of energy sources within just transition context  | <ul style="list-style-type: none"> <li>• Additional power generation capacity secured</li> </ul>   |
|  | implementation of the IRP to ensure diversification of resources  |  |
| <b>CONSOLIDATED BRANCH OUTCOMES FOR 2021/22:</b>   |   |  |
| <ol style="list-style-type: none"> <li>1. Additional power generation capacity secured</li> <li>2. Electrification of additional households</li> <li>3. AMD migrated</li> <li>4. State of geological infrastructure improved</li> <li>5. Renewable energy sector industrialisation and localisation</li> <li>6. Improved energy efficiency across all sectors</li> </ol> |   |  |

The Programmes and Projects Branch responds to the MTSF priorities through a number of interventions. The deliverables of these programmes will enhance access to affordable energy, and increased investment in energy infrastructure through electrification, industrialisation through the development of the Regional Energy Master Plan, and economic growth and job creation through small-scale mining. This also applies to integrated energy centres, and women and youth empowerment programmes in the energy and mining sectors.



## 6.5.1. Outcomes, outputs, performance indicators and targets

| Outcome   | Branch outcome                               | Outputs                                       | Output indicators   | Annual Targets             |         |         |  |   |  |   |
|---|--|---|---|----------------------------|---------|---------|--|---|--|---|
|   |  |   |   | Audited/Actual performance |         |         | Estimated performance  | MTEF period   |  |   |
|   |  |   |   | 2017/18                    | 2018/19 | 2019/20 | 2020/21  | 2021/22   | 2022/23  | 2023//24  |
| Supply of electricity secured   | Additional power generation capacity secured | Procurement of additional generation capacity | Power purchase agreements under the risk mitigation Independent Power Producer Procurement Programme signed         | N/A                        | N/A     | N/A     | Emergency power contracting (power purchase agreements in place) | for 2 000 MW under Risk Mitigation Independent Power Producer Programme | 2600 MW from renewable energy and 513 MW of storage brought online in line with IRP 2019 | 2600 MW from renewable energy and 750 MW from coal brought online in line with IRP 2019 |
| Fast-track the registration and licencing of generation for own use (ERRP)            |  |   |   |                            |         |         |  |   |  |   |
| Diversification of energy sources within just transition context                      |  |   |   |                            |         |         |  |   |  |   |
| Configuration of the implementation of the IRP to ensure diversification of resources |  |   | Procurement of additional power generation capacity in line with the 11 813 MW Section 34 Ministerial determination | N/A                        | N/A     | N/A     | N/A  | Procure 6800 MW from renewable energy                                   | 6 800 MW from renewable energy brought online in line with IRP 2019                      | 6 800 MW from renewable energy brought online in line with IRP 2019                     |
|   |  |   |   |                            |         |         |  | Issue Request for Proposals (RFP) for 3000 MW from gas                  | 3 000 MW from gas brought online in line with IRP 2019                                   | 3 000 MW from gas brought online in line with IRP 2019                                  |
|   |  |   |   |                            |         |         |  | Issue Request for Proposals (RFP) for 1500 MW from coal                 | 1 500 MW from coal brought online in line with IRP 2019                                  | 1 500 MW from coal brought online in line with IRP 2019                                 |
|   |  |   |   |                            |         |         |  | Issue Request for Proposals (RFP) for 513 MW from storage               | 513 MW from storage brought online in line with IRP 2019                                 | 513 MW from storage brought online in line with IRP 2019                                |



| Outcome                                     | Branch outcome                           | Outputs   | Output indicators   | Annual Targets             |         |   |  |  |  |  |
|---|--|---|---|----------------------------|---------|---|--|--|--|--|
|   |  |   |   | Audited/Actual performance |         |   | Estimated performance  | MTEF period  |  |  |
|   |  |   |   | 2017/18                    | 2018/19 | 2019/20   | 2020/21  | 2021/22  | 2022/23  | 2023//24   |
| Improve capacity to deliver basic services  | Electrification of additional households | Additional households electrified through non-grid technologies   | Number of households electrified through non-grid technologies  | 20 000                     | 15 000  | 20 000 additional households electrified through non-grid electricity | 15 000 additional households electrified through non-grid technology | 15 000 additional households electrified through non-grid technology   | 15 000 additional households electrified through non-grid technology   | 15 000 additional households electrified through non-grid technology   |
|   |  | Report on the monitoring and verification of the implementation of the grid electrification of additional households by Eskom and contracted municipalities | Number of quarterly reports on the planning, funding, implementation, monitoring and verification of the grid electrification of households towards the national commitment in the MTSF | 4                          | 4       | 4   | 4  | Four Reports on the monitoring and verification of the implementation of the grid electrification of additional 1 80 000 households by Eskom and contracted municipalities | Four Reports on the monitoring and verification of the implementation of the grid electrification of additional 1 80 000 households by Eskom and contracted municipalities | Four Reports on the monitoring and verification of the implementation of the grid electrification of additional 1 80 000 households by Eskom and contracted municipalities |
| State of geological infrastructure improved | Acid mine drainage mitigated             | Ingress Control of potential acid mine drainage water   | Number of ingress control measures implemented  | N/A                        | N/A     | N/A   | One strategy implemented   | One ingress measure implemented  | One ingress measure implemented  | One ingress measure implemented  |



| Outcome                                       | Branch outcome   | Outputs  | Output indicators   | Annual Targets  |   |   |   |  |  |  |
|---|--|--|---|---|---|---|---|--|--|--|
|   |  |  |   | Audited/Actual performance                                |   |   | Estimated performance                                     | MTEF period  |  |  |
|   |  |  |   | 2017/18   | 2018/19   | 2019/20   | 2020/21   | 2021/22  | 2022/23  | 2023/24  |
| Improve capacity to deliver basic services    | State of geological infrastructure improved                | Derelict and ownerless mine sites rehabilitated            | Number of derelict and ownerless mine sites rehabilitated   | N/A   | N/A   | N/A   | 1   | Three derelict and ownerless mine sites rehabilitated          | Three derelict and ownerless mine sites rehabilitated          | Three derelict and ownerless mine sites rehabilitated          |
|   |  | Unsafe mine shafts sealed off                              | Number of shafts sealed off   | N/A   | N/A   | N/A   | N/A   | Fourty shafts sealed off                                       | Fourty shafts sealed off                                       | Fourty shafts sealed off                                       |
|   | Renewable energy sector industrialisation and localisation | Renewable Energy Sector industrialisation and localisation | Report on key milestones of the Master Plan   | N/A   | N/A   | N/A   | Draft Renewable Energy (RE) Sector Master Plan finalised  | Renewable Energy Sector Master Plan report                     | Renewable Energy Sector Master Plan implementation             | Renewable Energy Sector Master Plan implementation             |
| Improved energy efficiency across all sectors | Improved energy efficiency across all sectors              | Energy savings verified and quantified                     | Number of energy savings (TWh) realised and verified from Energy Efficiency Demand Side Management (EEDSM) projects | 0.5 TWh savings realised and verified from EEDSM projects | 0.5 TWh savings realised and verified from EEDSM projects | 0.5 TWh savings realised and verified from EEDSM projects | 0.5 TWh savings realised and verified from EEDSM projects | 0.5 TWh savings realised and verified from EEDSM projects      | 0.5 TWh savings realised and verified from EEDSM projects      | 0.5 TWh savings realised and verified from EEDSM projects      |
|   |  |  |   | N/A   | N/A   | N/A   | N/A   | 0.0194 TWh savings by EEDSM grant participating municipalities | 0.0194 TWh savings by EEDSM grant participating municipalities | 0.0194 TWh savings by EEDSM grant participating municipalities |



## 6.5.2. Output indicators: annual and quarterly targets

| Programme 5 - Programmes and Projects   |  |   |   |   | Quarter 1   | Quarter 2                                       | Quarter 3   | Quarter 4 |
|---|--|---|---|---|---|---|---|-----------|
| Outcome   | Branch outcome                               | Output  | Output indicator  | 2021/22 Target  |   |   |   |           |
| Supply of electricity secured   | Additional power generation capacity secured | Procurement of additional generation capacity | Power purchase agreements under the risk mitigation Independent Power Producer Procurement Programme signed | for 2 000 MW under Risk Mitigation Independent Power Producer Programme   | Announce preferred bidders under the Risk Mitigation Independent Power Producer Programme | N/A   | for 2 000 MW under Risk Mitigation Independent Power Producer Programme | N/A       |
| Fast track the registration and licencing of generation for own use (ERRP)            |  |   |   | Procurement of additional power generation capacity in line with the 11 813 MW section 34 Ministerial determination |   |   |   |           |
| Diversification of energy sources within just transition context                      |  |   | Issue RFP for 3 000 MW from gas   | N/A   | N/A   | N/A   | Issue to the market RFP for 1 500 MW from                               |           |
| Configuration of the implementation of the IRP to ensure diversification of resources |  |   | Issue RFP for 1 500 MW from coal  | N/A   | N/A   | N/A   | Issue to the market RFP for 1 500 MW from coal                          |           |
|   |  |   |   | Issue RFP for 513 MW from storage   | N/A   | Issue to the market RFP for 513 MW from storage | N/A   | N/A       |



| Programme 5 - Programmes and Projects       |  |   |   |  | Quarter 1   | Quarter 2   | Quarter 3   | Quarter 4   |
|---|--|---|---|--|---|---|---|---|
| Outcome                                     | Branch outcome   | Output  | Output indicator  | 2021/22 Target   |   |   |   |   |
| Improve capacity to deliver basic services  | Electrification of additional households                   | Additional households electrified through non-grid technologies   | Number of households electrified through non-grid technologies  | 15 000 additional households electrified through non-grid technologies   | N/A   | 1 000 additional households electrified through non-grid technologies   | 3 000 additional households electrified through non-grid technologies   | 11 000 additional households electrified through non grid-technology  |
|   |  | Report on the monitoring and verification of the implementation of the grid electrification of additional households by Eskom and contracted municipalities | Number of quarterly reports on the planning, funding, implementation, monitoring and verification of the grid electrification of households towards the national commitment in the MTSF | Four reports on the monitoring and verification of the implementation of the the grid electrification of an additional 180 000 households by Eskom and contracted municipalities | Report on the monitoring and verification of the implementation of the grid electrification of an additional 10 000 households by Eskom and contracted municipalities | Report on the monitoring and verification of the implementation of the grid electrification of an additional 30 000 households by Eskom and contracted municipalities | Report on the monitoring and verification of the implementation of the grid electrification of an additional 50 000 households by Eskom and contracted municipalities | Report on the monitoring and verification of the implementation of the grid electrification of an additional 90 000 households by Eskom and contracted municipalities |
| State of geological infrastructure improved | Acid mine drainage mitigated                               | Ingress control of potential acid mine drainage water   | Number of ingress control measures implemented  | One ingress measure implemented  | N/A   | N/A   | N/A   | One ingress measure implemented   |
|   | State of geological infrastructure improved                | Derelict and ownerless mine sites rehabilitated   | Number of derelict and ownerless mine sites rehabilitated   | Three derelict and ownerless mine sites rehabilitated  | N/A   | N/A   | One derelict and ownerless mines rehabilitated  | Two derelict and ownerless mines rehabilitated  |
| Improve capacity to deliver basic services  |  | Unsafe mine shafts sealed off   | Number of shafts sealed off   | Fourty shafts sealed off   | N/A   | N/A   | Ten shafts sealed off   | Thirty shafts sealed off  |
|   | Renewable energy sector industrialisation and localisation | Renewable Energy Master Plan report (industrialisation Master Plan)   | Report on key milestones of the Renewable Energy Master Plan process  | Renewable Energy Sector Master Plan report   | Report on the Master Plan research outcomes   | Report on the Master Plan assumptions and prioritised interventions   | Draft Master Plan report  | Final Renewable Energy Sector Master Plan report  |



| Programme 5 - Programmes and Projects         |   |  |  |  | Quarter 1  | Quarter 2   | Quarter 3  | Quarter 4  |
|---|---|--|--|--|--|---|--|--|
| Outcome                                       | Branch outcome                                | Output                                 | Output indicator   | 2021/22 Target   |  |   |  |  |
| Improved energy efficiency across all sectors | Improved energy efficiency across all sectors | Energy savings verified and quantified | Number of energy savings (TWh) realised and verified from EEDSM projects | 0.5 TWh savings realised and verified from EEDSM projects      | Report on the number of EEDSM projects identified in industry, buildings or residential sector that contribute 0.5 TWh | Baseline report on the energy savings contributions from the identified EEDSM projects in industry, buildings or the residential sector | Progress report on the implementation of the identified EEDSM projects in industry, buildings or the residential sector towards the 0.5 TWh saving | Report on the achievement of 0.5 TWh savings from EEDSM projects in industry, buildings or the residential sector      |
|   |   |  |  | 0.0194 TWh savings by EEDSM grant participating municipalities | Report on the energy consumption baselines and EEDSM project plans submitted by municipalities.                        | Report on the consultation with municipalities on their submitted energy consumption baselines and EEDSM project plans                  | Report on the monitoring and implementation of the EEDSM projects by municipalities towards their commitment of 0.0194 TWh savings                 | Report on the monitoring and implementation EEDSM projects and the achievement of 0.0194 TWh savings by municipalities |

### 6.5.3. Explanation of planned performance over the medium-term period

The Programme and Projects branch will pursue effective project and programme implementation, in line with project management framework. The Effective tools to enable project implementation, monitoring and evaluation, such as information management system, will be pursued to ensure that the PMO office is capacitated and operational in year 2 of the MTSF period. This functionality is a critical dependency in ensuring that the IRP2019 technologies are scoped and project managed to achieve the outputs translating to increased investment, increased energy availability factor, increased electricity reserve margin, additional MW commissioned and access to alternative energy sources.

The various energy interventions incorporated in the IRP2019 will lead to improved energy infrastructure and increased access to more affordable energy. Affordable energy will be enabled by a streamlined regulatory environment. To this extent, and to further improve

energy security, the Programmes and Projects branch will direct efforts in the first year of the MTSF at interventions in the form of expediting Power Purchase Agreements.

The Programmes and Projects branch will focus on the development of supporting strategies to improve the state of geological Infrastructure. These include the development of a strategy for Acid Mining Drainage (AMD) Mitigation and the implementation of mine water/wastewater management plans.

The Project Management Office will be key for integrating functions, resources, joint working frameworks, procurement, etc., to create synergies across the department, its entities and external parties through participation in joined-up plans to optimize the use of resources and to direct and mobilize funding in the priority energy and mining investment areas.



## 6.5.4. Programme resource considerations

| Programme 5: Mineral and Energy Resources<br>Programmes and Projects (Sub-programmes) | BASELINE           |                    |                    |                               |                           |                       | MEDIUM TERM EXPENDITURE<br>FRAMEWORK |                        |                        |
|---|--------------------|--------------------|--------------------|-------------------------------|---------------------------|-----------------------|--------------------------------------|------------------------|------------------------|
|   | 2017/18            | 2018/19            | 2019/20            | 2020/21                       |                           |                       | 2021/22                              | 2022/23                | 2023/24                |
|   | Audited<br>outcome | Audited<br>outcome | Audited<br>outcome | Voted (Main<br>appropriation) | Adjusted<br>appropriation | Budget<br>adjustments | Indicative<br>baseline               | Indicative<br>baseline | Indicative<br>baseline |
| Rand thousand   | R'000              | R'000              | R'000              | R'000                         | R'000                     | R'000                 | R'000                                | R'000                  | R'000                  |
| Programmes and Projects Management  | 1,864              | 2,287              | 3,813              | 3,656                         | 2,989                     | - 667                 | 6,118                                | 6,146                  | 6,144                  |
| Integrated National Electrification Programme   | 6,111,174          | 5,320,997          | 5,018,960          | 5,116,465                     | 3,593,992                 | - 1,522,473           | 5,153,693                            | 6,070,799              | 6,308,517              |
| Programmes and Projects Management Office   | 29,911             | 33,348             | 34,514             | 66,641                        | 56,965                    | - 9,676               | 67,794                               | 67,238                 | 67,356                 |
| Regional Programmes and Projects Management Office                                    | 18,271             | 20,174             | 20,901             | 22,103                        | 20,671                    | - 1,432               | 20,537                               | 21,830                 | 21,824                 |
| Electricity Infrastructure and Industry Transformation                                | 8,413              | 6,060              | 5,848              | 9,134                         | 8,284                     | - 850                 | 6,171                                | 6,204                  | 6,199                  |
| Energy Efficiency Projects  | 537,514            | 344,775            | 333,653            | 326,143                       | 298,294                   | - 27,849              | 327,841                              | 339,970                | 341,233                |
| Renewable Energy Projects   | 64,204             | 75,824             | 80,079             | 85,736                        | 80,067                    | - 5,669               | 83,562                               | 89,497                 | 89,809                 |
| Environmental Management Projects   | 16,795             | 11,015             | 152,814            | 168,237                       | 167,134                   | - 1,103               | 165,090                              | 168,477                | 169,076                |
| <b>Total</b>  | <b>6,788,146</b>   | <b>5,814,480</b>   | <b>5,650,582</b>   | <b>5,798,115</b>              | <b>4,228,396</b>          | <b>- 1,569,719</b>    | <b>5,830,806</b>                     | <b>6,770,161</b>       | <b>7,010,158</b>       |

| Programme 5: Mineral and Energy Resources<br>Programmes and Projects (Economic Classification) | BASELINE           |                    |                    |                               |                           |                       | MEDIUM TERM EXPENDITURE<br>FRAMEWORK |                        |                        |
|--|--------------------|--------------------|--------------------|-------------------------------|---------------------------|-----------------------|--------------------------------------|------------------------|------------------------|
|  | 2017/18            | 2018/19            | 2019/20            | 2020/21                       |                           |                       | 2021/22                              | 2022/23                | 2023/24                |
|  | Audited<br>outcome | Audited<br>outcome | Audited<br>outcome | Voted (Main<br>appropriation) | Adjusted<br>appropriation | Budget<br>adjustments | Indicative<br>baseline               | Indicative<br>baseline | Indicative<br>baseline |
| Rand thousand  | R'000              | R'000              | R'000              | R'000                         | R'000                     | R'000                 | R'000                                | R'000                  | R'000                  |
| Current payments   | 196,291            | 226,362            | 210,827            | 240,686                       | 217,283                   | - 23,403              | 295,863                              | 278,981                | 230,185                |
| Compensation of employees  | 76,704             | 83,482             | 89,401             | 103,947                       | 96,913                    | - 7,034               | 101,235                              | 101,233                | 101,230                |
| Salaries and wages   | 67,483             | 73,415             | 78,786             | 91,216                        | 84,904                    | - 6,312               | 88,561                               | 88,560                 | 88,556                 |
| Social contributions   | 9,221              | 10,067             | 10,615             | 12,731                        | 12,009                    | - 722                 | 12,674                               | 12,673                 | 12,674                 |
| Goods and services   | 119,587            | 142,880            | 121,426            | 136,739                       | 120,370                   | - 16,369              | 194,628                              | 177,748                | 128,955                |
| Administrative fees  | 1,124              | 732                | 872                | 1,473                         | 1,173                     | - 300                 | 2,555                                | 2,198                  | 1,328                  |
| Advertising  | 145                | 179                | 162                | 1,099                         | 485                       | - 614                 | 1,269                                | 1,225                  | 1,083                  |
| Minor assets   | -                  | 14                 | 2                  | 20                            | 20                        | -                     | 20                                   | 20                     | 20                     |
| Audit costs: External  | -                  | -                  | 561                | -                             | -                         | -                     | -                                    | -                      | -                      |
| Bursaries: Employees   | -                  | -                  | -                  | -                             | -                         | -                     | -                                    | -                      | -                      |
| Catering: Departmental activities  | 1,159              | 1,307              | 1,620              | 1,072                         | 399                       | - 673                 | 1,686                                | 1,462                  | 968                    |



