

DEPARTMENT OF ENERGY

**Annual Performance Plan
2019/20**



energy

Department:
Energy
REPUBLIC OF SOUTH AFRICA

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Prepared in line with the tabled 2015-2020 Medium Term Strategic Framework of the Department of Energy and National Development Plan energy sector priorities.
- Reflects performance targets which the Department of Energy will endeavour to achieve given the resources made available in the budget outcome for the 2019/20 fiscal year.

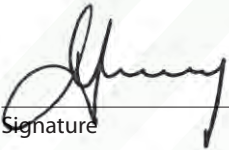
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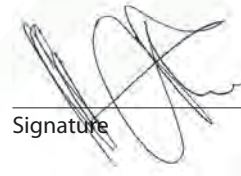
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TABLE OF CONTENTS

INTRODUCTION	1	Cross-Cutting Programme 1 Quarterly Target for 2019/20	24
FOREWORD BY MINISTER	2	Sub-Programme 1.1: Ministry	25
MESSAGE FROM DEPUTY MINISTER	5	Sub-Programme 1.2: Departmental Management	25
STATEMENT BY ACCOUNTING OFFICER	7	Sub-Programme 1.3: Governance and Compliance	27
Part A: STRATEGIC OVERVIEW	9	Sub-Programme 1.4: Finance Administration	32
1. Updated Situational Analysis	10	Sub-Programme 1.5: Audit Services	33
Performance Delivery Environment	10	Sub-Programme 1.6: Corporate Services.....	33
Access to Electricity	11	Sub-Programme 1.7: Office Accommodation	34
Organisational Environment	11	Risk Management	37
Training and Development	11	Programme 2: Energy Policy and Planning	38
Office Accommodation: Regional Offices	12	2.1 Programme Purpose	39
Revision of Legislative and other Mandates	12	2.2 Budget Sub-Programmes	39
2. Alignment with the Medium Term Strategic Framework and the National Development Plan	13	Sub-Programme 2.1: Policy Analysis and Research	39
2.1. Overview of the 2019/20 Budget and Medium Term Expenditure Framework	17	Sub-Programme 2.2: Energy Planning	39
2.2. Relating Expenditure Trends to Strategic Outcome-Oriented Goals	20	Sub-Programme 2.3: Hydrocarbon Policy	42
Part B: PROGRAMME AND SUBPROGRAMME PLANS	22	Sub-Programme 2.4: Electricity, Energy Efficiency and Environmental Policy	44
Programme 1: Administration	23	Resource Consideration	49
1.1 Programme Purpose	23	Risk Management	51
1.2 Budget Sub-Programmes	23	Programme 3: Petroleum and Petroleum Products Regulation	52
Cross-Cutting Programme 1 Strategic Objectives and Annual Targets for 2019/20	23	3.1 Programme Purpose	53
Cross-Cutting Programme 1 Performance Indicators and Annual Targets for 2019/20 MTEF	24	3.2 Budget Sub-Programmes	53
		Sub-Programme 3.1: Petroleum, Compliance, Monitoring and Enforcement	53

TABLE OF CONTENTS

Sub-Programme 3.2: Petroleum Licensing and Fuel Supply	55	Sub-Programme 5.2: Nuclear Non-Proliferation and Radiation Security	75
Sub-Programme 3.3: Fuel Pricing Regulation	56	Sub-Programme 5.3: Nuclear Policy	76
Sub-Programme 3.4: Regional Petroleum Regulation Offices	56	Resource Consideration	79
Resource Consideration	57	Risk Management	81
Risk Management	59		
PROGRAMME 4: Electrification and Energy Programme and Project Management	60	PROGRAMME 6: Clean Energy	82
4.1 Programme Purpose	61	6.1 Programme Purpose	83
4.2 Budget Sub-Programmes	61	6.2 Budget Sub-Programmes	83
Sub-Programme 4.1: Integrated National Electrification Programme	61	Sub-Programme 6.1: Energy Efficiency	83
Sub-Programme 4.2: Energy Regional Offices	67	Sub-Programme 6.2: Renewable Energy	85
Sub-Programme 4.3: Programme and Project Management Office	67	Sub-Programme 6.3: Climate Change and Designated National Authority	88
Sub-Programme 4.4: Electricity Infrastructure/Industry Transformation/ Community Upliftment / Programmes and Projects	68	Resource Consideration	89
Sub-Programme: Community Upliftment / Programmes and Projects	68	Risk Management	92
Resource Consideration	70		
Risk Management	72	PART C: LINKS TO OTHER PLANS	93
PROGRAMME 5: Nuclear Energy	73	1 LINKS TO LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS	94
5.1 Programme Purpose	74	2 CONDITIONAL GRANTS	96
5.2 Budget Sub-Programmes	74	3 PUBLIC ENTITIES	97
Sub-Programme 5.1: Nuclear Safety and Technology	74	4 PUBLIC-PRIVATE PARTNERSHIPS	99
		Part D: ANNEXURE	100
		ACRONYMS AND DESCRIPTIONS	101



INTRODUCTION

FOREWORD BY MINISTER

Introduction

This year marks the final year of the fifth administration of the democratic government post 1994. Over the past five years, the Department of Energy has been engaged in the modification of energy policies and regulations, and plans to ensure that they enable the energy sector to contribute in igniting economic growth needed in South Africa to alleviate the triple challenges that affect the lives of vulnerable members of our society. Since the adoption of the NDP, significant progress has been made and there have been a number of changes in the energy sector. One of them is the unprecedented changes in the relative costs of power generation in the electricity sector. These rapid changes presented the opportunity, risks and transition cost for both domestic and global countries. The department is working on finalising the updated strategic national plans to inform the most appropriate strategic decisions that are critical to avoid inefficient energy services. This energy plan seeks to provide a future energy roadmap for South Africa, by evaluating the best energy policy options or policy alternatives against the key objectives identified during the planning process.

Access to Energy

The Department will continue to ensure that rich and diverse resources of our region are exploited in a responsible manner for sustainable universal access to energy, and facilitate industrial development through energy-related infrastructure projects.

To respond to the mandate of the Department of Energy of ensuring universal access by 2025, the department will continue

to emphasise access to secure, sustainable and affordable energy for all through expanded access to energy services that are sustainable and contribute to the reduction of pollution and mitigation of the effects of global warming. During the year under review an additional 53 072 households were connected to the grid and this translates into a cumulative figure of 1 150 707 household grid connections during this MTSF period. In the 2019/20 financial year, the department has planned to connect 195 000 households across the country to the grid and 20 000 additional households electrified with non-grid electrification towards the target in the National Electrification Plan. Parallel to this, the Department will continue to address challenges related to bulk infrastructure, such as rehabilitation and building of substations and transmission lines, especially in rural areas and townships. For 2019/20 the Department plans to build two new bulk substations, upgrade three substations, construct 50 km new MV power lines and upgrade 50 km of existing MV power lines. To further increase basic electricity services the non-grid programme will continue to focus on both rural, inaccessible areas and informal settlements in urban areas. To date an additional 197 households were connected to non-grid technology, translating to a figure of 70 381 households connected to non-grid since 2014.

Energy Efficiency

Energy efficiency is a priority area for both the industry and the department as a policy maker. In the last decades, energy efficiency was considered the main offsetting factor of rising global energy consumption and greenhouse gas emissions. The



efficient use of energy encourages a more sustainable energy policy and security of energy supply, a subject which has given cause for concern in recent years.

Investment in energy efficiency measures, both from government and private sector, is still not on track to achieve the scale required to improve energy efficiency. New financing mechanisms are vital to delivering the investment opportunity required for both energy efficiency improvement and the reduction of greenhouse gas emissions.

As part of the implementation of the post-2015 National Energy Efficiency Strategy, the Department is looking at energy efficiency as the “first fuel” in which we can invest ahead of other more complex or costly energy sources. We will continue to encourage municipalities to participate actively in the Energy Efficiency and Demand Side Management Programme.

The implementation of more energy efficiency programmes to ensure security of supply will comprise the draft Renewable Energy Technology Roadmap (RETRM) and the roll-out of 87 000 procured Solar Water Home systems in 19 municipalities, which will have an impact on containing cost escalation and a reduction in greenhouse gas emissions.

REIPPP (Renewable Energy Independent Power Producer Procurement Programme)

During the 2018/19 financial year the Department signed agreements for the 27 projects procured under the Renewable Energy Independent Power Producer Procurement Programme Bid Windows 3.5 and 4 for various provinces within the country. The procurement of these projects represents the biggest IPP procurement by the Department of Energy at a total amount of R56 billion of investment and 2300 MW of generation capacity to be added to the grid over the next five years. This will have a positive impact on the economy and competition in the energy sector and will certainly benefit the consumer.

The programme will further stimulate an indigenous renewable energy industry and contribute to socio-economic development and environmentally sustainable growth.

Indications are that prices will continue to decrease in future rounds as demonstrated by the recent Solar PV and Wind prices elsewhere in the world.

Furthermore, jobs will be available across the entire value chain, with an additional 1 500 jobs possible in the manufacturing sector. The localisation potential of these 27 new projects is substantial. South African manufacturers stand to benefit from this huge demand given the local content commitments made by the IPPs. In addition, opportunities for suppliers of local goods and services are available.

It is the Department’s position to contribute towards government’s key priorities to address inequality, poverty, economic growth and creation of jobs. This will be done through programmes to support the participation of youth, women and designated groups in the energy sector.

Nuclear Energy

South Africa is one of the global leaders in the production of medical radioisotopes, in particular Molybdenum-99, through the Nuclear Technology Products (NTP) a subsidiary company of Necsa. NTP is a pioneer in the integrated use of medical radioisotopes, making South Africa a hub of nuclear medicine excellence on the African continent.

Since November 2017, the NNR directed Necsa to cease operations within the Nuclear Technology Products (NTP) complex. The NNR further suspended activities in the NTP complex. The NNR’s directives were mainly informed by Necsa’s failure to adhere to safety requirements and violations of established procedures.

In February 2018, the NNR granted NTP a conditional return to production. Then a safety-related incident occurred in May 2018 and triggered the NNR to issue yet another directive for halting of operations at NTP. The Department of Energy, Necsa and NNR have been working together to address the challenges within NTP, and on 17 November 2018, NTP returned to operation.

South Africa has Koeberg Nuclear Power Plant as the only operating nuclear power plant in Africa. Nuclear power is part of government’s energy mix. The current draft IRP 2018 is still undergoing review following a public consultation process; once this is completed it will provide the government’s position on the future of the new nuclear expansion programme.

The Department is developing relevant policies and amending nuclear legislation to regulate the nuclear sector. To this end, a Draft Decommissioning and Decontamination Policy, National Nuclear Regulator Amendment Bill and Radioactive Waste Management Fund Bill will be submitted to Cabinet for consideration and approval during this financial year. South Africa remains committed to ensuring and maintaining effective nuclear security measures in respect of all nuclear and

other radioactive material, in accordance with our national and international obligations.

State Owned Entities

In support of the pronouncement made by his Excellency President Cyril Ramaphosa in the 2019 State of the Nation Address we will continue to enhance good corporate governance within state-owned entities reporting to the Department of Energy. This will assist in improving efficiency and attainment of planned priorities and targets in the interest of service delivery. In the previous financial year, consultation and engagements were conducted with our various SOEs with the view to improving governance and resolving challenges faced by some of the entities.

Gas

We are excited by and welcome the good news pronounced by his Excellency President Cyril Ramaphosa in the State of the Nation Address that Total has discovered a world-class oil and gas reserve off the coast of South Africa.

The LPG technology system and infrastructure development that come with the LPG strategy will be realised, such as a reticulation network, and import and storage facility. This will bring about employment opportunities, particularly for the youth, who stand to benefit from the skills transfer associated with such developments.

The gas strategy, as adopted and implemented, will be viewed within the context of a wider government strategy to grow the economy and as part of the Nine Point Plan. The availability of natural gas as a reliable combustible fuel and enabling source of electricity power supply to the South African economy will produce direct and indirect benefits for the country.

In this financial year the department will table the draft Gas Amendment Bill at the State Law Advisor for certification. This is intended to provide an opportunity to analyse and incorporate other gas-related issues, such as the Gas-to-Power Project, to promote an efficient, competitive and responsive economic infrastructure.

International Relations

The Department will continue to maintain relations and cooperation with the SADC region, the African continent and the rest of the world. These strategic partnerships are in line with the energy interests of the country, particularly the need for the security of energy supply, the diversification of the energy mix and the access to finance, technology, technical skill and information. In line with this imperative, the Department will forged bilateral and multilateral relations that meet our strategic objectives.

Conclusion

In conclusion, the demand for energy will grow as the global economy grows. We will continue to call upon the private sector to collaborate in finding mutually beneficial solutions. I wish to extend my sincere appreciation to the Portfolio Committee on Energy in the National assembly and Select Committee on Economic and Business Development for their guidance and oversight. My sincere thanks also goes to departmental entities, organised labour and the broader energy industries for their continued efforts of making the objectives of the NDP and the manifesto of the ruling party a reality. Lastly, I wish to thank the Director General, Mr Thabane Zulu, Team Energy, and all energy sector stakeholders for their ongoing engagement and support.



Mr S.G. Mantashe, MP

Minister of Mineral Resources and Energy

MESSAGE FROM DEPUTY MINISTER

Introduction

The Department of Energy (“DoE”) is responsible for ensuring exploration, development, processing, utilization and management of South Africa’s energy sources. In line with the provision of the White Paper on Energy, one of the key objectives of the DoE is to ensure energy security, which in essence is about ensuring availability of energy resources and access to energy services, in an affordable and sustainable manner while minimising the associated adverse environmental impacts. Factors pose potential threats to energy security including scarce and depleting energy resources, minimising environmental impact, geopolitical instability, exploration of new technologies and inadequate energy infrastructure. In order to ensure continued security of energy supply, it is essential that a coordinated and integrated approach to energy planning, which takes into account these complex issues, is undertaken regularly.

The South African energy sector is governed and regulated by a number of legislation which includes the National Energy Act, 2008 (Act No. 34 of 2008) among others. The National Energy Act states the following as its objectives: Increasing access to affordable energy services; improving energy governance; Stimulating economic growth; managing energy-related environmental and health, impacts and securing supply through diversity. The development of an energy sector-wide transformation Charter, in line with the revised codes of good practice, as a driver for transformation across the sector is critical if the NDP commitments to dealing with inequality; poverty and high levels of unemployment are to be realized.

Grand Inga

South Africa have signed a Treaty with the Democratic Republic of Congo (DRC) on the Grand Inga Hydro scheme Power Project. This Treaty will be developed in seven phases as strategic projects to evacuate power from the Inga through the transit countries. We will make sure that such strategic partnerships yield the desired result of security of supply. Since the treaty for the development of the Grand Inga Hydropower project came into force in March 2014, the DRC commenced the process of selecting the concessionaire. The Grand Inga Treaty between SA and the DRC obliges SA to negotiate an off-take agreement for 2 500 MW of hydroelectricity from the Inga Hydro Project. We will continue to work with our neighbours in Southern Africa to conclude power transmission transit arrangements. During the 2019/20 financial year, the Department will be accelerating implementation of bilateral and regional agreements in order to realize the benefits of energy cooperation in the area of hydro-electricity, coal, gas and renewable energy.

State Owned Entities

Gas, particularly natural gas is an alternative source of clean energy that can be used directly as public and an private, as a result these sectors are already working on fleets that can be operated through compressed natural gas. Gas can equally produce the current types of fuel like petrol, diesel etc, but cleaner version through processing, which gives South Africa even more reasons to pursue explorations of natural gas in areas such as Karoo etc. The alternative clean energy gas has a potential to turn around energy sector both from affordability and clean energy. PetroSA as a State entity that processes gas needs to be



enhanced to continue its operations through diversification of its feed source through research and development, exploring gasification of coal which is still an abundant resource in SA, buying gas from other countries which have excess natural gas and future exploration to find virgin gas across the country as an alternative cheaper fuel for public transportation sector, numerous metropolitan and local municipalities and the taxi industry are in the process of converting their vehicle fleets, including busses, to run on compressed natural gas. The National Energy Regulator of South Africa (NERSA) will stimulate this activity through efficient licensing of traders who want to operate in different areas in the country. This is in line with the government’s drive for a green economy where green-house

gas emissions are reduced and new infrastructure is developed in an environmentally friendly way.

NERSA as the country's energy regulator will, over the medium term, be focusing on improving oversight of the regulated industries by conducting compliance audits and inspections, issuing licenses and setting tariffs. NERSA will do the above in order to encourage investment in the sectors, encourage new entrants and improve competition. As part of our aim to ensure regional economic cooperation and integration NERSA plays a leading role within the African and SADC regulatory bodies in assisting countries to establish regulatory mechanism. NERSA has received the application from Eskom for the next financial year and conducted public hearings in all provinces of South Africa and will be considering the public comments in the forthcoming decision on the Eskom revenue and average electricity price for 2018-19 financial year. Whatever is the conclusion on the electricity price by NERSA, the department of mineral resources and energy takes into cognisance the centrality of electrical energy in industries, manufacturing, agriculture and the entire economic activities in the country as well as daily lives of South Africans. There is thus a need to focus on research and development to produce immediate and long lasting solutions for the reduction of operational costs through new technologies that will eventually see optimal decrease on the electricity price for consumers. This should be a requirement attached to any future electricity and fuel increases. NERSA will continue to conduct an annual audit of the transmission network planning process and the development of the national transmission development plan in order to promote efficient development of the transmission infrastructure and collect,

analyse and publish performance data of the renewable energy generation including job creation and manufacturing facilities in the Renewable Energy Bulletin of NERSA.

In order to reduce the damaging impacts from emissions due to burning of fossil fuels in the engines of vehicles, the world is moving towards the use of cleaner and more efficient electrically powered modes of transport. In the process, it has been found that electric vehicles (EVs) use about four times less energy and produce no emissions at point of use, making it logical to eventually use renewable energy to recharge the batteries of EVs. It is then important to consider the impacts of switching from fossil fuels to electricity in the transport sector. A study to investigate this has been initiated by SANEDI. Initial calculations show that, not only can the new demand for electricity be supplied from existing local capacity, it can also reduce foreign exchange payments for petroleum imports and also support the Eskom grid and need for sales. Notwithstanding recent and continued advances in the roll-out of renewable energy and energy efficiency measures, we expect that coal will continue to form a significant component of our primary energy supply. Therefore, as a transition measure, carbon capture utilisation and storage continues to be developed as one of the National Flagship Programmes of the National Climate Change Response White Paper. Following the publication of the Atlas on Geological Storage of Carbon Dioxide in South Africa and the identification of a potential storage basin, existing geological data has been further and more deeply analysed. An exploration programme has been developed to identify and characterise a site for the Pilot Carbon Dioxide Storage Project and is scheduled to be completed during 2019/20. The department of Mineral

Resources and Energy as it pursues its strategic objective to provide energy security for the country as outlined in the strategy from various energy sources, IPPs does not seek to replace existing power generators, but shall be viewed as new technologies to reinforce energy/ power generation.

National Solar Water Heater Programme

The National Solar Water Heater Program embodies the collaborative spirit of intergovernmental cooperation, with various stakeholders from the 3 spheres of government working together. Due to the nature and the complexity of its implementation, we have resolved to work closely with key stakeholders that contributes to the program and this includes both national and local government. We are alive to concerns of the public regarding the implementation model. In this regard we commit to accelerating the installation of the already procured units during the 2019/20 financial year. Going forward, the programme should be improved in response to implementation.



Ms. B. Hlongwa, MP

Deputy Minister of Mineral Resources and Energy

STATEMENT BY ACCOUNTING OFFICER

The DoE's mandate is to ensure the security of supply and sustainable provision of energy for socio-economic development. This APP takes guidance from the NDP, 2014-2019 MTSF and the DoE's 2015 -2020 Strategic Plan. This Annual Performance Plan outlines the medium-term priorities and activities which the department will be doing in the 2019/20 financial year to implement its strategic plan.

In support of the Minister's Foreword, an overview of the work for some of the programme priorities is presented below. It is important at this time, as we reflect on commitments made for the past five-year term of the fifth administration and align our priorities with the 2014-2019 Medium Term Strategic Framework.

