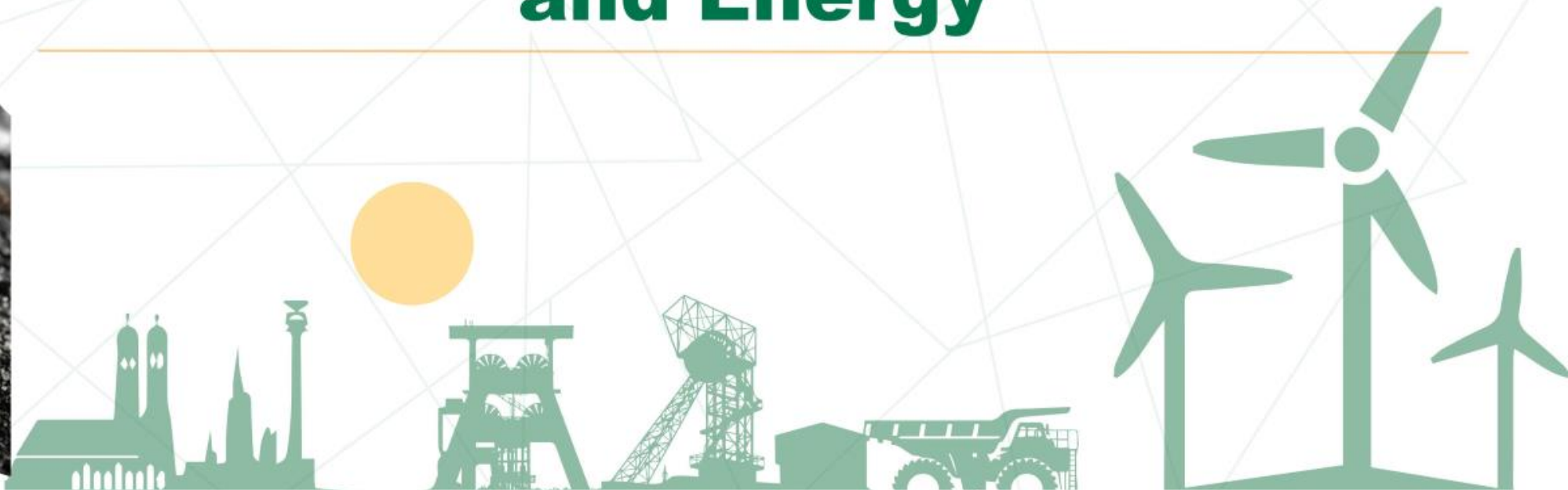





# Department of Mineral Resources and Energy



mineral resources  
& energy

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA





# **BRIEFING BY THE DEPARTMENT OF MINERAL RESOURCES AND ENERGY ON ITS 2020/21 ANNUAL REPORT**

**9 NOVEMBER 2021**



**mineral resources  
& energy**

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



# PRESENTATION OUTLINE

## PART A

1. Introduction
2. Summary of 2020/21 Annual Performance Report
3. Performance Highlights for 2020/21 Financial Year
4. Strategies to overcome underperformance
5. Service Delivery Environment
6. Organizational Environment
7. Governance
8. DMRE Entities
9. Audit outcomes of entities

## Part B

Programme Performance Information

## Part C

Financial Information



**mineral resources  
& energy**

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA





## PART: A

This presentation comprises of the following components:

The **Non-financial** and **Financial performance information** of the Department Mineral Resources and Energy for the 2020/21 financial year as contained in the Audited Annual Report.

DMRE implements its Annual Performance Plan (APP) through six programmes;

Programme 1 – **Administration,**

Programme 2 – **Minerals and Petroleum Regulation,**

Programme 3 – **Mining, Mineral and Energy Policy Development,**

Programme 4 – **Mine Health and Safety Inspectorate,**

Programme 5 – **Programme and Projects Management, and**

Programme 6 – **Nuclear Energy**



mineral resources  
& energy

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA







# INTRODUCTION

- It is my pleasure to present the 2020/21 Annual Performance Report for the Department of Mineral Resources and Energy and to note that the revitalisation of mineral resources and energy is high on the agenda and regarded as an important vehicle to stimulate the economic growth.
- The Department has a mandate to regulate, transform and promote minerals and energy sectors, providing sustainable and affordable energy mix for growth and development and ensuring that all South Africans derives sustainable benefit from the country's mineral wealth.
- This Annual Report is an essential component of our Strategic Management Process as it seeks to provide feedback on the extent and manner in which the Department of Mineral Resources and Energy has implemented its programmes & projects during the 2020/21 financial year against the targets stated in the Annual Performance Plan.
- The Department received an unqualified audit opinion on both the Annual Financial Statements and Programme Performance Information from AGSA with matters of emphases for the 2020/21 FY.



mineral resources  
& energy

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



# KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

<b>The Draft Upstream Petroleum Resources Development Bill, 2019</b>	The Department aims to request Cabinet's approval to introduce the Bill in Parliament in 2021 and once Cabinet approval has been obtained , the Minister will introduce the Bill to Parliament.
<b>The Gas Amendment Bill</b>	The Bill was approved by Cabinet and will be introduced to Parliament in 2021 where it will undergo parliamentary consultation processes to ensure that it is widely endorsed for implementation once passed into law.
<b>The Clean Fuels II Regulations</b>	The regulations will be gazetted for public comments.
<b>Mandatory Biofuels Blending Regulations</b>	The regulations will be gazetted for public comments.
<b>The Liquid Petroleum Gas (LPG) Rollout Strategy</b>	The Department will gazette the LPG Rollout Strategy for public comment in 2021. This strategy follows the review of the LPG Strategy due to challenges that were identified, such as the LPG pricing framework, safety regarding the use of LPG, cylinder management, inadequate LPG import, storage and distribution infrastructure, and lack of transformation (restrictive features of the market).
<b>Development of the Artisanal and Small-Scale Mining Policy</b>	As of the 1st of April 2020, the Department has approved R38 million towards rehabilitation costs, exploration, and capitalization of small-scale projects.

# PERFORMANCE HIGHLIGHTS FOR 2020/21 FY

- 99% approved invoices were paid within 30 days of receipt;
- 4721 jobs were created through issued mining rights;
- 9 black industrialists were created through procurement;
- 644 petroleum site compliance inspections were conducted, and 965 fuel samples were tested;
- 401 mining economics (MWP/PWP) inspections were conducted;
- 968 environmental inspections were conducted;
- 95.24% of petroleum license applications were approved with a minimum of 50% HDSA ownership;
- 5 carbon offset projects were processed and approved.
- Report on energy-related climate change response measures produced;
- 14 Publications and reports were produced;
- Chrome Beneficiation Strategy approved by Cabinet in September 2020;
- Approved beneficiation Masterplan;
- Draft Artisanal and small-scale mining policy developed;
- Draft Regulations on the long-term operation of nuclear installations were gazetted;
- National Energy Regulator Amendment Bill is currently with State Law advisors en-route to Cabinet; and
- Gas Amendment Bill approved by Economic Cluster.