| Programme 5: Mineral and Energy Resources<br>Programmes and Projects (Economic Classification) | BASELINE           |                    |                    |                               |                           |                       | MEDIUM TERM EXPENDITURE<br>FRAMEWORK |                        |                        |
|--|--------------------|--------------------|--------------------|-------------------------------|---------------------------|-----------------------|--------------------------------------|------------------------|------------------------|
|  | 2017/18            | 2018/19            | 2019/20            | 2020/21                       |                           |                       | 2021/22                              | 2022/23                | 2023/24                |
|  | Audited<br>outcome | Audited<br>outcome | Audited<br>outcome | Voted (Main<br>appropriation) | Adjusted<br>appropriation | Budget<br>adjustments | Indicative<br>baseline               | Indicative<br>baseline | Indicative<br>baseline |
| Rand thousand  | R'000              | R'000              | R'000              | R'000                         | R'000                     | R'000                 | R'000                                | R'000                  | R'000                  |
| Communication (goods and services)   | 722                | 790                | 758                | 1,080                         | 1,080                     | -                     | 2,292                                | 1,923                  | 940                    |
| Computer services  | -                  | -                  | -                  | 3,199                         | -                         | 3,199                 | 3,207                                | 2,815                  | 2,825                  |
| Consultants: Business and advisory services  | 742                | 7,274              | 5,135              | 93,629                        | 93,162                    | 467                   | 134,455                              | 122,945                | 88,889                 |
| Contractors  | 2,987              | 4,386              | 1,966              | 3,132                         | 3,132                     | -                     | 3,180                                | 3,269                  | 3,280                  |
| Agency and support/outsourced services   | -                  | -                  | -                  | 10,616                        | 9,554                     | 1,062                 | 10,427                               | 10,618                 | 10,660                 |
| Fleet services (including government motor transport)  | 416                | 240                | 68                 | 32                            | 32                        | -                     | 32                                   | 72                     | 72                     |
| Inventory: Clothing material and accessories   | -                  | -                  | -                  | -                             | -                         | -                     | -                                    | -                      | -                      |
| Consumable supplies  | 72                 | 270                | 112                | 292                           | 248                       | 44                    | 334                                  | 300                    | 267                    |
| Consumables: Stationery, printing and office supplies  | 189                | 161                | 30                 | 805                           | 685                       | 120                   | 990                                  | 924                    | 775                    |
| Operating leases   | 686                | 253                | 126                | -                             | -                         | -                     | -                                    | -                      | -                      |
| Rental and hiring  | 46                 | 14                 | 45                 | 150                           | 150                       | -                     | 150                                  | 132                    | 132                    |
| Transport provided: Departmental activity  | 73                 | 41                 | 92                 | -                             | -                         | -                     | -                                    | -                      | -                      |
| Travel and subsistence   | 12,385             | 14,624             | 17,164             | 15,296                        | 8,012                     | 7,284                 | 28,432                               | 24,769                 | 13,241                 |
| Training and development   | 63                 | 86                 | -                  | 134                           | 134                       | -                     | 135                                  | 125                    | 125                    |
| Operating payments   | 89,324             | 110,378            | 90,303             | 382                           | 382                       | -                     | 496                                  | 425                    | 333                    |
| Venues and facilities  | 9,454              | 2,131              | 2,410              | 4,328                         | 1,722                     | 2,606                 | 4,968                                | 4,526                  | 4,017                  |
| <b>Transfers and subsidies</b>   | <b>6,591,660</b>   | <b>5,588,106</b>   | <b>5,439,748</b>   | <b>5,557,347</b>              | <b>4,011,031</b>          | <b>1,546,316</b>      | <b>5,534,856</b>                     | <b>6,491,087</b>       | <b>6,779,876</b>       |
| Municipalities   | 2,290,284          | 2,119,501          | 2,086,885          | 2,076,746                     | 1,554,947                 | 521,799               | 2,224,031                            | 2,349,872              | 2,444,138              |
| Departmental agencies and accounts   | 59,774             | 70,241             | 74,151             | 99,375                        | 94,775                    | 4,600                 | 95,367                               | 101,555                | 101,945                |
| Foreign governments and international organisations  | 1,015              | 1,527              | 1,336              | 3,062                         | 1,643                     | 1,419                 | 3,103                                | 3,187                  | 3,201                  |
| Public corporations  | 4,081,626          | 3,262,031          | 3,264,261          | 3,151,471                     | 2,132,973                 | 1,018,498             | 2,973,468                            | 3,791,179              | 3,974,760              |
| Private enterprises  | 158,960            | 134,555            | 13,115             | 226,693                       | 226,693                   | -                     | 238,887                              | 245,294                | 255,832                |
| Households   | 1                  | 251                | -                  | -                             | -                         | -                     | -                                    | -                      | -                      |
| <b>Payments for capital assets</b>   | <b>195</b>         | <b>12</b>          | <b>-</b>           | <b>82</b>                     | <b>82</b>                 | <b>-</b>              | <b>87</b>                            | <b>93</b>              | <b>97</b>              |
| Other machinery and equipment  | 195                | 12                 | -                  | 82                            | 82                        | -                     | 87                                   | 93                     | 97                     |
| <b>Payments for financial assets</b>   | <b>-</b>           | <b>-</b>           | <b>7</b>           | <b>-</b>                      | <b>-</b>                  | <b>-</b>              | <b>-</b>                             | <b>-</b>               | <b>-</b>               |
| <b>Total</b>   | <b>6,788,146</b>   | <b>5,814,480</b>   | <b>5,650,582</b>   | <b>5,798,115</b>              | <b>4,228,396</b>          | <b>1,569,719</b>      | <b>5,830,806</b>                     | <b>6,770,161</b>       | <b>7,010,158</b>       |



| Programme 5: Mineral and Energy Resources Programmes and Projects (Details of Transfer Payments) | BASELINE         |                  |                  |                            |                        |                    | MEDIUM TERM EXPENDITURE FRAMEWORK |                     |                     |
|--|------------------|------------------|------------------|----------------------------|------------------------|--------------------|-----------------------------------|---------------------|---------------------|
|  | 2017/18          | 2018/19          | 2019/20          | 2020/21                    |                        |                    | 2021/22                           | 2022/23             | 2023/24             |
|  | Audited outcome  | Audited outcome  | Audited outcome  | Voted (Main appropriation) | Adjusted Appropriation | Budget Adjustments | Indicative Baseline               | Indicative Baseline | Indicative Baseline |
| Rand thousand  | R'000            | R'000            | R'000            | R'000                      | R'000                  | R'000              | R'000                             | R'000               | R'000               |
| Integrated National Electrification Programme Grant  | 2,087,048        | 1,904,477        | 1,859,820        | 1,858,752                  | 1,358,752              | - 500,000          | 2,003,157                         | 2,118,668           | 2,212,046           |
| Energy Efficiency and Demand Side Management Grant   | 203,236          | 215,024          | 227,065          | 217,994                    | 196,195                | - 21,799           | 220,874                           | 231,204             | 232,092             |
| Various institutions: Integrated National Electrification Programme                              | 158,960          | 134,555          | 13,115           | 220,160                    | 220,160                | -                  | 232,269                           | 238,502             | 249,014             |
| Eskom  | 3,846,154        | 3,262,031        | 3,124,053        | 3,001,483                  | 1,982,985              | - 1,018,498        | 2,824,257                         | 3,638,162           | 3,821,156           |
| Employee Social Benefits   | 1                | 251              | -                | -                          | -                      | -                  | -                                 | -                   | -                   |
| South African National Energy Development Institute  | 59,774           | 70,241           | 74,151           | 78,215                     | 73,615                 | - 4,600            | 75,182                            | 81,072              | 81,383              |
| Various institutions: Solar Water Heater Project   | 235,472          | -                | -                | -                          | -                      | -                  | -                                 | -                   | -                   |
| International Renewable Energy Agency  | 1,015            | 1,177            | 1,336            | 1,267                      | 1,267                  | -                  | 1,284                             | 1,331               | 1,337               |
| International Energy Forum   | -                | 350              | -                | 376                        | 376                    | -                  | 381                               | 395                 | 397                 |
| International Partnership for Energy Efficiency Cooperation                                      | -                | -                | -                | 1,419                      | -                      | - 1,419            | 1,438                             | 1,461               | 1,467               |
| Industrial Development Corporation   | -                | -                | -                | 25,924                     | 25,924                 | -                  | 26,267                            | 27,293              | 27,398              |
| Various institutions: Water management solutions subsidies for marginal mines                    | -                | -                | -                | 6,533                      | 6,533                  | -                  | 6,618                             | 6,792               | 6,818               |
| Council for Geoscience   | -                | -                | -                | 21,160                     | 21,160                 | -                  | 20,185                            | 20,483              | 20,562              |
| Mintek: Expanded public works programme  | -                | -                | 2,632            | 2,775                      | 2,775                  | -                  | 2,750                             | 2,812               | 2,822               |
| Mintek   | -                | -                | 137,576          | 121,289                    | 121,289                | -                  | 120,194                           | 122,912             | 123,384             |
| <b>Total Transfer Payments</b>   | <b>6,591,660</b> | <b>5,588,106</b> | <b>5,439,748</b> | <b>5,557,347</b>           | <b>4,011,031</b>       | <b>- 1,546,316</b> | <b>5,534,856</b>                  | <b>6,491,087</b>    | <b>6,779,876</b>    |



### 6.5.5. Risk Exposures for Programme 5

| Outcome                                       | Risk and Consequence   | Risk Mitigation   |
|---|--|---|
| Improve Capacity to deliver Basic Services    | Inaccurate reporting on utilisation of funds resulting in : <ul style="list-style-type: none"> <li>• Perpetual Service delivery protests</li> <li>• Unreliable report submitted to stakeholders</li> </ul> | <ol style="list-style-type: none"> <li>1. Improve reporting format and emphasizing on requesting supporting evidence/documents</li> <li>2. Development of SOPs for working sessions on capacitating municipalities.</li> <li>3. Procure information and monitoring system.</li> </ol> |
| State of geological infrastructure improved   | Pollution of Mine Water resulting in: ground and surface water contamination   | <ol style="list-style-type: none"> <li>1. Implementation plan by team of experts on Addressing AMD.</li> <li>2. Reports on Mine Environment and Water Management Programme.</li> <li>3. Water ingress risk maps to identify further ingress points.</li> </ol>                        |
| Improved energy efficiency across all sectors | Delays in reporting of energy savings resulting in an inability to confirm the achieved energy savings   | <ol style="list-style-type: none"> <li>1. All parties enforcing DORA conditions (compliance)</li> <li>2. Timeous conclusion of agreements between Department and Municipalities</li> <li>3. Timeous submission of business plans by Municipalities and approval by DMRE</li> </ol>    |

### 6.6. Programme 6: Nuclear

#### Purpose

To manage the South African nuclear energy industry and control nuclear material in terms of international obligations, nuclear legislation and policies to ensure the peaceful use of nuclear energy.

#### Functions

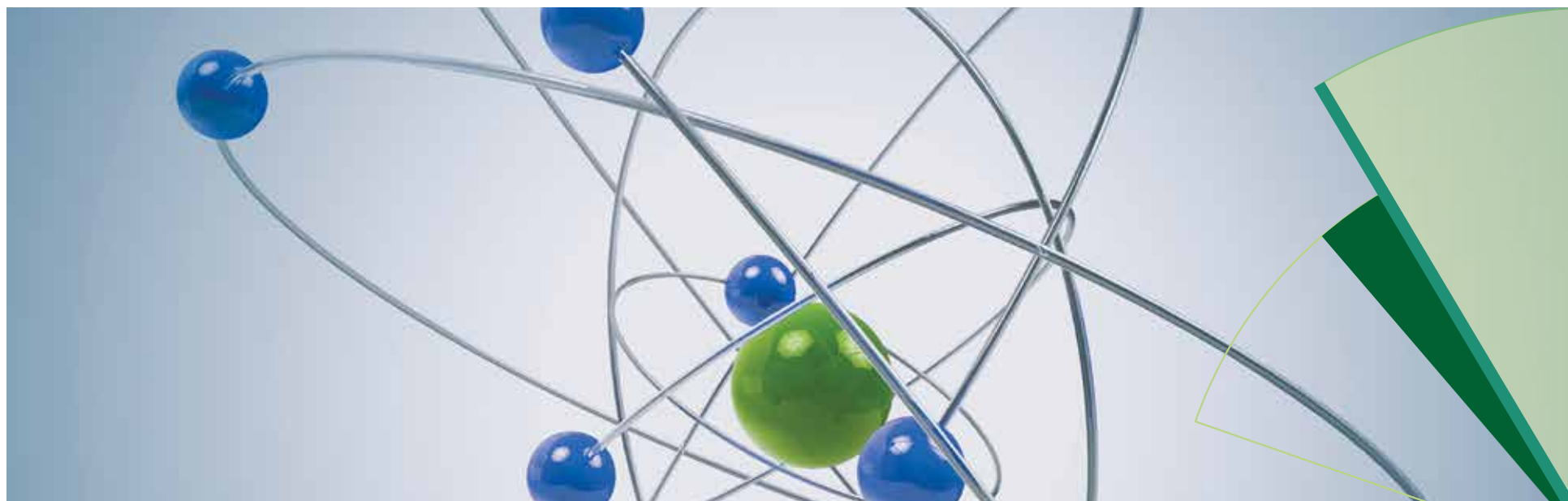
- Implement nuclear energy policies to ensure security of energy supply
- Manage and coordinate the implementation of the Nuclear Build Programme and all matters relating to nuclear safety and technology, as required by legislation and international agreements
- Control nuclear material, equipment and related technologies and implement all matters related to nuclear non-proliferation and radiation security as required by legislation and international agreements
- Implement the Technical Cooperation Programme and promote the utilisation of nuclear technology by interfacing with regional and inter-regional organisations in the nuclear field
- Lead South Africa's global participation in promoting nuclear research, development and technology applications for peaceful use.



### Strategic linkages to key national frameworks including MTSF and ERRP

| Framework  | Linkage  | Branch Outcome  |
|--|--|---|
| MTSF   | <b>Priority: 2</b> Economic transformation and job creation<br>Supply of electricity secured | Improve security of supply for nuclear energy                               |
|  |  | Strengthen the control of nuclear material and equipment                    |
|  |  | Strengthen physical protective measures for nuclear material and facilities |
| ERRP (Area I: Ensuring energy security)  | Preparation for the Nuclear Build Programme  | Improve security of supply for nuclear energy                               |
| <b>CONSOLIDATED BRANCH OUTCOMES FOR 2021/22:</b> <ol style="list-style-type: none"> <li>1. Improve security of supply for nuclear energy</li> <li>2. Strengthen the control of nuclear material and equipment</li> <li>3. Strengthen physical protective measures for nuclear material and facilities</li> </ol> |  |   |

The Nuclear Programme aims to address the challenge of inadequate security of electricity supply highlighted in the MTSF. Self-sufficiency in the utilisation of nuclear technology in the entire nuclear value chain, improved security of energy supply, utilisation of nuclear technology and improved nuclear security will respond to the requirement to secure the supply of energy.



## 6.6.1. Outcomes, outputs, performance indicators and targets

| MTSF/ ERRP outcome                      | Branch outcome                                | Outputs  | Output indicators  | Annual targets             |         |         |   |   |  |   |
|---|---|--|--|----------------------------|---------|---------|---|---|--|---|
|   |   |  |  | Audited/actual performance |         |         | Estimated performance   | MTEF period   |  |   |
|   |   |  |  | 2017/18                    | 2018/19 | 2019/20 | 2020/21   | 2021/22   | 2022/23  | 2023//24  |
| Supply of electricity secured           | Improve security of supply for nuclear energy | Increased supply of electricity for grid stability   | Procurement framework for 2 500 MW Nuclear Programme                               | N/A                        | N/A     | N/A     | Roadmap for implementation of the 2500 MW Nuclear Programme developed   | Procurement framework for the 2 500 MW Nuclear Programme developed  | Issue the RFP  | Procured 2 500 MW Nuclear Programme   |
|   |   | Support for the Koeberg Nuclear Power Plant Life Extension Plan  | Number of quarterly reports on the Koeberg Nuclear Power Plant Life Extension Plan | N/A                        | N/A     | N/A     | Four quarterly monitoring reports of Koeberg's Plant Life Extension Plan through established Technical Oversight Committee meetings | Four monitoring reports of Koeberg's Plant Life Extension Plan through established Technical Oversight Committee meetings | Oversight plan for Koeberg's Life Extension Plan monitored   | Oversight plan for Koeberg's Life Extension Plan monitored  |
| Preparation for Nuclear Build Programme |   | Policy oversight and direction for the establishment of the Consolidated Interim Storage Facility (CISF) Project | Pre-feasibility report submitted to Cabinet for approval to establish the CISF     | N/A                        | N/A     | N/A     | Pre-feasibility report submitted to Cabinet for approval to establish the CISF  | Feasibility report for the establishment of the CISF submitted to Cabinet for approval                                    | Exercise oversight on securing funding for the CISF by the National Radioactive Waste Disposal Institute, and commencement of the environmental impact assessment (EIA) and siting processes | Exercise oversight on continued EIA and siting processes, and completion of the detailed designs for the CISF |
|   |   | Feasibility study on multi-purpose reactor (MPR)   | Feasibility study on MPR completed   | N/A                        | N/A     | N/A     | Pre-feasibility study submitted to approval authority   | feasibility study on MPR completed and submitted for gateway review   | Feasibility study finalised and submitted to executive authority for approval  | Oversee completion of procurement of MPR through Task Team  |



| MTSF/ ERRP outcome            | Branch outcome  | Outputs   | Output indicators  | Annual targets  |   |   |   |   |   |   |
|-------------------------------|---|---|--|---|---|---|---|---|---|---|
|                               |   |   |  | Audited/actual performance  |   |   | Estimated performance   | MTEF period   |   |   |
|                               |   |   |  | 2017/18   | 2018/19   | 2019/20   | 2020/21   | 2021/22   | 2022/23   | 2023//24  |
| Supply of electricity secured | Strengthen the control of nuclear material and equipment                    | Issued authorisations or denial of applications | Percentage of authorisation applications processed within the eight-week time period | 70% of authorisation applications processed within the eight-week time period | 70% of authorisation applications processed within the eight-week time period | 70% of authorisation applications processed within the eight-week time period | 70% of authorisation applications processed within the eight-week time period | 70% of authorisation applications processed within the eight-week time period | 70% of authorisation applications processed within the eight-week time period | 70% of authorisation applications processed within the eight-week time period |
|                               |   | Nuclear safeguards reports                      | Number of nuclear safeguard compliance reports approved                              | N/A   | N/A   | N/A   | 20 nuclear safeguard compliance reports approved                              | 20 nuclear safeguard compliance reports approved                              | 20 nuclear safeguard compliance reports approved                              | 20 nuclear safeguard compliance reports approved                              |
|                               | Strengthen physical protective measures for nuclear material and facilities | Nuclear security inspections reports            | Number of nuclear security compliance reports  | N/A   | N/A   | N/A   | N/A   | Twelve nuclear security compliance reports on inspections conducted           | Twelve nuclear security compliance reports on inspections conducted           | Twelve nuclear security compliance reports on inspections conducted           |