IRP

The National Development Plan (NDP) identifies the need for South Africa to invest in a strong network of economic infrastructure designed to support the country's medium- and long-term economic and social objectives. Energy infrastructure is a critical component that underpins economic activity and growth across the country; it needs to be robust and extensive enough to meet industrial, commercial and household needs.

The promulgated IRP, commonly referred to as the IRP 2010, was used to roll out electricity infrastructure development in line with Ministerial Determinations issued under Section 34 of the Electricity Regulation Act.

The electricity generation and distribution landscape in South Africa is changing at a rapid pace compared to the period before 2010.

A number of assumptions used in the IRP 2010 have therefore since changed or not materialized. The key assumptions that changed include amongst others, the electricity demand projection, the existing Eskom plant performance, installed generation capacity, as well as the costs of various electricity generation technologies.

These changed assumptions have therefore necessitated a review of the IRP 2010. In August 2018, Cabinet approved for public inputs and comments the revised draft IRP. Following the finalisation of the IRP and approval of the plan, the Department will continue to roll out new capacity as projected.

REIPPP

27 new renewable energy IPP projects will be building on the remarkable achievements that we have made through the implementation of the Renewable Energy IPP Programme to date. Through the REIPPPP we have proved that we can quickly help reduce the country's reliance on fossil fuels, that we can stimulate an indigenous renewable energy industry and that we can contribute to socio-economic development and environmentally sustainable growth. Our REIPPPP approach has become an export product in itself, with an increasing number of countries in Africa and elsewhere in the world adopting and adapting the South African model to suit their particular conditions. Socio-economic development and institutional participation have also changed over the past two and a half years in South Africa since the beginning of the procurement process of Bid Window 3.5 and 4.



The 27 projects will deliver substantial economic benefits, especially with regard to our government's commitment to meaningful black ownership participation and other priority areas of economic transformation, including socio-economic transformation at different levels of the projects – i.e. project ownership, during the construction phase as well as during the operations phase. This will ensure skills transfer and building our own developers and future IPPs who could participate the world over.

Renewable Energy IPPs have consistently exceeded mandatory commitments to direct job creation for South African citizens and specifically black people. 61 000 full-time jobs will be created, of

which 58 400 will be for South African citizens, and mostly for the youth. Most of these jobs are created during the construction period of the projects and mostly entail the utilisation of labour in the vicinity of the projects. This will give certainty to the industrial development and manufacturing sector enhanced by a clear line of sight of the MWs to be procured per annum as soon as we have the Integrated Resource Plan promulgated.

Nuclear Energy

South African Nuclear Policy of 2008 is aligned to the broader national programmes, which include the National Development Plan (NDP) and the National Growth Plan (NGP), which seeks to create inclusive economic growth by encouraging more labour-absorptive economic activities. Government's industrialisation policy calls for a paradigm shift in strategic investment in assets to maximise long-term beneficiation projects, enhance the value of exports, increase sources for consumption of local content and create opportunities for sustainable jobs.

The nuclear industry has a role to play globally and in South Africa. There is a great need, as a collective, to educate our people so that they can understand and appreciate that nuclear technology is vital for more than just providing reliable, low-carbon electricity and life-saving medical diagnostic and treatment applications. It also enhances manufacturing, mining, transport and agriculture applications and helps us discover more about the planet we live on and how we can live sustainably on it. The sector is fully capacitated to maintain high nuclear security standards for facilities and radioactive materials fundamental to all well-managed operations in the nuclear

industry. The nuclear industry operates safely and it works closely with other governments and regulators at the national and international level to ensure the public is protected. In South Africa, the National Nuclear Regulator (NNR) and National Radioactive Waste Disposal Institute (NRWDI) are the responsible institutions in this regard.

Research and Development in the sector is very critical, but historically funding for research has been below global levels using Gross Domestic Product spend, leading to a loss of opportunity in terms of IP and innovation exploitation for country benefit. To address this challenge, the Department has established a Nuclear Research Development and Innovation Committee to develop a nuclear policy framework for the research development and innovation.

The Department is working to integrate its Contingent Emergency Plans per energy sector, including nuclear. This would culminate in a Departmental overarching national disaster management plan to ensure readiness in emergency preparedness and response.

South Africa is a Member State to the International Atomic Energy Agency (IAEA) and the Department serves as a National Liaison Office (NLO), which is a principal interface between IAEA and the country on technical cooperation (TC) and related matters. The role of the NLO has been recognised as pivotal in ensuring the optimal performance of the technical programme and in enhancing the benefits derived by member states. The NLO function was delegated to Necsa in the past years and it is currently being incorporated into the Department to ensure strategic and effective coordination at national level.

Conclusion

I wish to thank the Minister for his leadership, commitment and dedication to the Department, the entities reporting to the Department, and the sector as a whole. This is reflected in the prioritising, guidance and consideration of the constructive input received over the past year. In the tight fiscal space that the country finds itself in, we will endeavour to implement and monitor cost-containment measures and manage our budget sparingly, while providing satisfactory quality service to our citizens. I commit Team Energy to continuing to display high levels of excellence and dedication in the service of the people of South Africa.



Mr. T Zulu

Director-General
Accounting Officer

Part A



STRATEGIC OVERVIEW

1. Updated Situational Analysis

A number of factors pose potential threats to energy security, including scarce and depleting energy resources, geopolitical instability, inadequate energy infrastructure and, more recently, natural disasters. To ensure continued security of energy supply, it is essential that there is a coordinated and integrated approach to energy planning and coherent policy-making. We face numerous energy challenges: firstly, to meet the rapidly rising demand for energy, especially in developing countries; secondly, to increase energy supply in a globally carbon-constrained environment; and lastly to ensure the security of supply and affordability of energy for all. These are the challenges that South Africa faces in the energy sector.

Constrained government budgets in both the developed and developing countries have necessitated increased infrastructural investment through innovative private sector financing options. Institutions financing infrastructure development are increasingly broadening their investment opportunities, developing innovative financing options and risk tolerance levels towards developing markets, greenfield projects and riskier infrastructure assets with greater levels of private equity. The South African situation is no different from that of other countries. The country's social, economic and fiscal context makes it imperative for it to leverage private sector financing and investment to meet infrastructure investment needs.

To alleviate pressure on the fiscus and stimulate economic growth and development, the government needs to utilise the private sector for infrastructure development, especially in the development, implementation and operation of energy

infrastructure. In this regard, the South African government has established an Independent Power Producers Procurement Programme (IPPPP), which has successfully designed, procured, monitored and evaluated electrical energy infrastructure projects from the private sector. This is a demonstration that both private and public sector funds can contribute to infrastructure investments. Meaningful transformation still remains our immediate concern in this sector.

There is an increased need not only globally but in South Africa to undertake mitigation policy efforts to lower the use of fossil fuels and decarbonise the economy by shifting to low-carbon alternatives. South Africa contributes around 1.5 per cent of global greenhouse gas (GHG) emissions and is ranked in the top 20 highest emitters, with emission per capita in the region of 9.5 tons, which is comparable to that of developed countries.

Performance Delivery Environment

Nuclear

There is an increased need not only globally but in South Africa to undertake mitigating policy efforts to lower the use of fossil fuels and decarbonise the economy by shifting to low-carbon alternatives. South Africa contributes around 1.5 per cent of global greenhouse gas (GHG) emissions and is ranked under the top 20 highest emitters, with emission per capita being in the region of 9.5 tons, which is comparable to that of developed countries. Currently, nuclear energy constitutes about 6% of the South African energy mix, with 1 800 megawatt of electricity being supplied to the national grid by the Koeberg Nuclear

Power Station in the Western Cape. Being a developing country, the key driver for our policy decision to opt for nuclear power is the economics of the energy source. Currently, Koeberg is one of our lowest-cost electricity sources, and generation III nuclear power plants remain a good economic choice for South Africa. Generation IV nuclear power plants promise improved economics, and South Africa looks forward to deploying such advanced energy systems to promote the country's development. Being a committed party to the Paris Convention, South Africa has set ambitious carbon reduction targets, and generation IV reactors will continue the tradition of nuclear power being the lowest carbon emitter of all energy sources. With the advantage of reduced waste from these systems, there is no doubt that nuclear power itself will be more sustainable than ever. One of the most important aspects of nuclear power is its safety. With most of the reactors globally still being generation II, South Africa has taken a decision to deploy only generation III or newer technology going forward. Nuclear power continues to be the safest source of electricity.

Currently, revolutionary new designs of NPPs are being deployed and South Africa, through its participation in the Generation IV International forum, is keeping abreast of these developments. Lessons learned from first-of-a-kind deployments are expected to drive construction costs down and shorten construction schedules. The first small modular reactors are under construction and several have clear deployment roadmaps for the next decade.

In terms of nuclear waste management, there has been progress, as several countries are about to construct final disposal facilities

for spent fuel and high-level radioactive waste, which will help address one of the long-standing public concerns about radioactive waste.

Following the 2017 Clean Energy Ministerial Conference in Beijing, China, countries proposed that nuclear as one of the clean energy sources should be included in the Clean Energy Ministerial Forum. South Africa welcomes this proposal, since we recognise that nuclear energy has the potential to make a substantial contribution to the objectives of the Clean Energy Ministerial Forum, and we are committed to participate in the proposed nuclear work-stream of this global initiative.

Access to Electricity

In line with the National Development Plan (NDP) the Department through the Integrated National Electrification Programme (INEP) is still committed to reach universal access to electrify households by 2025. As at the end of March 2017 the Department connected 769 426 households to grid and this is expected to increase to 994 426 by end March 2018. The Department is making positive progress towards the Medium Term Strategic Framework (MTSF 2014-2019) target of 1,25 million households connected to the grid.

Most households to be electrified are in deep rural areas within the 27 priority Districts in KwaZulu-Natal and the Eastern Cape. There is a need to build more bulk infrastructure in these areas to effect household connections. Where households are far from the national grid, these households will continue to be connected using off-grid home solar systems. The long-term sustainability of the off-grid solution is an area that requires focus.

Despite budget reductions, the MTSF target is still within reach. The electrification programme will be refined to ensure efficient utilisation of limited resources while continuing to contribute to socio-economic development, job creation and poverty alleviation.

Lack of skills and resources in municipalities' technical departments to plan and manage large electrification projects remains a challenge that the INEP is facing.

In the year 2019/20 the Department will continue to work closely with the Municipal Infrastructure Support Agent (MISA) to make sure that municipalities are capacitated and able to roll out electrification projects. Integrated planning with the Department of Human Settlements will also be improved.

Organisational Environment

The Department operates with an approved organisational structure consisting of 623 funded posts, with 515 filled and a vacancy rate of 17.34%. The envisaged approved organisational structure to support the DoE Strategy was not fully implemented due to funding constraints. During the 2017/18 financial year the Department realised a deficit on Compensation of Employees due to consecutive years' budget cuts. Since then the department implemented a process of reprioritisation and identifying critical posts to be filled. In the new financial year (2019/20) the department will continue with this process in line with budget realities. Furthermore, there is a need to review the organisational structure in order to match the current demands with respect to discharging the DoE's mandate. This will present an opportunity to reorganise the current functions and skills.

Additional employment currently stands at 51 (up from 37 in 2017/18) posts, with 23 internship contracts being concluded on 31 March 2019.

During the year under review, Cabinet approved the appointment of two Deputy Director-Generals for Corporate Services and Energy Programmes and Projects. The Department is currently at an advanced stage of filling the remaining two vacant Deputy Director-General positions (Clean Energy and Governance & Compliance).

Training and Development

There is a serious need for a skills audit to be conducted and strategic plans developed to ensure that we have adequate skills required for the energy sector. The skills plan should also be linked to the energy infrastructure development plan of the country to ensure that we focus on and invest in skills that will be absorbed and utilised by the energy sector. This key strategic skills intervention programme will optimise skills in the sector. The Department is working with the Energy and Water SETA (EWSETA) and Chemical Industries Education and Training Seta (CHIETA) to develop a Sector Skill Plan for the country. A Workplace Skills Plan (WSP) was developed for the Department, following the skills audit conducted through the submission of Personal Development Plans (PDPs). As part of the implementation of the WSP, 50 training and development interventions were identified.

The Department has also offered 21 new bursaries to serving employees, with effect from the beginning of the 2018 academic year. This brings the total number of employees studying part-

time at various institutions to 62. The Department has sector-focused programmes where 40 learners are on Learnerships and 20 on Work Integrated Learning. The latter programmes are being sponsored by CHIETA.

Office Accommodation: Regional Offices

In its quest to improve and bring service delivery closer to the people, the DoE has secured permanent office space for its regional offices in Mpumalanga, KwaZulu-Natal, North West, Eastern Cape, Western Cape and Limpopo provinces. The procurement of permanent office space for Northern Cape and

Free State provinces are currently underway, and we anticipate to conclude this process during 2019/2020 financial year.

At the current moment, the department continues to share office accommodation with DMR at the Free State regional office, while in the Northern Cape the DPW is currently negotiating new arrangements with the landlord.

Revision to Legislative and other Mandates

For the 2018 Parliamentary programme the department has submitted the following legislation to the Leader of Government Business for consideration by Parliament.

Name of the Bill	Strategic Focus of the Bill	Date for Submission of the Bill to Cabinet	Date for Submission of the Bill to Parliament	Impact
National Energy Regulator Amendment Bill	To establish a National Energy Regulator for the regulation of the electricity, piped-gas and petroleum pipelines industries	Before the end of 2019/20 Financial Year	Dependent on Portfolio Committee	To ensure an energy sector that promotes social equity through expanded access to electricity at affordable tariffs and through targeted sustainable subsidies for needy households
Gas Amendment Bill	To facilitate gas infrastructure development and investment. To promote Broad-Based Black Economic Empowerment, and to provide for socio-economic and environmentally sustainable development	Before the end of 2019/20 Financial Year	Dependent on Portfolio Committee	To provide for the construction of infrastructure to import LNG, as well as for increasing exploration to find domestic gas feedstock

2. Alignment with Medium Term Strategic Framework and National Development Plan

The Department of Energy has aligned its 2019/20 Annual Performance Plan with the Medium Term Strategic Framework and 2019/20 Budget Outcome:

Department Goals	Department Objectives	Linkage to the NDP Proposals	Linkage to the MTSF (2014 – 2019) (outcomes)	Departmental Programme
1. Security of supply - To ensure that energy supply is secure and demand is well managed	SO 2.1 To Improve Energy Security SO 2.2 To Improve Liquid Fuels Energy Security by Development & Implementation the Liquid Fuels 20-Year Infrastructure Plan SO 2.6 To ensure Security of Supply through Additional Power Generation Capacity	<p>Enable exploratory drilling to identify economically recoverable coal seam and shale gas reserves, while environmental investigations will continue to ascertain whether sustainable exploitation of these resources is possible. If gas reserves are proven and environmental concerns alleviated, then the development of these resources and gas-to-power projects will be fast-tracked.</p> <p>Invest in a new heavy-haul rail corridor to the Waterberg coal field, upgrade the central basin coal network and expand export capacity in the line to Richards Bay</p> <p>Ensure domestic security of coal supply for existing power stations through industry compact, more comprehensive coal field planning and opening up the Waterberg for coal mining</p> <p>Fast-track development of off-shore West Coast gas coupled with incremental power generation units</p> <p>Develop infrastructure for the import of liquefied natural gas, mainly for power production</p> <p>Upgrade refineries to ensure they meet new fuel quality standards and insist on strategic fuel stocks to ensure security of supply</p> <p>Continue to import refined fuels, ensuring that the growing deficit in petroleum products is met, and defer decision on a new refinery</p>	<p>Outcome 10 - Annual Energy Balances provided to support compilation of the GHG inventory</p> <p>Outcome 6 - Publication of approved IEP</p> <p>Outcome 6 - Take a decision on expanding oil refining capacity;</p> <p>Outcome 6 - Develop a national coal policy with regulations that will include a strategy to secure coal supply and that aligns with Mining Beneficiation</p> <p>Outcome 6 - Develop and implement a Gas Infrastructure Master Plan</p> <p>Outcome 6 - Develop a funding mechanism for upgrading of existing refineries to ensure they meet new fuel-quality standards</p> <p>Outcome 6 - Refine, update and implement the integrated Resource Plan (IRP)</p> <p>Outcome 6 - PSP Framework: Rands private investment and market share of private ownership of in baseload, renewable energy, fuels and gas</p>	<p>Sub-programme 2.1: Energy Planning Programme Performance Indicators:</p> <ul style="list-style-type: none"> Numbers of studies to determine the impact of Clean Fuels 2 on fuel consumption by road vehicles and price elasticity of fuel demand for the Integrated Energy Plan <p>Sub-programme 2.3: Hydrocarbon Policy: Programme Performance Indicators:</p> <ul style="list-style-type: none"> Finalised 20YRLFMP Draft Position Paper on Coal for Energy Policy Developed Draft GUMP and its Implementation Plan <p>Sub-programme 2.1 : Energy Planning Programme Performance Indicators:</p> <ul style="list-style-type: none"> Study to determine the impact of Clean Fuels 2 on fuel consumption by road vehicles Study to determine the price elasticity of fuel demand <p>Sub-programme 2.4: Electricity, Energy Efficiency and Environment Policy: Programme Performance Indicators:</p> <ul style="list-style-type: none"> Integrated Resource Plan (IRP). Additional power generation capacity as per the IRP

Department Goals	Department Objectives	Linkage to the NDP Proposals	Linkage to the MTSF (2014 – 2019) (outcomes)	Departmental Programme
2. Infrastructure - To facilitate an efficient, competitive and responsive energy infrastructure network	SO 2.4 To review the Bulk Electrical Infrastructure required for Universal Access to Electricity SO 4.3 Monitor Energy Infrastructure Development SO 4.2 To enhance Programme and Project Management	Ring-fence the electricity distribution businesses of the 12 largest municipalities, resolve maintenance and refurbishment backlogs and develop a financing plan, alongside investment in human capital	Outcome 6 - Ring-fence the electricity-distribution business of the 12 largest municipalities and resolve their maintenance and refurbishment Outcome 6 - SIP NO. 6 Integrated Municipal Infrastructure Project; SIP NO. 8 Green Energy in Support of the South African Economy; SIP NO. 9 Electricity Transmission and Distribution; SIP 10: Electricity Transmission and Distribution all; SIP NO.17 Regional integration for African cooperation, over the next five years, South Africa; and Strategic Integrated Projects (SIP) 17 Number of Integrated Energy Centres (IECs)	Sub-programme 2.4: Electricity, Energy Efficiency and Environmental Policy: <ul style="list-style-type: none"> • Norms and standards for municipal electricity infrastructure asset management Sub-programme 4.4: Electricity Infrastructure/Industry Transformation Programme Performance Indicator: <ul style="list-style-type: none"> • Number of reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout. Sub-programme 4.3: Community Upliftment programmes and projects Programme Performance Indicators: <ul style="list-style-type: none"> • Number of Quarterly Reports on progress made with development of rural IECs
3. Regulation and competition - To ensure that there is improved energy regulation and competition	SO 2.3 To review Policy & Regulations to ensure Security of Supply SO 3.1 To ensure compliance monitoring and enforcement in the petroleum sector SO 3.2 To promote the Transformation of the South African Petroleum & Liquid Fuels Industry through Issuing of Licences	Move Eskom's system operator, planning, power procurement, power purchasing and power contracting functions to the independent system and market operator and accelerated procurement of independent power producers. (ISMO)	Outcome 6 - Amend the National Energy Regulator Act and the Electricity Regulation Act – Legislative amendments; Outcome 6 - Independent system operator in place (6)	Sub-programme 2.4: Electricity, Energy Efficiency and Environmental Policy Programme Performance Indicators: <ul style="list-style-type: none"> • Amend National Energy Regulator Act, 2004 (Act No. 40 of 2004) • Amend Electricity Regulator Act, 2006 (Act No. 4 of 2006)