# PERFORMANCE HIGHLIGHTS FOR 2020/21 FY

- There was a 19% reduction in occupational injuries and 32% reduction in occupational diseases (Including TB);
- A total of 8030 inspections (including individual audits) were conducted;
- Preferred bidders have been appointed for supply of 1 995 MW with signing of Power Purchase Agreements subject to preferred bidders reaching financial close within the agreed timeline;
- 1.58 TWh savings against the annual target of 0.5TWh were realized;
- 14 new Additional Municipalities were included in the EEDSM project;
- 2015 National Energy Efficiency Strategy finalised and in process of being submitted to Cabinet for consideration;
- 1 Wind Atlas South Africa (WASA) report Developed;
- 166 888 additional households electrified with grid electrification;
- Roadmap for implementation of the 2 500 MW nuclear programme developed; and
- 70% of authorisation applications were processed within the 8-week period.



# SUMMARY OF PERFORMANCE RESULTS FOR 2020-21 FINANCIAL YEAR

Branches/Units	Total	Achieved Quarterly Targets	Partially Achieved Quarterly Targets	Not Achieved Quarterly Targets
Administration	12	11 (92%)	1	0
Minerals and Petroleum Regulation	14	4 (29%)	8	2
Mining, Mineral and Energy Policy Development	21	14 (67%)	5	2
Mine Health and Safety Inspectorate	6	4 (67%)	1	1
Programme and Projects Management	11	5 (45%)	0	6
Nuclear Energy	6	5 (83%)	1	0
<b>Total</b>	<b>70</b>	<b>43 (61%)</b>	<b>16 (23%)</b>	<b>11 (16%)</b>

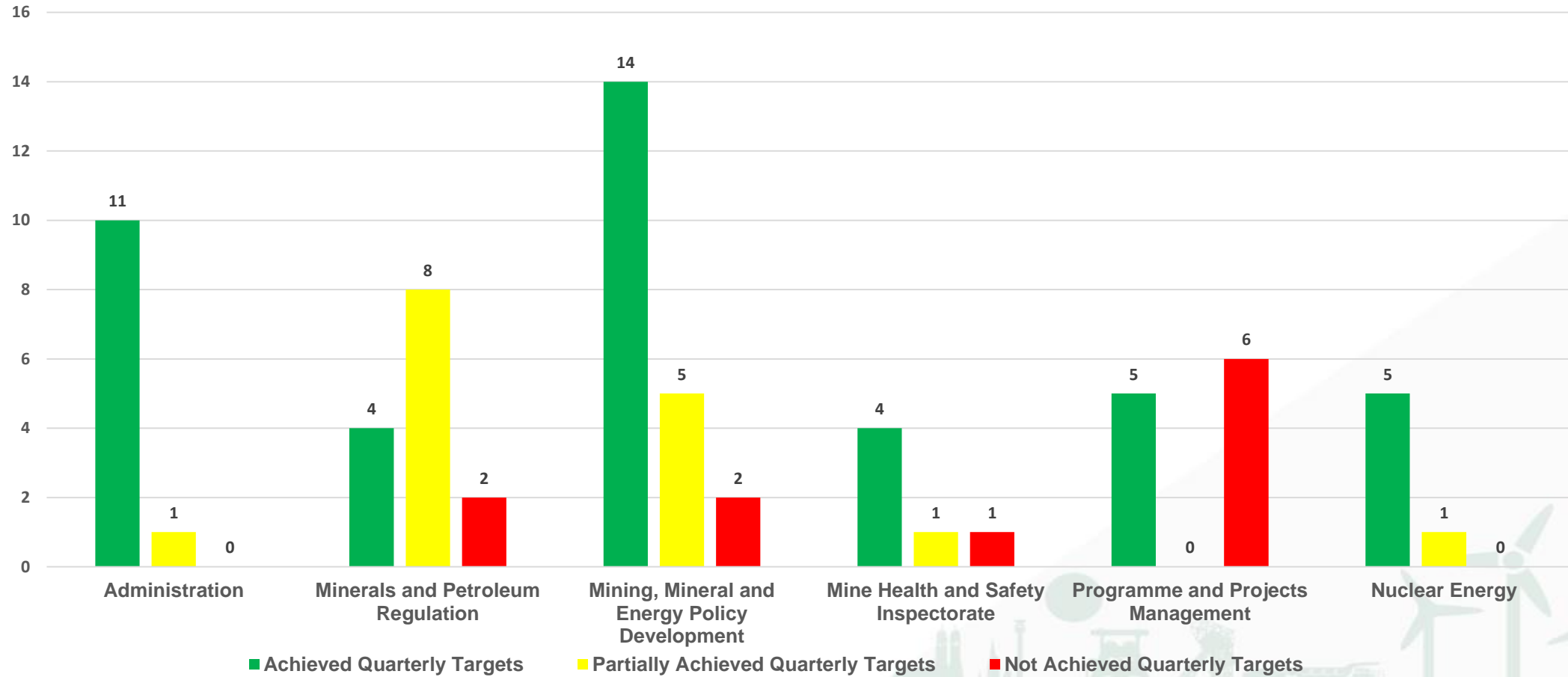


**mineral resources  
& energy**

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



# GRAPHICAL PRESENTATION OF THE 2020-21 RESULTS



mineral resources  
& energy

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



# STRATEGIES TO OVERCOME UNDERPERFORMANCE

- Targets not achieved and partially achieved are attributed to various factors and in the main due to the impact of Covid 19, the Department has an intervention strategy to enhance performance in the control environment for attainment of outcomes which could not be achieved.
- The implementation of intervention measures are monitored and evaluated on a quarterly basis at various management structures to determine the effective and efficient implementation of mitigation strategies and to make recommendations for improvement where there are gaps and limitations.



mineral resources  
& energy

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



# SERVICE DELIVERY ENVIRONMENT

- An effective and efficient response to the pandemic, in the form of lockdown restrictions aimed at flattening the curve, has resulted in an economic halt that had to be revived after the lockdown.
- The government, through the National Command Council, resolved to re-open the economy in a risk-adjusted approach.
- It became imperative that the complex initiatives of the Department of Mineral Resources and Energy (DMRE), which were aimed at stimulating the economy, fit into this framework, as they deal with the Department's operational readiness, the South African mining industry's health and safety readiness, as well as interventions and responses within the broader mining and energy sectors.
- The COVID-19 pandemic has had a serious impact on societies and has had an immeasurable impact on economies and industries around the world. The mining and energy industries, being industries that operate on a global scale and rely heavily on people employed, were not spared from this pandemic.
- The department's contribution towards Covid 19 response package was submitted to National Treasury with the downward net change of the base line allocation. This resulted in a need to reprioritise funding in various economic classifications including compensation of employees for the MTEF.

