

Electricity and Energy Directorate

Projects : Sub-Directorate (Electrification Division)

Overview

- Budget Allocation
- Electrification Projects
- Progress
- Challenges

Electricity & Energy Budget Allocation

The following amounts were allocated to the NMBM for the electrification of formalized and undeclared areas for the 2020/21 financial year :

1. USDG budget allocation of R19 717 840 (excl VAT) was granted for execution of electrification projects (formalized areas) for an estimate 1 593 connections. (70 x formal – and 1 523 informal households).
2. Loan funding of R18 000 000 (excl VAT) for electrification of informal undeclared areas for an estimate 3 000 connections.
3. An additional amount of R18 391 304 (excl VAT), USDG funding, was allocated for electrification of undeclared areas for an estimate 1 000 connections. Totaling = R36 391 304 for estimate 4 000 connections . (During the Capital Budget Adjustment process).
4. Total Allocation for Electrification projects = R56 109 144,00

Different Types of Electrification Projects

1. Electrification of formalized informal settlements utilising USDG grant funding, which meet DMRE policy criteria.
2. Electrification of undeclared informal settlements utilising other sources of funding (e.g. Loan - & USDG funding).
 - 2.1 Areas considered : Mainly where land/sites were invaded illegally;
 - 2.2 Areas not meeting DMRE policy criteria such as areas not suitable for development, environmental issues, public open spaces, etc.; and
 - 2.3 Demand driven (Protests).

Progress : (1) Formalized Areas & (2) Undeclared Areas

1. Formalized Areas :

Total expenditure mid May = R15 976 865,23 (excl VAT) (81% spent)

Total number of connections completed = 1 430 (shortfall of 163 connections).

2. Undeclared Areas :

Total expenditure mid May = R19 335 431,52 (excl VAT) (53% spent)

Total number of connections completed = 2 373 (shortfall of 1 627 connections).

The NMBM will strive to spend total budget allocation for above two projects by the end of June 2021.

CHALLENGES

The following challenges are hampering progress:

- The electrification implementation plan is negatively affected by complicated relocation processes, e.g. Beneficiary list not yet finalised / requires updating or legal beneficiaries cannot be traced, etc.
- Invasion of serviced sites by illegal beneficiaries demanding services.
- Contracts with Service Providers will soon expire. Existing contracts to be extended;
- Tender renewal processes are very slow (huge backlog) – Bid committees don't meet as scheduled;
- No stock of pole mounted transformers, mainly 200kVA, 22kV. Tender in evaluation stage (BEC).

THANK YOU