Department Goals	Department Objectives	Linkages to the NDP Proposals	Linkages to the MTSF (2014 – 2019) (outcomes)	Departmental Programme
<p>4. Universal access and transformation</p> <p>- To ensure that there is an efficient and diverse energy mix for universal access within a transformed energy sector</p>	<p>SO 2.9 Review the bulk electrical infrastructure required for universal access to electricity</p> <p>SO 2.10 Establish mechanisms to prefund capital and create smooth price path over long term</p> <p>SO 4.1 Access to Electricity by Households</p>	<p>Revise national electrification plan and ensure 90 percent coverage</p> <p><i>"... more than 90 percent of the population should enjoy access to grid-connected or off-grid electricity within 20 years" (Energy Vision, published 2012) and NDP Energy Proposals "Revise national electrification plan and ensure 90 percent access to grid-connected or off-grid electricity"</i></p>	<p>Outcome 6 - Reviewed Electricity Pricing Policy Issued</p> <p>Outcome 7 - Number of rural households linked to grid or micro scheme (electricity); Number of rural households connected with off-grid technology</p> <p>Outcome 9 - 1.25 million additional connected to grid by 2019, 105 000 additional HHs connected on non-grid by 2019</p>	<p>Sub-programme 2.4: Electricity, Energy Efficiency and Environmental Policy Programme Performance Indicators:</p> <ul style="list-style-type: none"> Electricity Pricing Policy <p>Sub-programme 4.1: Integrated National Electrification Programme Programme Performance Indicators:</p> <ul style="list-style-type: none"> Number of Quarterly Reports of additional households to be electrified with grid electrification towards the 2019/20 target of 200 000 in the National Electrification Plan Number of quarterly reports on additional households electrified with non-grid electrification towards the 2019/20 target of 20 000 in the National Electrification Plan
<p>5. Environmental assets -</p> <p>To ensure that environmental assets and natural resources are protected and continually enhanced by cleaner energy technologies</p>	<p>SO 4.4 Renewable Energy</p> <p>SO 6.2 Coordinated & Monitored the Implementation of the EEDSM Measures across all Sectors</p>	<p>Move to less carbon-intensive electricity production through procuring up to 20 000 MW of renewable energy, increased hydro imports from the region and increased demand-side measures, including solar water heating</p>	<p>Outcome 10 - Percentage of new build that is renewable power generation (42.9 or 17 800 MW) by 2030 for renewable energy developed</p> <p>Outcome 6 - Measure demand savings in MW in line with the National Energy Efficiency Strategy and Action Plan (6)</p>	<p>Sub-Programme 6.2: Renewable Energy Programme Performance Indicators:</p> <ul style="list-style-type: none"> Number of procured baseline systems in line with budget allocation; target youth trained under accredited programmes to install the systems at target municipalities

Department Goals	Department Objectives	Linkages to the NDP Proposals	Linkages to the MTSF (2014 – 2019) (outcomes)	Departmental Programme
<p>6. Climate change - To implement policies that adapt to and mitigate the effects of climate change</p>	<p>SO 5.3 Improved Security of Energy Supply</p> <p>SO 6.1 To Co-ordinate and Monitor the Implementation of Energy-related Climate Change Response Measures and Environmental Compliance</p>	<p>Thorough investigation of the implications of greater use of nuclear energy, including its potential costs, safety, environmental benefits, localisation and employment opportunities, uranium enrichment, fuel fabrication, and the dangers of weapons proliferation</p>	<p>Review alternative generation options, including Coal 3 and nuclear, to evaluate financing and construction risks and submit realistic options to Cabinet (included in Outcome 4)</p> <p>Outcome 10 - Percentage of new build that is renewable power generation (to incorporate off-grid energy with a targets of 42 (or 17 800 MW) by 2030 for renewable energy developed</p> <p>6% (or 2 600 MW) by 2030 for import of hydro power developed</p>	<p>Sub-programme 5.1 Nuclear Safety and Technology: Programme Performance Indicator:</p> <ul style="list-style-type: none"> Number of quarterly monitoring reports on the localisation & industrialisation <p>Strategy implemented</p> <p>Sub-programme 4.1: Integrated National Electrification Programme Programme Performance Indicators:</p> <ul style="list-style-type: none"> Number of quarterly reports on allocation of funding and monitoring of the progress on the number of additional households electrified with non-grid electrification of households projects per year in comparison to the electrification plan

2.1. Overview of the 2019/20 Budget and Medium Term Expenditure Framework

PROGRAMMES	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Administration	277 767	282 762	272 382	282 638	283 388	308 264	327 049	344 649
Energy Policy and Planning	38 095	39 878	41 706	53 078	50 078	54 668	57 663	60 787
Petroleum and Petroleum Products Regulation	68 958	78 991	74 639	87 132	86 132	91 269	96 401	104 289
Electrification and Energy Programme and Project Management	5 820 485	5 678 659	6 152 174	5 435 400	5 383 641	5 531 825	5 350 612	6 269 953
Nuclear energy	655 027	872 451	794 191	816 586	875 586	1 045 912	1 102 700	1 163 743
Clean energy	281 783	560 101	609 555	370 183	484 707	408 083	440 319	465 357
Total for programmes	7 142 115	7 512 842	7 944 647	7 045 017	7 163 532	7 440 021	7 374 744	8 408 778

ECONOMIC CLASSIFICATION	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	509 308	594 650	586 905	612 823	783 088	671 544	720 049	754 243
Compensation of employees	296 009	321 466	322 186	360 517	360 517	384 278	409 249	435 850
Salaries and wages	261 009	283 260	283 245	309 988	309 916	337 203	359 117	382 458
Social contributions	35 000	38 206	38 941	50 529	50 601	47 075	50 132	53 392
Goods and services	213 299	273 184	264 719	252 306	422 571	287 266	310 800	318 393
Administrative fees	5 663	4 650	3 653	3 764	3 495	3 975	4 192	4 422
Advertising	13 785	8 362	2 016	6 774	7 078	7 298	7 645	8 065
Minor assets	1 036	833	280	451	405	486	524	553

Expenditure Estimates (continued)

ECONOMIC CLASSIFICATION	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Audit costs: External	4 233	3 805	4 542	3 909	3 972	4 129	4 356	4 596
Bursaries: Employees	610	555	618	821	821	867	915	965
Catering: Departmental activities	1 961	2 546	1 745	1 630	1 714	1 721	1 819	1 920
Communication (G&S)	7 613	8 517	9 023	6 155	6 215	6 499	6 859	7 239
Computer services	9 839	10 658	11 740	7 795	7 726	10 470	11 031	11 637
Consultants: Business and advisory services	25 828	102 502	30 379	93 799	112 260	114 766	130 772	128 733
Legal services (G&S)	924	2 451	4 984	2 190	2 696	517	545	575
Contractors	2 560	2 206	1 100	1 547	1 770	1 634	1 723	1 817
Agency and support/outsourced services	3 305	1 096	189	10 308	872	10 886	11 484	12 116
Entertainment	1	8	13	184	184	195	206	217
Fleet services (including government motor transport)	1 586	1 275	1 333	571	641	605	639	675
Consumable supplies	1 042	1 032	743	2 125	1 330	2 246	2 371	2 501
Consumables: Stationery, printing and office supplies	4 653	4 722	2 826	3 939	4 861	4 160	4 385	4 624
Operating leases	34 063	38 955	35 228	45 097	45 336	49 957	52 700	55 593
Rental and hiring	93	-	68	-	-	-	-	-
Property payments	4 082	8 851	6 953	4 934	5 030	7 310	5 747	5 799
Transport provided: Departmental activity	238	294	73	-	-	-	-	-
Travel and subsistence	65 249	52 019	43 736	39 226	37 514	41 485	43 779	46 191
Training and development	4 664	4 041	3 409	4 086	4 086	4 315	4 552	4 802
Operating payments	4 898	3 988	91 502	3 844	166 489	4 059	4 282	4 516

Expenditure Estimates (continued)

ECONOMIC CLASSIFICATION	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Venues and facilities	15 373	9 818	8 566	9 157	8 076	9 686	10 274	10 837
Transfers and subsidies	6 628 378	6 816 117	7 354 808	6 427 655	6 375 155	6 763 692	6 649 647	7 649 209
Municipalities	2 158 239	2 131 871	2 290 284	2 119 501	2 119 501	2 090 393	2 216 918	2 383 747
Departmental agencies and accounts	87 140	72 546	129 395	133 391	133 391	165 916	174 313	183 351
Foreign governments and international organisations	29 563	25 003	25 622	27 915	27 915	29 478	31 099	32 809
Public corporations	4 193 601	4 125 672	4 510 325	3 944 745	3 944 745	4 264 484	4 002 157	4 811 758
Private enterprises	156 179	458 047	394 432	201 649	149 149	212 941	224 653	237 009
Households	3 656	2 978	4 750	454	454	480	507	535
Payments for capital assets	4 424	102 047	2 934	4 539	5 289	4 785	5 048	5 326
Transport equipment	-	-	970	-	750	-	-	-
Other machinery and equipment	4 424	14 700	1 964	4 539	4 539	4 785	5 048	5 326
Software and other intangible assets	-	87 347	-	-	-	-	-	-
Total economic classification	7 142 115	7 512 842	7 944 647	7 045 017	7 163 532	7 440 021	7 374 744	8 408 778

DIVISION OF REVENUE	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
National	4 983 876	5 380 971	5 654 363	4 925 516	5 044 031	5 349 628	5 157 826	6 025 031
Local government conditional grants (Direct)	2 158 239	2 131 871	2 290 284	2 119 501	2 119 501	2 090 393	2 216 918	2 383 747
TOTAL	7 142 115	7 512 842	7 944 647	7 045 017	7 163 532	7 440 021	7 374 744	8 408 778

2.2 Relating Expenditure Trends to Strategic Outcome-Oriented Goals

Expenditure analysis

The National Development Plan envisages that, by 2030, South Africa will have an adequate supply of electricity and liquid fuels to maintain economic activity and prevent economic disruptions. In giving expression to this vision over the medium term, the Department intends focusing on extending access to electricity and enhancing energy efficiency, managing nuclear energy, and diversifying the energy generation mix.

The Department's expenditure over the Medium Term Expenditure Framework (MTEF) period is driven mainly by transfers, particularly to Eskom for household electrification, building and upgrading of bulk substations and to municipalities for the implementation of electrification projects. Total expenditure is expected to increase at an average annual rate of 5.5 per cent over the medium term, from R7.16 billion in 2018/19 to R8.41 billion in 2021/22, with transfers accounting for 90.3 per cent.

The Department's spending on current payments, i.e. goods and services and compensation of employees, accounting for a projected 9.7 per cent of spending over the MTEF period, is largely driven by activities related to programme support functions, monitoring and evaluation, grant management and oversight, policy and legislative development and implementation and servicing operating leases for Head Office and the Department's regional offices. Spending on items related to goods and

services is expected to decrease at an average annual rate of 9.0 per cent, from R422.6 million in 2018/19 to R318.4 million in 2021/22 as a result of the removal of once-off items budgeted for in the 2018/19 financial year. Spending on compensation of employees is expected to increase at an average annual rate of 6.5 per cent, from R360.5 million in 2018/19 to R435.9 million in 2021/22, enabling wage adjustments aligned with CPI projections for improvements to conditions of service for employees.

Extending access to electricity and enhancing energy efficiency

Access to electricity

The function of connecting households to the electrification grid, building and upgrading bulk substations, constructing and upgrading medium voltage power lines is undertaken on behalf of the Department by Eskom and various municipalities, funded by transfers from the Electrification and Energy Programme and Project Management programme of the Department. Expenditure in the Electrification and Energy Programme and Project Management programme is expected to increase at an average annual rate of 5.2 per cent, from R5.4 billion in 2018/19 to R6.3 billion in 2021/22. The below-inflationary increase is due to a Cabinet-approved reduction of R1.4 billion to the Programme over the medium term, R617.2 million from the Eskom grant in order to balance the fiscal framework and R814.5 million from the municipalities grant to accommodate a functional shift to the urban settlements development grant, which is managed by the Department of Human Settlements,

for the electrification of households in informal settlements in metropolitan municipalities.

Despite the budget reduction, over the medium term, transfers to Eskom will increase from R3.3 billion in 2018/19 to R3.8 billion, while transfers to municipalities will increase from R1.9 billion to R2.1 billion, which is expected to connect 590 000 households to the electricity grid, build six bulk substations and upgrade a total of nine substations over the same period. In addition, the Department is projecting that a further 20 000 households per year over the medium term will be provided with non-grid (mainly solar) electrification systems. A significant portion of households yet to be electrified is in sparsely populated rural areas, mostly in KwaZulu-Natal, Eastern Cape and Limpopo. As such, the cost of connections is expected to be higher over the medium term than in previous years.

A total of R17.2 million over the medium term is earmarked for the Electrification and Energy Programme and Project Management programme for the development of an Electrification Master Plan, which is intended to inform the rollout of electrification connections for universal access. Once developed, the master plan will be used to set rules and timeframes for the rollout of electrification projects, accompanied by clear guidelines for selecting particular technologies.

Enhancing energy efficiency

The main objective of the Clean Energy programme is to manage and facilitate the development and implementation of clean and renewable energy initiatives, as well as energy efficiency and demand-side management initiatives. Expenditure in this

programme is expected to decrease at an average annual rate of 1.3 per cent from R484.7 million in 2018/19 to R465.4 million in 2021/22 due to a reduction in the budget for payments related to the Solar Water Heater programme (SWHP), from R156.4 million in 2018/19 to R80.3 million in 2021/22. As one of the interventions to the decreased funding, the Department has signed a Joint Implementation agreement with the Central Energy Fund (CEF) that will see the SWHP being implemented in collaboration with CEF with financial resources from both parties.

To realise a target of 1.5 terawatt hours of energy savings over the medium term, allocations to the Energy Efficiency Demand-side Management grant to municipalities will increase from R215 million in 2018/19 to R252.7 million in 2021/22. This will enable municipalities to undertake initiatives such as replacing street and traffic lights with energy-efficient technology, and to retrofit and replace municipal infrastructure that is energy inefficient. An additional R120 million over the medium term is allocated through funds received from international donors to effect energy efficiencies, including achieving net-zero energy waste water treatment plants in South Africa and improving the energy performance of government buildings. These donor-funded projects will be implemented by the Department in partnership with the South African National Energy Development Institute (SANEDI).

Managing nuclear energy

Transfers to entities in the Nuclear Energy programme are expected to account for 96 per cent of the total programme expenditure over the medium term. The transfers are made to

the National Nuclear Regulator to subsidise operational funding, the National Radioactive Waste Disposal Institute for operational costs and to the South African Nuclear Energy Corporation for the production of medicines and medical equipment and the decommissioning and decontamination of old nuclear facilities.

Spending in the Nuclear Energy programme is expected to increase over the medium term at an average annual rate of 9.9 per cent, from R875.6 million in 2018/19 to R1.2 billion in 2021/22. The above-inflationary increase is mostly driven by additional allocations of R24 million to the National Radioactive Waste Disposal Institute for its operations and an additional R539.2 million to the South African Nuclear Energy Corporation for the decommissioning and decontamination of old strategic nuclear facilities from South Africa's apartheid-era nuclear weapons programme that are no longer in use. The National Radioactive Waste Disposal Institute Bill, which is expected to be approved by Cabinet in 2019/20, will provide for a sustainable funding mechanism for the institute.

Diversifying the energy generation mix

Over the MTEF period, the Department will focus on finalising and implementing legislation and policy frameworks aimed at realising a diversified energy sector in which there is a supply of various types of energy. This includes drafting the National Energy Regulator Amendment Bill and finalising the Integrated Resource Plan, the Integrated Energy Plan and the Electricity Regulation Second Amendment Bill. In addition, the Gas Amendment Bill is expected to be processed and published for public comments in 2019/20. The Bill will assist in defining

the related policy and regulatory framework to support the rollout of gas infrastructure and the development of a gas industry. These activities are carried out in the Energy Policy and Planning programme, in which spending is expected to increase at an average annual rate of 6.7 per cent, from R50.1 million in 2018/19 to R60.8 million in 2021/22

Part B



PROGRAMME AND SUB-PROGRAMME PLANS

Programme 1: Administration

1.1 Programme Purpose

To provide strategic leadership, management and support services to the Department.

1.2 Budget Sub-Programmes

- Ministry
- Departmental Management
- Finance Administration
- Audit Services
- Corporate Services
- Office Accommodation

Cross-Cutting Programme 1 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 1.1 To promote sound corporate governance practices within the DoE	SOEs Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval	N/A	N/A	SOEs Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval by 31 March annually	SOEs Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval by 31 March annually	SOEs Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval	Approved SOEs Strategic Plans, Corporate Plans & Shareholder Compacts aligned to DOE and overall government priorities	Approved SOEs Strategic Plans, Corporate Plans & Shareholder Compacts aligned to DOE and overall government priorities
SO 1.2 To ensure effective and Financial Resource Management	Unqualified audit outcome for the DoE	Unqualified audit report by the AG achieved for 2014/15	Unqualified audit report by the AG achieved for 2015/16	Unqualified audit report by the AG achieved for 2016/17	Unqualified audit report by the AG achieved for 2017/18	Unqualified audit report by the AG achieved for 2018/19	Unqualified audit report by the AG achieved for 2019/20	Unqualified audit report by the AG achieved for 2020/21
SO 1.3 To ensure effective Sound Corporate Resource Management								

Cross-Cutting Programme 1 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 1.1 To promote sound corporate governance practices within the DoE	SOEs Strategic Plans, Corporate Plans & Shareholder Compacts approved	N/A	N/A	SOEs Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval by 31 March 2018	SOEs Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval by 31 March annually	SOEs Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval	SOEs Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval	SOEs Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister for approval
SO 1.2 To ensure effective and Financial Resource Management	Results of the annual Audit Report	Unqualified audit report by the AG achieved for 2014/15	Unqualified audit report by the AG achieved for 2015/16	Unqualified audit report by the AG achieved for 2016/17	Unqualified audit report by the AG achieved for 2017/18	Unqualified audit report by the AG achieved for 2018/19	Unqualified audit report by the AG achieved for 2019/20	Unqualified audit report by the AG achieved for 2020/21
SO 1.3 To ensure effective Sound Corporate Resource Management								

Cross-Cutting Programme 1 Quarterly Target for 2019/20

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 1.1 To promote sound corporate governance practices within the DoE	SOEs Strategic Plans, Corporate Plans & Shareholder Compacts approved	Quarterly	SOEs Strategic Plans, Corporate Plans & Shareholder Compacts submitted to the Minister	N/A	Schedule 3A SOEs 1st draft APPs reviewed and submitted to the Minister	Schedule 3A SOEs 2nd draft APP's submitted to Minister	Final drafts of schedule 3A SOE's APPs submitted to the Minister ;
SO 1.2 To ensure effective and Financial Resource Management				Annual Reports of SOEs tabled in Parliament	Corporate Plans and Shareholder compacts of Schedule 2 SOEs submitted to the Minister		
SO 1.3 To ensure effective Sound Corporate Resource Management	Results of the annual Audit Report	Annually	Unqualified audit report by the AG achieved for 2018/19	N/A	Unqualified audit report by the AG achieved for 2018/19	N/A	N/A

Sub-Programme 1.1: Ministry

This sub-programme provides overall management and administration of the Department Energy and ensures that state-owned entities reporting to the Department comply with good governance principles, norms and standards, and that their corporate plans are aligned with the strategic objectives of the DoE.

This sub-programme is also geared for supporting high-level policy prioritisation of the Department through the following:

- Conducting political oversight and accountability to Parliament.
- Providing guidance and direction for the development of

Strategic Plans and the Annual Performance Plan for the Department and its public entities.

- Supporting and ensuring good corporate governance practices in entities reporting to the Department.
- Coordinating engagements with entities through the established management structures.
- Monitoring and evaluating the performance of the Department and its public entities.
- Submitting/Tabling Strategic Plans, Annual Performance Plans and Annual Reports for the Department and its public entities in Parliament.
- Ensuring effective communication between the Department and its key stakeholders, and creating awareness of the Department's key objectives and activities through community engagements.