# ORGANIZATIONAL ENVIRONMENT

- The Department of Mineral Resources and Energy was established on 29 May 2019 by the merger of the Department of Energy and the Department of Mineral Resources to better equip and capacitate the Department to respond to the strategic objectives derived from the NDP, the MTSF and the ERRP.
- The merger of the Department of Mineral Resources and the Department of Energy into a new Department of Mineral Resources and Energy effective from 1 April 2020 saw most efforts during the 2020/21 financial year flowing into the matching and placement of staff which was concluded at the end of the financial year.
- The match and placing process, which emanated from the National Macro Organisation of Government (NMOG), was completed in November 2020. Officials were subsequently given placement letters in October 2020.
- The approved organisational start-up structure comprises of 1647 posts, with a vacancy rate of 7.89% on active posts.
- The Department conducted change management sessions with various programmes and will continue to do so during the 2021/22 financial year.
- The Department is currently reviewing the organisational structure to align it with the strategic plan with a view to ensure that the organisational structure is fit for purpose to implement the dynamic mandate of the department.
- Filling of vacant positions has been prioritised for completion during the year under review.

# GOVERNANCE MATTERS HIGHLIGHTS

The department is committed to maintaining the highest standards of governance to safeguard public finances and resources

## **Risk Management at DMRE**

- During the year under review and in line with the requirements of Section 38(i) (a) of the PFMA read together with the Public Sector Risk Management Framework, the Department of Mineral Resources and Energy (DMRE) executed the risk management function by way of implementing the following activities:
- Risk Assessment workshops were conducted across the enterprise with a to identify, evaluate and prioritize risks as the effect of uncertainty on objectives followed by synchronized and economical utilization of resources to reduce, monitor, and control the likelihood or impact of the occurrence of events that could negatively impact the department to achieve maximum benefits of opportunities that come the way of the organization.

## **Fraud and Corruption**

- The Department has a Fraud Prevention Plan in place setting out actions that are required to minimize the occurrence of irregularities, malpractices, fraudulent and or corrupt practices.
- All reported cases of alleged, irregular, and/or fraudulent practices received from the Presidential Hotline, members of the public, and media during the year under review were investigated and resolved.



# GOVERNANCE MATTERS HIGHLIGHTS

## Minimising Conflict of Interest

- Senior managers, Middle managers and officials from Finance as well as Supply Chain Management also referred as designated employees, were required to disclose their financial interest as required by the financial disclosure framework.
- The principle of consequence management was applied management and other employees who failed to comply with the disclosure and conflict of interest directive; and
- Attendees of various management structures are required to disclose and append signatures on the record of attendance register. conflict-of-interest disclosure register is signed by all attendees in various management structures.
- A departmental gift register is in place as a mechanism for recording and maintenance of gifts received by management and other employees of the department.

## Code of Conduct

- Departmental employees are informed about the Code of Conduct for public servants and what is ethically and morally expected from them during the execution of their duties and responsibilities.

# **GOVERNANCE MATTERS HIGHLIGHTS**

## **Health Safety and Environmental Issues**

- Department had to align with National Health Protocols and Directives pertaining to the management of Covid-19.

## **Portfolio Committees**

- There were 36 portfolio committee and select committee meetings on mineral resources and energy between April 2020– March 2021.

## **Internal Controls**

- The Internal Control Sub-directorate ensured that the Department complies with Treasury Regulations in terms of reporting and coordinated audits by AGSA.

# ENTITIES REPORTING TO DMRE

The Department has eleven public entities reporting to the Minister of Mineral Resources and Energy. Of the eleven (11) entities, eight (8) submitted their audited 2020-21 Annual reports on the 31st August 2021 whereas the following three entities (3) did not submit their APRs due reasons articulated below:

1. CEF (Soc) Ltd
2. Necsa Group
3. South African Diamond and Precious Metal Regulator (SADPMR).

Schedule 2	<b>CEF (Soc) Ltd</b>	PetroSA required extension to submit the Annual Financial Statements due to delays in the finalisation of Ghana Reserve audit which impacted the consolidation of financials at CEF Group level. Consequently, the Group Financials have not been audited yet. The non-compliance with PFMA is regrettable as no reasons were provided. The Chairperson will formally write to Minister to enable tabling of explanation as required. Group AFS have not been audited yet

# AUDIT OUTCOMES OF ENTITIES THAT REPORTING TO DMRE

PFMA Schedule	Entity	Reason for non- submission
Schedule 2	<b>Necsa Group</b>	<p>Necsa group cited AGSA's state of readiness to commence with the audit soon after the 2019/20 AFS were submitted on 31 May 2021. Furthermore, AGSA wrote to the chairperson of Necsa board citing the tremendous impact of COVID-19 second wave and a number of other matters which resulted in delays in the completion of 2022/21 audit.</p> <p>The annual report will be tabled as soon as the audit process is finalised.</p>
Schedule 3	<b>SADPMR</b>	<p>Auditor-General (AGSA) requires additional time to finalise its quality assurance processes before the audit can be signed. NB: AGSA defaulted on their pledge to complete audit by 15 August 2021.</p>

# AUDIT OUTCOMES OF ENTITIES REPORTING TO DMRE

Entity	Audit Outcome	Key Issues from Audit	Surplus (Deficit) R'000
<b>MHSC</b>	Unqualified	<ul style="list-style-type: none"> <li>Material misstatements of current assets, non-current assets and disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified opinion.</li> <li>Some goods and services with a transaction value below R500 000 were not procured by means of obtaining the required price quotations, as required by Treasury Regulation 16A6.1 and paragraph 3.3.1 of Practice Note 8 of 2007/08.</li> <li>Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 Procurement Regulation 8(2)</li> </ul>	(11,528,089)
<b>Mintek</b>	Unqualified	<ul style="list-style-type: none"> <li>Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R2 379 408 as disclosed in note 27 to the annual financial statements, as required by section 51 (1)(b)(ii) of the PFMA.</li> <li>The majority of the irregular expenditure was caused by some deviations. AGSA was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51 (1)(e)(iii) of the PFMA. This was because investigations into irregular expenditure were not performed.</li> </ul>	(1,530,597)

# AUDIT OUTCOMES OF ENTITIES REPORTING TO DMRE

Entity	Audit Outcome	Key Issues from Audit	Surplus (Deficit) R'000
<b>NERSA</b>	Unqualified	<ul style="list-style-type: none"> <li>The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.</li> <li>AGSA identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 1 - setting and/or approval of tariffs and prices. As management subsequently corrected the misstatements, AGSA did not raise any material findings on the usefulness and reliability of the reported performance information.</li> </ul>	(5 309 171)
<b>NNR</b>	Unqualified (Clean Audit)	<ul style="list-style-type: none"> <li>The financial statements were presented fairly in all material aspects</li> </ul>	24 907 710