## 6.6.2. Output indicators: annual and quarterly targets

| Programme 6: Nuclear Energy                 |   |  |   |   | Quarter 1  | Quarter 2  | Quarter 3  | Quarter 4  |
|---|---|--|---|---|--|--|--|--|
| MTSF/ ERRP outcome                          | Branch outcome                                | Output   | Output indicator  | 2021/22 target  |  |  |  |  |
| Supply of electricity secured               | Improve security of supply for nuclear energy | Increased supply of electricity for grid stability                       | Procurement framework for 2 500 MW Nuclear Programme  | Procurement framework for 2 500 MW Nuclear Programme developed  | Business case report emanating from the RFI responses developed  | Procurement framework for the 2 500 MW Nuclear Programme drafted   | Procurement framework for the 2 500 MW Nuclear Programme reviewed  | Procurement framework for the 2 500 MW Nuclear Programme developed   |
| Preparation for the Nuclear Build Programme |   | Support for the Koeberg Nuclear Power Plant Life Extension Plan          | Number of quarterly monitoring reports on Koeberg's Nuclear Power Plant Life Extension Plan | Four monitoring reports on Koeberg's Plant Life Extension Plan through established Technical Oversight Committee meetings | Report on the monitoring of Koeberg's Plant Life Extension Plan through established Technical Oversight Committee meetings | Report on the monitoring of Koeberg's Plant Life Extension Plan through established Technical Oversight Committee meetings | Report on the monitoring of Koeberg's Plant Life Extension Plan through established Technical Oversight Committee meetings | Report on the monitoring of Koeberg's Plant Life Extension Plan through established Technical Oversight Committee meetings |
|   |   | Policy oversight and direction for the establishment of the CISF Project | Feasibility report submitted to Cabinet for approval to establish the CISF                  | Feasibility report for the establishment of the CISF submitted to Cabinet for approval                                    | Draft feasibility report on CISF completed   | Feasibility report reviewed by the Steering Committee on CISF  | Feasibility report on CISF finalised   | Feasibility report for establishment of the CISF submitted to Cabinet for approval   |



| Programme 6: Nuclear Energy   |   |   |   |   | Quarter 1   | Quarter 2  | Quarter 3  | Quarter 4  |
|-------------------------------|---|---|---|---|---|--|--|--|
| MTSF/ ERRP outcome            | Branch outcome  | Output  | Output indicator  | 2021/22 target  |   |  |  |  |
| Supply of electricity secured |   | Feasibility study on MPR                        | Feasibility study on MPR completed  | Feasibility study on MPR completed and submitted for gateway review                                   | Finalise scope for feasibility study at the Task Team                         | First draft feasibility study work completed<br><br>Commence procurement of gateway review | Final draft feasibility study completed<br><br>Gateway review service provider appointed | Submit feasibility study for gateway review  |
|                               | Strengthen the control of nuclear material and equipment                    | Issued authorisations or denial of applications | Percentage of authorisation applications processed within the eight-week time period. | 70% of authorisation applications processed within the eight-week time period                         | 70% of authorisation applications processed within the eight-week time period | 70% of authorisation applications processed within the eight-week time period              | 70% of authorisation applications processed within the eight-week time period            | Some 70% of authorisation applications processed within the eight-week time period |
|                               |   | Nuclear safeguard compliance reports            | Number of nuclear safeguard compliance reports approved                               | Some 20 safeguard compliance reports on inspections conducted at nuclear material holders' facilities | Five nuclear safeguard compliance reports approved                            | Five nuclear safeguard compliance reports approved   | Five nuclear safeguard compliance reports approved                                       | Five nuclear safeguard compliance reports approved                                 |
|                               | Strengthen physical protective measures for nuclear material and facilities | Nuclear security compliance reports             | Number of nuclear security compliance reports approved                                | Twelve nuclear security compliance reports on inspections conducted                                   | Three nuclear security compliance reports approved                            | Three nuclear security compliance reports approved   | Three nuclear security compliance reports approved                                       | Three nuclear security compliance reports approved                                 |

### 6.6.3. Explanation of planned performance over the medium-term period

Investment has been committed for a Nuclear New Build Programme (NNBP) to the extent of a 2500 MW and Multi-Purpose Reactor (MPR). This Multi-Purpose Reactor will replace SAFARI-1 by 2030. The Ministerial Sec 34 Determination for National Procurement Plan will be used, and a Request for Information (RFI) will be issued to test the market for both Nuclear

New Build Programme and Multi-Purpose Reactor. The 2500 MW of Nuclear New Build Programme will be procured in modular plants and Multi-Purpose Reactor, at a pace and scale the country can afford. A new funding model is being developed, and government guarantees will be provided for the programme. The Governance Framework for the coordination of



Nuclear New Build Programme and Multi-Purpose Reactor will be finalized in year 1 of the MTSF period and includes developing a framework for Nuclear New Build Programme implementation, as well as a procurement framework for Nuclear New Build Programme and Multi-Purpose Reactor. To improve nuclear safety, liabilities and emergency management a pre-feasibility study will commence in the first year of the MTSF and for the procurement of a Centralised Interim Storage Facility.

The Koeberg NPP's design life will be extended to 2044 by facilitating the IAEA SALTO mission, and providing policy guidance as well as grant relevant authorizations. This falls beyond the MTSF period but key milestones will be targeted in the 5-year period to ensure readiness.

#### 6.6.4. Programme resource considerations

| Programme 6: Nuclear Energy Regulation and Management (Sub-programmes) | BASELINE        |                 |                  |                            |                        |                    | MEDIUM-TERM EXPENDITURE FRAMEWORK |                     |                     |
|--|-----------------|-----------------|------------------|----------------------------|------------------------|--------------------|-----------------------------------|---------------------|---------------------|
|  | 2017/18         | 2018/19         | 2019/20          | 2020/21                    |                        |                    | 2021/22                           | 2022/23             | 2023/24             |
|  | Audited outcome | Audited outcome | Audited outcome  | Voted (main appropriation) | Adjusted appropriation | Budget adjustments | Indicative baseline               | Indicative baseline | Indicative baseline |
|  | R'000           | R'000           | R'000            | R'000                      | R'000                  | R'000              | R'000                             | R'000               | R'000               |
| Nuclear Energy Management  | 4,684           | 3,263           | 3,716            | 3,784                      | 3,063                  | - 721              | 4,767                             | 4,796               | 4,795               |
| Nuclear Safety and Technology  | 780,819         | 857,728         | 1,021,753        | 1,081,511                  | 1,062,277              | - 19,234           | 1,094,622                         | 1,122,916           | 1,116,673           |
| Nuclear Non-proliferation and Radiation Security                       | 8,414           | 9,015           | 10,048           | 10,764                     | 9,817                  | - 947              | 11,805                            | 11,835              | 11,833              |
| <b>Total</b>   | <b>793,917</b>  | <b>870,006</b>  | <b>1,035,517</b> | <b>1,096,059</b>           | <b>1,075,157</b>       | <b>- 20,902</b>    | <b>1,111,194</b>                  | <b>1,139,547</b>    | <b>1,133,301</b>    |

| Programme 6: Nuclear Energy Regulation and Management (Economic classification) | BASELINE        |                 |                 |                            |                        |                    | MEDIUM-TERM EXPENDITURE FRAMEWORK |                     |                     |
|---|-----------------|-----------------|-----------------|----------------------------|------------------------|--------------------|-----------------------------------|---------------------|---------------------|
|   | 2017/18         | 2018/19         | 2019/20         | 2020/21                    |                        |                    | 2021/22                           | 2022/23             | 2023/24             |
|   | Audited outcome | Audited outcome | Audited outcome | Voted (main appropriation) | Adjusted appropriation | Budget adjustments | Indicative baseline               | Indicative baseline | Indicative baseline |
|   | R'000           | R'000           | R'000           | R'000                      | R'000                  | R'000              | R'000                             | R'000               | R'000               |
| <b>Current payments</b>   | <b>38,482</b>   | <b>54,485</b>   | <b>34,424</b>   | <b>37,769</b>              | <b>28,135</b>          | <b>- 9,634</b>     | <b>39,105</b>                     | <b>38,788</b>       | <b>38,816</b>       |
| <b>Compensation of employees</b>  | <b>20,324</b>   | <b>21,625</b>   | <b>22,209</b>   | <b>26,765</b>              | <b>22,969</b>          | <b>- 3,796</b>     | <b>28,034</b>                     | <b>28,034</b>       | <b>28,033</b>       |
| Salaries and wages  | 18,214          | 19,394          | 19,942          | 23,487                     | 20,081                 | - 3,406            | 24,536                            | 24,536              | 24,535              |
| Social contributions  | 2,110           | 2,231           | 2,267           | 3,278                      | 2,888                  | - 390              | 3,498                             | 3,498               | 3,498               |
| <b>Goods and services</b>   | <b>18,158</b>   | <b>32,860</b>   | <b>12,215</b>   | <b>11,004</b>              | <b>5,166</b>           | <b>- 5,838</b>     | <b>11,071</b>                     | <b>10,754</b>       | <b>10,783</b>       |
| Administrative fees   | 167             | 67              | 178             | 120                        | 120                    | -                  | 122                               | 122                 | 123                 |
| Advertising   | 3               | 184             | 193             | 347                        | 243                    | - 104              | 352                               | 340                 | 341                 |
| Catering: Departmental activities   | 75              | 55              | 19              | 116                        | 42                     | - 74               | 117                               | 116                 | 116                 |



| Programme 6: Nuclear Energy Regulation and Management (Economic classification) | BASELINE        |                 |                  |                            |                        |                    | MEDIUM-TERM EXPENDITURE FRAMEWORK |                     |                     |
|---|-----------------|-----------------|------------------|----------------------------|------------------------|--------------------|-----------------------------------|---------------------|---------------------|
|   | 2017/18         | 2018/19         | 2019/20          | 2020/21                    |                        |                    | 2021/22                           | 2022/23             | 2023/24             |
|   | Audited outcome | Audited outcome | Audited outcome  | Voted (main appropriation) | Adjusted appropriation | Budget adjustments | Indicative baseline               | Indicative baseline | Indicative baseline |
|   | R'000           | R'000           | R'000            | R'000                      | R'000                  | R'000              | R'000                             | R'000               | R'000               |
| Communication (goods and services)  | 769             | 428             | 336              | 324                        | 324                    | -                  | 329                               | 322                 | 323                 |
| Consultants: Business and advisory services                                     | 13,340          | 29,884          | 6,922            | 8,065                      | 3,215                  | - 4,850            | 8,198                             | 7,872               | 7,901               |
| Legal services (goods and services)   | 830             | 156             | -                | -                          | -                      | -                  | -                                 | -                   | -                   |
| Science and technological services  | -               | -               | 732              | -                          | -                      | -                  | -                                 | -                   | -                   |
| Fleet services (including government motor transport)                           | 2               | 6               | 2                | -                          | -                      | -                  | -                                 | -                   | -                   |
| Consumable supplies   | 6               | 10              | 15               | 2                          | 1                      | - 1                | 2                                 | 2                   | 2                   |
| Consumables: Stationery, printing and office supplies                           | -               | 1               | -                | 84                         | 59                     | - 25               | 85                                | 86                  | 86                  |
| Operating leases  | 8               | 22              | 4                | -                          | -                      | -                  | -                                 | -                   | -                   |
| Rental and hiring   | 4               | 18              | -                | -                          | -                      | -                  | -                                 | -                   | -                   |
| Travel and subsistence  | 2,180           | 1,878           | 2,721            | 1,657                      | 960                    | - 697              | 1,573                             | 1,599               | 1,594               |
| Operating payments  | 12              | -               | 32               | -                          | -                      | -                  | -                                 | -                   | -                   |
| Venues and facilities   | 762             | 151             | 1,061            | 289                        | 202                    | - 87               | 293                               | 295                 | 297                 |
| <b>Transfers and subsidies</b>  | <b>755,435</b>  | <b>769,082</b>  | <b>1,001,093</b> | <b>1,058,290</b>           | <b>1,047,022</b>       | <b>- 11,268</b>    | <b>1,072,089</b>                  | <b>1,100,759</b>    | <b>1,094,485</b>    |
| Departmental agencies and accounts  | 68,573          | 62,042          | 90,595           | 94,864                     | 89,864                 | - 5,000            | 95,255                            | 97,612              | 97,435              |
| Foreign governments and international organisations                             | 22,691          | 24,326          | 20,067           | 24,007                     | 24,007                 | -                  | 24,324                            | 24,955              | 25,051              |
| Public corporations   | 664,171         | 682,714         | 890,431          | 939,419                    | 933,151                | - 6,268            | 952,510                           | 978,192             | 971,999             |
| <b>Payments for capital assets</b>  | <b>-</b>        | <b>46,439</b>   | <b>-</b>         | <b>-</b>                   | <b>-</b>               | <b>-</b>           | <b>-</b>                          | <b>-</b>            | <b>-</b>            |
| Software and other intangible assets  | -               | 46,439          | -                | -                          | -                      | -                  | -                                 | -                   | -                   |
| <b>Payments for financial assets</b>  | <b>-</b>        | <b>-</b>        | <b>-</b>         | <b>-</b>                   | <b>-</b>               | <b>-</b>           | <b>-</b>                          | <b>-</b>            | <b>-</b>            |
| <b>Total</b>  | <b>793,917</b>  | <b>870,006</b>  | <b>1,035,517</b> | <b>1,096,059</b>           | <b>1,075,157</b>       | <b>- 20,902</b>    | <b>1,111,194</b>                  | <b>1,139,547</b>    | <b>1,133,301</b>    |



| Programme 6: Nuclear Energy Regulation and Management (Details of transfer payments)   | BASELINE        |                 |                  |                            |                        |                     | MEDIUM-TERM EXPENDITURE FRAMEWORK |                     |                     |
|--|-----------------|-----------------|------------------|----------------------------|------------------------|---------------------|-----------------------------------|---------------------|---------------------|
|  | 2017/18         | 2018/19         | 2019/20          | 2020/21                    |                        |                     | 2021/22                           | 2022/23             | 2023/24             |
|  | Audited outcome | Audited outcome | Audited outcome  | Voted (main appropriation) | Adjusted appropriation | Budget adjustments  | Indicative baseline               | Indicative baseline | Indicative baseline |
|  | R'000           | R'000           | R'000            | R'000                      | R'000                  | R'000               | R'000                             | R'000               | R'000               |
| South African Nuclear Energy Corporation   | 646,059         | 663,552         | 699,989          | 738,503                    | 732,235                | -<br>6,268          | 728,939                           | 767,087             | 760,083             |
| National Nuclear Regulator   | 38,573          | 16,510          | 43,096           | 45,467                     | 40,467                 | -<br>5,000          | 46,089                            | 47,308              | 46,949              |
| International Atomic Energy Agency   | 22,691          | 24,326          | 20,067           | 20,281                     | 20,281                 | -                   | 24,324                            | 24,955              | 25,051              |
| National Radioactive Waste Disposal Institute  | 30,000          | 45,532          | 47,499           | 49,397                     | 49,397                 | -                   | 49,166                            | 50,304              | 50,486              |
| African Regional Cooperative Agreement for Research, Development and Training Related to Nuclear Science and Technology: Membership Fees | -               | -               | -                | 3,726                      | 3,726                  | -                   | -                                 | -                   | -                   |
| Necsa – Decommissioning and decontamination of old strategic nuclear facilities: Stage 2   | -               | -               | 170,207          | 179,568                    | 179,568                | -                   | 203,571                           | 211,105             | 211,916             |
| Necsa – Preparatory work for the new multipurpose reactor project  | -               | -               | -                | -                          | -                      | -                   | 20,000                            | -                   | -                   |
| Necsa – Decommissioning and decontamination of old strategic nuclear facilities: Stage 1   | 18,112          | 19,162          | 20,235           | 21,348                     | 21,348                 | -                   | -                                 | -                   | -                   |
| <b>Total: Transfer payments</b>  | <b>755,435</b>  | <b>769,082</b>  | <b>1,001,093</b> | <b>1,058,290</b>           | <b>1,047,022</b>       | <b>-<br/>11,268</b> | <b>1,072,089</b>                  | <b>1,100,759</b>    | <b>1,094,485</b>    |

| Outcome                       | Risk and Consequence   | Risk Mitigation   |
|-------------------------------|--|---|
| Supply of Electricity secured | Delayed procurement of the 2500 MW nuclear energy programme resulting in threatened security of supply in line with IRP                          | 1. Develop a procurement framework with clear financing models.<br>2. Implementation of the Nuclear communication strategy. |
| Supply of Electricity secured | Delayed implementation of the Long-Term operation of Koeberg Nuclear Power Plant resulting in the threatened security of supply in line with IRP | 1. Quarterly Technical Oversight meetings convened with Eskom to assess Koeberg state of readiness for long term operation  |



## 7. Public entities

| Name of public entity                             | Mandate  | Outcomes / resolutions   |
|---|--|--|
| National Energy Regulator of South Africa (Nersa) | <p>Nersa's mandate, as contained in relevant legislation, is summarised as follows:</p> <ul style="list-style-type: none"> <li>• Issuing licences and setting pertinent conditions</li> <li>• Setting and/or approving tariffs and prices</li> <li>• Monitoring and enforcing compliance with licence conditions</li> <li>• Dispute resolution, including mediation, arbitration and the handling of complaints</li> <li>• Gathering, storing and disseminating industry information</li> <li>• Setting rules, guidelines and codes for the regulation of the three industries</li> <li>• Determining conditions of supply and applicable standards</li> <li>• Registration of import and production activities</li> </ul> | <ul style="list-style-type: none"> <li>• Accessible and affordable electricity for all citizens</li> <li>• Energy supply that is certain and secure for current and future user needs through the orderly development and operation of the electricity supply infrastructure</li> <li>• A regulatory environment that facilitates investment in electricity infrastructure</li> <li>• Regulatory certainty within the electricity industry</li> </ul> <p><b>Piped gas industry regulation</b></p> <ul style="list-style-type: none"> <li>• Access to competitive gas prices and gas services</li> <li>• Efficient, sustainable and orderly development of the piped gas industry, aimed at security of supply</li> <li>• A regulatory environment that facilitates investment in piped gas infrastructure</li> <li>• A competitive piped gas industry</li> <li>• Regulatory certainty within the piped gas industry</li> </ul> <p><b>Petroleum pipelines industry</b></p> <ul style="list-style-type: none"> <li>• Access to petroleum infrastructure</li> <li>• Efficient, sustainable and orderly development of a transformed petroleum pipelines industry aimed at security of supply</li> <li>• A regulatory environment that provides regulatory certainty and facilitates investment in the petroleum pipeline infrastructure</li> <li>• A competitive petroleum pipelines industry</li> </ul> <p><b>Transversal regulatory and organisational industry</b></p> <ul style="list-style-type: none"> <li>• An enabling environment for the benefit of internal and external stakeholders with a skilled workforce that is empowered to work in a complex and ambiguous environment</li> </ul> |
| Central Energy Fund                               | <p>The CEF's mandate is derived from the CEF Act (Act No. 38 of 1977) and the Ministerial directives issued thereafter. The mandate is in essence to contribute to the country's security of energy supply.</p>  | <ul style="list-style-type: none"> <li>• Increase import volumes and add more trading skills</li> <li>• Leverage the Strategic Fuel Fund balance sheet and infrastructure for (heavy) condensate optimal sourcing</li> <li>• Leverage strategic partnerships to extend gas production from known PetroSA discoveries – source gas from the Brulpadda discovery and also consider acquiring an equity interest in the block</li> <li>• Source liquefied natural gas from the Coega Hub Project and G-G supply options</li> <li>• Complete a feasibility study for infrastructure requirements and commercial viability for the LNG supply to the gas-to-liquids process, which would be completed by December 2020</li> </ul>   |