Sub-Programme 1.2: Departmental Management

This sub-programme provides executive support to the Director-General (DG) and Deputy Directors-General (DDGs) in carrying out the DoE's mandate and contributes to critical government programmes.

Sub-Programme 1.2 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 1.4 To provide executive and administrative support services to the Ministry, DG and DDGs	Annual Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 8, and 10 Signed by DoE Minister	4 Quarterly Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 8, 9 and 10 signed by the DoE Minister	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters	4 Quarterly Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister	4 Quarterly Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister	4 Quarterly Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister

Sub-Programme 1.2 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 1.4 To provide executive and administrative support services to the Ministry, DG and DDGs	Number of quarterly Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 & 10 signed by DoE Minister	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 & 10 signed by DoE Minister	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters	4 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 6, 7, 9 and 10 submitted to Clusters	4 Quarterly Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister	4 Quarterly Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister	4 Quarterly Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister

Sub-Programme 1.2 Quarterly Targets for 2019/20

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 1.4 To provide executive and administrative support services to the Ministry, DG and DDGs	Number of Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister	Quarterly	4 Quarterly Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister	1 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister (Q4) 2018/19	1 Quarterly Progress Reports which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister (Q1) 2019/20	1 Quarterly Progress Report which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister (Q2) 2019/20	1 Quarterly Progress Report which detail the implementation of the 2014–2019 MTSF Outcomes 4, 6, 7, 8, 9 and 10 signed by the DoE Minister (Q3) 2019/20

Sub-Programme 1.3: Governance and Compliance

This sub-programme provides strategic direction and guidance on strategic planning, risk management, report monitoring and evaluation, state-owned entity (SOE) oversight as well as international co-ordination.

Sub-Programme 1.3 Strategic Objectives Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 1.5 To provide strategic support to energy security	90 bilateral intergovernmental engagements and visits hosted in the energy sector, excluding Africa (Inbound and outbound) covering: Germany, Russian Federation, China, UK, Denmark, Switzerland, South Korea, Iran, France, USA, Canada, Japan, India, Sweden, Saudi Arabia, Turkey, Brazil, Norway, Finland, Indonesia, and Australia	18 Bilateral inter-governmental engagements or visits hosted in the energy sector, excluding Africa (inbound and outbound)	18 foreign participants (Advance Energy Agenda in the rest of the world) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	18 foreign participants (Advance Energy Agenda in the rest of the world) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	N/A	18 foreign participants to advance energy agenda with the rest of the world	18 foreign participants to advance energy agenda with the rest of the world	18 foreign participants to advance energy agenda with the rest of the world

Sub-Programme 1.3 Strategic Objectives Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 1.5 To provide strategic support of energy security	50 Bi-lateral (Botswana, DRC, Zimbabwe, Zambia/ Ghana/ Mozambique, Nigeria/ Namibia/ Angola/ Botswana/ Tanzania) intergovernmental engagements/ visits hosted in the energy sector, with African states (Inbound and outbound)	10 Bilateral inter-governmental engagements or visits hosted in the energy sector, with African states (inbound and outbound)	10 Foreign participants (advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, knowledge transfer and enhance the energy sector as agreed with foreign partners	10 Bi-lateral (Botswana, DRC, Zimbabwe, Zambia/ Ghana/ Mozambique, Nigeria/ Namibia/ Angola/ Botswana/ Tanzania) intergovernmental engagements/ visits hosted in the energy sector, with African states (Inbound and outbound)	SADC Energy Ministers Meeting by 30 June 2018 facilitated , coordinated and hosted	10 foreign participants to advance the African Agenda in the energy sector with African countries	10 foreign participants to advance the African Agenda in the energy sector with African countries	10 foreign participants to advance the African Agenda in the energy sector with African countries
	60 multilateral engagements and visits hosted in the energy sector, targeting EU, G20, IEF, IRENA, BRICS, IORA, FOCAC, SE4ALL, WEF, CEM, UNFCCC, APPA, IPEEC, IAEA, SADC, IEA, IGU, Gen IV, AEEP, Power Africa, Africa Energy Forum, IRENA	N/A	N/A	12 multilateral engagements and visits hosted in the energy sector, targeting EU, G20, IEF, IRENA, BRICS, IORA, FOCAC, SE4ALL, WEF, CEM, UNFCCC, APPA, IPEEC, IAEA, SADC, IEA, IGU, Gen IV, AEEP, Power Africa, Africa Energy Forum, IRENA	BRICS Energy Ministers Meeting by 30 August 2018 facilitated, coordinated and hosted	12 Foreign participants to advance the African Agenda in the energy sector with multilaterals	12 Foreign participants to advance the African Agenda in the energy sector with multilaterals	12 Foreign participants to advance the African Agenda in the energy sector with multilaterals

Sub-Programme 1.3 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 1.5 To provide strategic support of energy security	Number of foreign participants to advance energy agenda with the rest of the world	10 Bilateral inter-governmental engagements or visits hosted in the energy sector, with African states (inbound and outbound)	18 foreign participants (advance energy agenda in the rest of the world) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	18 foreign participants (advance energy agenda in the rest of the world) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, promote knowledge transfer and enhance the energy sector as agreed with foreign partners	N/A	18 foreign participants to advance energy agenda with the rest of the world	18 foreign participants to advance energy agenda with the rest of the world	18 foreign participants to advance energy agenda with the rest of the world
SO 1.5 To provide strategic support of energy security	Number of foreign participants to advance the African Agenda in the energy sector with African countries	10 Bilateral inter-governmental engagements or visits hosted in the energy sector, with African states (inbound and outbound)	10 Foreign participants (advancement of the African Agenda in the energy sector) to promote the use of cleaner safer energy carriers, reduce greenhouse gas emissions, knowledge transfer and enhance the energy sector as agreed with foreign partners	10 Bi-lateral (Botswana, DRC, Zimbabwe, Zambia/ Ghana/ Mozambique, Nigeria/ Namibia/ Angola/ Botswana/ Tanzania) intergovernmental engagements/ visits hosted in the energy sector, with African states (inbound and outbound)	SADC Energy Ministers Meeting by 30 June 2018 facilitated, coordinated and hosted	10 foreign participants to advance the African Agenda in the energy sector with African countries	10 foreign participants to advance the African Agenda in the energy sector with African countries	10 foreign participants to advance the African Agenda in the energy sector with African countries

Sub-Programme 1.3 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 1.5 To provide strategic support of energy security	Number of foreign participants to advance the African Agenda in the energy sector with multilaterals	N/A	N/A	12 multilateral engagements and visits hosted in the energy sector, targeting EU, G20, IEF, IRENA, BRICS, IORA, FOCAC, SE4ALL, WEF, CEM, UNFCCC, APPA, IPEEC, IAEA, SADC, IEA, IGU, Gen IV, AEEP, Power Africa, Africa Energy Forum, IRENA	BRICS Energy Ministers Meeting by 30 August 2018 facilitated, coordinated and hosted	12 foreign participants to advance the African Agenda in the energy sector with multilaterals	12 foreign participants to advance the African Agenda in the energy sector with multilaterals	12 foreign participants to advance the African Agenda in the energy sector with multilaterals

Sub-Programme 1.3 Quarterly Targets for 2019/20

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO. 1.5 To provide strategic support of energy security	Number of foreign participants to advance energy agenda with the rest of the world	Quarterly	18 foreign participants to advance energy agenda with the rest of the world	5 foreign participants to advance energy agenda with the rest of the world	5 foreign participants to advance energy agenda with the rest of the world	4 foreign participants to advance energy agenda with the rest of the world	4 foreign participants to advance energy agenda with the rest of the world
	Number of foreign participants to advance the African Agenda in the energy sector with African countries	Quarterly	10 foreign participants to advance the African Agenda in the energy sector with African countries	3 foreign participants to advance the African Agenda in the energy sector with African countries	3 foreign participants to advance the African Agenda in the energy sector with African countries	2 foreign participants to advance the African Agenda in the energy sector with African countries	2 foreign participants to advance the African Agenda in the energy sector with African countries
	Number of foreign participants to advance the African Agenda in the energy sector with multilaterals	Quarterly	12 foreign participants to advance the African Agenda in the energy sector with multilaterals	3 foreign participants to advance the African Agenda in the energy sector with multilaterals	3 foreign participants to advance the African Agenda in the energy sector with multilaterals	3 foreign participants to advance the African Agenda in the energy sector with multilaterals	3 foreign participants to advance the African Agenda in the energy sector with multilaterals

Sub-Programme 1.4: Finance Administration

This sub-programme provides financial management, accounting and supply chain management (SCM) services to the DoE.

Sub-Programme 1.4: Finance Administration Strategic Objectives Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
SO 1.2 To ensure effective and Financial Resource Management	100% approved invoices from service providers paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices 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 paid within 30 days of receipt

Sub-Programme 1.4 Finance Administration Performance Indicators and Annual Targets for 2019/20 MTEF

Links to strategic Objectives in above table	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
SO 1.2 To ensure effective and Financial Resource Management	Percentage of approved invoices from service providers paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices paid within 30 days of receipt	100% approved invoices 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

Sub-Programme 1.4: Finance Administration Quarterly Targets for 2019/20

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 1.2 To ensure effective and Financial Resource Management	Percentage of approved invoices from service providers paid within 30 days of receipt	Quarterly	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

Sub-Programme 1.5: Audit Services

This sub-programme provides an audit and support service to the DoE. No strategic objectives, performance indicators or targets were set for this sub-programme.

Sub-Programme 1.6: Corporate Services

This sub-programme provides corporate support to the DoE and ensures good corporate governance and compliance by the DoE and state-owned entities (SOEs).

Sub-Programme 1.6 Strategic Objectives Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
SO 1.3 To ensure effective Corporate Resource Management	100% support provided to the core business of DoE through HRMD, auxiliary support services, security risk management, legal services & communication	4 Quarterly Reports –Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports –Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports –Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports –Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports – Vacancy rate of less than or equals to 15% against the funded positions	4 Quarterly Reports – Vacancy rate of less than or equals to 15% against the funded positions	4 Quarterly Reports – Vacancy rate of less than or equals to 15% against the funded positions
		20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted

Sub-Programme 1.6 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
SO 1.3 To ensure effective Corporate Resource Management	Number of Quarterly Reports on vacancy rate of less than or equals to 15% against the funded positions	4 Quarterly Reports –Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports –Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports –Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports –Vacancy rate not exceeding threshold of 10%	4 Quarterly Reports – Vacancy rate of less than or equals to 15% against the funded positions	4 Quarterly Reports – Vacancy rate of less than or equals to 15% against the funded positions	4 Quarterly Reports – Vacancy rate of less than or equals to 15% against the funded positions
	Number of Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted	20 Izimbizo PPPs conducted

Sub-Programme 1.6 Quarterly Targets for 2019/20

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 1.3 To ensure effective Corporate Resource Management	Number of Quarterly Reports on vacancy rate of less than or equals to 15% against the funded positions	Quarterly	Number of Quarterly Reports on vacancy rate of less than or equals to 15% against the funded positions Quarterly	1 Quarterly Progress Report on vacancy rate of less than or equals to 15% against the funded positions	1 Quarterly Progress Report on vacancy rate of less than or equals to 15% against the funded positions	1 Quarterly Progress Report on vacancy rate of less than or equals to 15% against the funded positions	1 Quarterly Progress Report on vacancy rate of less than or equals to 15% against the funded positions
	Number of Izimbizo PPPs conducted	Quarterly	20 Izimbizo PPPs conducted	5 Izimbizo PPPs conducted	5 Izimbizo PPPs conducted	5 Izimbizo PPPs conducted	5 Izimbizo PPPs conducted

Sub-Programme 1.7: Office Accommodation

This sub-programme provides office accommodation and related support to the DoE. No strategic objectives, performance indicators or targets were set for this sub-programme. See the Departmental 2019/20 Operational Plan.

Resource Consideration

Programme 1: Administration (Sub-Programmes)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	42 298	39 314	44 404	33 272	33 272	34 335	37 542	39 551
Departmental Management	52 618	72 710	66 144	73 165	73 165	79 757	86 476	91 008
Finance Administration	33 294	34 695	33 807	39 338	40 088	41 291	43 640	46 051
Audit Services	6 698	6 934	6 300	8 454	8 454	8 864	9 361	9 873
Corporate Services	110 759	98 508	87 042	79 232	79 232	87 651	92 533	97 776
Office Accommodation	32 100	30 601	34 685	49 177	49 177	56 366	57 497	60 390
Total for Programmes	277 767	282 762	272 382	282 638	283 388	308 264	327 049	344 649

Programme 1: Administration (Economic Classification)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	268 555	272 282	263 375	276 537	276 537	301 829	320 260	337 486
Compensation of employees	138 750	149 826	148 354	164 202	164 202	176 543	190 056	200 384
Salaries and wages	122 581	132 332	130 580	140 838	140 816	154 916	166 774	175 837
Social contributions	16 169	17 494	17 774	23 364	23 386	21 627	23 282	24 547
Goods and services	129 805	122 456	115 021	112 335	112 335	125 286	130 204	137 102
Administrative fees	2 956	1 997	1 766	1 821	1 667	1 923	2 027	2 138
Advertising	6 212	3 455	1 224	3 219	3 320	3 400	3 588	3 786
Minor assets	1 006	828	280	451	405	486	524	553
Audit costs: External	4 233	3 805	4 542	3 909	3 972	4 129	4 356	4 596
Bursaries: Employees	610	555	618	821	821	867	915	965
Catering: Departmental activities	288	231	526	511	496	539	570	602
Communication (G&S)	5 851	6 672	7 152	3 835	3 975	4 050	4 273	4 509
Computer services	9 807	10 658	11 732	7 795	7 726	10 470	11 031	11 637
Consultants: Business and advisory services	4 025	4 722	5 065	5 281	5 358	5 573	5 879	6 202
Legal services (G&S)	824	2 261	3 778	490	996	517	545	575
Contractors	2 514	1 538	629	1 423	1 586	1 503	1 585	1 672
Agency and support/outsourced services	2 201	-4	189	779	872	823	868	916
Entertainment	1	8	13	184	184	195	206	217
Fleet services (including government motor transport)	1 277	991	1 105	514	534	544	574	606
Consumable supplies	853	685	632	1 896	1 032	2 003	2 114	2 230

Programme 1: Administration (Economic Classification)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Consumables: Stationery, printing and office supplies	4 370	3 828	2 605	2 697	3 569	2 850	3 003	3 169
Operating leases	33 165	38 093	34 294	45 097	45 304	49 957	52 700	55 593
Rental and hiring	72	-	-	-	-	-	-	-
Property payments	4 050	8 827	6 951	4 934	5 030	7 310	5 747	5 799
Travel and subsistence	32 467	26 072	24 946	17 323	16 765	18 269	19 277	20 342
Training and development	4 643	4 030	3 409	4 086	4 086	4 315	4 552	4 802
Operating payments	3 277	1 818	1 484	2 564	2 336	2 708	2 857	3 014
Venues and facilities	5 103	1 386	2 081	2 705	2 301	2 855	3 013	3 179
Transfers and subsidies	4 788	6 833	6 073	1 562	1 562	1 650	1 741	1 837
Departmental agencies and accounts	792	985	1 048	1 108	1 108	1 170	1 234	1 302
Foreign governments and international organisations	365	3 034	276	-	-	-	-	-
Households	3 631	2 814	4 749	454	454	480	507	535
Payments for capital assets	4 424	3 634	2 934	4 539	5 289	4 785	5 048	5 326
Transport equipment	-	-	970	-	750	-	-	-
Machinery and equipment	4 424	3 634	1 964	4 539	4 539	4 785	5 048	5 326
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	13	-	-	-	-	-	-
Total economic classification	277 767	282 762	272 382	282 638	283 388	308 264	327 049	344 649

Programme 1: Administration (Transfer Payments)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Beneficiary	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee social benefits	2 920	2 001	2 287	389	389	411	434	458
Employee ex gratia payments	711	58	2 273	65	65	69	73	77
Energy and Water Sector Education and Training Authority	792	985	1 048	1 108	1 108	1 170	1 234	1 302
International Energy Forum	365	3 034	276	-	-	-	-	-
Bursaries for non-employees	-	755	189	-	-	-	-	-
TOTAL	4 788	6 833	6 073	1 562	1 562	1 650	1 741	1 837

Risk Management

The DoE fully understands its statutory obligations in respect of enterprise risk management. To that end, the DoE will continue to enhance the risk management culture as contemplated in Section 38(1) (a) (i) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended. The DoE is guided by the Public Sector Risk Management Framework, 2008, which aims to

support institutions to improve and sustain their performance by enhancing systems of risk management.

Internal audit will play a pivotal role in the combined assurance framework by providing independent assurance over governance, risk management and systems of internal control as

well as over the combined assurance framework. Contributors in this role predominantly include internal audit, risk management, quality assurance, the external auditor and management. This is based on the best practices adopted by the King IV Report and Code on Good Corporate Governance (King IV).

Risk Exposure for Programme 1

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
To ensure effective Sound Corporate Resource Management	Organisational structure of DoE not fully implemented	Inability of the department to perform its mandate effectively	Approval of the revised organisational structure expedited



Programme 2: Energy Policy and Planning

Programme 2: Energy Policy and Planning

2.1 Programme Purpose

To ensure evidence-based planning, policy setting and investment decisions in the energy sector to improve the security of energy supply, regulation and competition.

2.2 Budget Sub-Programmes

- Policy Analysis and Research
- Energy Planning
- Hydrocarbon Policy
- Electricity, Energy Efficiency and Environmental Policy

Sub-Programme 2.1: Policy Analysis and Research

This sub-programme develops key indicators and monitors the impact of energy sector policies, planning and interventions; analyses all energy policies and their impact on access to energy and security of energy supply; conducts research and analyses policies in relation to other countries; and conducts research and analyses national and international trends or developments that impact on the demand and supply of energy. Currently this sub-programme has no financial and human resource capability allocated to perform its responsibilities.

Sub-Programme 2.2: Energy Planning

This sub-programme manages energy data and information; develops and maintains an energy modelling system to simulate energy supply and distribution; identifies energy supply and distribution constraints and addresses them through the Integrated Energy Plan (IEP); manages the overall collection, collation, validation, integrity and quality of energy data; and manages the development of energy plans and strategic interventions for the generation, refining, distribution and transmission of energy sources for demand and supply optimisation.

Sub-Programme 2.2 Strategic Objectives Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
SO 2.1 To Improve energy security	Annual Report on Energy Balances provided to support compilation of the GHG inventory	Annual Energy Balance report (2013) published by March 2016	Annual Energy Balance report (2014) published by March 2017 Review and harmonise historical energy balances	Annual Energy Balance report (2015) published by March 2018	N/A	Annual Energy Balance report (2017) published by March 2020	Annual Energy Balance report (2018) published by March 2021	Annual Energy Balance report (2019) published by March 2022

Sub-Programme 2.2 Strategic Objectives Annual Targets for 2019/20

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 2.1 To Improve energy security	The draft GUMP submitted for Ministerial approval state inputs GUMP Publication by March 2015	Study on the macroeconomic impact of the IEP completed Final IEP published	Cabinet-approved draft IEP issued for final public consultation	Table the Cabinet Memo on the IEP, taking into account the public comments	Gas demand/supply analysis including Gas-to-Power finalised. Gas Infrastructure Master Plan (including bulk transportation) developed Regional Gas Master Plan developed	Gas Strategy Report submitted to the minister	Implementation of Gas Strategy	Implementation of Gas Strategy

Sub-Programme 2.2 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 2.1 To Improve energy security	Annual Energy Balance report.	Annual Energy Balance report (2013) published by March 2016	Annual Energy Balance report (2014) published by March 2017 Review and harmonise historical energy balances	Annual Energy Balance report (2015) published by March 2018	Annual Energy Balance report (2016) published by March 2019	Annual Energy Balance report (2017) published by March 2020	Annual Energy Balance report (2018) published by March 2021	Annual Energy Balance report (2019) published by March 2022

Sub-Programme 2.2 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 2.1 To Improve energy security	Gas Infrastructure Master plan report	Cabinet-approved draft IEP issued for final public consultation	Table the Cabinet Memo on the IEP, taking into account the public comments	Table the Cabinet Memo on the IEP, taking into account the public comments	Gas demand/supply analysis, including Gas-to-Power finalised Gas Infrastructure Master Plan (including bulk transportation) developed Regional Gas Master Plan developed	Gas Strategy Report submitted to the minister	Implementation of Gas Strategy	Implementation of Gas Strategy

Sub-Programme 2.2 Quarterly targets for 2019/20

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 2.1 To Improve energy security	Annual Energy Balances report	Quarterly	Annual Energy Balance report (2017) published by March 2020	Collating of commodity data	Draft 2017 commodity flow report compiled	Public consultation and consolidation of energy commodity flow into energy balance	Annual Energy Balance (2017) published by March 2020
	Gas Infrastructure Master plan report	Quarterly	Gas Strategy Report submitted to the minister	N/A	Collate gas supply and gas consumption data	Develop a report on gas demand	Gas Strategy Report submitted to the minister

Sub-Programme 2.3: Hydrocarbon Policy

This sub-programme ensures a secure energy supply, well-managed demand, enhanced access to hydrocarbons and a transformed energy sector. It also ensures that energy regulation and competition are improved through the development, promulgation and maintenance of a statutory framework for petroleum, petroleum products, petroleum infrastructure, coal and gas.