# AUDIT OUTCOMES OF ENTITIES REPORTING TO DMRE

Entity	Audit Outcome	Key Issues from Audit	Surplus (Deficit) R'000
NRDWI	Unqualified (Clean Audit)	<ul style="list-style-type: none"><li>NRWDI sent a request to condone an irregular expenditure to National Treasury during March 2021. In May 2021 National Treasury informed NRWDI that irregular expenditure of R3,401,382,04 was condoned.</li><li>The matter of emphasis did not modify the audit opinion. However, irregular expenditure of R5,303,312.42 was not condoned due to the fact that the transaction could not be confirmed on whether it derived value for NRWDI. Closing balance of 5,3 million is under investigation.</li></ul>	23,471,685
SANEDI	Unqualified (Clean Audit)	<ul style="list-style-type: none"><li>The financial statements were presented fairly in all material aspects.</li></ul>	(75 984)



## **PART B: DETAILED PROGRAMME PERFORMANCE INFORMATION**

### **PROGRAMME 1: ADMINISTRATION**

- **Financial Management Services**
- **Corporate Services**
- **DG Office**



**mineral resources  
& energy**

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 ( <i>February 2021</i> ) "achieved", or "partially achieved", or "not achieved")	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
Functional, efficient and integrated government	Wasteful and fruitless expenditure eliminated	% elimination of wasteful and fruitless expenditure	N/A	N/A	100% elimination of wasteful and fruitless expenditure	<b>Achieved.</b>	None	No wasteful and fruitless expenditure incurred for the year under review.
	Reduced irregular expenditure	% reduction of irregular expenditure	N/A	N/A	100% reduction of irregular expenditure	<b>Achieved.</b>	N/A	No new fruitless & wasteful expenditure incurred in the year under review. The fruitless & wasteful expenditure disclosed in current year is emanating from prior year contracts.
	Unqualified audit opinion in department/s and entities	% reduction of qualified audits	N/A	N/A	100% reduction of qualified audits	<b>Achieved</b>	N/A	None

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 ( <i>February 2021</i> )"achieved", or "partially achieved", or "not achieved")	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
To ensure effective and sound financial resource management	Invoices from service providers paid within 30 days of receipt	Percentage of approved invoices from service providers paid within 30 days of receipt	Partially Achieved 99.41% approved invoices were paid within 30 days of receipt	Partially Achieved 98.98% approved invoices were paid within 30 days of receipt.	100% Approved invoices from service providers paid within 30 days of receipt	<b>Partially achieved</b> 99% approved invoices were paid within 30 days of receipt	1%	Co-dependency on branches to verify and sign off the invoices speedily for payment. Constant communication in this regard is made with end users.
Improved governance and accountability	Consequences for corruption and misconduct enforced	% resolution of reported incidents of corruption	N/A	N/A	95% resolution of reported incidents of corruption	<b>Achieved</b>	None	No reported cases of fraud and corruption for the period under review
	Ethics committee established	Establish ethics committees and adhere to terms of reference	N/A	N/A	Establish ethics committees and adhere to terms of reference	<b>Achieved</b>	None	None

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 ( <i>February 2021</i> )"achieved", or "partially achieved", or "not achieved")	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
Functional, efficient and integrated government	Oversee the development of departmental Strategic and Annual Performance Plans and monitor the implementation thereof	Approval of Annual Performance Plans	N/A	N/A	Approved Annual Performance Plan tabled in Parliament	<b>Achieved</b>	None	APP Approved and tabled in Parliament on the 15th March 2021
		Number of Quarterly Performance Reports produced	N/A	N/A	4 Quarterly Reports produced	<b>Achieved</b>	None	None
		Annual Report tabled in Parliament	N/A	N/A	Annual Report produced and approved	<b>Achieved</b>	None	None
Functional, efficient and integrated department	Integrated programme performance report on the implementation of the 2019–2024 MTSF Priorities	Number of quarterly reports which detail the implementation of the 2019–2024 MTSF Priorities	<b>Achieved</b>	<b>N/A</b>	4 Quarterly Reports which detail the implementation of the 2019–2024 MTSF Priorities	<b>Achieved</b>	None	None
Functional, efficient and integrated government	Enter shareholder compact with schedule 2A SOEs	Approved shareholder compacts	<b>Partially Achieved</b> CEF, NNR, NERSA, and NRWDI were submitted to the Minister for approval by 31 March 2019	<b>Partially Achieved</b> SOEs Strategic Plans, Corporate Plans & Shareholder Compacts with the exception of CEF were received and approved.	Approved shareholder compacts	<b>Achieved</b>  NECSA Group shareholder compact were received and signed off by the Minister. CEF Group Corporate plan reviewed and Minister granted non-approval	None	None

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 ( <i>February 2021</i> )"achieved", or "partially achieved", or "not achieved")	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
	Approval of SOEs  SOEs annual performance plan	Approved Annual Performance Plan	N/A	N/A	Approved Annual Performance Plan tabled in Parliament	<b>Achieved</b>  Annual Performance Plans approved by the Minister	None	None





## PROGRAMME 2: MINERALS AND PETROLEUM REGULATION



**mineral resources  
& energy**

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
Investing in accelerated inclusive growth	Jobs created	Number of direct jobs created per investment	5 372	295	8 500	<b>Achieved</b> 3800 jobs created through issued mining rights.	None	The target was revised to reflect the projected jobs created through the issue of mining rights only and not other activities.
		Number of SLP development projects completed	106	99	120	<b>Partially Achieved</b> 70 SLP projects were completed.	Annual target of 120 was under achieved by 50.	Dependent of the improvement of the economic situation following the lockdown.
		Number of black industrialists created through procurement	10	10	10	<b>Partially Achieved</b> 9 black industrialists were created through procurement.	Annual target of 10 was under achieved by 1.	Dependent of the improvement of the economic situation following the lockdown.

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
	Participation in District Planning Forums (joined up plans)	% of participation in District Planning Forums (joined up plans)	N/A	N/A	100% of participation in District Planning Forums (joined up plans)	<b>Not Achieved</b> There was no participation (0%) in District Planning Forums	The Forums could not be held due to the Lockdown.	The Forums could not be held due to the Lockdown.
Security of supply and diversified liquid fuels	Strategy and plan on liquid fuels reviewed	Strategy and plan on liquid fuels reviewed and updated	N/A	N/A	Strategy and plan on liquid fuels reviewed and updated by 2022	Not Applicable	Target was removed from the 2020/21 Annual Performance Plan	The target for strategy and plan for liquid fuels was removed because is due to be updated in 2022.
	Feasibility study completed	Feasibility study on new oil refinery completed and final investment decision made	<b>Partially Achieved</b> A decision on the new oil refinery has been taken	N/A	Feasibility study on new oil refinery completed and final investment decision made	<b>Not Achieved</b> The feasibility study has not been initiated.	The Department is awaiting a final decision from the investor on whether they intend to proceed with investment or not.	Dependent on the investor for continuation of the project.