| Name of public entity  | Mandate   | Outcomes / resolutions   |
|--|---|--|
| African Exploration Mining and Finance Corporation (SOC) Ltd (AEMFC) | AEMFC is a state-owned mining company established to secure South Africa's energy supply, primarily through the mining and supply of coal for the generation of electricity, as well as securing other resources that will provide energy for the future, including key minerals for beneficiation in the energy and steel value chain.   | <ul style="list-style-type: none"> <li>• Own and shareholder equity funding through strategic partnerships from other DMRE subsidiaries, foreign direct investment and BRICS</li> <li>• Additional mining rights and acquisitions and ensure sustained Eskom uptake and diversifying clients</li> <li>• Identify minerals that are in demand for both clean energy (to support the IRP 2019) and other diversified minerals in general</li> <li>• Apply for mineral rights and identify key offtakers in collaboration with CGS, Mintek and DMRE support</li> <li>• Develop a regional and continental strategy to identify opportunities and offtake agreements for various minerals</li> <li>• Closer collaboration with CGS regarding maps</li> <li>• Conclude – in collaboration with the DMRE – the AEMFC Bill of 2016</li> </ul>   |
| PetroSA  | <ul style="list-style-type: none"> <li>• Operate as a commercial entity and create value for the shareholder (pay tax and dividends).</li> <li>• Advance national objectives in the petroleum industry, e.g. contribute to energy security of supply.</li> <li>• Complement and promote government policy and strategic thrust (Energy Security Master Plan and NDP)</li> </ul> | <p><b>PetroSA's strategic initiatives</b></p> <ul style="list-style-type: none"> <li>• Leverage strategic partnerships to extend gas production from known PetroSA discoveries.</li> <li>• Source LNG</li> <li>• Coega Hub Project</li> <li>• G-G supply options</li> <li>• Source gas from the Brulpadda discovery. Also consider acquiring equity interest in the block.</li> <li>• Leverage SFF balance sheet and infrastructure for (heavy) condensate optimal sourcing</li> <li>• Develop a funding strategy for the decommissioning liability</li> <li>• Based on a clear turnaround plan and capacity to fund the liability in the long term, consider procuring a guarantee from the CEF, National Treasury or insurance.</li> <li>• Increase commercial customers</li> <li>• Leverage SFF infrastructure for product supply</li> <li>• Improve cash conversion cycle (reduce debtors' book and inventory)</li> <li>• Optimise product slate</li> <li>• Increase plant reliability</li> <li>• Dispose of non-core assets</li> <li>• Comprehensively review the cost structure</li> </ul> |



| Name of public entity                   | Mandate  | Outcomes / resolutions  |
|---|--|---|
| iGas                                    | In accordance with the Ministerial directive of 2 October 2000, iGas will act as the official state agency for the development of the hydrocarbon gas industry in Southern Africa. iGas is required to support the growth of the southern African economy through active investments in southern Africa for the provision of gas molecules and gas infrastructure. | <ul style="list-style-type: none"> <li>• Engage Mozambique on bilateral engagement on additional gas</li> <li>• Increase production from Coega LNG and focus on Eskom's repowering</li> <li>• Establish a greater indigenous gas supply</li> <li>• Pursue improved service delivery and migrate more services to iGas</li> <li>• Encourage internal engagement between CEF subsidiaries to reduce internal competition and workshop with Transnet for closer collaboration, as well as increase support with DMRE</li> <li>• Engage around policy and regulations</li> <li>• Acquire and merge Transnet pipelines with itself</li> <li>• Revise governance frameworks and delegation of authority, as well as develop iGas-specific policies</li> <li>• Commence with the recruitment of senior positions and project-specific roles</li> </ul>   |
| Strategic Stock Fund (SSF)              | The Minister may, in a prescribed manner, for the purposes of ensuring security of supply, direct any state-owned entity to acquire, maintain, monitor and manage national strategic energy feedstocks and carriers. The SSF is mandated to provide the country with security of supply of hydrocarbons and related infrastructure in case of emergency            | <ul style="list-style-type: none"> <li>• Promote Nile/Orange Project brand with South Sudanese citizens</li> <li>• Thorough risk assessment and mitigation</li> <li>• Completion of the exploration programme</li> <li>• Provide infrastructure for strategic fuel supply to Department of Defence and Eskom</li> <li>• Ministerial directive to participate in strategic storage white product</li> <li>• Obtain approval of Strategic Stock Policy</li> <li>• Implement the Ministerial directive to the Transnet National Ports authority to allocate capacity</li> </ul>  |
| Petroleum Agency of South Africa (PASA) | The mandate of the Petroleum Agency is to promote exploration for onshore and offshore oil and gas resources and their optimal development on behalf of government. The Agency also regulates exploration and production activities, and acts as the custodian of the national petroleum exploration and production database.                                      | <ul style="list-style-type: none"> <li>• Increase licensing and exploration fees, promote revenue-sharing agreements, offer sign-on bonuses, and secure funding for ECSCP via a special Medium-term Expenditure Framework (MTEF) allocation focus on its financial efficiencies and revenue-generation capability, as well as translate resources to economic value</li> <li>• Establish the effective use of its resources, improve workforce productivity</li> <li>• Introduce a performance management system, rework practices to align with the balanced scorecard methodology and ensure that performance is impact-based and not output-based. Identify projects aligned to the NDP's imperatives, and review fee structure.</li> <li>• Increase exploration and production activities in South Africa, as well as regulate the exploration and production environment</li> <li>• Acquire, archive and enhance all petroleum exploration and production data, ensure a viable and sustainable agency, and deliver national projects</li> <li>• Ensure an effective and efficient operating model that is aligned with policy imperatives, while realising its mandate</li> <li>• Resolve inefficiencies in SOEs and establish PASA as an independent entity to regulate, promote and facilitate (this includes the storage of relevant data) the oil and gas industry</li> <li>• Intensify focus on oil and gas development</li> <li>• Closer collaboration with all stakeholders including CGS, SANEDI and Nersa in terms of the shale gas project, carbon capture project and streamlining the oil and gas regulatory value chain</li> </ul> |



| Name of public entity  | Mandate  | Outcomes / resolutions  |
|--|--|---|
|  |  | <ul style="list-style-type: none"> <li>• Establish strategic relationships regulated by Memoranda of Understanding</li> <li>• Ensure regulatory and legislative certainty through several channels, including finalisation of the Upstream Oil and Gas Bill and develop comprehensive legal guidelines that are aligned with the objects of the MPRDA (e.g. optimal exploration, and substantial and meaningful participation by HDSAs)</li> <li>• Partition both onshore and offshore acreage to reasonably sized blocks informed by a benchmarking exercise to be undertaken</li> <li>• Develop and implement an acreage maturation chart</li> <li>• Increase investment in South Africa</li> </ul>   |
| South African National Energy Development Institute (SANEDI) | The National Energy Act outlines SANEDI's direct mandate, which is driven by the DMRE, and requires SANEDI to direct, monitor, conduct and promote energy research and promote energy efficiency measures throughout the economy     | <ul style="list-style-type: none"> <li>• Expanding donor reach – apply for Green/Climate Funds (Global Environment Facility, EU) and explore funding from the electricity tariff (1/2 cent Eskom, research and development funding), via the research component of the Multi-Year Price Determination – include discussions with Nersa and DMRE</li> <li>• Address the unfunded mandate through an organisational review to focus, align and optimise resources</li> <li>• Engage with other state entities, including the Council for Scientific and Industrial Research, Mintek, CEF, Technology Innovation Agency, the National Cleaner Production Centre, CGS, PASA, and PetroSA</li> <li>• Encourage DMRE to give priority to national projects and respond timeously</li> <li>• Implement a skills development and talent retention policy</li> <li>• Assist the DMRE on legislative and regulation development regarding the Intellectual Property Rights Act listing, revision of the SANEDI Chapter, and regulations for clean technology interventions</li> </ul>   |
| Mintek   | The objects of Mintek are through research, development and technology transfer; to promote mineral technology, and to foster the establishment and expansion of industries in the field of minerals and products derived from them. | <ul style="list-style-type: none"> <li>• Work on a strategic realignment that covers all the identified areas: from the alignment of the entire organisation to the mandate as articulated in the Mineral Technology Act to engagements with customers and industry in particular</li> <li>• Align research and technology development operations to meet industry needs</li> <li>• Finalise the medium- to long-term Mintek strategy, as well as launch the strategy and embark on a stakeholder engagement campaign to socialise stakeholders with the new strategic direction of the organisation.</li> <li>• Conclude the operating model, as well as the macro-organisational structure. In preparation for this, develop a series of position papers focusing on reviving and stimulating specific sectors within the minerals and mining space, which will make a meaningful contribution to the economy</li> <li>• Monitor the implementation of and reporting on the Science, Engineering and Technology Human Development Programme, aimed primarily at developing skills, capacity and capabilities in science, engineering and technology, from junior level through to senior researcher levels</li> </ul> |



| Name of public entity  | Mandate  | Outcomes / resolutions  |
|------------------------|--|---|
| Council for Geoscience | <p>The CGS is one of the national science councils of South Africa and is the legal successor of the Geological Survey of South Africa, which was formed in 1912 by the amalgamation of three former surveys, the oldest of which – the Geological Commission of the Cape of Good Hope – was founded in 1895. The Geoscience Act, Act No. 100 of 1993, as amended, established the CGS in its present form.</p> <ul style="list-style-type: none"> <li>• Serve as the national custodian of all geoscientific information and prospecting information relating to the earth, the marine environment and the geomagnetic space.</li> <li>• The systematic onshore and offshore geoscientific mapping of South Africa</li> <li>• Basic geoscience research into the nature and origin of rocks</li> <li>• Collect and curate all geoscience data and act as a national geoscience repository</li> <li>• Compile and develop comprehensive and integrated geoscience knowledge and information, such as geology, geophysics, geochemistry, engineering geology, economic geology, geochronology, palaeontology, geohydrological aquifer systems, geotechnical investigations, marine geology, geomagnetism, seismology, geohazards, environmental geology and other related disciplines</li> <li>• Promote the search for, and exploitation of, any minerals in South Africa</li> <li>• Bring to the notice of the Minister any information in relation to the prospecting for and mining of mineral resources, which is likely to be of use or benefit to South Africa</li> <li>• Study the distribution and nature of mineral resources and geo-environmental aspects of past, current and future mineral exploitation</li> <li>• Study the use of the surface and the subsurface of the land and the seabed, and, from a geoscientific viewpoint, advise government institutions and the general public on their judicious and safe use with a view to facilitate sustainable development</li> </ul> | <ul style="list-style-type: none"> <li>• Develop a long-term sustainable funding model that balances its mandate with commercial business</li> <li>• Establish continuous engagement with National Treasury to advance the value proposition of investment in geosciences, as well as develop an aggressive commercial business development strategy in South Africa and abroad</li> <li>• Fast-track the implementation of the Geoscience Technical Programme to catalyse investment in exploration. The goal is to ensure the long-term sustainable funding model that sustains the impact of the geosciences in South Africa</li> <li>• Pursue the full implementation of an enterprise resource plan that integrates all business activities within the CGS. This includes developing an integrated operating model, and implementing data policy guidelines, together with the installation of suited technological infrastructure, in line with the ICT governance framework and data architecture</li> <li>• Pursue the full implementation of the Integrated and Multidisciplinary Geoscience Mapping Programme, the Annual Recapitalisation Plan, and job evaluation and the exploration of a sustainable funding model</li> <li>• Become a streamlined government business by conducting a detailed analysis of the functional duplication of geosciences within the DMRE's entities and streamline such activities to an entity with a legislated mandate for geosciences</li> <li>• Pursue the full implementation of legislation provisions: The technical amendment of the Geoscience Act, the finalisation of the Geoscience Act Regulations and the implementation of the geoscience data-sharing model for prospecting rights and mineral rights holders</li> <li>• Other resolutions include the full installation of governance structures, the appointment of the CGS Board, the maintenance of a fully capacitated Executive Committee and the implementation of a Leadership Talent Management Programme</li> </ul> |



| Name of public entity                    | Mandate  | Outcomes / resolutions  |
|--|--|---|
|  | <ul style="list-style-type: none"> <li>• Develop and maintain the national geoscientific library, the national geoscientific information centre, the national borehole core depository, the national geophysical and geochemical test sites, the national geoscience museum, the national seismological network and the national geoscience analytical facility</li> <li>• Conduct investigations and render prescribed specialised services to public and private institutions</li> <li>• Render geoscience knowledge services and advice to the state</li> </ul>   |   |
| Mine Health and Safety Council           | <ul style="list-style-type: none"> <li>• Advise the Minister on all occupational health and safety issues in the mining industry, including legislation, research and promotion.</li> <li>• Review and develop legislation for recommendation to the Minister (focus on regulations).</li> <li>• Oversee research in relation to health and safety in the mining industry.</li> <li>• Liaise with other bodies concerned with health and safety issues (MQA, state departments and various stakeholders).</li> <li>• Promote a health and safety culture in the mining industry</li> </ul>   | <ul style="list-style-type: none"> <li>• Focus on revenue diversification by developing and implementing the revenue generation strategy, outlining diverse revenue streams</li> <li>• Develop a 4IR Implementation Strategy</li> <li>• Build a capacity scope that will include the employees of the MHSC, and members of its Council and its advisory committees</li> <li>• Implement the promotion and dissemination strategy for target audiences, and build internal capacity within MHSC to improve turnaround times on MHSC processes and research outcomes that incorporate changes in technology and development or the enhancement of a safety tool</li> <li>• Create awareness that will result in reducing health and safety-related incidents, and enhanced skills and internal capacity within the MHSC</li> <li>• Appoint the Social and Ethics Committee to focus on procurement and contract management improvements, and appoint a dedicated compliance office and the appointment of a compliance officer; and improve continuous review and monitoring efforts</li> </ul> |
| South African Nuclear Energy Corporation | <p>Necsa was established in terms of section 3(1) of the Nuclear Energy Act, Act No. 46 of 1999. The Act provides for the commercialisation of nuclear and related products and services, and delegates specific responsibilities to the corporation, including the implementation and execution of national safeguards and other international obligations. The South African Nuclear Energy Policy of 2008 directs Necsa to investigate the entire nuclear fuel cycle with the aim of re-establishing viable fuel cycle facilities and to serve as the anchor for nuclear energy research, development and innovation in South Africa. Necsa is mandated to undertake and promote research and development in the field of nuclear energy and radiation sciences and technology. It also processes and enriches source material, special nuclear material and restricted material. Apart from protecting the South African environment from nuclear threats, it supplies the commercial application of nuclear and associated technology and fulfils the state's nuclear obligations. It is part of the Research and Regulation Cluster.</p> | Necsa is yet to submit their resolutions.   |



| Name of public entity                         | Mandate  | Outcomes / resolutions  |
|---|--|---|
| National Radioactive Waste Disposal Institute | <ul style="list-style-type: none"> <li>• The NRWDI is a South African SOE dedicated to professional nuclear waste management and disposal services in terms of the National Radioactive Waste Disposal Institute Act, Act No 53 of 2008.</li> <li>• Manage radioactive waste disposal on a national basis</li> <li>• Operate the national low-level waste repository at Vaalputs</li> <li>• Design and implement disposal solutions for all categories of radioactive waste</li> <li>• Develop criteria for accepting and disposing of radioactive waste in compliance with applicable regulatory safety requirements and any other technical and operational requirements</li> <li>• Assess and inspect the acceptability of radioactive waste for the disposal and issue of radioactive waste disposal certificates</li> <li>• Manage, operate and monitor operational radioactive waste disposal facilities, including the related predisposal management of radioactive waste on disposal sites</li> <li>• Investigate the need for any new radioactive waste disposal facilities and to locate, design and construct new facilities as required</li> <li>• Define and conduct research and development aimed at finding solutions for long-term radioactive waste management</li> <li>• Maintain a national radioactive waste database and publish a report on the inventory and location of all radioactive waste in South Africa at a frequency determined by the Board of Directors</li> <li>• Manage ownerless radioactive waste on behalf of the government, including the development of radioactive waste management plans for such waste</li> <li>• Assist generators of small quantities of radioactive waste in all technical aspects related to the management of such waste</li> <li>• Implement institutional control over closed repositories, including radiological monitoring and maintenance as appropriate</li> <li>• Implement any assignments or directives from the Minister regarding radioactive waste management</li> <li>• Provide information on all aspects of radioactive waste management to the public living around radioactive waste disposal facilities and to the public in general</li> </ul> | <ul style="list-style-type: none"> <li>• An effective, efficient and responsive NRWDI.</li> <li>• Safe, secure and environmentally sustainable waste disposal operations</li> <li>• Centralised storage of spent nuclear fuel</li> <li>• Compliance with applicable statutory requirements</li> </ul> |



| Name of public entity      | Mandate  | Outcomes / resolutions  |
|----------------------------|--|---|
|                            | <ul style="list-style-type: none"> <li>• Advise nationally on radioactive waste management</li> <li>• Cooperate with any person or institution on matters falling within these functions</li> <li>• Perform any other function necessary to achieve the objectives of the institute</li> </ul>   |   |
| National Nuclear Regulator | <p>The NNR is a public entity which was established and governed in terms of section 3 of the National Nuclear Regulator Act, Act No, 47 of 1999, to provide for the protection of persons, property and the environment against nuclear damage through the establishment of safety standards and regulatory practices. It is responsible for granting nuclear authorisations and exercising regulatory control related to safety over the siting, design, construction, operation, manufacture of component parts, and the decontamination, decommissioning and closure of nuclear installations, and vessels propelled by nuclear power or having radioactive material on board that is capable of causing nuclear damage.</p> | <ul style="list-style-type: none"> <li>• Explore rendering services to other regulators and international organisations to fund regulatory research and development</li> <li>• Request approval by the Minister for additional funding avenues from Centre for Nuclear Safety and Security activities, as provided for in the NNR Act</li> <li>• Identify an integrated regulatory approach between the NNR and the DMRE to aid the intervention of unregulated legacy sites</li> <li>• Address the funding of NNR scientific work – identify sites and provide data to the DMRE for regulatory decisions, address the overlap of radioactive medical sources with the South African Health Products Regulatory Authority by managing the regulation of all radioactive sources in order to centralise the management of radioactive sources by the NNR</li> <li>• Fast-track the process of promulgating the amendment of the NNR Act, the promulgation of regulations (including the control of developments around the Koeberg Nuclear Power Plant), and other regulations that will impact on the effective regulation of nuclear activities and nuclear installations in the country, and advance the pace of engagements between the NNR and the DMRE to finalise amendments</li> </ul> |
| Pelchem                    | <p>Pelchem is the sole producer and supplier of fluorochemicals in the southern hemisphere, including hydrofluoric acid, fluorine gas mixtures and a range of specialty perfluorocarbons and fluoromonomers to South African and international customers.</p>  | <ul style="list-style-type: none"> <li>• Necs's Board is to reverse its decision regarding debt-to-equity conversion</li> <li>• Electricity increases to be capped at the Consumer Price Index</li> <li>• Fund projects through partnerships and make provisions around the set-aside antiretroviral agreement</li> <li>• Develop a framework to regulate increases to specific industries, chase the designation of fluorspar as a strategic mineral, as well as gain approval of projects with partnerships and business cases</li> <li>• Leverage strategic partnerships with key customers to develop the grade of product needed by market and collaborate with AEMFC to develop mothballed fluorspar mines</li> <li>• Simplify partnership approval frameworks and governance structures</li> </ul>   |