Sub-Programme 2.3 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 2.3 To Review Policy & Regulations to ensure Security of Supply	Gas Amendment Bill	Submission of draft Gas Amendment Bill for Ministerial approval for submission to Cabinet	Submission of draft Gas Amendment Bill for Ministerial approval for submission to Cabinet	Submit Cabinet Memo on Gas Amendment Bill to unlock infrastructure development (gas pipelines, storage, regasification)	Regulations to support implementation of Gas Amendment Act developed	Gas Amendment Bill certified by State Law Advisor	Implementation of Gas Amendment Act and its regulations	Implementation of Gas Amendment Act and its regulations
SO 2.2 To improve Liquid Fuels Energy Security by Developing & Implementing the Liquid Fuels 20-Year Infrastructure Plan	Introduce biofuels into the liquid fuels industry through mandatory blending	Biofuels Regulatory Framework implemented	Submission of draft Biofuels Regulatory Framework for Ministerial approval	Resubmit Biofuels Cabinet Memo, taking into consideration comments about the extent of fiscal incentives	Pilot Biofuels Programme implemented in line with Cabinet approval	Biofuels regulatory framework gazetted	Implement a pilot Biofuels Programme	Implement a pilot Biofuels Programme

Sub-Programme 2.3 Performance Indicators and Annual Targets for the 2019/20 MTEF

Strategic Objectives	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 2.3 To review Policy & Regulations to ensure Security of Supply	Gas Amendment Bill	Submission of draft Gas Amendment Bill for Ministerial approval for submission to Cabinet	Submission of draft Gas Amendment Bill for Ministerial approval for submission to Cabinet	Submit Cabinet Memo on Gas Amendment Bill to unlock infrastructure development (gas pipelines, storage, regasification)	Regulations to support implementation of Gas Amendment Act developed	Gas Amendment Bill certified by State Law Advisor	Implementation of Gas Amendment Act and its regulations	Implementation of Gas Amendment Act and its regulations
SO 2.2 To improve Liquid Fuels Energy Security by developing & implementing the Liquid Fuels 20-Year Infrastructure Plan	Biofuels regulatory framework	South African Biofuels Regulatory Framework finalised	Biofuels Regulatory Framework implemented	Submission of draft Biofuels Regulatory Framework for Ministerial approval	Resubmit Biofuels Cabinet Memo, taking into consideration comments about the extent of fiscal incentives	Biofuels regulatory framework gazetted	Implement a pilot Biofuels Programme	Implement a pilot Biofuels Programme

Sub-Programme 2.3 Quarterly targets for 2019/20

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 2.3 To review Policy & Regulations to ensure Security of Supply	Gas Amendment Bill	Quarterly	Gas Amendment Bill certified by State Law Advisor	NEDLAC report concluded	N/A	Tabling of the draft Gas Amendment Bill at the State Law Advisors for certification	Submission of the Gas Amendment Bill in parliament
SO 2.2 To improve Liquid Fuels Energy Security by developing & implementing the Liquid Fuels 20-Year Infrastructure Plan	Biofuels regulatory framework	Bi-Annual	Biofuels regulatory framework gazetted	N/A	N/A	Draft biofuels regulatory framework tabled in Cabinet	Biofuels regulatory framework gazette

Sub-Programme 2.4: Electricity, Energy Efficiency and Environmental Policy

This sub-programme ensures secure energy supply; well-managed demand and a transformed energy sector; and energy regulation and competition that is improved through the development, promulgation and maintenance of a statutory framework for electricity over the medium term. This includes reforming the electricity supply industry to introduce independent power producers (IPPs) in support of electricity security.

Sub-Programme 2.4 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 2.3 To review Policy & Regulations to ensure Security of Supply	The Electricity Regulation Amendment Bill introduced for consideration and support its promulgation if approved by Cabinet and Parliament	N/A	Proposals regarding industry end-state developed and tabled	Submit proposals regarding the 'end-state' electricity sector	End-state decisions in the Electricity Regulation Amendment Bill incorporated Electricity Pricing Policy Review	Proposals of the "end-state" electricity sector	Proposals of the "end-state" electricity sector	Proposals of the "end-state" electricity sector
	The National Energy Regulator Amendment Bill introduced for consideration and support its promulgation if approved by Cabinet and Parliament	Introduce National Energy Regulator Bill for consideration and support by Cabinet and Parliament	Reintroduce the Bill in Cabinet after consideration of the policy input	Resubmit the Cabinet Memo regarding the National Energy Regulator Bill, taking into account comments by Cabinet	Proposal on the National Energy Regulator Bill, taking into account comments by Cabinet	National Energy Regulator Bill, certified by State Law Advisor	Implementation of National Energy Regulator Bill	Implementation of National Energy Regulator Bill

Sub-Programme 2.4 Strategic Objectives and Annual Targets for 2019/20

Strategic Objectives	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 2.4 To review the bulk electrical infrastructure required for universal access to electricity	Municipal Infrastructure Rehabilitation Programme	Table revised ADAM Report, including the ring-fencing of the largest municipalities, to Cabinet Develop norms and standards for municipal electricity infrastructure asset management in concurrence with the regulator	Develop norms and standards for municipal electricity infrastructure asset management in concurrence with the regulator	Undertake a phased Municipal Asset Management Programme, focusing on revenue management, energy efficiency, or asset rehabilitation as applicable	Municipal Asset Management Programme rollout framework developed	Municipal Asset Management Programme rollout framework developed	Support the implementation of policy, norms and standards	Support the implementation of policy, norms and standards
SO 2.6 To ensure security of supply through additional power	Grand Inga Project Implementation	Negotiate PPA and resolve transmission solution associated with power delivery from Inga	RSA has committed to procure 2500MW from the first phase of the project (NOTE: RSA does not build the project but is a buyer, whereas the DRC takes the financing and construction risk of delivering the power at the border between DRC/ Zambia)	Finalise the transmission Infrastructure solution required to transfer power from the DRC over Zambia/ Zimbabwe/ Botswana into RSA	Inter-governmental agreements with transmission line transit countries concluded	Negotiations of the off-take agreement with the project developer concluded	Negotiations of the off-take agreement with the project developer concluded	Implement project agreements on Inga Project

Sub-Programme 2.4 Performance Indicators and Annual Targets for 2019/20

Strategic Objectives	Performance Indicator	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 2.3 To review Policy and Regulations to Ensure Security of Supply	Proposals regarding the “end-state” of the electricity sector	N/A	Tabling of the “end-state” Proposal in Cabinet	Submit proposals regarding the “end-state” electricity sector	End-state decisions in the Electricity Regulation Amendment Bill incorporated in Electricity Pricing Policy Review	Proposals of the “end-state” of the electricity sector	Proposals of the “end-state” of the electricity sector	Proposals of the “end-state” of the electricity sector
	National Energy Regulator Amendment Bill	Introduce National Energy Regulator Bill for consideration and support by Cabinet and Parliament	Reintroduce the Bill in Cabinet after consideration of the policy input	Resubmit the Cabinet Memo regarding the National Energy Regulator Bill, taking into account comments by Cabinet	Proposal on the National Energy Regulator Bill, taking into account comments by Cabinet	National Energy Regulator Amendment Bill certified by State Law Advisor	Implementation of National Energy Regulator Bill	Implementation of National Energy Regulator Bill
SO 2.4 To review the Bulk Electrical Infrastructure required for universal access to electricity	Municipal Asset Management Programme rollout framework	Table the revised ADAM Report, including the ring-fencing of the largest municipalities, to Cabinet Develop norms and standards for municipal electricity infrastructure asset management in concurrence with the regulator	Develop norms and standards for municipal electricity infrastructure asset management in concurrence with the regulator	Undertake a phased Municipal Asset Management Programme, focusing on revenue management, energy efficiency, or asset rehabilitation as applicable	Municipal Asset Management Programme rollout framework developed	Municipal Asset Management Programme rollout framework developed	Support the implementation of policy, norms and standards	Support the implementation of policy, norms and standards

Sub-Programme 2.4 Performance Indicators and Annual Targets for 2019/20 (continued)

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 2.6 To ensure security of supply through additional power	Off-take agreement on the Inga Project	Negotiate PPA and resolve transmission solution associated with power delivery from Inga	RSA has committed to procure 2 500 MW from the first phase of the project (NOTE: RSA does not build the project but is a buyer, whereas the DRC takes the financing and construction risk of delivering the power at the border between DRC/ Zambia	Finalise the transmission Infrastructure solution required to transfer power from the DRC over Zambia/ Zimbabwe/ Botswana into RSA	Inter-governmental agreements with transmission line transit countries concluded	Negotiations of the off-take agreement with the project developer concluded	Negotiations of the off-take agreement with the project developer concluded	Implement project agreements on Inga Project

Sub-Programme quarterly targets for 2019/20

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 2.3 To review Policy and Regulations to Ensure Security of Supply	Proposals regarding the “end-state” of the electricity sector	Quarterly	Proposals of the “end-state” of the electricity sector	1st Draft Electricity Industry End State Report prepared	2nd Draft Electricity Industry End State Report prepared following inter-departmental consultations	3rd Draft Electricity Industry End State Report following Industry Consultations	Report on proposals of the “end-state” of the electricity sector
	National Energy Regulator Amendment Bill	Quarterly	National Energy Regulator Amendment Bill certified by State Law Advisor	N/A	Finalise stakeholder consultations	Submit to State Law Advisor	National Energy Regulator Amendment Bill certified by State Law Advisor
SO 2.4 To review the Bulk Electrical Infrastructure required for universal access to electricity	Municipal Asset Management Programme rollout framework	Quarterly	Municipal Asset Management Programme rollout framework developed	Consultation on draft rollout framework with industry stakeholders	Framework with stakeholder input incorporated	Inter-departmental consultation on draft framework	Framework developed
SO 2.6 To ensure security of supply through additional power	Off-take agreement on the Inga Project	Quarterly	Negotiations of the off-take agreement with the project developer concluded	N/A	Term sheet for the off-take agreement	Term sheet for the off-take agreement	Conclude negotiations of the off-take agreement

Resource Consideration

Programme 2: Energy Policy and Planning (Sub-Programmes)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Policy analysis and research	1 570	2 056	1 736	2 623	2 558	4 341	4 567	4 804
Energy planning	18 429	18 822	20 452	25 574	23 010	25 137	26 509	27 950
Hydrocarbon Policy	11 428	11 486	12 053	15 224	15 224	14 964	15 797	16 659
Electricity, Energy Efficiency and Environmental Policy	6 668	7 514	7 465	9 657	9 286	10 226	10 790	11 374
Total for programmes	38 095	39 878	41 706	53 078	50 078	54 668	57 663	60 787

Programme 2: Energy Policy and Planning (Economic Classification)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	38 095	39 878	41 706	53 078	50 078	54 668	57 663	60 787
Compensation of employees	31 521	32 805	34 776	41 632	41 632	42 619	44 962	47 391
Salaries and wages	27 959	29 023	30 793	36 127	36 117	37 398	39 454	41 585
Social contributions	3 562	3 782	3 983	5 505	5 515	5 221	5 508	5 806
Goods and services	6 574	7 073	6 930	11 446	8 446	12 049	12 701	13 396
Administrative fees	222	365	131	489	516	516	546	576
Advertising	147	138	490	236	197	249	263	277
Catering: Departmental activities	38	137	60	43	46	45	47	49
Communication (G&S)	265	330	574	537	587	567	597	629
Computer services	-	-	8	-	-	-	-	-
Consultants: Business and advisory services	342	1 065	2 713	4 274	2 626	4 479	4 714	4 973
Contractors	-	-	399	102	62	108	114	120

Programme 2: Energy Policy and Planning (Economic Classification) (continued)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Fleet services (including government motor transport)	-	4	5	-	3	-	-	-
Consumable supplies	39	59	23	30	60	32	34	36
Consumables: Stationery, printing and office supplies	24	14	21	317	260	334	353	372
Operating leases	-	7	11	-	1	-	-	-
Transport provided: Departmental activity	-	180	-	-	-	-	-	-
Travel and subsistence	4 062	3 234	1 844	3 816	2 264	4 030	4 251	4 485
Operating payments	742	707	586	514	720	542	572	603
Venues and facilities	693	833	65	1 088	1 104	1 147	1 210	1 276
Transfers and subsidies	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total economic classification	38 095	39 878	41 706	53 078	50 078	54 668	57 663	60 787

Programme 2: Energy Policy and Planning (Transfer Payments)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee social benefits	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

Risk Management

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 2.1 To improve energy security	Delays in the review of Electricity Pricing Policy	Sub-optimal pricing of electricity Affect transition in the industry (energy mix e.g IPPs)	Continued consultations Resubmit to Cabinet for approval



Programme 3: Petroleum and Petroleum Product Regulations

Programme 3: Petroleum and Petroleum Products Regulations

3.1 Programme Purpose

Regulate the petroleum and petroleum products industry to ensure the optimal and orderly functioning of the petroleum industry to achieve government's developmental goals.

3.2 Budget Sub-Programmes

- Petroleum Compliance, Monitoring and Enforcement
- Petroleum Licensing and Fuel Supply
- Fuel Pricing
- Regional Petroleum Regulation Offices

Sub-Programme 3.1: Petroleum, Compliance, Monitoring and Enforcement

This sub-programme monitors compliance with the Liquid Fuels Charter and technical, legal and commercial licensing conditions. This includes compliance with import and export conditions, as well as the enforcement of the submission of data by the industry. The sub-programme also processes arbitration requests as well as promotion of access to information requests on behalf of the Controller of Petroleum Products.

Sub-Programme 3.1 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 3.1 To ensure compliance monitoring and enforcement in the petroleum sector	Enforcement notices issued in 90% of cases where non-compliance was identified during routine compliance inspections (1 200 retail site compliance inspections conducted)	Enforcement notices issued in 90% of cases where non-compliance was identified during routine compliance inspections (baseline 1 500 retail site compliance inspections conducted)	1 500 retail site compliance inspections conducted	1 500 Retail site compliance inspections conducted	1 500 Retail site compliance inspections conducted	At least 1 500 Retail site compliance inspections conducted	At least 1 500 Retail site compliance inspections conducted	At least 1 500 Retail site compliance inspections conducted
	6212 fuel samples tested	Enforcement notices issued in 95% of cases where non-compliance was identified during routine fuel sample testing (baseline 1 892 fuel samples tested)	1 892 fuel samples tested	1 080 fuel samples tested	At least 1 080 fuel samples tested	1 080 fuel samples tested	1 080 fuel samples tested	1 080 fuel samples tested

Sub-Programme 3.1 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 3.1 To ensure compliance monitoring and enforcement in the petroleum sector	Number of retail site compliance inspections conducted per year	Enforcement notices issued in 90% of cases where non-compliance was identified during routine compliance inspections (baseline 1 500 retail site compliance inspections conducted)	1 500 retail site compliance inspections conducted	1 500 retail site compliance inspections conducted	1 500 retail site compliance inspections conducted	1 500 retail site compliance inspections conducted	1 500 retail site compliance inspections conducted	1 500 retail site compliance inspections conducted
	Number of fuel samples tested	Enforcement notices issued in 95% of cases where non-compliance was identified during routine fuel sample testing (baseline 1 892 fuel samples tested)	1 892 fuel samples tested	1 080 fuel samples tested	At least 1 080 fuel samples tested	1 080 fuel samples tested	1 080 fuel samples tested	1 080 fuel samples tested

Sub-Programme 3.1 Quarterly Targets for 2019/20

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 3.1 To ensure compliance monitoring and enforcement in the petroleum sector	Number of retail site compliance inspections conducted per year	Quarterly	1 500 retail site compliance inspections conducted	300 retail site compliance inspections conducted	500 retail site compliance inspections conducted	300 retail site compliance inspections conducted	400 retail site compliance inspections conducted
	Number of fuel samples tested	Quarterly	1 080 fuel samples tested	250 fuel samples tested	290 fuel samples tested	290 fuel samples tested	250 fuel samples tested

Sub-Programme 3.2: Petroleum Licensing and Fuel Supply

This sub-programme manages the adjudication of petroleum licence applications, regulates the permitting of the export and import of petroleum products, monitors fuel stock levels, and co-ordinates corrective actions to avoid fuel shortages. This

entails conducting licence analyses and ensuring permit and charter compliance and fuel supply. It also includes adjudication of different licence types in accordance with the Petroleum Products Act, 1977 (Act No. 120 of 1977), as amended.

Sub-Programme 3.2 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 3.2 To promote the transformation of the South African petroleum and liquid fuel industry through issuing of licences	45% of licences of application approved have 50% BEE ownership	40% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	At least 50% of licence applications approved have a minimum of 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership

Sub-Programme 3.2 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 3.2 To promote the transformation of the South African petroleum and liquid fuel industry through issuing of licences	% of licence applications approved where HDSA ownership is at least 50%	40% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	50% of licence applications approved have 50% BEE ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership

Sub-Programme 3.2: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 3.2 To promote the transformation of the South African petroleum and liquid fuel industry through issuing of licences	% of licence applications approved where HDSA ownership is at least 50%	Quarterly	At least 50% of licence applications approved have a minimum of 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership	At least 50% of licence applications approved have a minimum 50% HDSA ownership

Sub-Programme 3.3: Fuel Pricing Regulation

This sub-programme regulates the pricing of petroleum products in accordance with the legislative framework. This entails the determination, review, updating and maintenance of fuel levies and margins and the process of paying fuel levies. Fuel price administration includes developing, evaluating and

monitoring price models, updating elements of the Basic Fuel Price (BFP), and ensuring secure audit services for the auditing of fuel prices, to ensure internationally competitive pricing of petroleum products, thereby enabling investment in the sector.

Sub-Programme 3.4: Regional Petroleum Regulation Offices

This sub-programme provides advice on integrated energy services, develops appropriate interventions to enhance and promote universal access to energy, and ensures economic and technical compliance with relevant legislation. In addition, all annual information submitted by licence holders is captured and analysed.