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
Investing in accelerated inclusive growth	Monitor and enforce compliance	Number of SLP inspections conducted	251	228	212	<b>Partially Achieved</b> 204 SLP inspections were conducted.	Annual target of 212 was under achieved by 8 inspections.	This was due to lockdown during the previous quarters.
		Number of petroleum retail site compliance inspections conducted per year	<b>Achieved</b> 1,590	<b>Achieved</b> 1367 Retail site inspections were conducted.	1500	<b>Partially Achieved</b> 300 petroleum retail site compliance inspections were conducted. A cumulative figure of 448 was achieved	N/A	The target was revised due to the impact of Covid 19 and travel restrictions
	Fuel samples tested	Number of fuel samples tested	<b>Achieved</b> 1,080	<b>Achieved</b> 1080 Fuel samples were collected and tested.	1080	<b>Partially Achieved</b> 965 fuel samples were tested.	Annual target of 1080 was under achieved by 115 inspections.	This was due to lockdown during the previous quarters.
		Number of legal compliance inspections (mineral laws-MLA) conducted	212	148	150	<b>Partially Achieved</b> 134 legal compliance inspections (MLA) were conducted.	Annual target of 150 under achieved by 16 inspections.	This is due to lockdown during the previous quarters.

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
Investing in accelerated inclusive growth	Transformed sector	Number of mining economics (MWP/PWP) inspections conducted	N/A	N/A	125	<b>Achieved</b>  A cumulative 289 mining economics (MWP/PWP) inspections were conducted.	None	Due to typo error during the printing process, there was a mistake in the quarterly target section where the annual target is reflected as 125, this was corrected to 500.
		Number of environmental inspections conducted	1 583	1 381	1275	<b>Partially Achieved</b>  968 environmental inspections were conducted.	Annual target of <b>1275</b> was under achieved by <b>307</b> inspections.	This is due to lockdown during the previous quarters.
		% of petroleum licence applications approved with a minimum of 50% HDSA ownership	<b>Achieved</b>  50%	<b>Achieved</b>  91.85% compliance - 733 applications with 50% and more HDSA involvement out of 798 applications approved.	50%	<b>Achieved</b>  95.24% of petroleum licence applications were approved with a minimum of 50% HDSA ownership.	N/A	N/A

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
		Number of rights and permits granted and/or issued to HDSA controlled entities	183	N/A	120	<b>Achieved 125</b> rights and permits were granted and/or issued to HDSA controlled entities.	Annual target of 120 was exceeded by 5.	This was due to catch up plans that were put in place.
		Compliance monitoring audit of B-BBEE Act in the petroleum sector conducted bi-annually (charter sector code)	<b>Partially Achieved</b> Final Draft Petroleum and Retail Audit Report complete	N/A	100%	<b>Partially Achieved:</b> Bid Evaluation Committee approved	Delays in requisite considerations and approvals due to intermittent reporting to work due to covid-19	Covid-19 challenges



Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019/	Audited Actual Performance 2019/2020	Planned Actual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
Investing in accelerated inclusive growth	Jobs created	Number of jobs to be created through issued mining rights	5 372	295	4000	<b>Achieved</b> 4721 jobs were created through issued mining rights.	Annual target of 4000 was exceeded by 721.	This is due to expected number of jobs to be created from mining rights issued, mainly in the Free State, Mpumalanga, and Northern Cape.
Security of supply and diversified liquid fuels	Monitor and enforce compliance	Number of petroleum retail site compliance inspections conducted per year	Achieved 1,590	Achieved 1367 Retail site inspections were conducted.	540	<b>Achieved</b> 644 petroleum site compliance inspections were conducted.	Annual target of 540 was exceeded by 104 inspections.	Due to the impact of Covid-19, travel restrictions,
Investing in accelerated inclusive growth	Transformed sector	Number of mining economics (MWP /PWP) inspections conducted	125	Achieved 169 mining economics (MWP/PWP) inspections were conducted. A cumulative figure of 289 was achieved.	500	<b>Partially Achieved</b> 401 mining economics (MWP/PWP) inspections were conducted	Annual target of 500 was under achieved by 99 inspections.	This is due to lockdown during the previous quarters.



## PROGRAMME 3: MINING, MINERAL AND ENERGY POLICY DEVELOPMENT



**mineral resources  
& energy**

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
Investing in accelerated inclusive growth	Framework for a just energy transition to a low carbon economy developed	Framework for a just transition to a low carbon economy developed	N/A	N/A	<i>Submit LFRM, GDP for Cabinet approval</i>	<b>Achieved</b>  Consultations were held with DEFF and Mpumalanga province to discuss collaboration on the Just Transition.	None	Due to the impact of Covid 19, the target was revised to Draft Report on full scoping on the first phase of the development of just of energy transition for Exco approval.
		GHG reporting and assessment framework developed, approved and implementation monitored	N/A	N/A	<i>GHG Reporting and assessment framework for energy and mining developed and submitted for Ministerial approval</i>	<b>Not Achieved</b>  Service provider has been appointed through the World Bank and this will accelerate the implementation of this deliverable.	The framework is currently being developed.	The target was revised to GHG Reporting and assessment framework submitted for Ministerial approval” because the target does meet the SMART principle

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
		Number of approved and listed carbon offset projects	<b>Not Achieved</b> Procurement of service provider under Partnership for Market Readiness did not materialise	<b>Achieved.</b>	<b>4</b> <i>approved and listed carbon offset projects</i>	<b>Achieved</b> 5 projects were processed and approved in the quarter	<b>21</b> carbon offset projects were approved and listed.	Revised to meet the SMART principle
	Improved energy-related climate change response measures and environmental compliance	Number of report on energy related climate change response measures monitored, quantified and reported	N/A	N/A	1 report on energy-related climate change response measures monitored, quantified and reported	<b>Achieved</b>	None	None
	Finalised CDM projects	Number of finalised CDM projects	N/A	N/A	2 projects finalised	<b>Achieved</b>	<b>3</b> projects finalised	The Department received 1 more than the anticipated request for approval from the public.