| Name of public entity                               | Mandate  | Outcomes / resolutions  |
|---|--|---|
| NTP Radioisotopes SOC Ltd                           | NTP is a state-owned public company, and is a subsidiary of Necsa. It was originally conceived in the early 1970s to supply the local South African market with commercial radiopharmaceuticals. NTP is now among the world's top producers and distributors of key medical radioisotope molybdenum-99 (Mo-99), and radioisotope-based diagnostic imaging and therapy products, including iodine-131 and lutetium-177. NTP currently supplies up to a third of global demand for Mo-99, which is the most widely used medical isotope. The daughter or decay product of Mo-99, technetium-99m (Tc-99m), is used in more than 40 million medical diagnostic imaging studies every year. | <ul style="list-style-type: none"> <li>• Implement the Radiopharmaceutical Strategy for Growth for South Africa and Africa to the Middle East</li> <li>• Leverage active pharmaceutical ingredient supply to Brazil, India and China, and pursue bilateral relationships with BRICS (via the Department of Trade and Industry and the Department of International Relations and Cooperation) and national cancer management (via the Department of Health)</li> <li>• Explore more pipelines by engaging in the Africa Free Trade Agreement beyond the 12 countries South Africa already trades with</li> <li>• Partner with the Department of Health to deliver the National Cancer Management Programme in support of National Institutes of Health</li> <li>• Make strategic investments towards managing the key Necsa facilities, ensuring continued sustainability in complying with regulations, as well as funds for operations</li> <li>• Address overlapping mandates by identifying synergies in the global market, approached as SA Inc for medical isotopes</li> <li>• Seek to enhance cooperation for opportunity collaboration – engage with key license authorities, pursue bilateral engagements with key trading countries and enhance communication and engagement between Necsa, NTP, NNR and DMRE</li> </ul> |
| South African Diamond and Precious Metals Regulator | The SADPMR fulfils its mandate through the Diamonds Act, 1986, as amended, the Precious Metals Act, 2005, the Diamond Export Levy (Administration) Act, 2007, and the Diamond Export Levy Act, 2007  | <ul style="list-style-type: none"> <li>• Gain support from the DMRE in retaining the surplus for 2018/19</li> <li>• Review finance model</li> <li>• Compile proposed amendments to empowering legislation</li> <li>• Pursue constant engagements through forums with SARS and the South African Police Service</li> <li>• Draft proposed amendments for the DMRE's consideration to address alignment issues with legislation and local imperatives</li> <li>• Intense implementation of the marketing and communication strategy, phased in over a five-year period</li> </ul>   |



| Name of public entity | Mandate   | Outcomes / resolutions   |
|-----------------------|---|--|
| State Diamond Trader  | <p>The SDT is a state-owned entity, established in 2007 in terms of section 14 of the Diamond Act, Act No. 56 of 1986, to operate in the diamond industry to do the following:</p> <ul style="list-style-type: none"> <li>• Support and facilitate growth in local diamond beneficiation</li> <li>• Buy and sell rough diamonds for local beneficiation</li> <li>• Promote equitable access to and beneficiation of the country's diamond resources</li> <li>• Grow South Africa's diamond cutting and polishing industry by increasing HDSA for beneficiation</li> <li>• Address distortion created by excluding previously disadvantaged groups from economic participation (transform the diamond industry)</li> <li>• Purchase up to 10% of the run-of-mine from South African producers</li> <li>• Sell to registered customers through an application and approval process</li> </ul> | <ul style="list-style-type: none"> <li>• Review the business model to create a better revenue picture through the diversification of operations, such as the trade in polished diamonds and identifying other alternative funding streams, and a focus to sell to both beneficiation parties and dealers. It facilitates these changes through relevant legislation by exploring the possibility of the Minister reviewing regulations, particularly around the SDT's capability to buy and sell in the market.</li> <li>• Address overlaps to ensure properly coordinated functions, and clarified roles and responsibilities through roundtables with involved parties</li> <li>• Expedite the Board appointment process</li> <li>• Review organisational structures, including a new memorandum of understanding with the SADPMR</li> <li>• Exploration of shared services with other entities</li> </ul> <p>The SDT will benefit from an amended Act, allowing new trading conditions.</p> |



## 8. Infrastructure projects

| PROJECT NAME                                | PROGRAMME  | OUTPUTS  | OUTCOME APPROPRIATION |                  |                  | CURRENT APPROPRIATION      |                        |                    | MEDIUM TERM EXPENDITURE FRAMEWORK |                     |                     |
|---|--|--|-----------------------|------------------|------------------|----------------------------|------------------------|--------------------|-----------------------------------|---------------------|---------------------|
|   |  |  | 2017/18               | 2018/19          | 2019/20          | 2020/21                    |                        |                    | 2021/22                           | 2022/23             | 2023/24             |
|   |  |  | Audited outcome       | Audited outcome  | Audited outcome  | Voted (Main appropriation) | Adjusted Appropriation | Budget Adjustments | Indicative Baseline               | Indicative Baseline | Indicative Baseline |
| Rand thousand                               | Rand thousand  | Rand thousand  | R'000                 | R'000            | R'000            | R'000                      | R'000                  | R'000              | R'000                             | R'000               | R'000               |
| INEP: Eskom Grants                          | Mineral and Energy Resources Programmes and Projects | Provision of capital subsidies to Eskom to address electrification backlogs for permanently occupied residential dwellings, install bulk infrastructure and rehabilitate electrification infrastructure          | 3,846,154             | 3,262,031        | 3,124,053        | 3,001,483                  | 1,982,985              | -1,018,498         | 2,824,257                         | 3,638,162           | 3,821,156           |
| INEP: Municipal Grants                      | Mineral and Energy Resources Programmes and Projects | Provision of capital subsidies to municipalities to address electrification backlogs for permanently occupied residential dwellings, install bulk infrastructure and rehabilitate electrification infrastructure | 2,087,048             | 1,904,477        | 1,859,820        | 1,858,752                  | 1,358,752              | -500,000           | 2,003,157                         | 2,118,668           | 2,212,046           |
| INEP: Non-grid electrification technologies | Mineral and Energy Resources Programmes and Projects | Provision of capital subsidies to non-grid electrification service providers to address electrification backlogs   | 158,960               | 134,555          | 13,115           | 220,160                    | 220,160                | -                  | 232,269                           | 238,502             | 249,014             |
| <b>TOTALS</b>                               |  |  | <b>6 092 162</b>      | <b>5 301 063</b> | <b>4 996 988</b> | <b>5 080 395</b>           | <b>3 561 897</b>       | <b>-1 518 498</b>  | <b>5 059 683</b>                  | <b>5 995 332</b>    | <b>6 282 216</b>    |

## 9. Public-private partnerships

N/A





# Part D

Technical indicator descriptions

## Programme I: Administration

This Technical Indicator Descriptions was developed to support the Programme Performance Indicators as listed in the 2021/22 Annual Performance Plan (APP). As such this document is deemed as an extension of the 2021/22 APP and should be therefore be read in conjunction with it: ADMINISTRATION

| Indicator number                         | 1.1  | 1.2   | 1.3   | 1.4   | 1.5  |
|--|--|---|---|---|--|
| <b>Indicator title</b>                   | <b>Percentage reduction of Wasteful and fruitless expenditure compared to prior year</b>   | Percentage reduction of irregular expenditure compared to prior year  | Receipt of an unqualified audit opinion for year under review   | Percentage resolution of reported incidents of corruption   | Number of reports with detailed implementation of the DMRE Fraud Prevention Plan   |
| <b>Definition</b>                        | Percentage in which wasteful and fruitless expenditure is eliminate to improve financial management capability within the department | Percentage in which irregular expenditure is reduced to improve financial management capability within the department | Percentage in which qualified audits are reduced on an annual basis to improve the internal control environment of the Department | Percentage in which reported incidents of corruption are resolve to track response time to prevent and fight corruption in the department   | Reports with detailed implementation of the DMRE Fraud Prevention Plan   |
| <b>Source of data</b>                    | Final Management Report from the AG  | Final Management Report from the AG   | Final Management Report from the AG   | Report on a number of resolved cases/incidents of fraud, corruption, irregularities and maladministration   | Report on Implementation of DMRE Fraud Prevention Plan at Ethics Committee, Risk Committee and Audit Committee   |
| <b>Method of calculation/ Assessment</b> | (Total value of wasteful & fruitless expenditure / total value for goods & services budget) X 100                                    | (Total value of irregular expenditure / total value of goods and services budget) X 100                               | Material Misstatement   | (total number of resolved cases / total number of the reported cases) X 100   | Reports with detailed implementation of the DMRE Fraud Prevention Plan to be presented at Ethics Committee, Risk Committee and Audit Committee   |
| <b>Means of Verification</b>             | Yearly- Wasteful and fruitless Expenditure Reports<br><br>Q1-4 Wasteful and fruitless Expenditure Reports                            | Yearly- Irregular Expenditure Report<br><br>Q1-4- Irregular Expenditure Report  | Management Report/ Audit Report<br><br>Q1-3 N/A<br>Q4- Management Report  | Report on a number of resolved cases/incidents of fraud, corruption, irregularities and maladministration<br><br>Q1- Report on resolved cases/ incidents of fraud, corruption, irregularities and maladministration<br><br>Q2- Report on resolved cases/ incidents of fraud, corruption, irregularities and maladministration | Q1-4 report on measures taken to prevent, detect, investigate and resolve fraud cases in DMRE.<br><br>Q.1. No of application submitted for RWOPS,<br><br>- SMS compliance with Financial Disclosure deadline of 30 April 2021<br><br>- Fraud prevention policies approved e.g. ethics policy, RWOPS policy |



| Indicator number   | 1.1  | 1.2  | 1.3   | 1.4  | 1.5   |
|--|--|--|---|--|---|
| <b>Indicator title</b>   | <b>Percentage reduction of Wasteful and fruitless expenditure compared to prior year</b> | Percentage reduction of irregular expenditure compared to prior year | Receipt of an unqualified audit opinion for year under review | Percentage resolution of reported incidents of corruption  | Number of reports with detailed implementation of the DMRE Fraud Prevention Plan  |
|  |  |  |   | Q3- Report on resolved cases/ incidents of fraud, corruption, irregularities and maladministration<br><br>Q4- Report on resolved cases/ incidents of fraud, corruption, irregularities and maladministration | Q2. Financial Disclosures for other categories (MMS and Other Categories)<br><br>Q3. Report to DPSA in terms of Compliance to Financial Disclosures.<br><br>Q4.Submission of non-compliance with MMS financial disclosure to DPSA |
| <b>Assumptions</b>   | None   | None   | None  | None   | None  |
| <b>Disaggregation of Beneficiaries (where applicable)</b>                | N/A  | N/A  | N/A   | N/A  | N/A   |
| <b>Spatial Transformation (where applicable)</b>                         | N/A  | N/A  | N/A   | N/A  | N/A   |
| <b>Calculation type</b>  | Cumulative (Year-End)  | Cumulative (Year-End)  | Non-cumulative  | Cumulative (Year-to date)  | Non-Cumulative  |
| <b>Reporting cycle (quarterly, annually or at longer time intervals)</b> | Quarterly  | Quarterly  | Annually  | Quarterly  | Quarterly   |
| <b>Desired performance</b>   | 100% elimination of wasteful and fruitless expenditure                                   | 100% reduction of irregular expenditure                              | Receipt of an unqualified audit opinion for year under review | 95% resolution of reported incidents of corruption   | Establish ethics committees and adhere to terms of reference  |
| <b>Indicator responsibility</b>  | CD: Financial Management Services  | CD: Financial Management Services                                    | CD: Financial Management Services                             | Director: Risk & Integrity Mgt   | Director: Risk & Integrity Mgt  |



| Indicator number                         | 1.6   | 1.7  | 1.8   | 1.9  | 1.10  | 1.11  |
|--|---|--|---|--|---|---|
| <b>Indicator title</b>                   | <b>Approval of Annual Performance Plans (Departmental)</b>  | <b>Number of Quarterly Performance Reports</b>   | <b>Annual Report tabled in Parliament</b>   | <b>Approved shareholder compacts</b>   | <b>Approved of SOEs Annual Performance Plan</b>   | <b>SOEs' quarterly performance reports produced</b>   |
| <b>Definition</b>                        | Annual Performance Plans set out the annual targets and performance objectives of the department for that financial year:                         | Quarterly performance Reports produced by the department   | Quarterly performance Reports and Annual Reports produced by the Department               | The Shareholder Compact outlines the nature of the legal relationship between the Minister; the Department and its entities.   | SOE Strategic Plans and Corporate Plans set out the annual targets and performance objectives of each SOE for that financial year.                | DMRE to report on all the relevant 2019–2024 MTSF Priorities  |
| <b>Source of data</b>                    | MTEF Document, Strategic Plan, NDP, Govt Priorities, Prescripts, Acts and Legislation, Framework for Strategic Plans and Annual Performance Plans | APP, Strategic plan, Framework for quarterly and Annual reports  | APP, Strategic plan, Framework for quarterly and Annual reports                           | MTEF Document, NDP, Govt Priorities, Prescripts, Acts and Legislation, Framework for Strategic Plans and Annual Performance Plans  | MTEF Document, Strategic Plan, NDP, Govt Priorities, Prescripts, Acts and Legislation, Framework for Strategic Plans and Annual Performance Plans | Implementations Reports on 2019–2024 MTSF Priorities  |
| <b>Method of calculation/ Assessment</b> | Approved Annual Performance Plan tabled in Parliament   | Quarterly Reports submitted to DPME  | Quarterly Reports submitted to DPME<br><br>Annual Report tabled in Parliament             | Approved shareholder compacts  | Approved Annual Performance Plan (SOEs) tabled in Parliament  | Total number of quarterly progress reports which detail the implementation of the 2019–2024 MTSF Priorities signed by DMRE Minister                     |
| <b>Means of Verification</b>             | Yearly- Proof of tabling<br><br>Q1-2 N/A<br>Q3- Proof of submission to DPME<br>Q4- Proof of tabling   | Yearly- 4 QRs<br><br>Q1-Q4 Performance Report<br>Q2- Q1 Performance Report<br>Q3- Q2 Performance Report<br>Q4- Q3 Performance Report | Yearly- Proof of tabling for AR<br><br>Q1-N/A<br>Q2- Proof of tabling for AR<br>Q3- 4 N/A | Yearly- Approved shareholder compacts<br><br>Q1-SOEs Q4 reports<br>Q2- SOEs Q1 reports & Proof of tabling for ARs<br>Q3- Q2 reports<br>Q4- Shareholder compact and Corporate Plans of Schedule 2 SOEs & Q3 reports | Yearly- Proof of tabling<br><br>Q1-2 N/A<br>Q3- Ministerial submission on Schedule 3A SOEs 1st draft APPs<br>Q4- Proof of tabling                 | Quarterly reports which detail the implementation of the 2019–2024 MTSF priorities<br><br>Q1-Q1 Report<br>Q2-Q2 Report<br>Q3-Q3 Report<br>Q4- Q4 Report |



| Indicator number  | 1.6   | 1.7                                     | 1.8                                | 1.9  | 1.10   | 1.11  |
|---|---|---|------------------------------------|--|--|---|
| Indicator title   | Approval of Annual Performance Plans (Departmental) | Number of Quarterly Performance Reports | Annual Report tabled in Parliament | Approved shareholder compacts                        | Approved of SOEs Annual Performance Plan                   | SOEs' quarterly performance reports produced  |
| Assumptions   | None  | None                                    | None                               | None   | None   | None  |
| Disaggregation of Beneficiaries (where applicable)                | N/A   | N/A                                     | N/A                                | N/A  | N/A  | N/A   |
| Spatial Transformation (where applicable)                         | N/A   | N/A                                     | N/A                                | N/A  | N/A  | N/A   |
| Calculation type  | Non-cumulative                                      | Non-cumulative                          | Non-cumulative                     | Non-cumulative                                       | Non-cumulative   | Non-cumulative  |
| Reporting cycle (quarterly, annually or at longer time intervals) | Annually  | Quarterly                               | Quarterly                          | Annually   | Annually   | Quarterly   |
| Desired performance   | Approved Annual Performance Plan                    | Four Quarterly Reports                  | Annual Report approved             | Approved shareholder compacts                        | Approved SOEs Annual Performance Plan tabled in Parliament | Four Quarterly Reports which detail the implementation of the 2019–2024 MTSF Priorities |
| Indicator responsibility  | CD: Strategy, Monitoring and Evaluation             | Director: Monitoring & Evaluation       | Director: Monitoring & Evaluation  | Compliance Manager: State Owned Enterprise Oversight | Compliance Manager: State Owned Enterprise Oversight       | CD: SOE Oversight   |



| Indicator number  | 1.12  | 1.13  | 1.14  |
|---|---|---|---|
| Indicator title   | SOEs' Annual Reports tabled in Parliament   | Number quarterly reports which detail the implementation of the 2019–2024 MTSF Priorities   | Percentage of approved invoices from service providers paid within 30 days of receipt                             |
| Definition  | Annual Reports produced by the department   | DMRE to report on all the relevant 2019–2024 MTSF Priorities  | In line with Treasury instruction note, the DMRE aims to pay all its approved invoices within 30 days of receipt. |
| Source of data  | APP, Strategic plan, Framework for quarterly and Annual reports                           | Implementations Reports on 2019–2024 MTSF Priorities  | Payment transaction reports and invoices  |
| Method of calculation   | Quarterly Reports submitted to DPME<br>Annual Report tabled in Parliament                 | Total number of quarterly progress reports which detail the implementation of the 2019–2024 MTSF Priorities signed by DMRE Minister                 | (Number of approved invoices paid within 30 days of receipt / total number of approved invoices)*100              |
| Means of Verification   | Yearly- Proof of tabling for AR<br><br>Q1-N/A<br>Q2- Proof of tabling for AR<br>Q3- 4 N/A | Quarterly reports which detail the implementation of the 2019–2024 MTSF Priorities<br>Q1-Q1 Report<br>Q2-Q2 Report<br>Q3-Q3 Report<br>Q4- Q4 Report | Yearly - 30 days payment invoice report<br>Q1-4 - 30 days payment invoice report                                  |
| Assumptions   | None  | None  | None  |
| Disaggregation of Beneficiaries (where applicable)                | N/A   | N/A   | N/A   |
| Spatial Transformation (where applicable)                         | N/A   | N/A   | N/A   |
| Calculation type  | Non-cumulative  | Non-cumulative  | Non-cumulative  |
| Reporting cycle (quarterly, annually or at longer time intervals) | Annually  | Quarterly   | Monthly   |
| Desired performance   | SOEs' Annual reports tabled in Parliament   | 4 Quarterly Reports which detail the implementation of the 2019–2024 MTSF Priorities  | 100% approved invoices from Service Providers paid within 30 days of receipt.                                     |
| Indicator responsibility  | CD: SOE Oversight   | CD: Office of the Director-General  | Chief Director: Financial Management Services   |