Resource Consideration

Programme 3: Petroleum & Petroleum Products Regulation (Sub-Programmes)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Petroleum compliance, monitoring and enforcement	13 847	14 189	13 337	18 574	17 574	19 663	20 739	21 869
Petroleum licensing and fuel supply	20 740	24 152	24 807	27 388	27 388	27 262	28 846	33 086
Fuel pricing	6 839	7 367	5 443	6 169	6 169	6 454	6 798	7 161
Regional petroleum regulation offices	27 532	33 283	31 052	35 001	35 001	37 890	40 018	42 173
Total for programmes	68 958	78 991	74 639	87 132	86 132	91 269	96 401	104 289

Programme 3: Petroleum & Petroleum Products Regulation (Economic Classification)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	68 958	78 819	73 565	84 254	83 254	88 231	93 196	100 908
Compensation of employees	52 566	58 939	56 715	63 363	63 363	66 171	69 921	76 357
Salaries and wages	45 620	51 163	49 075	54 542	54 528	58 065	61 356	67 003
Social contributions	6 946	7 776	7 640	8 821	8 835	8 106	8 565	9 354
Goods and services	16 392	19 880	16 850	20 891	19 891	22 060	23 275	24 551
Administrative fees	297	553	561	363	375	383	405	427
Advertising	432	756	75	1 040	1 017	1 099	1 159	1 222
Minor assets	-	1	-	-	-	-	-	-
Catering: Departmental activities	64	136	150	151	196	160	169	178
Communication (G&S)	675	404	422	637	588	673	711	750
Computer services	9	-	-	-	-	-	-	-

Programme 3: Petroleum & Petroleum Products Regulation (Economic Classification) (continued)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Consultants: Business and advisory services	10 023	10 415	8 527	12 601	11 601	13 308	14 041	14 813
Legal services (G&S)	-	119	568	-	-	-	-	-
Contractors	7	12	19	22	30	23	24	25
Fleet services (including government motor transport)	32	27	28	29	72	31	33	35
Consumable supplies	23	53	38	59	91	63	66	70
Consumables: Stationery, printing and office supplies	62	47	146	87	247	92	97	102
Operating leases	26	20	229	-	11	-	-	-
Property payments	-	-	2	-	-	-	-	-
Travel and subsistence	4 270	6 200	4 843	4 082	4 085	4 307	4 544	4 793
Training and development	-	11	-	-	-	-	-	-
Operating payments	254	481	100	540	405	570	601	633
Venues and facilities	218	645	1 142	1 280	1 173	1 351	1 425	1 503
Transfers and subsidies	-	122	1 074	2 878	2 878	3 038	3 205	3 381
Foreign governments and international organisations	-	-	1 074	2 878	2 878	3 038	3 205	3 381
Households	-	122	-	-	-	-	-	-
Payments for capital assets	-	35	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-
Other machinery and equipment	-	35	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	15	-	-	-	-	-	-
Total economic classification	68 958	78 991	74 639	87 132	86 132	91 269	96 401	104 289

Programme 3: Petroleum & Petroleum Products Regulation (Transfer Payments)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Beneficiary	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee social benefits	-	122	-	-	-	-	-	-
African Petroleum Producers Association	-	-	1 074	2 878	2 878	3 038	3 205	3 381
TOTAL	-	122	1 074	2 878	2 878	3 038	3 205	3 381

Risk Management

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 3.1 To ensure compliance monitoring and enforcement in the petroleum sector	Non-compliance to licensing requirements in line with the Liquid Fuels Charter objectives	Perpetuated inequalities in the sector (Failure to promote section 9 of the constitution). Inadequate reporting on the status of transformation	Implementation of section 10 of BBBEE ACT SOPs for licensing processes to be aligned to BBBEE framework



Programme 4: Electrification and Energy Programme and Project Management

Programme 4: Electrification and Energy Programme and Project Management

4.1 Programme Purpose

To manage, coordinate and monitor programmes and projects focused on access to energy.

4.2 Budget Sub-Programmes

- Integrated National Electrification Programme
- Energy Regional Offices
- Programmes and Project Management Office
- Electricity Infrastructure/Industry Transformation/Community Upliftment Programmes and Projects

Sub-Programme 4.1: Integrated National Electrification Programme

The Integrated National Electrification Programme (INEP) oversees and manages the finance and implementation processes for the electrification programme; manages the annual planning processes, including electrification infrastructure plans; and manages and coordinates technical audits for the programme. This sub-programme aims to deliver on the Medium Term Strategic Framework (MTSF 2014-2019) target for electrification of 1.25 million households through grid and non-grid technologies.

Sub-Programme 4.1 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 4.1 To ensure access to electricity by households	1 089 000 Grid connections of rural households by March 2019 of which 1 452 000 connections of rural households	4 Quarterly Reports on additional households to be electrified with grid electrification towards the 2015/16 target of 260 000 in the National Electrification Plan	4 Quarterly Reports on the allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2016/17 target of 235 000 in the National Electrification Plan	4 Quarterly Reports on the allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2016/17 target of 235 000 in the National Electrification Plan	4 Quarterly Reports on additional households to be electrified with grid electrification towards the 2018/19 target of 200 000 in the National Electrification Plan	4 Quarterly Reports on additional households to be electrified with grid electrification towards the 2019/20 target of 195 000 in the National Electrification Plan	4 Quarterly Reports on additional households to be electrified with grid electrification towards the target of 195 000 in the National Electrification Plan	4 Quarterly Reports on additional households to be electrified with grid electrification towards the target of 200 000 in the National Electrification Plan

Sub-Programme 4.1 Strategic Objective and Annual Targets for 2018/19 (continued)

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 4.1 To ensure access to electricity by households	20 Quarterly Reports on building/upgrading of electrification infrastructure projects towards the 2019/20 target of: - 17 new bulk substations built - 24 additional substations upgraded - 545 km new MV power lines constructed - 450 km of existing MV power lines upgraded	4 Quarterly Reports on the building/upgrading of electrification infrastructure projects towards the 2015/16 target of: - 4 new bulk substations built - 6 additional substations upgraded - 110 km new MV power lines constructed - 95 km of existing MV power lines upgraded	4 Quarterly Reports on the allocation of funding and monitoring of progress of building /upgrading of electrification infrastructure projects towards the 2016/17 target of: - 3 new bulk substations built - 3 additional substations upgraded - 90 km new MV power lines constructed - 90 km of existing MV power lines upgraded	4 Quarterly Reports on building/upgrading of electrification infrastructure projects towards the 2017/18 targets, as contracted with Eskom and municipalities	4 Quarterly Reports on building/upgrading of electrification infrastructure projects towards the 2019/20 targets, as contracted with Eskom and municipalities	4 Quarterly Reports on building/upgrading of electrification infrastructure projects towards the targets, as contracted with Eskom and municipalities - 2 new bulk substations built - 3 additional substations upgraded - 50 km new MV power lines constructed - 50 km of existing MV power lines upgraded	4 Quarterly Reports on building/upgrading of electrification infrastructure projects towards the targets, as contracted with Eskom and municipalities - 2 new bulk substations built - 3 additional substations upgraded - 50 km new MV power lines constructed - 50 km of existing MV power lines upgraded	4 Quarterly Reports on building/upgrading of electrification infrastructure projects towards the targets, as contracted with Eskom and municipalities - 2 new bulk substations built - 3 additional substations upgraded - 50 km new MV power lines constructed - 50 km of existing MV power lines upgraded

Sub-Programme 4.1 Strategic Objectives and Annual Targets for 2019/20 (continued)

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 4.1 To ensure access to electricity by households	Total non-grid connections of 115 000 households by March 2019 of which 86 250 (75%) are in rural areas	Number of quarterly reports on additional households electrified with non-grid electrification towards the 2015/16 target of 20 000 in the National Electrification Plan	4 Quarterly Reports on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification towards the 2016/17 target of 20 000 in the National Electrification Plan	4 Quarterly Reports on the allocation of funding and monitoring of progress of additional households electrified with non-grid electrification towards the 2017/18 target of 15 000 in the National Electrification Plan	4 Quarterly Reports on additional households electrified with non-grid electrification towards the 2018/19 target of 20 000 in the National Electrification Plan	20 000 additional households electrified with non-grid electrification towards the target in the National Electrification Plan	20 000 additional households electrified with non-grid electrification towards the target in the National Electrification Plan	20 000 additional households electrified with non-grid electrification towards the target in the National Electrification Plan

Sub-Programme 4.1 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 4.1 To ensure access to electricity by households	Number of Quarterly Reports of additional households to be electrified with grid electrification towards the 2019/20 target of 195 000 in the National Electrification Plan	Number of additional households to be electrified with grid electrification towards the 2014/15 target of 265 000 in the National Electrification Plan	4 Quarterly Reports on the additional households to be electrified with grid electrification towards the 2015/16 target of 260 000 in the National Electrification Plan	4 Quarterly Reports on the allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2016/17 target of 235 000 in the National Electrification Plan	4 Quarterly Reports on the additional households to be electrified with grid electrification towards the 2017/18 target of 235 000 in the National Electrification Plan	4 Quarterly Reports on additional households to be electrified with grid electrification towards the target of 195 000 in the National Electrification Plan	4 Quarterly Reports on the additional households to be electrified with grid electrification towards the target of 195 000 in the National Electrification Plan	4 Quarterly Reports on the additional households to be electrified with grid electrification towards the target of 200 000 in the National Electrification Plan

Sub-Programme 4.1 Performance Indicators and Annual Targets for 2019/20 MTEF (continued)

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 4.1 To ensure access to electricity by households	Number of quarterly progress reports on building/upgrading of electrification infrastructure projects towards the 2019/20 target	Building/upgrading of electrification infrastructure projects towards the 2014/15 target of: - 4 new bulk substations built - 7 additional substations upgraded/strengthened - 150 km new MV power lines constructed - 80 km of existing MV power lines upgraded/strengthened power lines upgraded.	4 Quarterly Reports on the building/upgrading of electrification infrastructure projects towards the 2015/16 target of: - 4 new bulk substations built - 6 additional substations upgraded - 110 km new MV power lines constructed - 95 km of existing MV power lines upgraded	Quarterly Reports on the allocation of funding and monitoring of progress of building/upgrading of electrification infrastructure projects towards the 2016/17 target of: - 3 new bulk substations built - 3 additional substations upgraded - 90 km new MV power lines constructed - 90 km of existing MV power lines upgraded	4 Quarterly Reports on building /upgrading of electrification infrastructure projects towards the 2017/18 targets, as contracted with Eskom and municipalities	4 Quarterly Reports on building /upgrading of electrification infrastructure projects towards the targets, as contracted with Eskom and municipalities - 2 new bulk substations built - 3 additional substations upgraded - 50 km new MV power lines constructed - 50 km of existing MV power lines upgraded	4 Quarterly Reports on building /upgrading of electrification infrastructure projects towards the targets, as contracted with Eskom and municipalities - 2 new bulk substations built - 3 additional substations upgraded - 50 km new MV power lines constructed - 50 km of existing MV power lines upgraded	4 Quarterly Reports on building /upgrading of electrification infrastructure projects towards the targets, as contracted with Eskom and municipalities - 2 new bulk substations built - 3 additional substations upgraded - 50 km new MV power lines constructed - 50 km of existing MV power lines upgraded

Sub-Programme 4.1 Performance Indicators and Annual Targets for 2019/20 MTEF (continued)

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 4.1 To ensure access to electricity by households	Number of additional households electrified with non-grid electrification towards the 2019/20 target of 20 000 in the National Electrification Plan	Number of additional households electrified with non-grid electrification towards the 2014/15 target of 15 000 in the National Electrification Plan	Number of additional households electrified with non-grid electrification towards the 2015/16 target of 20 000 in the National Electrification Plan	4 Quarterly Reports on additional households electrified with non-grid electrification towards the 2016/17 target of 20 000 in the National Electrification Plan	4 Quarterly Reports on additional households electrified with non-grid electrification towards the 2017/18 target of 15 000 in the National Electrification Plan	20 000 additional households electrified with non-grid electrification towards the target in the National Electrification Plan	20 000 additional households electrified with non-grid electrification towards the target in the National Electrification Plan	20 000 additional households electrified with non-grid electrification towards the target in the National Electrification Plan

Sub-Programme 4.1 Quarterly Targets for 2019/20

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 4.1 To ensure access to electricity by households	Number of quarterly reports of additional households to be electrified with grid electrification towards the 2019/20 target of 195 000 in the National Electrification Plan	Quarterly	4 Quarterly Reports on additional households to be electrified with grid electrification towards the target of 195 000 in the National Electrification Plan	1 Quarterly Report on allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2019/20 target of 20 000	1 Quarterly Report on allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2019/20 target of 45 000	1 Quarterly Report on allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2019/20 target of 55 000	1 Quarterly Report on allocation of funding and monitoring of progress of additional households to be electrified with grid electrification towards the 2019/20 target of 75 000
	Number of quarterly progress reports on building/upgrading of electrification infrastructure projects towards the 2019/20 target	Quarterly	4 Quarterly Reports on building/upgrading of electrification infrastructure projects towards the targets, as contracted with Eskom and municipalities - 2 new bulk substations built - 3 additional substations upgraded - 50 km new MV power lines constructed - 50 km of existing MV power lines upgraded	1 Quarterly report on building/upgrading of electrification infrastructure projects towards the 2019/20 targets as contracted with Eskom and municipalities.	1 Quarterly report on building/upgrading of electrification infrastructure projects towards the 2019/20 targets as contracted with Eskom and municipalities.	1 Quarterly report on building/upgrading of electrification infrastructure projects towards the 2019/20 targets as contracted with Eskom and municipalities.	1 Quarterly report on building/upgrading of electrification infrastructure projects towards the 2019/20 targets as contracted with Eskom and municipalities.
	Number of additional households electrified with non-grid electrification towards the 2019/20 target of 20 000 in the National Electrification Plan	Quarterly	20 000 additional households electrified with non-grid electrification towards the target in the National Electrification Plan	N/A	4 000 additional households electrified with non-grid electrification towards the annual target.	6 000 additional households electrified with non-grid electrification towards the annual target.	10 000 additional households electrified with non-grid electrification towards the annual target.

Sub-Programme 4.2: Energy Regional Offices

This sub-programme provides advice on integrated energy services, develops appropriate interventions to enhance and promote universal access to energy, manages and co-ordinates regional electrification planning, and ensures economic and technical compliance with relevant legislation. (Annual targets in the IOP.)

Sub-Programme 4.3: Programme and Project Management Office

This sub-programme provides specialised assistance to programme and project managers, and management in general, to apply management principles, coordinate project information and report on projects. The sub-programme aims

to develop Integrated Energy Centres (IECs) with the support of major oil companies to ensure access to various forms of energy in communities where volumes do not justify such but there is a need.

Sub-Programme 4.3 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
SO 4.2 To enhance programme and project management	Development of rural energy centres	Annual Report on progress made in 2014/15 with regard to IECs	Annual Report (s) on development of rural IECs	4 Quarterly Reports and one Annual Report regarding the development of rural IECs	4 Quarterly Reports and one Annual Report regarding the development of rural IECs	4 Quarterly Reports regarding the development of rural IECs	4 Quarterly Reports regarding the development of rural IECs	4 Quarterly Reports regarding the development of rural IECs

Sub-Programme 4.3 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
SO 4.2 To enhance programme and project management	Number of Quarterly report on progress made with regard to the development of rural IECs	Annual Report on progress made in 2014/15 with regard to IECs	Annual Report (s) on development of rural IECs	4 Quarterly Reports and one Annual Report regarding the development of rural IECs	4 Quarterly Reports regarding the development of rural IECs	4 Quarterly Reports regarding the development of rural IECs	4 Quarterly Reports regarding the development of rural IECs	4 Quarterly Reports regarding the development of rural IECs

Sub-Programme 4.3: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 4.2 To enhance programme and project management	Number of quarterly reports on progress made with regard to development of rural IECs	Quarterly	4 Quarterly Reports regarding the development of rural IECs	1 Quarterly Report with regard to development of IECs	1 Quarterly Report with regard to development of IECs	1 Quarterly Report with regard to development of IECs	1 Quarterly Report with regard to development of IECs

Sub-Programme 4.4: Electricity Infrastructure/Industry Transformation/Community Upliftment / Programmes and Projects

This sub-programme oversees programmes and projects focused on the development, improvement and transformation of the electricity generation, transmission and distribution sector, and independent power producers.

Sub-Programme: Community Upliftment / Programmes and Projects

This sub-programme implements, manages and coordinates programmes and projects aimed at the empowerment of disadvantaged and vulnerable groups and increases public awareness on energy issues.

Sub-Programme 4.4 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 4.3 To monitor energy infrastructure development	Quarterly progress reports on the number of successfully implemented projects	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP Generation Programme – peaker stations	1 Annual Report on infrastructure monitoring & compliance with implementation of non- REIPPP Generation Programme – peaker stations	2 Reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout	2 Reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout	2 Reports on interventions and support provided to municipalities regarding electricity	2 Reports on interventions and support provided to municipalities regarding electricity	2 Reports on interventions and support provided to municipalities regarding electricity

Sub-Programme 4.4 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 4.3 To monitor energy infrastructure development	Number of reports on interventions and support provided to municipalities regarding electricity	An updated report highlighting achievement on implementation of IPP Programme	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation programme – peaker stations	1 Annual Report on infrastructure monitoring and compliance with implementation of non-REIPPP generation programme – peaker stations	2 Reports on interventions or support provided to municipalities struggling with electricity infrastructure rollout	2 Reports on interventions and support provided to municipalities regarding electricity	2 Reports on interventions and support provided to municipalities regarding electricity	2 Reports on interventions and support provided to municipalities regarding electricity

Sub-Programme 4.4 Quarterly Targets for 2019/20

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 4.3 To monitor energy infrastructure development	Number of reports on interventions and support provided to municipalities regarding electricity	Bi-annually	2 Reports on interventions and support provided to municipalities regarding electricity	N/A	1 Report on interventions and support provided to municipalities regarding electricity	N/A	1 Report on interventions and support provided to municipalities regarding electricity

Resource Consideration

Programme 4: Electrification & Energy Programme & Project Management (Sub-Programmes)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Integrated National Electrification Programme	5 775 682	5 630 619	6 111 174	5 392 463	5 340 704	5 484 630	5 300 835	6 217 511
Energy regional offices	20 271	19 650	18 271	18 123	18 123	20 947	22 096	23 269
Programme and Project Management Office	9 095	13 491	8 337	11 353	11 353	12 086	12 743	13 431
Electricity infrastructure/Industry transformation	8 593	9 278	8 413	8 140	8 140	8 668	9 130	9 610
Community upliftment programmes and projects	6 844	5 621	5 979	5 321	5 321	5 494	5 808	6 132
Total for programmes	5 820 485	5 678 659	6 152 174	5 435 400	5 383 641	5 531 825	5 350 612	6 269 953

Programme 4: Electrification & Energy Programme & Project Management (Economic Classification)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	70 718	68 304	60 011	67 243	67 984	81 503	85 857	81 256
Compensation of employees	41 796	43 841	44 288	49 620	49 620	54 457	57 424	60 490
Salaries and wages	36 804	38 475	38 781	42 668	42 652	47 786	50 390	53 080
Social contributions	4 992	5 366	5 507	6 952	6 968	6 671	7 034	7 410
Goods and services	28 922	24 463	15 723	17 623	18 364	27 046	28 433	20 766
Administrative fees	1 328	1 213	831	863	682	912	962	1 016
Advertising	853	1 663	98	98	312	104	110	116
Minor assets	30	-	-	-	-	-	-	-
Catering: Departmental activities	1 435	1 381	890	669	783	708	748	790
Communication (G&S)	421	746	484	748	643	789	833	880
Computer services	15	-	-	-	-	-	-	-

Programme 4: Electrification & Energy Programme & Project Management (Economic Classification)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Consultants: Business and advisory services	19	182	-	4 111	4 852	12 741	13 330	4 832
Contractors	39	561	53	-	91	-	-	-
Agency and support/outsourced services	9	6	-	-	-	-	-	-
Fleet services (including government motor transport)	276	253	193	28	29	30	32	34
Consumable supplies	104	204	38	133	137	141	149	157
Consumables: Stationery, printing and office supplies	14	155	2	170	135	179	188	197
Operating leases	871	834	682	-	17	-	-	-
Rental and hiring	21	-	45	-	-	-	-	-
Property payments	32	24	-	-	-	-	-	-
Transport provided: Departmental activity	238	114	73	-	-	-	-	-
Travel and subsistence	15 700	12 210	8 194	8 929	9 326	9 463	9 993	10 542
Training and development	21	-	-	-	-	-	-	-
Operating payments	343	325	192	188	228	199	210	222
Venues and facilities	7 153	4 592	3 948	1 686	1 129	1 780	1 878	1 980
Transfers and subsidies	5 749 762	5 610 355	6 092 163	5 368 157	5 315 657	5 450 322	5 264 755	6 188 697
Municipalities	1 980 340	1 946 246	2 087 048	1 904 477	1 904 477	1 863 328	1 977 364	2 131 018
Public corporations	3 613 243	3 526 334	3 846 154	3 262 031	3 262 031	3 374 053	3 062 738	3 820 670
Private enterprises	156 179	137 733	158 960	201 649	149 149	212 941	224 653	237 009
Households	-	42	1	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	5	-	-	-	-	-	-	-
Total economic classification	5 820 485	5 678 659	6 152 174	5 435 400	5 383 641	5 531 825	5 350 612	6 269 953

Programme 4: Electrification & Energy Programme & Project Management (Transfer Payments)	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Beneficiary	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
INEP - Non-grid Electrification Projects	156 179	137 733	158 960	201 649	149 149	212 941	224 653	237 009
INEP Eskom grant	3 613 243	3 526 334	3 846 154	3 262 031	3 262 031	3 374 053	3 062 738	3 820 670
INEP municipal grant	1 980 340	1 946 246	2 087 048	1 904 477	1 904 477	1 863 328	1 977 364	2 131 018
Employee social benefits	-	42	1	-	-	-	-	-
TOTAL	5 749 762	5 610 355	6 092 163	5 368 157	5 315 657	5 450 322	5 264 755	6 188 697

Risk Management

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 4.1 Access to electricity by households	Inability to reach universal access to electricity	Service delivery protests Reputational damage and loss of credibility of the DOE	Propose proper funding model with National Treasury Allocate additional resources to improve monitoring team Align INEP projects with Human Settlements projects.