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021)	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
	Attract investments into the minerals and energy industrial complex	Number of investment promotion events held	56	11	<i>10 investment promotion events in the minerals and energy industrial complex held (Original target)</i>	<b>Achieved</b> 1. Investment Webinar hosted by the DMRE in partnership with the RSA Mission in Toronto and Faskens on 06 November 2020,  2. Continued work on finalising concept on DMRE participation in Dubai Expo 2020, including SOE meetings  3. Preparation work on AOW and Invest in Africa Mining Indaba, including finalising concept of DMRE Investment Book with Have International	None	None

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
Increased investment in the mineral and energy sectors	Promotional activities to increase investment in the minerals and energy sectors	Number of publications and economic reports supporting investment and sustainable resource use	14	18	<b>25</b> <i>publications and economic reports supporting investment and sustainable resource use</i>	<b>Partially Achieved</b>  Publications and economic reports produced	N/A	There were challenges in relation to the SARS data system that delayed the completion of the energy statistics report. Different means of accessing data from SARS will be looked into going forward.
	Analysis of the minerals and energy sectors and provide advisory services to inform on topical issues	Chrome Beneficiation Promotion Strategy	N/A	N/A	<i>Chrome Beneficiation Strategy submitted to Cabinet for approval</i>	<b>Achieved</b>  Strategy approved by Cabinet in September 2020	None	The target was revised to read as “Approved Chrome Beneficiation Strategy developed” to meet the SMART principle

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
	Bilateral Agreements implemented and new agreements	Number of existing agreements implemented	N/A	N/A	20 existing agreements implemented	<b>Achieved</b>  USA, Germany (Development Cooperation led by National Treasury), Germany (Energy Partnership led by DMRE), Canada, United Kingdom, Saudi Arabia, Denmark, CAR, Russia (ITEC), Ireland	None	Revised to 10 existing bilateral due to the impact of Covid-19 and limited international activities
		New agreements concluded	N/A	N/A	1 <i>new bilateral agreement concluded and implemented</i>	<b>Achieved</b>  New Agreement was only due in Q4	None	None
		Number of multilateral strategic partnerships implemented	3	10	10 <i>multilateral strategic partnerships implemented</i>	<b>Achieved</b>  BRICS; International Energy Agency; African Union; SADC; International Energy Forum	None	Revised to 5 Multilateral strategic partnerships due to the impact of Covid-19 and limited international activities

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
Roadmap for the growth and sustainability of the minerals sector	Mining Masterplan finalised	Mining Masterplan developed	N/A	N/A	<i>Mining Masterplans developed</i>	<b>Achieved</b>  Draft Masterplan developed	None	The target was revised to “Approved beneficiation Masterplan” to meet the SMART principle
Transformed minerals and upstream petroleum sector	Legislation, policies developed/ reviewed or amended	Number of legislative instruments developed/ reviewed or amended	N/A	N/A	2 legislative instruments developed/ reviewed or amended  Artisanal and small-scale mining policy	<b>Achieved</b>  Draft Artisanal and small-scale mining policy developed and ready for gazetting	None	None
			N/A	N/A	Geoscience Act Regulations gazetted for implementation	<b>Achieved</b>	None	None



Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021)	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
	Improved nuclear policy and regulatory framework	National Nuclear Regulator Amendment Bill	<b>Not Achieved</b>	<b>Partially Achieved</b> The Draft Bill, Sign Off on SEAIS report by DPME and Memorandum of Objects submitted to the State Law Advisor.	National Nuclear Regulator Amendment Bill submitted to Cabinet for public consultation (Original target)	<b>Partially Achieved</b> Extended stakeholder consultation between DMRE, SAHRPA, DoH and NNR on co-regulation of Group III and IV radioactive sources.	N/A	N/A
		Radioactive Waste Management Fund Bill	<b>Partially Achieved</b> Memorandum of Object on the Radioactive Waste Management Fund Bill submitted to DMRE Legal Services for onward submission to the Chief State Law Advisor	<b>Partially Achieved</b> Draft Bill, Sign-off on SEAIS report by DPME, Memorandum of Objects, responses to comments submitted to the State Law Advisor.	<i>Radioactive Waste Management Fund Bill submitted to Cabinet</i>	<b>Partially Achieved</b>	N/A	The Cluster recommended changes to the Bill design. Bill design change has led to 1) redrafting of Bill - completed and 2) re-tabling before Cabinet - pending. Bill earmarked to be tabled before Cabinet in 2nd Quarter of 2021/22 FY

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
	Regulations on the long-term operation of nuclear installations	Regulations on the long-term operation of nuclear installations	N/A	N/A	Draft Regulations on the long-term operation of nuclear installations published for public comments	<b>Achieved</b>  Regulations gazetted	None	The target was revised to meet the SMART principle
	Legislation to improve the electricity policy and regulatory framework	Legislation to improve the electricity policy and regulatory framework	<b>Not Achieved</b>	<b>Partially Achieved</b> The Draft Bill, Sign Off on SEAIS report by DPME and Memorandum of Objects submitted to the State Law Advisor.	National Energy Regulator Amendment Bill submitted to Cabinet for Public consultation	<b>Achieved</b>	The Bill is currently with State Law advisors en-route to Cabinet	Delay in the consultative process
		Electricity Pricing Policy reviewed	<b>Partially Achieved</b> Approved special pricing framework	N/A	Electricity Pricing Policy reviewed and submitted to Cabinet	<b>Partially Achieved</b>	The policy was reviewed and found to be relevant and therefore not taken to Parliament	The target was revised to meet the SMART principle



Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
Supply of electricity secured	Legislation to improve the gas policy and regulatory framework	Amended Gas Act	N/A	N/A	Gas Amendment Bill submitted to Cabinet for tabling in Parliament	<b>Achieved</b>  Bill approved by Economic Cluster	None	The target was revised to meet the SMART principle
		Gas Infrastructure Master Plan	<b>Not Achieved</b>	<b>Partially Achieved</b> <b>Draft produced</b>	Draft Gas Master Infrastructure Plan submitted to Cabinet for public comments	Deferred to 2021/22 APP	None	Challenges posed by Covid 19.
		Integrated Energy Plan	N/A	N/A	Draft Integrated Energy Plan Submitted to Cabinet for Public consultation	Deferred to 2022/23 APP	None	Challenges posed by Covid 19.
	Adam Framework finalised	Framework for municipal infrastructure asset management	<b>Partially Achieved</b> Record of discussions with DBSA on rollout	<b>Not Achieved</b>	Adam Framework submitted to Cabinet for approval	<b>Not Achieved</b>	N/A	Delay by DBSA to start the development of the paper on Adam Framework, to start in the new financial year

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019/	Audited Actual Performance 2019/2020	Planned Actual Target2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
Investing in accelerated inclusive growth	Framework for a just energy transition to a low carbon economy developed	Framework for a just transition to a low carbon economy developed	N/A	N/A	Draft Report on full scoping on the first phase of the development of just energy transition for EXCO approval	Achieved	None	None
		GHG reporting and assessment framework developed, approved and implementation monitored	N/A	N/A	GHG Reporting and assessment framework submitted for Ministerial approval	Not Achieved	The framework is currently being developed.	Service provider was only appointed in December 2020 due to delays in consultation with DFFE and securing funding. Inception Report has been finalized. This will continue in 2021/2022.
Investing in accelerated inclusive growth	Attract investments into the minerals and energy industrial complex	Number of investment promotion events held	56	11	5 investment promotion events in the minerals and energy industrial complex held	Achieved	None	None