## Programme 2: Minerals and petroleum regulation

| Indicator number             | 2.1  | 2.2  | 2.3   | 2.4   |
|------------------------------|--|--|---|---|
| <b>Indicator title</b>       | Number of jobs to be created through the issuing of mining rights and petroleum licences   | Number of SLP development projects completed   | Percentage of participation in District Planning Forums (joined up plans)   | Number of black industrialists created through procurement  |
| <b>Definition</b>            | Increase in the number of direct jobs created as per investment, along the mining value chain and mining-related communities to evaluate work programmes on potential jobs | List of projects completed that contribute towards Human Resources Development, Mine Community Development, Housing and Living Conditions, address Employment Equity issues, and Processes to save jobs and manage downscaling and/or closure of mines | Percentage in which the department participate in the District Planning Forums to contribute to the development of the economic development component of the joined-up plan | List of Black Industrialist that are supplying in the Mining Industry   |
| <b>Source of data</b>        | Monthly & Annual Reports   | Inspection Reports   | Reports   | Report on Black Industrialist that are supplying the Mining Industry  |
| <b>Method of calculation</b> | Direct jobs to be created through issued mining rights   | Number of SLP development projects completed per year  | $(\text{Total Number of participation} / \text{total number of District Planning Forums (joined-up plans)}) \times 100$   | List of Black Industrialist that are supplying the Mining Industry  |
| <b>Means of Verification</b> | Monthly, Annual returns/ Evaluated work programmes<br><br>Yearly- 4000<br><br>Q1-N/A<br><br>Q2-1000<br><br>Q3-2000<br><br>Q4-4000  | Yearly- 120 (SLP Inspection Reports)<br><br>Q1-30<br><br>Q2-60<br><br>Q3-90<br><br>Q4-120  | 100% (Report of District Planning Forums)<br><br>Q1-4 100%  | 10 (List of HDSA companies, showing names and identity documents per region)<br><br>Q1-2<br><br>Q2-5<br><br>Q3-7<br><br>Q4-10 |
| <b>Assumptions</b>           | Reports not recorded correctly   | SLP Inspection reports not recorded correctly  | None  | None  |



| Indicator number   | 2.1  | 2.2  | 2.3   | 2.4  |
|--|--|--|---|--|
| <b>Indicator title</b>   | Number of jobs to be created through the issuing of mining rights and petroleum licences | Number of SLP development projects completed | Percentage of participation in District Planning Forums (joined up plans) | Number of black industrialists created through procurement |
| <b>Disaggregation of Beneficiaries ( where applicable)</b>               | N/A  | N/A  | N/A   | N/A  |
| <b>Spatial Transformation (where applicable)</b>                         | N/A  | N/A  | N/A   | N/A  |
| <b>Calculation type</b>  | Cumulative (Year-to-date)  | Cumulative (Year-to-date)                    | Cumulative (Year-to-date)   | Cumulative (Year-to-date)                                  |
| <b>Reporting cycle (quarterly, annually or at longer time intervals)</b> | Quarterly  | Quarterly                                    | Quarterly   | Quarterly  |
| <b>Desired performance</b>   | 4 000  | 120  | 100% Participation in District Planning Forums (joined-up plans)          | 10   |
| <b>Indicator responsibility</b>  | Chief Directors:   | Chief Directors:                             | Chief Directors   | Director: Empowerment and Transaction Assessment           |



| Indicator number   | 2.5   | 2.6   | 2.7   | 2.8  |
|--|---|---|---|--|
| <b>Indicator title</b>   | Number of SLP inspections conducted   | Number of legal compliance inspections (mineral laws-MLA) conducted                     | Number of mining economics (MWP/PWP) inspections conducted  | Number of environmental inspections conducted  |
| <b>Definition</b>  | Inspections conducted to monitor compliance with Social Labour Plans                                      | Inspections conducted to monitor legal compliance with the regulatory framework         | Mining economics Inspections (MWP/PWP) conducted to monitor legal compliance with the regulatory framework. | Environmental compliance inspections conducted to monitor environmental compliance.  |
| <b>Source of data</b>  | Inspection Reports, SLP annual progress reports   | Inspection Reports, annual Reports  | Inspection reports, Mine economics annual progress reports  | Inspection Reports and orders issued   |
| <b>Method of calculation</b>   | Total number of SLP inspections conducted per year  | Total of number of legal compliance inspection conducted per year                       | Total number of mining economics (MWP/PWP) inspections conducted per year                                   | Total number of environmental inspections conducted per year                         |
| <b>Means of Verification</b>   | Yearly- 212 (Inspection Reports on SLP ,Annual Inspection reports)<br>Q1-53<br>Q2-106<br>Q3-159<br>Q4-212 | Yearly – 150 (Inspection Reports, annual Reports)<br>Q1-37<br>Q2-74<br>Q3-112<br>Q4-150 | 500 (Inspection reports, Mine economics annual progress reports)<br>Q1-125<br>Q2-250<br>Q3-375<br>Q4-500    | 1275 (Inspection Reports and orders issued)<br>Q1-319<br>Q2-638<br>Q3-957<br>Q4-1275 |
| <b>Assumptions</b>   | None  | None  | None  | None   |
| <b>Disaggregation of beneficiaries (where applicable)</b>                | N/A   | N/A   | N/A   | N/A  |
| <b>Spatial Transformation (where applicable)</b>                         | N/A   | N/A   | N/A   | N/A  |
| <b>Calculation type</b>  | Cumulative (Year-to-date)   | Cumulative (Year-to-date)   | Cumulative (Year-to-date)   | Cumulative (Year-to-date)  |
| <b>Reporting cycle (quarterly, annually or at longer time intervals)</b> | Quarterly   | Quarterly   | Quarterly   | Quarterly  |
| <b>Desired performance</b>   | 212   | 150   | 500   | 1 275  |
| <b>Indicator responsibility</b>  | Regional Directors  | CD: Environmental Enforcement and Compliance  | CD: Environmental Enforcement and Compliance  | CD: Environmental Enforcement and Compliance   |



| Indicator number  | 2.9  | 2.10  | 2.11  | 2.12  |
|---|--|---|---|---|
| <b>Indicator title</b>                                    | Number of petroleum retail site compliance inspections conducted per year  | Number of fuel samples tested   | Percentage of petroleum license applications approved with the minimum of 50% HDSA ownership  | Number of rights and permits granted and/or issued to HDSA controlled entities  |
| <b>Definition</b>   | Random Inspections conducted by regional inspectors to enforce compliance to petroleum license conditions in terms of the Petroleum Products Act (PPA) as amended. | Samples taken by Inspectors from the service station to analyse the quality of their fuel as per specification. | To indicate the percentage of all license applications approved that is with a HDSA ownership of at least 50%                               | Rights and permits granted and/or issued to HDSA controlled entities to ensure implementation of transformation policies  |
| <b>Source of data</b>                                     | All relevant regulation.   | Fuel specification regulation   | Decisions on license applications   | Petroleum Transformation Charter  |
| <b>Method of calculation</b>                              | Number of the petroleum retail site inspected  | Compare the results of tested fuel samples against the specification fuel specification regulation              | (number of licence applications approved that is with ownership of at least 50% HDSA / total number of licence applications approved) * 100 | Total number of rights and permits granted and/or issued to HDSA controlled entities per year   |
| <b>Means of Verification</b>                              | Yearly – 1500<br>Q1-300<br>Q2-800<br>Q3-1100<br>Q4-1500  | Report on fuel samples tested<br>Yearly – 1080<br>Q1-270<br>Q2-540<br>Q3-810<br>Q4-1080                         | Yearly- 50% (Report on the licence applications approved that is with ownership of at least 50% HDSA )<br>Q1-4 50%                          | Issued and/ or granted rights and permits, shareholders or Joint Venture agreements or members interest (CCs) and Identity documents<br>Q1-30<br>Q2-60<br>Q3-90<br>Q4-120 |
| <b>Assumptions</b>  | Lack of regional inspectors to conduct inspections   | Lack of regional inspectors to conduct inspections  | None  | Fronting, misleading information, transfer, and cession of rights   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | None   | None  | Youth, Women and People with disabilities   | N/A   |
| <b>Spatial Transformation (where applicable)</b>          | None   | None  | N/A   | N/A   |
| <b>Calculation type</b>                                   | Cumulative (Year-to-date)  | Cumulative (Year-to-date)   | Cumulative – (Year-End)   | Cumulative (Year-to-date)   |



| Indicator number  | 2.9   | 2.10  | 2.11   | 2.12   |
|---|---|---|--|--|
| Indicator title   | Number of petroleum retail site compliance inspections conducted per year | Number of fuel samples tested                                   | Percentage of petroleum license applications approved with the minimum of 50% HDSA ownership | Number of rights and permits granted and/or issued to HDSA controlled entities |
| Reporting cycle (quarterly, annually or at longer time intervals) | Quarterly   | Quarterly   | Quarterly  | Quarterly  |
| Desired performance   | 1 500 Retail site compliance inspections conducted                        | 1080 Fuel samples tested.                                       | At least 50% of license applications approved have a minimum of 50% HDSA ownership           | 120  |
| Indicator responsibility  | Chief Director: Petroleum Compliance Monitoring and Enforcement           | Chief Director: Petroleum Compliance Monitoring and Enforcement | Chief Director: Petroleum Licensing and Fuel Supply  | CD: Environmental Enforcement and Compliance                                   |



## Programme 3: Mining, minerals and energy policy

| Indicator number  | 3.1   | 3.2   | 3.3  | 3.4  |
|---|---|---|--|--|
| <b>Indicator title</b>                                    | <b>Clean Fuel 2 Regulations amended</b>   | <b>Biofuels Mandatory Blending Regulations amended</b>  | <b>LPG Roll-out Strategy developed</b>   | Community Relocation Guidelines developed  |
| <b>Definition</b>   | Develop Clean Fuels 2 Regulations and submit to cabinet for promulgation  | Biofuels Mandatory Blending Regulations amended. Regulations provides for the regulatory environment that is conducive to the production of biofuels.   | Strategy to roll-out the LP Gas to increase the usage of LPG mainly by household consumers but not excluding other sectors of the market.            | Guidelines to assist when communities are relocated to other areas to make way for development of mines.   |
| <b>Source of data</b>                                     | Studies on environmental benefits, incentives for Cleaner Fuels. 20YLFRM, Energy security master plan of 2007   | Consultation with the industry, research and approval by Cabinet  | LPG marketers and producers, service on LPG Consumption Acts; Research and benchmarking Amended Gas Act, Industry, public comments.                  | MPRDA, Research and Consultation with stakeholders, Court Order:   |
| <b>Method of calculation</b>                              | IEP Modelling   | Stakeholder consultation  | Price determination based on actual costs and including margins as return on investment.   |  |
| <b>Means of Verification</b>                              | Yearly- Clean Fuels 2 Regulations developed<br>Q1-N/A<br>Q2-Govt gazette/ Proof of publication<br>Q3- Stakeholder consultation report<br>Q4- Clean Fuels 2 Regulations                | Yearly- Biofuels Mandatory Blending Regulations developed for promulgation<br>Q1-N/A<br>Q2-Govt gazette/ Proof of publication<br>Q3- Stakeholder consultation report<br>Q4- Biofuels Mandatory Blending Regulations | Yearly- LPG Strategy approved<br>Q1-N/A<br>Q2-Govt gazette/ Proof of publication<br>Q3- Stakeholder consultation report<br>Q4- LPG Strategy approved | Annually: Published Community Relocation Guidelines for implementation<br>Q1 – N/A<br>Q2 - Published for Public Comment<br>Q3 – Stakeholder Consultation Report<br>Q4 - Published Community Relocation Guidelines for implementation |
| <b>Assumptions</b>  | Reluctance by industry to provide accurate refinery data, unwillingness on the part of the industry to invest in refinery upgrades. Inconsistent and outdated data from stakeholders. | Lack of accurate data from the industry   | Reluctance of LPG marketers to supply information particularly their emphasis on commercial sensitivities.   | Stakeholders unwillingness to work together  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   | N/A   | N/A  | N/A  |



| Indicator number  | 3.1  | 3.2  | 3.3                             | 3.4  |
|---|--|--|---------------------------------|--|
| Indicator title   | Clean Fuel 2 Regulations amended                     | Biofuels Mandatory Blending Regulations amended                    | LPG Roll-out Strategy developed | Community Relocation Guidelines developed                  |
| Spatial Transformation (where applicable)                         | N/A  | N/A  | N/A                             | N/A  |
| Calculation type  | Non-Cumulative                                       | Non-Cumulative   | Non-Cumulative                  | Non-Cumulative   |
| Reporting cycle (quarterly, annually or at longer time intervals) | Quarterly  | Quarterly  | Quarterly                       | Quarterly  |
| Desired performance   | Clean Fuels 2 Regulations developed for promulgation | Biofuels Mandatory Blending Regulations developed for promulgation | LPG Strategy approved           | Community Relocation Guidelines developed for Promulgation |
| Indicator responsibility  | Director: Petroleum Policy                           | Chief Director: Hydrocarbons Policy                                | Director: Petroleum Policy      | Director: Mineral Policy                                   |



| Indicator number             | 3.5  | 3.6  | 3.7   | 3.8   | 3.9  |
|------------------------------|--|--|---|---|--|
| <b>Indicator title</b>       | <b>Draft Upstream Petroleum Resources Development Bill presented to Cabinet for approval and tabling in Parliament</b>   | <b>Draft Mine Health and Safety Amendment Bill presented to Cabinet for approval and tabling in Parliament</b>   | Draft National Petroleum Company Bill   | Number of economic reports on analysis and support for Bojanala District Model  | Report on economic viability of shale gas exploration in SA produced   |
| <b>Definition</b>            | The development of an Act that will govern and regulate the upstream petroleum sector  | The review of the Mine Health and Safety Act of 1996   | The development of an Act to establish a national petroleum company   | The Branch will be focusing on 3 districts in Bojanala as per Ministers appointment by President as the champion for Bojanala District, to lead economic growth of the district   | Two of DMREs SOEs are busy with research to confirm the feasibility of shale gas exploration in South Africa   |
| <b>Source of data</b>        | MPRDA, Stakeholder Consultations, research   | Mine Health and Safety Act, Stakeholder Consultations, research  | Research and stakeholder consultations  | Economic reports on Bojanala district, Minister, stakeholders, research   | Council for Geoscience (CGS), Petroleum Agency of South Africa (PASA) and research   |
| <b>Method of calculation</b> | Simple Count   | Simple Count   | Simple Count  | Simple Count  | Simple Count   |
| <b>Means of Verification</b> | <p>Annually: Draft Bill presented for Cabinet approval for tabling in Parliament</p> <p>Q1 – N/A</p> <p>Q2 - Report on the support to Parliamentary processes</p> <p>Q3- Report on the support to Parliamentary processes</p> <p>Q4 - Report on the support to Parliament during its processes</p> | <p>Annually: Draft Bill presented for Cabinet approval for tabling in Parliament</p> <p>Q1 – N/A</p> <p>Q2 - Report on the support to Parliamentary processes</p> <p>Q3- Report on the support to Parliamentary processes</p> <p>Q4 - Report on the support to Parliamentary processes</p> | <p>Annually: Draft National Petroleum Company Bill</p> <p>Q1 – N/A</p> <p>Q2 – Benchmarking report</p> <p>Q3- First draft Bill completed</p> <p>Q4 - Cabinet approval for the draft Bill to be publish for public comment</p> | <p>Annually: Economic analysis and support for Bojanala District Model</p> <p>Q1 – Economic Profile of Bojanala District</p> <p>Q2 - Economic Analysis with interventions through the DDM</p> <p>Q3- Progress Report on the implementation of interventions</p> <p>Q4 - Economic Impact Report on the implementation of interventions</p> | <p>Annually: Economic modelling of the Mining and Energy sectors: economic recovery focused</p> <p>Q1 – I Report</p> <p>Q2 – I Report</p> <p>Q3- I Report</p> <p>Q4 – I Report</p> |
| <b>Assumptions</b>           | Delays in the approval of the Bill   | Delays in the approval of the Bill   | Delays in the approval of the Bill  | The current restrictions in the country might limit the type of support provided.   | The current restrictions in the country might delay the research equipment arriving in South Africa from overseas.   |



| Indicator number  | 3.5  | 3.6  | 3.7   | 3.8  | 3.9   |
|---|--|--|---|--|---|
| Indicator title   | <b>Draft Upstream Petroleum Resources Development Bill presented to Cabinet for approval and tabling in Parliament</b> | <b>Draft Mine Health and Safety Amendment Bill presented to Cabinet for approval and tabling in Parliament</b> | Draft National Petroleum Company Bill   | Number of economic reports on analysis and support for Bojanala District Model | Report on economic viability of shale gas exploration in SA produced                          |
| Disaggregation of Beneficiaries (where applicable)                | N/A  | N/A  | N/A   | N/A  | N/A   |
| Spatial Transformation (where applicable)                         | N/A  | N/A  | N/A   | N/A  | N/A   |
| Calculation type  | Non-Cumulative   | Non-Cumulative   | Non-Cumulative  | Non-Cumulative   | Non-Cumulative  |
| Reporting cycle (quarterly, annually or at longer time intervals) | Quarterly  | Quarterly  | Quarterly   | Quarterly  | Quarterly   |
| Desired performance   | Draft Upstream Petroleum Resources Development Bill Tabled in Parliament   | Draft Mine Health and Safety Amendment Bill tabled in Parliament   | Draft National Petroleum Company Bill developed and submitted to Cabinet for approval | 4  | Report on economic viability of shale gas exploration in SA submitted to Cabinet for approval |
| Indicator responsibility  | Chief Director: Mineral and Petroleum Policy   | Chief Director : Mineral and Petroleum Policy  | Chief Director : Mineral and Petroleum Policy   | Chief Director : Economic Growth, Promotion and Global Relations               | DDG: MMEPD  |



| Indicator number      | 3.10   | 3.11   | 3.12  | 3.13  | 3.14   |
|-----------------------|--|--|---|---|--|
| Indicator title       | Beneficiation Master plan approved   | Number of investment promotion initiatives implemented and reported on   | Number of Investment promotion conferences and exhibitions participated in  | Radioactive Waste Management Fund Bill submitted to Cabinet   | Number of progress reports on cost update study on high-level waste for Radioactive Waste Management Fund  |
| Definition            | The development of a framework to guide orderly development of mineral value chains in the country and promote beneficiation | Initiatives implemented towards implementation of investment promotion strategy focusing on image and brand building, policy advocacy and investment promotion in South Africa | The attendance and participation in mining and energy global events and conferences to promote investment in South Africa | The establishment of a Radioactive Waste Management Fund to manage funds for establishment of infrastructure high-level radioactive waste storage and disposal and specify how funds are to be utilised | This indicator aims to support the implementation of the Radioactive Waste Management Fund Bill in determining the cost of high level waste disposal |
| Source of data        | MPRDA, Beneficiation strategy, mining masterplan   | Reports on the promotional activities undertaken, minutes of the engagements   | The engagements, conferences, research and data   | Study on the Financing Model for the Radioactive Waste Management Fund; benchmarking with other national Funds  | Research and consultation with stakeholders  |
| Method of calculation | Simple Count   | Total number of events held to promote investment per year (Simple Count)  | Total number of events held to promote investment per year (Simple Count)   | The Radioactive Waste Management Fund Bill published for public comment.(Simple Count)  | Simple Count   |



| Indicator number  | 3.10  | 3.11   | 3.12  | 3.13  | 3.14   |
|---|---|--|---|---|--|
| <b>Indicator title</b>                                    | Beneficiation Master plan approved  | Number of investment promotion initiatives implemented and reported on   | Number of Investment promotion conferences and exhibitions participated in  | Radioactive Waste Management Fund Bill submitted to Cabinet   | Number of progress reports on cost update study on high-level waste for Radioactive Waste Management Fund  |
| <b>Means of Verification</b>                              | <p>Approved beneficiation master plan</p> <p>Q1 – Desktop research and benchmarking towards the beneficiation master plan</p> <p>Q2-Stakeholder Consultations</p> <p>Q3- Submission into Cabinet processes</p> <p>Q4 - Approved beneficiation master plan</p> | <p>Investment promotion initiatives implemented</p> <p>Q1- Northern Cape Mining &amp; Energy Investment Conference hosted</p> <p>Q2- Limpopo Mining &amp; Energy Investment Conference hosted</p> <p>Q3- North West Mining &amp; Energy Investment Conference hosted</p> <p>Q4- Report on investments facilitated in the mining &amp; energy sectors</p> | <p>Investment promotion conferences and exhibitions participated in</p> <p>Q1 – Reports on participation in Africa Utility Week, World Futures Energy Summit, and Angola Oil &amp; Gas</p> <p>Q2- Report on participation in Africa Down Under, China Mining</p> <p>Q3- Report on participation in Africa Oil Week</p> <p>Q4- Reports on Mining Indaba, PDAC, Africa Energy Forum</p> | <p>Annually- The Radioactive Waste Management Fund Bill is submitted to cabinet</p> <p>Q1-N/A</p> <p>Q2- Draft Bill gazetted for public comments</p> <p>Q3 - Report on consolidated public comments</p> <p>Q4- Bill submitted to Cabinet for tabling in parliament for promulgation</p> | <p>Annually- Progress report on cost update study on high-level waste for Radioactive Waste Management Fund</p> <p>Q1-N/A</p> <p>Q2- I Progress Report</p> <p>Q3- N/A</p> <p>Q4- I Progress Report</p> |
| <b>Assumptions</b>  | Inability to have consultations with stakeholders and delays in approvals from Cabinet  | COVID 19 restrictions in the country might restrict hosting of promotional events  | COVID 19 restrictions in the country might restrict hosting of promotional events   | Inability of state to enforce compliance by the waste generators.   | Unavailability of data and information   |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A   | N/A  | N/A   | N/A   | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A   | N/A  | N/A   | N/A   | N/A  |
| <b>Calculation type</b>                                   | Non -Cumulative   | Non-Cumulative   | Non - Cumulative  | Non- Cumulative   | Cumulative   |