Programme 5: Nuclear Energy

Programme 5: Nuclear Energy

5.1 Programme 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.

5.2 Budget Sub-Programmes

- Nuclear Safety and Technology
- Nuclear Non-Proliferation and Radiation Security
- Nuclear Policy

Sub-Programme 5.1: Nuclear Safety and Technology

This sub-programme manages and implements all matters relating to nuclear safety and technology, as required by legislation and international agreements; implements the Nuclear Energy Policy in line with the requirements of the Integrated Resource Plan (IRP); and administers all matters relating to nuclear safety, liability and emergency management, with the aim of improving the governance of the nuclear sector,

specifically in relation to nuclear safety and nuclear technology. This sub-programme is responsible for the overall coordination and oversight for the new nuclear expansion programme together with the necessary due diligence on the proposed transaction. This sub-programme also makes transfers to the South African Nuclear Energy Corporation, the National Nuclear Regulator and the National Radioactive Waste Disposal Institute

Sub-Programme 5.1 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 5.1 To improve Nuclear Security	Decommissioning and Decontamination Policy	N/A	N/A	N/A	Decommissioning and Decontamination Policy produced	Draft Decommissioning and Decontamination Policy submitted to Cabinet	Draft Decommissioning and Decontamination Policy approved and promulgated	Implement Decommissioning and Decontamination Policy

Sub-Programme 5.1 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 5.1 To improve Nuclear Security	Draft Decommissioning and Decontamination Policy submitted to Cabinet	N/A	N/A	N/A	Decommissioning and Decontamination Policy produced	Draft Decommissioning and Decontamination Policy submitted to Cabinet	Draft Decommissioning and Decontamination Policy approved and promulgated	Implement Decommissioning and Decontamination Policy

Sub-Programme 5.1 Quarterly Targets for 2019/20

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 5.1 To improve Nuclear Security	Draft Decommissioning and Decontamination Policy submitted to Cabinet	Quarterly	Draft Decommissioning and Decontamination Policy submitted to Cabinet	Draft Decommissioning and Decontamination Policy (D&D Policy) submitted to Cabinet	Draft D&D Policy published for public comments	Public comments on the D&D Policy consolidated	Draft D&D Policy finalised and submitted to Cabinet

Sub-Programme 5.2: Nuclear Non-Proliferation and Radiation Security

This sub-programme manages and implements all matters related to nuclear non-proliferation and radiation security as required by legislation and international agreements. This entails accounting for and controlling nuclear material through the issuing of nuclear authorisations; ensuring compliance by conducting inspections, and audits; and regulating the security of nuclear material and related facilities.

Sub-Programme 5.2 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
SO 5.2 To strengthen the control of nuclear material and equipment	70% of authorisation applications processed within the 8-week time period	70% of authorisation applications processed within the 8-week time period	70% of authorisation applications processed within the 8-week time period	70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period

Sub-Programme 5.2 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 5.2 To strengthen the control of nuclear material and equipment	Percentage of processed authorisation applications within the 8-week time period	70% of authorisation applications processed within the 8-week time period	70% of authorisation applications processed within the 8-week time period	70% of authorisation applications processed within the 8-week time period	70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period

Sub-Programme 5.2: Quarterly Targets for 2018/19

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 5.2 To strengthen the control of nuclear material and equipment	Percentage of processed authorisation applications within the 8-week time period	Quarterly	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period	At least 70% of authorisation applications processed within the 8-week time period

Sub-Programme 5.3: Nuclear Policy

This sub-programme develops and reviews policies and legislation, as required by international agreements and the governance principles of the nuclear energy sector in South Africa; undertakes research and development on matters related to nuclear policy and legislation; and reviews and monitors nuclear safety, nuclear technology, nuclear non-proliferation and nuclear radiation security policies and legislation, and provides advice accordingly.

Sub-Programme 5.3 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 5.1 To improve nuclear security	Promulgation of the National Nuclear Regulator Act of 1999, Amendment Completed	Submission to Cabinet for public consultation	Submission to Cabinet for public consultation consideration	4 Workshops with impacted stakeholders (NNR, DoH, SANDF and DPME) on the Draft NNR Amendment Bill	Submit the National Nuclear Regulator Amendment Bill to obtain cabinet approval for public consultation	National Nuclear Regulator Amendment Bill submitted to Cabinet	National Nuclear Regulator Amendment Bill submitted to Parliament for approval	Implement National Nuclear Regulator Amendment Bill
	Radioactive Waste Management Fund Bill Completed	N/A	N/A	N/A	Radioactive Waste Management Fund Bill Submission to Cabinet to obtain approval for Public Consultation	Radioactive Waste Management Fund Bill Submitted to Cabinet	Radioactive Waste Management Fund Bill Submission to Parliament approval	Radioactive Waste Management Fund Bill promulgated

Sub-Programme 5.3 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 5.1 To improve nuclear security	National Nuclear Regulator Amendment Bill	Submission to Cabinet for public consultation	Submission to Cabinet for public consultation consideration	4 Workshops with impacted stakeholders (NNR, DoH, SANDF and DPME) on the Draft NNR Amendment Bill	Submit the National Nuclear Regulator Amendment Bill to obtain cabinet approval for public consultation	National Nuclear Regulator Amendment Bill submitted to Cabinet	National Nuclear Regulator Amendment Bill submitted to Parliament for approval	Implement National Nuclear Regulator Amendment Bill

Sub-Programme 5.3 Performance Indicators and Annual Targets for 2019/20 MTEF (continued)

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 5.1 To improve nuclear security	Approved Radioactive Waste Management Fund Bill	N/A	N/A	N/A	Radioactive Waste Management Fund Bill Submission to Cabinet to obtain approval for Public Consultation	Radioactive Waste Management Fund Bill Submitted to Cabinet	Radioactive Waste Management Fund Bill Submitted to Parliament approval	Radioactive Waste Management Fund Bill promulgated

Sub-Programme 5.3 Quarterly Targets for 2019/20

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 5.1 To improve nuclear security	National Nuclear Regulator Amendment Bill	Quarterly	National Nuclear Regulator Amendment Bill submitted to Cabinet	Incorporate Socio Economic Impact Assessment comments for the National Nuclear Regulator Amendment Bill	Submit the National Nuclear Regulator Amendment Bill to FOSAD	Consolidate inputs from FOSAD into Nuclear Regulator Amendment Bill	National Nuclear Regulator Amendment Bill Submitted to Cabinet
SO 5.1 To improve nuclear security	Approved Radioactive Waste Management Fund Bill	Quarterly	Radioactive Waste Management Fund Bill Submitted to Cabinet	Address comments from DPME on SEIAS 1	Compile SEIAS 2 report	Evaluate and address DPME comments	Submit Radioactive Waste Management Fund Bill to Cabinet

Resource Consideration

Programme 5: Nuclear Energy (Sub-Programmes)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Nuclear safety and technology	641 490	859 003	780 819	796 159	855 159	1 026 198	1 081 916	1 140 841
Nuclear non-proliferation and radiation security	7 168	8 303	8 414	9 074	9 074	9 515	10 023	11 552
Nuclear Policy	6 369	5 145	4 958	11 353	11 353	10 199	10 761	11 350
Total for programmes	655 027	872 451	794 191	816 586	875 586	1 045 912	1 102 700	1 163 743

Programme 5: Nuclear Energy (Economic Classification)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	25 272	104 046	38 190	49 540	108 540	41 348	43 585	46 926
Compensation of employees	17 040	19 791	20 807	21 794	21 794	24 881	26 213	28 598
Salaries and wages	15 322	17 790	18 653	18 555	18 549	21 833	23 002	25 095
Social contributions	1 718	2 001	2 154	3 239	3 245	3 048	3 211	3 503
Goods and services	8 232	84 255	17 383	27 746	86 746	16 467	17 372	18 328
Administrative fees	383	152	171	96	110	101	104	109
Advertising	1 570	486	112	1 344	1 395	1 575	1 606	1 694
Minor assets	-	4	-	-	-	-	-	-
Catering: Departmental activities	81	380	114	143	112	150	159	168
Communication (G&S)	277	237	240	255	275	269	284	300
Consultants: Business and advisory services	752	78 482	13 340	21 052	80 052	10 986	11 591	12 229
Legal services (G&S)	50	71	638	1 700	1 700	-	-	-
Fleet services (including government motor transport)	1	-	2	-	3	-	-	-
Consumable supplies	19	25	10	-	-	-	-	-

Programme 5: Nuclear Energy (Economic Classification) (continued)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Consumables: Stationery, printing and office supplies	130	595	6	484	466	511	539	568
Operating leases	-	-	8	-	3	-	-	-
Rental and hiring	-	-	23	-	-	-	-	-
Travel and subsistence	3 177	2 181	1 844	1 591	1 578	1 678	1 771	1 869
Operating payments	1	8	12	-	-	-	-	-
Venues and facilities	1 791	1 634	863	1 081	1 052	1 197	1 318	1 391
Transfers and subsidies	629 755	670 027	756 001	767 046	767 046	1 004 564	1 059 115	1 116 817
Departmental agencies and accounts	21 487	50 936	68 573	62 042	62 042	90 595	94 864	99 532
Foreign governments and international organisations	27 885	19 753	23 257	22 290	22 290	23 538	24 832	26 197
Public corporations	580 358	599 338	664 171	682 714	682 714	890 431	939 419	991 088
Households	25	-	-	-	-	-	-	-
Payments for capital assets	-	98 378	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-
Machinery and equipment	-	11 031	-	-	-	-	-	-
Software and other intangible assets	-	87 347	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total economic classification	655 027	872 451	794 191	816 586	875 586	1 045 912	1 102 700	1 163 743

Programme 5: Nuclear Energy (Transfer Payments)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Beneficiary	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
South African Nuclear Energy Corporation	580 358	599 338	664 171	682 714	682 714	890 431	939 419	991 088
National Nuclear Regulator	21 487	40 936	38 573	16 510	16 510	43 096	45 467	47 968
International Atomic Energy Agency	27 885	19 753	22 691	18 205	18 205	19 224	20 281	21 396
National Radioactive Waste Disposal Institute	-	10 000	30 000	45 532	45 532	47 499	49 397	51 564
Employee social benefits	25	-	-	-	-	-	-	-
Generation IV International Forum	-	-	566	741	741	782	825	870
International Atomic Energy Agency	-	-	-	3 344	3 344	3 532	3 726	3 931
TOTAL	629 755	670 027	756 001	767 046	767 046	1 004 564	1 059 115	1 116 817

Risk Management

Strategic Objective	Strategic Risk	Risk Consequence	Mitigation Strategy
SO 5.1 To improve nuclear security	Delays in the submission of the draft Radioactive Waste Management Fund Bill to the Chief State Law Advisor	Negative impact on NRWDI's financial sustainability and mandate	External stakeholder consultation e.g ESKOM, NECSA, NRWDI and National Treasury Internal review by Nuclear Branch, SoE and Legal Services



Programme 6: Clean Energy

Programme 6: Clean Energy

6.1 Programme Purpose

To manage and facilitate the development and implementation of clean and renewable energy initiatives, as well as Energy Efficiency and Demand-Side Management (EEDSM) initiatives.

6.2 Budget Sub-Programmes

- Energy Efficiency
- Renewable Energy
- Climate Change Response, Environmental Compliance and Designated National Authority

Sub-Programme 6.1: Energy Efficiency

This sub-programme advances energy efficiency in South Africa by planning and coordinating initiatives and interventions that are focused on developing and improving the energy efficiency market, and ensures the integration and coordination of energy efficiency initiatives and interventions with relevant associated institutions.

Sub-Programme 6.1 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 6.2 To coordinate and monitor the implementation of the EEDSM measures across all sectors	Develop & implement the post-2015 EE targets & strategy	0.5 TWh of energy savings realised and verified from EEDSM projects	Verified energy savings from EEDSM initiatives	0.5 TWh of energy savings realised and verified from EEDSM projects	Provide oversight on the achievement of 0.5 TWh and the funding of this target	0.5 TWh of energy savings realised and verified from EEDSM projects	0.5 TWh of energy savings realised and verified from EEDSM projects	0.5 TWh of energy savings realised and verified from EEDSM projects
	Develop energy consumption for an additional 100 municipalities	N/A	N/A	N/A	N/A	Energy consumption baselines developed from 15 additional municipalities	Energy consumption baselines developed from 20 additional municipalities	Energy consumption baselines developed from 20 additional municipalities

Sub-Programme 6.1 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 6.2 To coordinate and monitor the implementation of the EEDSM measures across all sectors	Number of energy savings realised and verified from EEDSM projects	0.5 TWh of energy savings realised and verified from EEDSM projects	0.5 TWh of energy savings realised and verified from EEDSM projects	0.5 TWh of energy savings realised and verified from EEDSM projects	Provide oversight on the achievement of 0.5 TWh and the funding of this target	0.5 TWh of energy savings realised and verified from EEDSM projects	0.5 TWh of energy savings realised and verified from EEDSM projects	0.5 TWh of energy savings realised and verified from EEDSM projects
		N/A	N/A	N/A	N/A	Energy consumption baselines developed from 15 additional municipalities	Energy consumption baselines developed from 20 additional municipalities	Energy consumption baselines developed from 20 additional municipalities

Sub-Programme 6.1 Quarterly Targets for 2019/20

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 6.2 To coordinate and monitor the implementation of the EEDSM measures across all sectors	Number of energy savings realised and verified from EEDSM projects	Quarterly	0.5 TWh energy savings realised and verified from EEDSM projects	Report on the number of EEDSM projects identified	Report on the energy savings (TWh) to be achieved from the identified EEDSM projects	Progress report on the implementation of the identified EEDSM projects and achieved savings	Quantification of energy savings achieved from municipal EEDSM projects
			Energy consumption baselines developed from 15 additional municipalities	Report on the consultation with identified municipalities	Report on the number of energy consumption baselines	Report on the number of energy consumption baselines	Report on the number of energy savings (TWh) achieved from the identified EEDSM projects

Sub-Programme 6.2: Renewable Energy

This sub-programme ensures the integration of renewable energy into South Africa's mainstream energy supply by planning and co-ordinating initiatives and interventions

focused on the development and improvement of the renewable energy market. It also integrates and co-ordinates renewable energy initiatives and interventions with the relevant

associated local and international institutions. In addition, the sub-programme makes transfers to the South African National Energy Development Institute (SANEDI).

Sub-Programme 6.2 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 6.3 Effective Renewable Energy	Strategy to increase the uptake of solar technologies in the energy mix	N/A	N/A	Solar Energy Technology Roadmap incorporated into the Integrated Energy Plan	Promulgation of the Solar Energy Technology Roadmap	Draft Renewable Energy Technology Roadmap (RETRM) drafted and completed	Final Renewable Energy Technology Roadmap (RETRM) approved and published	Renewable Energy Technology Roadmap (RETRM) implemented
	Solar Water Heating Programme Implementation	N/A	Completed Solar Water Heating Implementation Plan	Procure about 50 000 baseline systems with a local content exceeding 70%	Increase the number of procured baseline systems in line with budget allocation; target youth trained under accredited programmes to install the systems at target municipalities	Report on roll-out of 87 000 procured SWH baseline systems in 19 municipalities	Report on roll-out of about 87 000 procured SWH baseline systems in 19 municipalities	Report on roll-out of about 87 000 procured SWH baseline systems in 19 municipalities

Sub-Programme 6.2 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
SO 6.3 Effective Renewable Energy	Energy Technology Roadmap	N/A	N/A	Solar Energy Technology Roadmap incorporated into the Integrated Energy Plan	Promulgation of the Solar Energy Technology Roadmap	Draft Renewable Energy Technology Roadmap (RETRM) drafted and completed	Final Renewable Energy Technology Roadmap (RETRM) Completed, approved and published	Renewable Energy Technology Roadmap (RETRM) implemented
	Report on roll-out of procured baseline systems in line with budget allocation	N/A	Solar Water Heating Programme Implementation Plan	Procure about 50 000 baseline systems with a local content exceeding 70%	Increase the number of procured baseline systems in line with budget allocation; target youth trained under accredited programmes to install the systems at target municipalities	Report on roll-out of 87 000 procured SWH baseline systems in 19 municipalities	Report on roll-out of 87 000 procured SWH baseline systems in 19 municipalities	Report on roll-out of 87 000 procured SWH baseline systems in 19 municipalities

Sub-Programme 6.2 Quarterly Targets for 2019/20

Strategic Objectives	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 6.3 Effective Renewable Energy	Energy Technology Roadmap	Annually	Draft Renewable Energy Technology Roadmaps (RETRM) completed	N/A	N/A	N/A	Final Renewable Energy Technology Roadmap (RETRM) Completed
	Report on roll-out of baseline systems in line with budget allocation	Quarterly	Report on installation roll-out of 87 000 procured SWH baseline systems in 19 municipalities	Final Technical Feasibility and Social Facilitation report submitted and approved Appointment of service providers for installation of SWH in participating municipalities	Draft report on installation roll-out of SWH systems in participating municipalities Monitoring and evaluation of installed SWH systems in participating municipalities	Draft report on Installation of SWH	Installation report submitted and approved

Sub-Programme 6.3: Climate Change and Designated National Authority

This sub-programme ensures that the energy sector's climate change and environment response measures, in terms of mitigation and adaptation, are implemented within the energy sector. It also ensures the fulfillment of international energy commitments and obligations under the United Nations Framework Convention on Climate Change pertaining to the Kyoto Protocol.