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019/	Audited Actual Performance 2019/2020	Planned Actual Target 2020/2021	Actual Achievement20 20/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
Increased investment in the mineral and energy sectors	Promotional activities to increase investment in the minerals and energy sectors	Number of publications and economic reports supporting investment and sustainable resource use	14	18	15	Partially Achieved	14 Publications and reports produced	There were challenges in relation to the SARS data system that delayed the completion of the energy statistics report. Different means of accessing data from SARS will be looked into going forward.
Number of publications and economic reports supporting investment and sustainable resource use	Analysis of the minerals and energy sectors and provide advisory services to inform on topical issues	Chrome Beneficiation Promotion Strategy	N/A	N/A	Approved Chrome Beneficiation Strategy	Achieved	None	None
	Bilateral Agreements implemented and new agreements	Number of existing agreements implemented	N/A	N/A	10	Achieved	None	None
		Number of multilateral strategic partnerships	N/A	N/A	5	Achieved	None	None

Outcome	Output	Output Indicator	Audited  Actual  Performance  2018/2019/	Audited  Actual  Performance  2019/2020	Planned  Actual Target  2020/2021	Actual  Achievement  2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons  for deviations
Roadmap for the growth and sustainability of the minerals sector	Mining Masterplan finalised	Mining Masterplan developed	N/A	N/A	Approved beneficiation Masterplan	<b>Achieved</b>	None	None
Transformed minerals and upstream petroleum sector	Legislation, policies developed/ reviewed or amended	Number of legislative instruments developed/ reviewed or amended	N/A	N/A	Final consultation report on policy for Artisanal and Small-scale miners	<b>Achieved</b>	None	None
			N/A	N/A	Gazetted Geoscience Act Regulations	<b>Achieved</b>	None	None
	Improved nuclear policy and regulatory framework	National Nuclear Regulator Amendment Bill	Not Achieved	Partially Achieved The Draft Bill, Sign Off on SEAIS report by DPME and Memorandum of Objects submitted to the State Law Advisor.	Final National Nuclear Regulator Amendment Bill tabled to Cabinet for public consultation	<b>Partially Achieved</b>	The Amendment Bill successfully tabled at EISEID Ministerial Cluster on 25 March 2021	The Amendment Bill was on Cabinet's agenda for 31 March 2021, but the meeting was cancelled.

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019/	Audited Actual Performance 2019/2020	Planned Actual Target2020/2021	Actual Achievement20 20/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
		Radioactive Waste Management Fund Bill	Partially Achieved Memorandum of Object on the Radioactive Waste Management Fund Bill submitted to DoE Legal Services for onward submission to the Chief State Law Advisor	Partially Achieved Draft Bill, Sign-off on SEAIS report by DPME, Memorandum of Objects, responses to comments submitted to the State Law Advisor.	Final Radioactive Waste Management Fund Bill tabled at Cabinet for public consultation	<b>Partially Achieved</b>	The Bill served at ESEID Ministerial Cluster.	The Cluster recommended changes to the Bill design. Bill design change has led to 1) redrafting of Bill - completed and 2) re-tableting before Cabinet - pending. Bill earmarked to be tabled before Cabinet in 2nd Quarter of 2021/22 FY
Supply of Electricity Secured	Regulations on the long-term operation of nuclear installations	Regulations on the long-term operation of nuclear installations	N/A	N/A	Gazetted Regulations on Long-term operation of nuclear installations	<b>Achieved</b>	None	None
	Legislation to improve the electricity policy and regulatory framework	National Energy Regulator Amendment Bill submitted to Cabinet for public consultation	Not Achieved	Partially Achieved The Draft Bill, Sign Off on SEAIS report by DPME and Memorandum of Objects submitted to the State Law Advisor.	Final Bill tabled in cabinet for enactment	<b>Partially Achieved</b>	The Bill is currently with State Law Advisors en-route to Cabinet.	None
		Electricity Pricing Policy reviewed	<b>Partially Achieved</b> Approved special pricing framework	N/A	Electricity Pricing Policy reviewed and submitted to Cabinet	<b>Partially Achieved</b>	The policy was reviewed and found to be relevant and therefore not taken to Parliament	The target was revised to meet the SMART principle

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019/	Audited Actual Performance 2019/2020	Planned Actual Target 2020/2021	Actual Achievement20 20/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
Supply of electricity secured	Legislation to improve the gas policy and regulatory framework	Amended Gas Act	N/A	N/A	Final Gas Amendment Bill	<b>Achieved</b>  Bill approved by Economic Cluster	None	None
		Gas Infrastructure Master Plan	<b>Not Achieved</b>	<b>Partially Achieved</b> <b>Draft produced</b>	Draft Gas Master Infrastructure Plan	Deferred to 2021/22 APP	None	Challenges posed by Covid 19
		Integrated Energy Plan	N/A	N/A	Draft Integrated Energy Plan	Deferred to 2022/23 APP	None	Challenges posed by Covid 19
	Adam Framework finalised	Framework for municipal infrastructure asset management	<b>Partially Achieved</b>  Record of discussions with DBSA on rollout	<b>Not Achieved</b>	Adam Framework tabled at Ministerial Cluster	<b>Not Achieved</b>	N/A	Delay by DBSA to start the development of the paper on Adam Framework, to start in the new financial year





## PROGRAMME 4: MINE HEALTH AND SAFETY INSPECTORATE



**mineral resources  
& energy**

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



Outcomes	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Improved and streamlined regulatory, service delivery, operational health and safety processes and collaboration across regulators and relevant role players	% improvement in mine health and safety parameters	% reduction in occupational fatalities	1%	17%	10%	<b>Not achieved</b>	2% regression	There were more "multiple" fatalities reported by mines during the financial year. Fall of ground, general and equipment type of accidents remain major contributors to fatal accidents.
		% reduction in occupational injuries	13%	2%	5%	<b>Achieved</b>	19% improvement	The reason for over achievement is that less injuries were reported during lockdown levels 2 and 1.
		% reduction in occupational diseases (Including TB)	13%	4%	10%	<b>Achieved</b>	32% improvement	The reason for over achievement is that less diseases were reported during lockdown levels 2 and 1

Outcomes	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions to the Outputs / Output indicators / Annual Targets
		% of investigations completed (Initiated vs Completed)	97.88%	100%	80%	<b>Achieved</b>	20% improvement	The reason for over achievement is that some of investigations are less complex and do not require big gatherings. This measure was not totally impacted by lockdown regulations/restrictions
		% of inquiries completed (Initiated vs completed)	84%	80%	80%	<b>Achieved</b>	7% improvement	There were less inquiries initiated and completed due to lockdown regulations/restrictions

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019/	Audited Actual Performance 2019/2020	Planned Actual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
Improved and streamlined regulatory, service delivery, operational health and safety processes and collaboration across regulators and relevant role players	% improvement in mine health and safety parameters	Number of qualitative inspections conducted (cumulative)	9 425	8 250	8800	Partially achieved	770 inspections below reviewed target of 8800. A total of 8030 inspections (including individual audits) were conducted, resulting to 91% achievement.	The reason for partial achievement of 91% of the reviewed target is due to lockdown regulations/restrictions. At the beginning of national lockdown, majority of mines, except coal mines were not operating at all. As lockdown restrictions were being relaxed due to much lesser cases of positive Covid-19 cases reported, majority of mines were allowed to ramp up production and commence operating at a 50% capacity of total workforce.