| Indicator number  | 3.10                               | 3.11   | 3.12   | 3.13   | 3.14  |
|---|------------------------------------|--|--|--|---|
| Indicator title   | Beneficiation Master plan approved | Number of investment promotion initiatives implemented and reported on | Number of Investment promotion conferences and exhibitions participated in | Radioactive Waste Management Fund Bill submitted to Cabinet  | Number of progress reports on cost update study on high-level waste for Radioactive Waste Management Fund     |
| Reporting cycle (quarterly, annually or at longer time intervals) | Quarterly                          | Quarterly  | Quarterly  | Quarterly  | Quarterly   |
| Desired performance   | Beneficiation Master plan approved | 3  | 9  | Radioactive Waste Management Fund Bill submitted to Cabinet for tabling in parliament for promulgation | Two Quarterly progress reports on cost update study on high-level waste for Radioactive Waste Management Fund |
| Indicator responsibility  | Director: Beneficiation Economics  | Chief Director : Economic Growth, Promotion and Global Relations       | Chief Director : Economic Growth, Promotion and Global Relations           | Director: Nuclear Policy   | Director: Nuclear Policy  |



| Indicator number      | 3.15  | 3.16  | 3.17  | 3.18  | 3.19  | 3.20  |
|-----------------------|---|---|---|---|---|---|
| Indicator title       | Gas Master Plan Submitted to Cabinet  | Amended National Energy Regulator (NERA) Bill   | Amended Electricity Regulation Act (ERA) Bill   | Just energy transition plan   | GHG assessment and reporting framework for mining and energy sector developed   | Number of carbon offset projects approved   |
| Definition            | Development of a road map for the gas industry to strengthen the petroleum industry throughout the value chain by developing markets for South Africa through targeted beneficiation, reduced costs of inputs, and increased research and development | Amendment of the National Electricity Regulation Act– A need to amend the NER Act to improve the structure and governance of the Electricity Regulator. | Amendment of the Electricity Regulation Act to improve the structure and governance of the Electricity Regulator. | Development a just transition plan for the energy sector from a coal based to a clean energy based economy where economic, social, environmental and labour aspects are considered. | Development of GHG reporting and assessment framework from which projects can be identified, implemented, monitored and reported in line with the country's commitments under the UNFCCC. | Carbon Offsets Programme administration as per the Carbon Offsets regulations to reduce carbon tax liabilities and this is in line with the overall Carbon Tax Act. |
| Source of data        | IRP, Research, engagements with stakeholders (government, labour and industry)  | NERA, NERSA, Public comments, research  | ERA, NERSA, Public comments, research   | Acts, Research, policy documents, strategies and reports Consultations with other organs of state, research institutions, civil society, NGOs and business                          | Acts, Research, policy documents, strategies and reports Consultations with other organs of state, research institutions, civil society, NGOs and business                                | Carbon Tax Act and other related frameworks   |
| Method of calculation | Inputs from the industry incorporated to develop a road map   | Research and consultations  | Research and consultations  | A developed Just Energy Transition plan   | GHG reporting and assessment framework approved by the Minister   | Percentage of approved and listed carbon offset projects  |



| Indicator number  | 3.15   | 3.16  | 3.17   | 3.18   | 3.19  | 3.20   |
|---|--|---|--|--|---|--|
| Indicator title   | Gas Master Plan Submitted to Cabinet   | Amended National Energy Regulator (NERA) Bill   | Amended Electricity Regulation Act (ERA) Bill  | Just energy transition plan  | GHG assessment and reporting framework for mining and energy sector developed   | Number of carbon offset projects approved  |
| <b>Means of Verification</b>                              | <p>Gas Master Plan</p> <p>Q1- Planning Philosophy Report</p> <p>Q2- Draft Base case Report</p> <p>Q3- Base case report gazetted for public comments &amp; a</p> <p>Report on consolidated public comments</p> <p>Q4- Gas Master Plan submitted to Cabinet for approval</p> | <p>Annually- Amended NERA Bill submitted to Cabinet.</p> <p>Q1 - Report on Consolidated Public Comments</p> <p>Q2- Amendment Bill submitted to Cabinet for tabling in parliament for promulgation</p> <p>Q3-N/A</p> <p>Q4 – N/A</p> | <p>Annually- Amended ERA Bill submitted to Cabinet.</p> <p>Q1- Report on Consolidated Public Comments</p> <p>Q2- Amendment Bill submitted to Cabinet for tabling in parliament for promulgation</p> <p>Q3-N/A</p> <p>Q4 -N/A</p> | <p>Annually - Approved Just energy transition plan</p> <p>Q1- Research and analytical report on indicators underpinning the development of just transition</p> <p>Q2 - Report on modelling and scenario planning in line with the country's policies and plans</p> <p>Q3- Stakeholder consultation report on the formulation of a just transition plan</p> <p>Q4- Draft just transition plan developed</p> | <p>Annually- GHG reporting and assessment framework submitted for Ministerial approval</p> <p>Q1- GHG assessment and reporting framework drafted</p> <p>Q2- Report on stakeholder consultation</p> <p>Q3- Draft GHG assessment and reporting framework</p> <p>Q4- GHG assessment and reporting framework approved by Minister</p> | <p>Annually: 4 carbon offset projects approved</p> <p>Q1- 1 project approved</p> <p>Q2- 1 project approved</p> <p>Q3- 1 project approved</p> <p>Q4- 1 project approved</p> |
| <b>Assumptions</b>  | Lack of resources  | Prolonged consultative process  | Prolonged consultative process   | Lack of inputs from stakeholders<br>Indecision by role players   | Inputs from stakeholders taking longer than anticipated   |  |
| <b>Disaggregation of Beneficiaries (where applicable)</b> | N/A  | N/A   | N/A  | N/A  | N/A   | N/A  |
| <b>Spatial Transformation (where applicable)</b>          | N/A  | N/A   | N/A  | N/A  | N/A   | N/A  |



| Indicator number  | 3.15                                 | 3.16  | 3.17  | 3.18                                 | 3.19  | 3.20   |
|---|--------------------------------------|---|---|--------------------------------------|---|--|
| Indicator title   | Gas Master Plan Submitted to Cabinet | Amended National Energy Regulator (NERA) Bill | Amended Electricity Regulation Act (ERA) Bill | Just energy transition plan          | GHG assessment and reporting framework for mining and energy sector developed | Number of carbon offset projects approved          |
| Calculation type  | Cumulative – (Year-End)              | Cumulative (Year-end)                         | Cumulative (Year-end)                         | Cumulative (Year-to-date)            | Non-cumulative  | Cumulative   |
| Reporting cycle (quarterly, annually or at longer time intervals) | Quarterly                            | Quarterly                                     | Quarterly                                     | Quarterly                            | Quarterly   | Quarterly  |
| Desired performance   | Gas Master Plan submitted to Cabinet | Amended NERA Bill submitted to Cabinet        | Amended ERA Bill submitted to Cabinet         | Just energy transition plan approved | GHG reporting and assessment framework submitted for Ministerial approval     | Four Carbon offset project approved and registered |
| Indicator responsibility  | Chief Director: Policy Planning      | Director: Electricity Policy                  | Director: Electricity Policy                  | D: Climate Change Management         | D: Climate Change Management  | D: Designated National Authority (CDM)             |



| Indicator number      | 3.20   | 3.21  | 3.22   | 3.23   | 3.24  |
|-----------------------|--|---|--|--|---|
| Indicator title       | Report on energy related climate change response measures monitored, quantified and reported   | Number of approved Clean Development Mechanism projects   | Number of monthly Minerals and Energy performance Economic Reports (GDP)   | Number of quality mineral publications published   | Number of Energy statistics reports published   |
| Definition            | Report on energy and climate change related projects to identified financial contributions, activities and projects that a being implemented in line with the agreements the country and department has entered into with international and local stakeholders | Clean Development Mechanism (CDM) Programme administration as per the Designated National Authority (DNA) regulations for the implementation of South African obligations as a signatory to Kyoto Protocol under United Nation Framework Convention on Climate Change (UNFCCC) by assessing, approving and supporting clean development mechanism (CDM) projects initiated and implemented by project developers. | Total number of reports compiled on the economic performance of minerals and energy to inform GDP  | Reports detailing mineral reserves, production, sales and revenues, labour and remuneration, supply and demand as well developments and local and global economic outlooks and investment opportunities  | Reports detailing fuel reserves, production, sales and revenues, labour and remuneration, supply and demand as well developments and local and global economic outlooks and investment opportunities                  |
| Source of data        | International Agreements, Climate Change Obligations as per Paris Agreement  | Designated National Authority Regulations and Obligations   | Subscriptions, research and intelligence<br><br>Other sources referenced are from various local and international publications, Stats', Reserve Bank, National Treasury, Competition Commission, IMF and World Bank) | Statistics collected through Section 28 of the MPRDA,<br><br>Subscriptions, research and intelligence.<br><br>Other sources referenced are from various local and international publications, Stats', Reserve Bank, National Treasury, Competition Commission, IMF and World Bank) | Subscriptions, research and intelligence.<br><br>Other sources referenced are from various local and international publications, Stats', Reserve Bank, National Treasury, Competition Commission, IMF and World Bank) |
| Method of calculation | Report on energy related climate change response measures developed (Simple Count)   | Submission of reports on approved projects (Simple Count)   | Economic Reports developed (Simple Count)  | Published Publications (Simple Count)  | Published energy statistical reports (Simple Count)   |



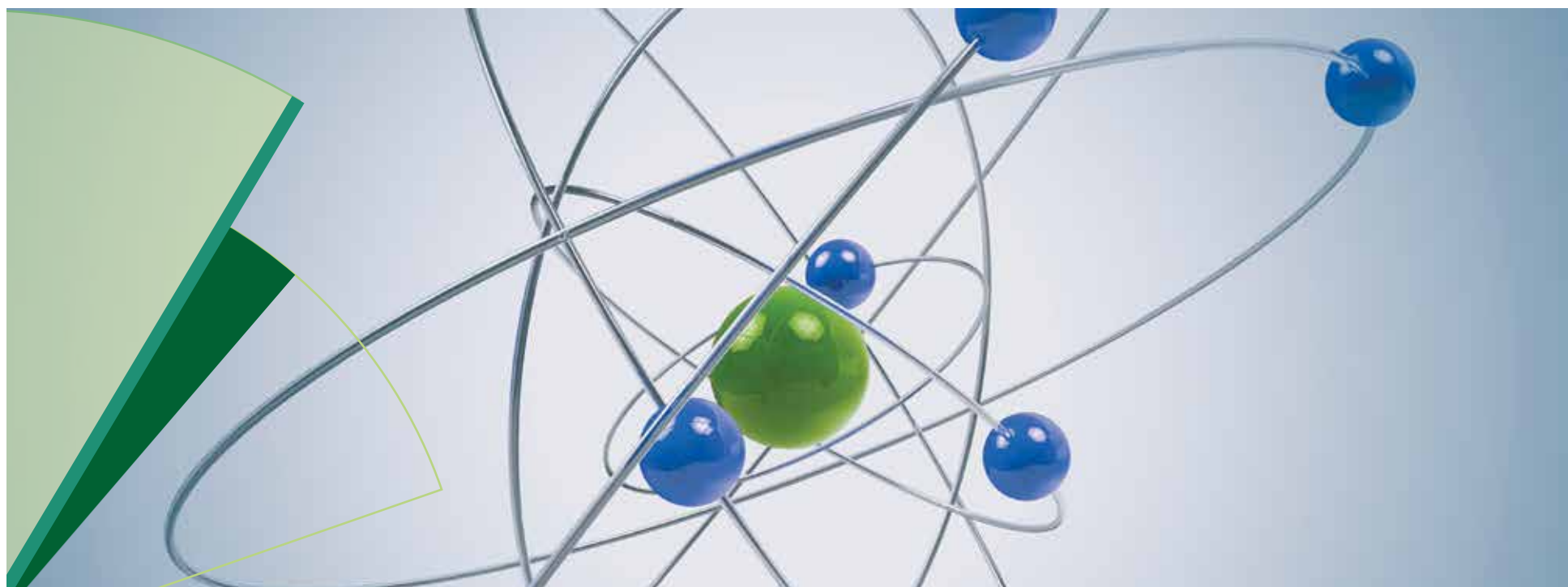
| Indicator number   | 3.20   | 3.21  | 3.22  | 3.23   | 3.24  |
|--|--|---|---|--|---|
| <b>Indicator title</b>   | Report on energy related climate change response measures monitored, quantified and reported | Number of approved Clean Development Mechanism projects                               | Number of monthly Minerals and Energy performance Economic Reports (GDP)                                    | Number of quality mineral publications published   | Number of Energy statistics reports published   |
| <b>Means of Verification</b>   | Report on energy related climate change response submitted                                   | Annually- 2 CDM Projects approved<br>Q1 N/A<br>Q2-1 Report<br>Q3 – N/A<br>Q4-1 Report | Annually- 12 Monthly Minerals and Energy performance Economic Reports (GDP)<br>Q1-3<br>Q2-3<br>Q3-3<br>Q4-3 | Annually: 8 quality publications published:<br>Q1- 1 Minerals & 1 Energy Bulletin<br>Q2- 1 Minerals & 1 Energy Bulletin<br>Q3- 1 Minerals & 1 Energy Bulletins<br>Q4- SAMI & Chrome Strategy Implementation Report | Energy statistics reports published<br>Q1-N/A<br>Q2-Draft Reports<br>Q3-Reports peer reviewed<br>Q4-4 Published reports |
| <b>Assumptions</b>   | Unavailability of information  | No applications received  | Unavailability of references  | Unavailability of references   | Unavailability of references  |
| <b>Disaggregation of Beneficiaries (where applicable)</b>                | N/A  | N/A   | N/A   | N/A  | N/A   |
| <b>Spatial Transformation (where applicable)</b>                         | N/A  | N/A   | N/A   | N/A  | N/A   |
| <b>Calculation type</b>  | Non-cumulative   | Cumulative  | Cumulative  | Non-cumulative   | Non-cumulative  |
| <b>Reporting cycle (quarterly, annually or at longer time intervals)</b> | Annually   | Quarterly   | Quarterly   | Quarterly  | Quarterly   |
| <b>Desired performance</b>   | Report on energy-related climate change response measures monitored, quantified and reported | 2 finalised CDM projects  | 12  | 8  | 4 Reports published (1xEnergy Price, 1xEnergy Balance 1xEnergy Trade 1xEnergy Statistics booklet)                       |
| <b>Indicator responsibility</b>  | Director: Designated National Authority (CDM)  | D: Designated National Authority (CDM)  | Chief Director: Economics Analysis and Statistics   | Chief Director: Economics Analysis and Statistics  | Chief Director: Economics Analysis and Statistics   |



| Indicator number                                    | 3.25  | 3.26  | 3.27   |
|---|---|---|--|
| Indicator title                                     | <b>Number of Progress reports on agreed areas of collaboration and cooperation implemented (bilateral agreements)</b>   | Number of progress reports on multilateral strategic partnerships   | National Nuclear Regulator Amendment Bill submitted to Cabinet   |
| Definition  | Implementation of established partnerships with various strategic countries to collaborate with other countries to promote South Africa's mining and energy sectors | Implementation of strategic partnerships in multilateral and bilateral agreements to manage the implementation of the minerals resource and energy diplomacy strategic partnerships through establishment and implementation of key areas of cooperation with various bilateral and multilateral fora | Publish the National Nuclear Regulator Amendment Bill for public comments to strengthen nuclear safety regulatory framework and address fragmented regulatory framework  |
| Source of data                                      | Signed MOU on existing agreements on mining and energy  | Multilateral agreements on mining and energy the sectors  | National Nuclear Regulator Act, Stakeholder consultations, research  |
| Method of calculation                               | Areas of cooperation in the existing agreements implemented (Simple Count)  | Areas of cooperation with multilateral strategic partnerships implemented (Simple Count)  | National Nuclear Regulator Amendment Act promulgated (Simple Count)  |
| Means of Verification                               | Annually- 10 Existing bilateral agreements implemented.<br>Q1-10<br>Q2-10<br>Q3-10<br>Q4-10   | Annually- 10 Existing multilateral agreements implemented.<br>Q1-10<br>Q2-10<br>Q3-10<br>Q4-10  | Annually- Amendment Bill submitted to Cabinet for tabling in parliament for promulgation.<br>Q1--N/A<br>Q2- Draft Bill gazetted for public comments<br>Q3-Report on consolidated public comments<br>Q4- Amendment Bill submitted to Cabinet for tabling in parliament for promulgation |
| Assumptions   | Unavailability of stakeholders  | Unavailability of stakeholders  | Prolonged consultative process   |
| Disaggregation of Beneficiaries ( where applicable) | N/A   | N/A   | N/A  |
| Spatial Transformation (where applicable)           | N/A   | N/A   | N/A  |
| Calculation type                                    | Non -Cumulative   | Non-Cumulative  | Non-Cumulative   |



| Indicator number  | 3.25  | 3.26   | 3.27   |
|---|---|--|--|
| Indicator title   | <b>Number of Progress reports on agreed areas of collaboration and cooperation implemented (bilateral agreements)</b> | Number of progress reports on multilateral strategic partnerships      | National Nuclear Regulator Amendment Bill submitted to Cabinet                     |
| Reporting cycle (quarterly, annually or at longer time intervals) | Quarterly   | Quarterly  | Quarterly  |
| Desired performance   | Progress reports on 10 existing agreements implemented  | Progress reports on 10 multilateral strategic partnerships implemented | NNR Amendment Bill submitted to Cabinet for tabling in parliament for promulgation |
| Indicator responsibility  | Chief Director: Economic Growth, Promotion and Global Relations   | Chief Director: Economic Growth, Promotion and Global Relations        | CD: Nuclear, Electricity and Gas Policy  |