Sub-Programme 6.3 Strategic Objectives and Annual Targets for 2019/20

Strategic Objective	5 Year Strategic Plan Target	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
SO 6.1 To co-ordinate and monitor the Implementation of energy-related climate change response measures and environmental compliance	12% by 2015 Energy efficiency target for 2019 to be finalised as outlined by the National Energy Efficiency Strategy	N/A	N/A	Approved Annual Compliance Report on the 3rd Environmental Management Plan Edition	Approved Annual Compliance Report on the 3rd Environmental Management Plan Edition	Annual Compliance Report on the 3rd Environmental Management Plan Edition approved	Annual Compliance Report on the 3rd Environmental Management Plan Edition approved	Annual Compliance Report on the 3rd Environmental Management Plan Edition approved

Sub-Programme 6.3 Performance Indicators and Annual Targets for 2019/20 MTEF

Strategic Objective	Performance Indicators	Audited/Actual Performance			Estimated Performance	Medium-Term Targets		
		2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
SO 6.1 To co-ordinate and monitor the Implementation of energy-related climate change response measures and environmental compliance	Developed Annual Compliance Report on the 3rd Environmental Management Plan	N/A	N/A	Approved Annual Compliance Report on the 3rd Environmental Management Plan Edition	Approved Annual Compliance Report on the 3rd Environmental Management Plan Edition	Annual Compliance Report on the 3rd Environmental Management Plan Edition approved	Annual Compliance Report on the 3rd Environmental Management Plan Edition approved	Annual Compliance Report on the 3rd Environmental Management Plan Edition approved

Sub-Programme 6.3 Quarterly Targets for 2019/20

Strategic Objective	Performance Indicators	Reporting Period	Annual Target 2019/20	Quarterly Targets			
				Q1	Q2	Q3	Q4
SO 6.1 To co-ordinate and monitor the Implementation of energy-related climate change response measures and environmental compliance	Developed Annual Compliance Report on the 3rd Environmental Management Plan Edition	Quarterly	Annual Compliance Report on the 3rd Environmental Management Plan Edition approved	Data collection and stakeholder consultation	Data collection and stakeholder consultation	Data collection and stakeholder consultation	Approved Annual Compliance Report on the 3rd Environmental Management Plan Edition

Resource Consideration

Programme 6: Clean Energy (Sub-Programmes)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Energy efficiency	206 211	527 139	537 514	285 720	400 244	318 911	346 255	366 127
Renewable energy	69 774	25 240	64 204	75 796	75 796	80 070	84 459	89 102
Climate Change and Designated National Authority	5 798	7 722	7 837	8 667	8 667	9 102	9 605	10 128
Total for programmes	281 783	560 101	609 555	370 183	484 707	408 083	440 319	465 357

Programme 6: Clean Energy (Economic Classification)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Current payments	37 710	31 321	110 058	82 171	196 695	103 965	119 488	126 880
Compensation of employees	14 336	16 264	17 246	19 906	19 906	19 607	20 673	22 630
Salaries and wages	12 723	14 477	15 363	17 258	17 254	17 205	18 141	19 858
Social contributions	1 613	1 787	1 883	2 648	2 652	2 402	2 532	2 772
Goods and services	23 374	15 057	92 812	62 265	176 789	84 358	98 815	104 250
Administrative fees	477	370	193	132	145	140	148	156
Advertising	4 571	1 864	17	837	837	871	919	970
Catering: Departmental activities	55	281	5	113	81	119	126	133
Communication (G&S)	124	128	151	143	147	151	161	171
Computer services	8	-	-	-	-	-	-	-
Consultants: Business and advisory services	10 667	7 636	734	46 480	7 771	67 679	81 217	85 684
Legal services (G&S)	50	-	-	-	-	-	-	-
Contractors	-	95	-	-	1	-	-	-
Agency and support/outsourced services	1 095	1 094	-	9 529	-	10 063	10 616	11 200
Consumable supplies	4	6	2	7	10	7	8	8
Consumables: Stationery, printing and office supplies	53	83	46	184	184	194	205	216
Operating leases	1	1	4	-	-	-	-	-
Travel and subsistence	5 573	2 122	2 065	3 485	3 496	3 738	3 943	4 160
Operating payments	281	649	89 128	38	162 800	40	42	44
Venues and facilities	415	728	467	1 317	1 317	1 356	1 430	1 508
Transfers and subsidies	244 073	528 780	499 497	288 012	288 012	304 118	320 831	338 477
Municipalities	177 899	185 625	203 236	215 024	215 024	227 065	239 554	252 729
Departmental agencies and accounts	64 861	20 625	59 774	70 241	70 241	74 151	78 215	82 517
Foreign governments and international organisations	1 313	2 216	1 015	2 747	2 747	2 902	3 062	3 231
Private enterprises	-	320 314	235 472	-	-	-	-	-

Programme 6: Clean Energy (Economic Classification) (continued)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Rand thousand	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Payments for capital assets	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total economic classification	281 783	560 101	609 555	370 183	484 707	408 083	440 319	465 357

Programme 6: Clean Energy (Transfer Payments)	BASELINE					MEDIUM TERM EXPENDITURE FRAMEWORK		
	2015/16	2016/17	2017/18	2018/19		2019/20	2020/21	2021/22
	Audited Outcome	Audited Outcome	Audited Outcome	Voted (Main appropriation)	Adjusted Appropriation	Revised indicative baseline	Revised indicative baseline	Revised indicative baseline
Beneficiary	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
South African National Energy Development Institute	64 861	20 625	59 774	70 241	70 241	74 151	78 215	82 517
Various institutions: Solar Water Heater Project	-	320 314	235 472	-	-	-	-	-
International Renewable Energy Agency	1 313	2 216	1 015	1 137	1 137	1 201	1 267	1 337
International Energy Forum	-	-	-	337	337	356	376	397
International Partnership for Energy Efficiency Cooperation	-	-	-	1 273	1 273	1 345	1 419	1 497
Energy efficiency and demand side management grant	177 899	185 625	203 236	215 024	215 024	227 065	239 554	252 729
TOTAL	244 073	528 780	499 497	288 012	288 012	304 118	320 831	338 477

Risk Management

Strategic Objective	Strategic Risk	Risk	Mitigation Strategy
SO 6.2 Renewable Energy	Delays in decision making on the Solar Heating Programme both by internal and external key stakeholders e.g Municipalities	<p>Negative impact on service delivery (providing hot water to the poor)</p> <p>Reputational damage</p>	<p>Regular briefing of decision makers to take decision</p> <p>Responsive turnaround time for decision making i.e. line function, EXCO, DG, Finance/SCM, Legal Services</p> <p>Develop a consolidated communication plan</p> <p>Develop a solar water heater project risk register</p>

Part C



LINKS TO OTHER PLANS

Links to other Plans

1. LINKS TO LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

The Department of Energy (DoE) leads three Strategic Integrated Projects (SIPs), namely Integrated Municipal Infrastructure Projects, Green Energy in support of the South African Economy and Electricity Transmission and Distribution for All. In addition, the DoE is further required to directly or indirectly participate in other SIP initiatives for coordination and reporting purposes.

Expenditure on long-term infrastructure and other capital plans

Despite a Cabinet approved budget reduction of R1.43 billion over the MTEF period, transfers to Eskom for the indirect component of the Integrated National Electrification programme are expected to increase at an average annual rate of 6 per cent, from R3.3 billion in 2018/19 to R3.8 billion in 2021/22 while transfers to municipalities for the Integrated National Electrification Programme are expected to increase at an average annual rate of 4 per cent, from R1.9 billion in 2018/19 to R2.1 billion in 2021/22. Over the medium term, an additional 590 000 households are expected to be connected to the electricity grid, 6 additional substations built and 9 substations upgraded. A further 20 000 households per year will be provided with non-grid (mainly solar) electrification.

During the 2017/18 financial year, R5.3 billion was appropriated for the electrification programme to deliver 255 000 connections utilizing both grid and non-grid technologies. The Integrated Electrification Programme connected 275 830 households to the grid against the target of 235 000. Out of 20 000 targeted non-grid connections, 16 875 were completed and verified, 3 125 connections were completed before financial year end but could not be reported as physical connections before verification processes are concluded. The 3 125 unverified connections will be reported in the 2018/19 financial year

once they have been audited and verified. Through these achievements, the Department of Energy is in line with meeting the Medium Term Strategic Framework (MTSF 2014-2019) target of 1 355 000 households for both grid and non-grid.

Most of the household connections are concentrated in the remote areas which are part of the 27 priority Districts and this causes challenges as most of the rural areas are far from the grid. This necessitates installation of additional bulk infrastructure to connect these areas. In terms of targeted bulk infrastructure projects planned, out of 3 new substations, 4 upgraded substations and 95km new MV lines targeted all were completed with over achievement of extra 66.49km new MV lines constructed. The only target not achieved was construction of 95km upgraded MV lines of which only 31.5km was achieved. Delays were caused by changes in scopes of projects and internal service providers procurement issues at our municipalities.

The Department has received R17.2 million over the MTEF period to develop a credible Electrification Master Plan. Over the past two decades, South Africa has achieved a significant level of electrification and as a result, a significant number of households now have access to largely grid-connected

power. Despite successes, the Department of Energy (DoE) and its delivery partners face several barriers to electrifying the remaining backlog. A significant portion of the remaining households to be electrified are in sparsely populated rural areas (mostly in Kwazulu Natal, Eastern Cape, Limpopo) and the remainder in urban informal settlements, often densely packed shacks that are unsafe to connect to the grid.

The Department of Energy needs to come up with a new household Electrification strategy to assist the Department to reach the universal access by 2025. Based on the experience of other countries that have successfully implemented large-scale electrification programs, a national least-cost grid/off-grid master plan is commonly used to set rules and time frames for electrification rollout. It is often supplemented with clear guidelines for choosing particular technologies. (South Africa does not have such a plan; electrification priorities are determined at the local level without national aggregation.)

Project Name	Programme	Outputs	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium Term Estimate		
			2015/16	2016/17	2017/18	2018/19			2019/20	2021/21	2021/22
New Assets (R thousand)			R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
INEP: Eskom	Electrification and Energy Programme and Project Management	Provision of capital subsidies to Eskom to address electrification backlogs for permanently occupied residential dwellings, install bulk infrastructure & rehabilitate electrification infrastructure	3,613,243	3,526,334	3,846,154	3,262,031	-	3,262,031	3,374,053	3,562,738	3,820,670
INEP: Municipalities	Electrification and Energy Programme and Project Management	Provision of capital subsidies to municipalities to address electrification backlogs for permanently occupied residential dwellings, install bulk infrastructure & rehabilitate electrification infrastructure	1,980,340	1,946,246	2,087,048	1,904,477	-	1,904,477	1,863,328	1,977,364	2,131,018
INEP: Non- grid electrification technology	Electrification and Energy Programme and Project Management	Provision of capital subsidies to non-grid electrification service providers to address electrification backlogs	156,179	137,733	158,960	201,649	-52,500	149,149	212,941	224,653	237,009
Total			5,749,762	5,610,313	6,092,162	5,368,157	-52,500	5,315,657	5,450,322	5,764,755	6,188,697

2. CONDITIONAL GRANTS

The DoE 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]):

Programme	Project name	Project description	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
			Audited outcome	Audited outcome	Audited outcome	Revised baseline	Revised baseline	Revised baseline	Revised baseline
Rand thousand			R'000	R'000	R'000	R'000	R'000	R'000	R'000
Clean Energy	Energy Efficiency and Demand Side Management Programme	Implementation of energy efficiency technologies	177,899	185,625	203,236	215,024	227,065	239,554	252,729
Electrification and Energy Programme and Project Management	Integrated national electrification programme: Eskom	Provision of capital subsidies to Eskom to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure, and rehabilitation of electrification infrastructure	3,613,243	3,526,334	3,846,154	3,262,031	3,374,053	3,062,738	3,820,670
Electrification and Energy Programme and Project Management	Integrated national electrification programme: Municipalities	Provision of capital subsidies to municipalities to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure, and rehabilitation of electrification infrastructure	1,980,340	1,946,246	2,087,048	1,904,477	1,863,328	1,977,364	2,131,018
TOTALS			5,771,482	5,658,205	6,136,438	5,381,532	5,464,446	5,279,656	6,204,417

3. PUBLIC ENTITIES

The Minister of Energy is responsible for overseeing five state-owned entities (SOEs) and their subsidiaries, which are either classified as Schedule 2 or as 3A institutions according to the Public Finance Management Act, 1999 (Act No. 1 of 1999):

- The National Nuclear Regulator (NNR);
- The Central Energy Fund (CEF) Group of companies under CEF (Pty) Ltd;
- The South African Nuclear Energy Corporation SOC Limited (NECSA);
- The National Radioactive Waste Disposal Institute (NRWDI);
- The National Energy Regulator of South Africa (NERSA); and
- The South African National Energy Development Institute (SANEDI).

The enabling legislation requires that the Minister of a department appoints members of the board for all SOEs reporting to him or her. Boards are ultimately accountable and responsible for the performance of their respective entities. They give strategic direction in line with the DoE's strategy within their respective mandates and implementation is undertaken by management.

Public entities' mandate, outputs, annual budget and next evaluation date of the SOE's.

Name of Public Entity	Mandate	Outputs	Current Annual Budget 2019/20	Date of Next Evaluation
NNR	<p>The NNR is established in terms of the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999).</p> <p>The act establishes the regulator as a competent authority for nuclear regulation in South Africa.</p> <p>The purpose of the NNR, as outlined in Section 5 of the National Nuclear Regulator Act, 1999 (Act No. 47 of 1999) is to essentially provide for the protection of persons, property & the environment against nuclear damage through the establishment of safety standards & regulatory practices.</p>	Refer to the NNR's 2019/20 APP for details regarding the specific outputs planned by the NNR for the period	<p>R 43 096 million.</p> <p>The NNR total budgeted revenue comes from: fiscal grant allocation R 43 096 million; & authorisation fees R 190 438 million.</p>	As needed

Name of Public Entity	Mandate	Outputs	Current Annual Budget 2019/20	Date of Next Evaluation
CEF	To finance & promote the acquisition of, research into & exploitation of oil, gas & renewable/clean energy-related products & technology	Refer to the CEF's 2019/20 APP for details regarding the specific outputs planned by the CEF for the period	R19 606 billion (as per 2017/18 budget projections) The following companies contribute toward the total revenue for the CEF Group: CEF (SOC) Ltd; African Exploration; PetroSA; & SFF	As needed
NECSA	NECSA is established in terms of Section 3(1) of the Nuclear Energy Act, 1999 (Act No. 46 of 1999) The act provides for the commercialisation of nuclear & related products & services, & delegates specific responsibilities to the corporation, including the implementation & execution of national safeguards & other international obligations The Nuclear Energy Policy of 2008 reinforced NECSA's mandate relating to R&D & NFC responsibilities	Refer to the NECSA's 2019/20 APP for details regarding the specific outputs planned by NECSA for the period	R 890 431 billion. NECSA's total budgeted revenue comes from: fiscal grant allocation R 890 431 million; budgeted sales revenue R 1 711 billion; & other income R 140 034 million.	As needed
NRWDI	NRWDI is a Nuclear Waste Disposal Institute established in terms of Section 3 of the National Radioactive Waste Disposal Institute Act, 2008 (Act No. 53 of 2008). The act provides for the establishment of an NRWDI in order to manage radioactive waste disposal on a national basis & to provide for its functions & for how it is to be managed.	Refer to the NRWDI's 2019/20 APP for details regarding the specific outputs planned by NRWDI for the period	R 47 499 million The total revenue consists of government grant of R47 499 million and interest income of R1 526 million	As needed

Name of Public Entity	Mandate	Outputs	Current Annual Budget 2019/20	Date of Next Evaluation
NERSA	<p>NERSA is a regulatory authority established as a juristic person in terms of Section 3 of the National Energy Regulator Act, 2004 (Act No. 40 of 2004)</p> <p>NERSA's mandate is to regulate the electricity, piped-gas & petroleum pipeline industries in terms of the Electricity Regulation Act, 2006 (Act No. 4 of 2006), Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the Gas Act, 2001 (Act No. 48 of 2001) & the Petroleum Pipelines Act, 2003 (Act No. 60 of 2003)</p>	Refer to NERSA's 2019/20 APP for details regarding the specific outputs planned by NERSA for the period	<p>R343,509 million</p> <p>NERSA's total budgeted revenue comes from:</p> <p>levies of 3 regulated industries</p> <p>R347 413 million</p> <p>interest received from investments & other income R9 090 million</p>	As needed
SANEDI	SANEDI is an applied energy research institute established in terms of Section 7(1) of the National Energy Act, 2008 (Act No. 34 of 2008)	Refer to SANEDI's 2019/20 APP for details regarding the specific outputs planned by SANEDI for the period	<p>R 74 151 million</p> <p>SANEDI's total budgeted revenue is:</p> <p>grant allocation R 74 151 million (operations R 29 861 million & carbon R 35 000 million); &</p> <p>other income R 23 200 million</p>	As needed

4. PUBLIC-PRIVATE PARTNERSHIPS

No public-private partnerships exist between the DoE and other stakeholders due to none policy shift.

Part D



ANNEXURE

2019/20 Technical Indicator Description

Not amended to reflect the 2015/20 Medium Term Strategic Framework Strategic Plan

Acronyms and Descriptions

Acronym	Description
20YLFIRM	20-Year Liquid Fuels Infrastructure Roadmap
20YRLFMP	20-Year Liquid Fuels Master Plan
ADAM	Approach to Distribution Management
AfDB	African Development Bank
AG	Attorney General
Amb.	Ambassador
APP	Annual Performance Plan
ADAM	Approach to Distribution Management
bcm	Billion cubic metres
BEE	Black Economic Empowerment
BFP	Basic Fuel Price
CEF	Central Energy Fund
CHIETA	Chemical Industries Education and Training Authority
CSP	Concentrated Solar Power
DDG	Deputy Director-General
DG	Director-General
DM	Deputy Minister
DoE	Department of Energy
DoRA	Division of Revenue Act of South Africa
DPME	Department of Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DRC	Democratic Republic of Congo
EE	Energy Efficiency
EEDSM	Energy Efficiency and Demand-Side Management
EMP	Electrification Master Plan
ESC	Energy Sciences Coalition
Eskom	Electricity Supply Commission

Acronym	Description
EU	European Union
EUEI PDF	European Union Energy Initiative – Partnership Dialogue Facility
EWSETA	Energy and Water Sector Education and Training Authority
EXCO	Executive Committee
FBAE	Free Basic Alternative Energy
FBE	Free Basic Electricity
FDI	Foreign Direct Investment
FOSAD	Forum of South African Directors
G&S	Goods and Services
GAB	Geoscience Amendment Bill
GDP	Gross Domestic Product
GHG	Greenhouse gas
GTL	Gas-to-liquid
GUMP	Gas Utilisation Master Plan
GWh	Gigawatt hours
Hon.	Honourable
HR	Human Resource
IAEA	International Atomic Energy Agency
IDP	Integrated Development Plan
IEC	Integrated Energy Centre
IEF	International Energy Forum
IEP	Integrated Energy Plan
IHDI	Inequality-Adjusted Human Development Index
INEP	Integrated National Electrification Programme
IPAP	Industrial Policy Action Plan
IPP	Independent Power Producer
IRP	Integrated Resource Plan

Acronyms and Descriptions

Acronym	Description
JRC	Joint Research Centre
km	Kilometre
KPA	Key Performance Area
kWh	Kilowatt hour
kWh/m²	Kilowatt hour per square metre
LNG	Liquefied natural gas
LPG	Liquefied petroleum gas
MANCO	Management Committee
MoA	Memorandum of Agreement
MP	Member of Parliament
MPAT	Management Performance Assessment Tool
MRGP	Maximum Refinery Gate Price
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MV	Mega volt
MV line	Medium voltage line
MW	Megawatt
NDP	National Development Plan
NECSA	South African Nuclear Energy Corporation SOC Limited
NER	National Energy Regulator
NERSA	National Energy Regulator of South Africa
NFC	Nuclear Fuel Cycle
NGP	National Growth Path
NIEP	National Integrated Electrification Programme
NIP	National Infrastructure Plan
NNEECC	National Nuclear Energy Executive Coordination Committee
NNR	National Nuclear Regulator
NRWDI	National Radioactive Waste Disposal Institute

Acronym	Description
NSWHP	National Solar Water Heater Programme
NT	National Treasury
OECD	Organisation for Economic Co-operation and Development
PPP	Public Participation Programme
PV	Photovoltaic
RAS	Regulatory Accounting System
REIPPP	Renewable Energy Independent Power Producer Programme
RFP	Request for Proposal
SANEDI	South African National Energy Development Institute
SAPP	South African Power Pool
SCM	Supply chain management
SCOA	Standard Chart of Accounts
SEIAS	Socio-Economic Impact Assessment
SFF	Strategic Fuel Fund
SIP	Strategic Integrated Project
SMC	Strategic Management Committee
SMME	Small, medium and micro enterprise
SMS	Senior Management Service
SO	Strategic Objective
SOE	State-owned entity
SoNA	State of the Nation Address
SWH	Solar Water Heater
TJ/t	Terajoule per tonne
TWh	Terawatt hour
UNDP	United Nations Development Programme
USA	United States of America
WSP	Workplace Skills Plan