## Programme 4: Mine health and safety inspectorate

| Indicator number  | 4.1  | 4.2  | 4.3  |
|---|--|--|--|
| Indicator title   | Percentage reduction in occupational fatalities  | Percentage reduction in occupational injuries  | Percentage reduction in occupational diseases (Including TB)   |
| Definition  | Monitor the number of people that die due to accidents at the mines  | Monitor the number of people that get injured whilst on duty at the mines  | Monitor the number of people that contract occupational diseases at the mines  |
| Source of data  | Data from the electronic accident reporting system   | Data from the electronic accident reporting system   | Health Incident Report   |
| Method of calculation   | Number of fatalities reported in the current quarter – number of fatalities reported in same quarter previous year) / number of fatalities reported in the same quarter in the previous year) * 100] | [(Number of injuries reported in the current quarter – number of injuries reported in same quarter previous year) / number of injuries reported in the same quarter in the previous year) * 100] | [(Number of diseases reported in the current quarter – number of diseases reported in same quarter previous year) / number of diseases reported in the same quarter in the previous year) * 100] |
| Means of Verification   | SAMRASS 1 and 2 forms<br>Q1-4 10%  | SAMRASS 1 and 2 forms<br>Q1-4 5%   | Health Incident Report<br>Q1-4 10%   |
| Assumptions   | Electronic accident reporting system (SAMRASS) failure   | Electronic accident reporting system (SAMRASS) failure.  | None   |
| Disaggregation of Beneficiaries (where applicable)                | N/A  | N/A  | N/A  |
| Spatial Transformation (where applicable)                         | N/A  | N/A  | N/A  |
| Calculation type  | Cumulative – (Year-End)  | Cumulative – (Year-End)  | Cumulative – (Year-End)  |
| Reporting cycle (quarterly, annually or at longer time intervals) | Quarterly  | Quarterly  | Quarterly  |
| Desired performance   | 10%  | 5%   | 10%  |
| Indicator responsibility  | Director: Mine Safety  | Director: Mine Safety  | Director Occupational Medicine   |



| Indicator number   | 4.4  | 4.5  | 4.6   |
|--|--|--|---|
| <b>Indicator title</b>   | Percentage of investigations completed (Initiated vs Completed)  | Percentage of inquiries completed (Initiated vs completed)   | Number of qualitative inspections conducted (cumulative)  |
| <b>Definition</b>  | Timely completion of initiated accident investigation in order to determine the causes of fatalities or injuries that occurred at the mines to prevent reoccurrence of accidents/incidents | Timely completion of initiated accident inquiries to determine the causes of fatalities that occurred at the mines | Counting the number of inspections conducted at mines as per the Inspection Procedure to monitor and enforce compliance with MHSa provisions. |
| <b>Source of data</b>  | Section 64 Accident Investigation Reports  | Section 72 Accident Inquiry Reports  | (Inspection reports)  |
| <b>Method of calculation</b>   | Number of Investigations completed per quarter / Number of Investigations initiated per quarter) * 100]  | (Number of Inquiries completed per quarter / Number of Inquiries initiated per quarter) * 100]                     | Inspection reports  |
| <b>Means of Verification</b>   | Section 64 Accident Investigation Reports<br><br>Q1-80%<br><br>Q2-80%<br><br>Q3-80%<br><br>Q4-80%  | Section 72 Accident Inquiry Reports<br><br>Q1-80%<br><br>Q2-80%<br><br>Q3-80%<br><br>Q4-80%                        | (Inspection reports)<br><br>Yearly- 8396<br><br>Q1-2099<br><br>Q2-4198<br><br>Q3-6297<br><br>Q4-8396  |
| <b>Assumptions</b>   | None   | None   | None  |
| <b>Disaggregation of Beneficiaries (where applicable)</b>                | N/A  | N/A  | N/A   |
| <b>Spatial Transformation (where applicable)</b>                         | N/A  | N/A  | N/A   |
| <b>Calculation type</b>  | Cumulative – (Year-End)  | Cumulative – (Year-End)  | Cumulative – (Year-End)   |
| <b>Reporting cycle (quarterly, annually or at longer time intervals)</b> | Quarterly  | Quarterly  | Quarterly   |
| <b>Desired performance</b>   | 80%  | 80%  | 8396  |
| <b>Indicator responsibility</b>  | Principal Inspectors   | Principal Inspectors   | Principal Inspectors  |



## Programme 5: Programmes and projects

| Indicator number             | 5.1   | 5.2   | 5.3  | 5.4   |
|------------------------------|---|---|--|---|
| <b>Indicator title</b>       | Power Purchase Agreements under the Risk Mitigation Independent Power Producer Procurement Programme signed | Procurement of additional power generation capacity in line with the 11 813 MW Section 34 Ministerial Determination | Number of households electrified through non-grid technology.  | Number of quarterly reports on the planning, funding, implementation, monitoring and verification of grid electrification of households towards the national commitment in the MTSF   |
| <b>Definition</b>            | Monitor the number of IPP procurement activities to improve Capacity Availability within the IPP            | Monitor the number of IPP procurement activities to improve Capacity Availability within the IPP                    | Households electrified using solar home system technology to improve lives of rural communities living far from grid electrification | Quarterly reports on the number of additional households to be electrified with grid electrification to improve lives of communities within the 44 Districts and 8 Metropolitan Municipalities as per Energy Electrification Master Plan. |
| <b>Source of data</b>        | IRP2019   | IRP2019   | Credible information from reports and journals as well as regulatory frameworks, Integrated Resource Plan 2010 and 2019              | Monthly reports on the allocation of funding & monitoring of progress on the number of additional households electrified with grid electrification  |
| <b>Method of calculation</b> | <b>Additional megawatts commissioned</b>  | <b>Additional megawatts commissioned</b>  | Municipal Allocated Systems (Allocation Letters); Committed/Delivered Systems versus Installed Systems                               | Municipal Allocated Systems (Allocation Letters); Committed/Delivered Systems versus Installed Systems  |



| Indicator number   | 5.1  | 5.2   | 5.3  | 5.4   |
|--|--|---|--|---|
| <b>Indicator title</b>   | Power Purchase Agreements under the Risk Mitigation Independent Power Producer Procurement Programme signed                    | Procurement of additional power generation capacity in line with the 11 813 MW Section 34 Ministerial Determination   | Number of households electrified through non-grid technology.  | Number of quarterly reports on the planning, funding, implementation, monitoring and verification of grid electrification of households towards the national commitment in the MTSF |
| <b>Means of Verification</b>   | COD<br>Q1-Announce preferred bidders<br>Q2-N/A<br>Q3-Power Purchase Agreements between Eskom and successful bidders.<br>Q4-N/A | COD<br>Q1-N/A<br>Q2-Request for Proposal for 2600 MW from renewable (Bid Window 6) & 513MW from storage<br>Q3-Preferred bidders for 2600 MW of Renewable Energy (Bid Window 5) announced<br>Q4-Request for Proposal for 1600 MW from Renewable Energy (Bid Window 7), 3000MW from Gas & 1500 MW from Coal | Eskom and Municipalities Annual Report on Non-grid connection<br>Q1- N/A<br>Q2- 1000<br>Q3-3 000<br>Q4- 11 000 | Yearly- 4 Quarterly report<br>Q1-Report<br>Q2- Report<br>Q3- Report<br>Q4- Report   |
| <b>Assumptions</b>   | None   | None  | None   | None  |
| <b>Disaggregation of Beneficiaries (where applicable)</b>                | N/A  | N/A   | Youth  | Youth   |
| <b>Spatial Transformation (where applicable)</b>                         | N/A  | N/A   | N/A  | N/A   |
| <b>Calculation type</b>  | Cumulative – (Year-End)  | Cumulative – (Year-End)   | Chief Director: Integrated National Electrification Programme  | Chief Director: Integrated National Electrification Programme   |
| <b>Reporting cycle (quarterly, annually or at longer time intervals)</b> | Quarterly  | Quarterly   | Quarterly  | Quarterly   |



| Indicator number                | 5.1   | 5.2   | 5.3   | 5.4   |
|---------------------------------|---|---|---|---|
| <b>Indicator title</b>          | Power Purchase Agreements under the Risk Mitigation Independent Power Producer Procurement Programme signed | Procurement of additional power generation capacity in line with the 11 813 MW Section 34 Ministerial Determination   | Number of households electrified through non-grid technology. | Number of quarterly reports on the planning, funding, implementation, monitoring and verification of grid electrification of households towards the national commitment in the MTSF |
| <b>Desired performance</b>      | Power Purchase Agreements between Eskom and successful bidders concluded                                    | Procure 6800 MW from Renewable Energy<br><br>Issue Request for Proposals (RFP) for 3000 MW from Gas<br><br>Issue Request for Proposals (RFP) for 1500 MW from Coal<br><br>Issue Request for Proposals (RFP) for 513 MW from Storage | 15 000  | Four Quarterly Reports  |
| <b>Indicator responsibility</b> | DDG: Programmes and Projects  | DDG: Programmes and Projects  | Chief Director: Environmental Management Projects             | Chief Director: Environmental Management Projects   |



| Indicator number  | 5.5   | 5.6  | 5.7   |
|---|---|--|---|
| Indicator title   | <b>Number of ingress control measures implemented</b>   | <b>Number of derelict and ownerless mine sites rehabilitated</b>   | <b>Number of shafts sealed off</b>  |
| Definition  | Acid Mine Drainage Strategy to address the environmental impacts associated with Acid Mine Drainage | Measurement of derelict and ownerless mines rehabilitated per annum  | Measurement of shafts sealed off per annum  |
| Source of data  | Report to the Inter-Ministerial Committee on Acid Mine Drainage                                     | Derelict and Ownerless mines database  | Derelict and Ownerless mines database   |
| Method of calculation   | Acid Mine Drainage Strategy developed and approved  | Reports on Derelict and Ownerless mines rehabilitated.   | Reports on shafts sealed off  |
| Means of Verification   | Yearly- 1 Ingress measure implemented<br>Q1-3 N/A<br>Q4-1 Ingress measure implemented               | Reports on Derelict and Ownerless mines rehabilitated.<br>Yearly- 3 derelict and ownerless mine sites rehabilitated<br>Q1-2 N/A<br>Q3- 1<br>Q4-2 | Reports on shafts sealed off<br>Yearly- 40 shafts sealed off<br>Q1-2 N/A<br>Q3- 10<br>Q4-30 |
| Assumptions   | None  | None   | None  |
| Disaggregation of Beneficiaries (where applicable)                | N/A   | N/A  | N/A   |
| Spatial Transformation (where applicable)                         | N/A   | N/A  | N/A   |
| Calculation type  | Cumulative – (Year-End)   | Cumulative – (Year-End)  | Cumulative – (Year-End)   |
| Reporting cycle (quarterly, annually or at longer time intervals) | Annually  | Quarterly  | Quarterly   |
| Desired performance   | 1 Ingress measure implemented   | 3 derelict and ownerless mine sites rehabilitated  | 40 shafts sealed off  |
| Indicator responsibility  | <b>Chief Director:<br/>Environmental Management Projects</b>  | <b>Chief Director:<br/>Environmental Management Projects</b>   | <b>Chief Director:<br/>Environmental Management Projects</b>                                |



| Indicator number  | 5.8   | 5.9   |
|---|---|---|
| Indicator title   | <b>Report on Key Milestones of the RE Master Plan Process</b>   | <b>Number of energysavings (TWh) realised and verified from EEDSM projects</b>  |
| Definition  | A report on a strategic plan that outlines Renewable Energy activities that the Department of Energy can undertake over specified timeframes to achieve the stated goals and outcome.   | TWh per hour of energy savings from EEDSM projects realized In order to report on the number of TWh per hour of energy savings from EEDM projects Planning & developing projects to achieve 0.5 TWh of energy savings per annum.  |
| Source of data  | Credible information from reports and journals as well as regulatory frameworks, Integrated Resource Plan 2010 and 2019   | EEDSM projects register   |
| Method of calculation   | Renewable Energy Master Plan report in place  | Number of TWh per hour of energy savings realised from EEDSM projects   |
| Means of Verification   | Yearly- I Report on the implementation of Renewable Energy (RE) Sector Master Plan<br><br>Q1-First Draft RE Master Plan Report<br><br>Q2- Second Draft RE Master Plan<br><br>Q3- Validation of the draft report<br><br>Q4- - Final Master Plan Report | SAMRASS 1 and 2 forms<br><br>Q Yearly- 0.5TWh (Independent Measurement and Verification of energy savings) &0.0194 TWh savings by EEDSM grant participating municipalities<br><br>Q1-Quarterly Report<br><br>Q2- Quarterly Report<br><br>Q3- Quarterly Report<br><br>Q4- Quarterly Report |
| Assumptions   | None  | None  |
| Disaggregation of Beneficiaries ( where applicable)               | N/A   | N/A   |
| Spatial Transformation (where applicable)                         | N/A   | N/A   |
| Calculation type  | Cumulative – (Year-End)   | Cumulative – (Year-End)   |
| Reporting cycle (quarterly, annually or at longer time intervals) | Quarterly   | Quarterly   |
| Desired performance   | Renewable Energy (RE) Sector Master Plan report   | 0.5 TWh of energy savings realized and verified from EEDSM projects<br><br>0.0194 TWh savings by EEDSM grant participating municipalities   |
| Indicator responsibility  | Director: Renewable Energy  | Director: Energy Efficiency   |



## Programme 6: Nuclear

| Indicator number      | 6.1  | 6.2  | 6.3   | 6.4   |
|-----------------------|--|--|---|---|
| Indicator title       | <b>Procurement Framework for 2500MW Nuclear Programme</b>  | <b>Number of quarterly monitoring reports on Koeberg Nuclear Power Plant life extension Programme</b>  | <b>Feasibility Report submitted to Cabinet for approval to establish the CISF</b>   | <b>Feasibility study on New Multi-Purpose Reactor completed</b>   |
| Definition            | Implementing of the 2500 MW nuclear energy Programme to ensure security of supply of energy  | Overseeing Koeberg Long Term Operation beyond 2024 to ensure security of supply of energy  | Overseeing the establishment of the CISF in accordance with the Framework for Infrastructure Delivery and Procurement Management guideline to provide for the long-term storage of spent nuclear fuel from the country's nuclear reactors | Overseeing project for a new Multi-Purpose Reactor to be procured 2024 in order to replace the aging SAFARI-I research reactor to ensure South Africa retains and builds its position as a global leader in utilization and operation of nuclear research reactors          |
| Source of data        | Nuclear Build Programme Progress Report and National Nuclear Act, IRP2019, NDP, National Nuclear Act   | Koeberg Power Plant Life Extension Programme   | Framework for Infrastructure Delivery and Procurement Management guideline  | National Treasury Infrastructure Standard   |
| Method of calculation | As per NDP projections<br><br>Approved Procurement Framework for implementation of the 2 500 MW nuclear programme  | Koeberg Power Plant Life Extension Programme   | Monitoring reports on APP Quarterly targets, analysed and submitted to Minister   | 100 % as per planned status   |
| Means of Verification | Yearly- Approved Procurement Framework<br><br>Q1-Business Case Report<br>Q2- Draft Framework<br>Q3-Draft Framework with inputs<br>Q4- Approved Procurement Framework | Yearly- 4 Quarterly Reportson Koeberg Programme<br><br>Q1-Quarterly report<br>Q2- Quarterly report<br>Q3- Quarterly report<br>Q4- Quarterly report | Yearly – Prefeasibility submitted to Cabinet (Minutes of Quarterly meetings/reports of the Steering Committee on CISF)<br><br>Q1-Draft Report<br>Q2-Report reviewed by steering committee<br>Q3-Final report<br>Q4- Cabinet memo          | Feasibility Report as per National Treasury Infrastructure Standard, related Ministerial Submissions, Cabinet Memoranda, and Independent Gateway Review Reports.<br><br>Q1- Draft Report<br>Q2-Report reviewed by steering committee<br>Q3-Final report<br>Q4- Cabinet memo |
| Assumptions           | None   | None   | None  | None  |



| Indicator number  | 6.1  | 6.2  | 6.3  | 6.4   |
|---|--|--|--|---|
| Indicator title   | Procurement Framework for 2500MW Nuclear Programme           | Number of quarterly monitoring reports on Koeberg Nuclear Power Plant life extension Programme                         | Feasibility Report submitted to Cabinet for approval to establish the CISF         | Feasibility study on New Multi-Purpose Reactor completed            |
| Disaggregation of Beneficiaries (where applicable)                | N/A  | N/A  | N/A  | N/A   |
| Spatial Transformation (where applicable)                         | N/A  | N/A  | N/A  | N/A   |
| Calculation type  | Cumulative – (Year-End)                                      | Cumulative – (Year-End)  | Cumulative – (Year-End)  | Cumulative – (Year-End)   |
| Reporting cycle (quarterly, annually or at longer time intervals) | Quarterly  | Quarterly  | Quarterly  | Quarterly   |
| Desired performance   | Procurement Framework for 2500MW Nuclear Programme developed | 4 Monitoring Reports on Koeberg's Plant Life Extension Plan through established Technical Oversight Committee meetings | Feasibility Report for establishment of the CISF submitted to Cabinet for approval | Feasibility study on MPR completed and submitted for Gateway Review |
| Indicator responsibility  | DDG: Nuclear Programme                                       | DDG: Nuclear Programme   | DDG: Nuclear Programme   | Chief Director: Nuclear Safety and Technology                       |



| Indicator number                                   | 6.5   | 6.6   | 6.7   |
|--|---|---|---|
| Indicator title                                    | Percentage of authorization applications processed within the 8-week time period.   | Number of nuclear Safeguards compliance reports approved  | Number of Nuclear Security compliance Reports   |
| Definition   | To ensure authorization applications are approved within 8 weeks of receipt in order to account for and control of nuclear material and equipment. To ensure peaceful use of nuclear material and equipment and to prevent the diversion to non-peaceful purposes | The Nuclear compliance inspections are conducted in terms of sections 37, 38 and 39 of the Nuclear Energy Act, 1999 (Act 46 of 1999) to ensure compliance with sections 34 and 35 of the Act and International obligations related to Nuclear Non-proliferation | The Nuclear Security inspections are conducted to observe physical protective measures implemented by nuclear material holders.                   |
| Source of data                                     | Authorisation applications  | Inspection reports  | Inspection reports  |
| Method of calculation                              | (number of authorisation applications approved within 8 weeks / total number of authorisation applications)*100   | The number of inspection conducted per Quarter  | Number of inspections conducted per quarter   |
| Means of Verification                              | Yearly- 70% (Number of authorisation received)<br>Q1-70%<br>Q2-70%<br>Q3-70%<br>Q4-70%  | Yearly -20 Nuclear Safeguards compliance reports approved<br><br>Q1-4-5 Nuclear Safeguards compliance reports approved  | Yearly-12 Nuclear Security compliance reports on inspections conducted<br><br>Q1-4 3 Nuclear Security compliance reports on inspections conducted |
| Assumptions  | None  | None  | None  |
| Disaggregation of Beneficiaries (where applicable) | N/A   | N/A   | N/A   |
| Spatial Transformation (where applicable)          | N/A   | N/A   | N/A   |
| Calculation type                                   | Cumulative – (Year-to date)   | Cumulative – (Year-End)   | Cumulative – (Year-End)   |



| Indicator number  | 6.5   | 6.6  | 6.7  |
|---|---|--|--|
| Indicator title   | Percentage of authorization applications processed within the 8-week time period. | Number of nuclear Safeguards compliance reports approved         | Number of Nuclear Security compliance Reports                    |
| Reporting cycle (quarterly, annually or at longer time intervals) | Quarterly   | Quarterly  | Quarterly  |
| Desired performance   | 70% of authorisation applications processed within the 8-week time period         | 20 Nuclear Safeguards compliance reports approved                | 12 Nuclear Security compliance reports on inspections conducted  |
| Indicator responsibility  | Chief Director: Nuclear Non-Proliferation and Radiation Security                  | Chief Director: Nuclear Non-Proliferation and Radiation Security | Chief Director: Nuclear Non-Proliferation and Radiation Security |



## Annexures to the Annual Performance Plan

### Annexure A: Amendments to the Strategic Plan

N/A at this stage

### Annexure B: Conditional grants

The DMRE administers conditional grants with regard to the National Electrification Programme and Energy Efficiency and Demand-Side Management (EEDSM) Programme. These conditional grants are summarised as follows (details provided in the Division of Revenue Act, 2014 [Act No.10 of 2014]):

| Name of grant   | Purpose   | Outputs                                       | Current annual budget (thousands) | Period of grant          |
|---|---|---|-----------------------------------|--------------------------|
| Energy Efficiency and Demand Side Management (EEDSM) Grant  | To provide subsidies to municipalities to implement energy efficiency and demand side management (EEDSM) initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency | Amount of energy saved in Terawatt hour (TWh) | R220 874                          | August 2021-January 2022 |
| Electrification and Energy Programme and Project Management | Integrated national electrification programme: Eskom  | Electrification households                    | R2 824 257                        | July 2021 -January 2022  |
| Electrification and Energy Programme and Project Management | Integrated national electrification programme: Municipalities   | Electrification households                    | 2 003 157                         | July 2021 -February 2022 |

### Annexure C: Consolidated indicators

| Institution                                | Output indicator | Annual target | Data source                                      |
|--|------------------|---------------|--|
| Department of Mineral Resources and Energy | 75               | 79            | MTSF and 2020–25 Strategic Plan, IRP, MPRDA, PPA |

### Annexure D: District Development Model

District Model Planning is led by the Department of Cooperative Governance and Traditional Affairs (COGTA). Annual Performance Plan service delivery projects, where applicable and when required by COGTA will be integrated into the District Model.













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