## PROGRAMME 5: PROGRAMME AND PROJECTS MANAGEMENT



**mineral resources  
& energy**

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021)	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
Supply of electricity secured	Increased energy security	Additional megawatt commissioned	N/A	N/A	Emergency power contracting (Power Purchase Agreements in place)	<b>Not Achieved</b>  Power purchase agreement not in place	Preferred bidders have been appointed for supply of 1 995 MW with signing of Power Purchase Agreements subject to preferred bidders reaching financial close within the agreed timeline.	There was a need to extend the bid submission date and the extended holiday period between December 2020 and January 2021 resulted in preferred bidders being announced in March 2021 as initially planned.
Improved energy efficiency across all sectors	Energy savings verified and quantified	Number of energy savings (TWh) realised and verified from EEDSM projects	<b>Partially Achieved</b> 3.424 TWh savings; Verification of these savings will only be done in the 2019/20 financial year.	Achieved 6.3 TWh energy savings realised and verified from EEDSM projects.	<b>0.5</b> TWh savings realised and verified from EEDSM projects	<b>Achieved</b>  1.58 TWh against the annual target of 0.5TWh	Additional 1.08 TWh accomplished due to additional projects	The 1.58 TWh was achieved from 39 projects issued with section 12L tax certificates in the 2021

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) <i>("achieved", or "partially achieved", or "not achieved")</i>	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
			N/A	N/A	Energy consumption baselines from 15 new additional municipalities	<b>Not Achieved</b> 14 new Additional Municipalities were included in the EEDSM project	1	Some municipalities were non- compliant with DORA requirements and therefore removed from the project
		National Energy Efficiency Strategy for economy- wide developed	<b>Partially Achieved</b> The Post 2015 National Energy Efficiency Strategy submission was approved in November 2018 but is not yet promulgated	N/A	Reviewed post 2015 National Energy Efficiency Strategy	<b>Not Achieved</b> 2015 National Energy Efficiency Strategy finalised and in process of being submitted to Cabinet for consideration.	Cabinet submission approved by Minister.	Due to time that had lapsed since the development of revised strategy, there was a need for further internal and external consultations.

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021)	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
Renewable energy deployment integrated into energy supply	Improved access to hot water for poor households	No. of SWHs installed quarterly in beneficiary households in participating municipalities	<b>Not Achieved</b>	<b>Partially Achieved</b> The reports on the installation of NSWHS were produced.	4 Quarterly Reports on installation of <b>87 000</b> procured SWH baseline systems in 18 municipalities	<b>Achieved.</b> 4 Quarterly Reports on installation of 87 000 procured SWH baseline systems in 18 municipalities	None	The target was revised for fourth quarter to reflect quantity of solar water heaters to be installed during the financial year.
	Effective deployment of renewable energy	Renewable Energy (RE) Sector Master Plan developed	N/A	N/A	Renewable Energy (RE) Sector Masterplan finalised	<b>Not Achieved</b> Master plan not finalised	None	The process of constituting the project team took longer due to need for alignment with other stakeholders (social partners)



Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021) ("achieved", or "partially achieved", or "not achieved")	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
		Number of quarterly reports on Verified Wind Atlas 3 for South Africa (WASA)	<b>Achieved</b>	<b>Achieved</b>	1 WASA 3 Results Report developed	<b>Achieved</b>  1 WASA 3 Report Developed	None	None
Improve capacity to deliver basic services	Households electrified through grid connection	Number of additional households to be electrified with grid	<b>Achieved</b>  Four Quarterly Reports produced	<b>Achieved</b>  4 Quarterly Reports were produced on achieving 214 517 additional households with grid electricity against the target of 195 000 in the National Electrification Plan.	4 Quarterly Reports on the allocation of funding and the monitoring of implementation of grid electrification of additional households by Eskom and municipalities	<b>Achieved</b>  4 Quarterly Reports on the allocation of funding and the monitoring of implementation of grid electrification of additional households by Eskom and municipalities	None	None
		No. of households electrified through non- grid connection	<b>Achieved</b>  Four Quarterly Reports produced	<b>Not Achieved</b>  Zero additional households electrified with non-grid electrification in this fiscal year.	<b>15 000</b> additional households electrified through non-grid electricity	<b>Not Achieved</b>  Zero additional households electrified with non-grid electrification in this fiscal year.	15 000	Delays in starting with implementation due the delays in the finalisation of the appointment of Service Providers.

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021)	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
State of geological infrastructure improved	AMD mitigated	Number of strategies developed for AMD mitigation	N/A	N/A	1 strategy developed	<b>Achieved</b>  1 strategy developed for AMD mitigation	None	None
Improve capacity to deliver basic services		Number of mine water/ wastewater management plans implemented	N/A	N/A	1	<b>Achieved</b>  1 mine water/ wastewater management plan implemented	None	None

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021)	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
Renewable energy deployment integrated into energy supply	Improved access to hot water for poor households	No. of SWHs installed quarterly in beneficiary households in participating municipalities	Not Achieved 19 beneficiaries municipalities have entered the framework with the Department. The Implementation agreement and revised implementation plan between CEF and DoE has been approved	Partially Achieved	Installation of 50 000 procured SWH baseline systems in 18 municipalities	<b>Not Achieved</b> A total of 3106 has been installed in seven (7) municipalities	46 894 SWH	The main reason for the delays was because of need to procure additional installation materials that are not included as part of manufactured solar water heaters. The additional material is required because beneficiary houses are built to different standards whilst solar water heaters are designed for current building standard.
	Effective deployment of renewable energy	Renewable Energy (RE) Sector Master Plan developed	N/A	N/A	Draft Renewable Energy (RE) Sector Master Plan finalised	<b>Not Achieved</b>	Draft Renewable Energy (RE) Sector Master Plan not done	The process of constituting the project team took longer to conclude due to need for alignment with key stakeholders (social partners).

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019/	Audited Actual Performance 2019/2020	Planned Actual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
Renewable energy deployment integrated into energy supply	Improved access to hot water for poor households	No. of SWHs installed quarterly in beneficiary households in participating municipalities	Not Achieved  19 beneficiaries municipalities have entered the framework with the Department. The implementation agreement and revised implementation plan between CEF and DoE has been approved	Partially Achieved	Installation of 50 000 procured SWH baseline systems in 18 municipalities	<b>Not Achieved</b> A total of 3106 has been installed in seven (7) municipalities	46 894 SWH	The main reason for the delays was because of need to procure additional installation materials that are not included as part of manufactured solar water heaters. The additional material is required because beneficiary houses are built to different standards whilst solar water heaters are designed for current building standard.

Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019/	Audited Actual Performance 2019/2020	Planned Actual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement for 2020/2021	Reasons for deviations
	Effective deployment of renewable energy	Renewable Energy (RE) Sector Master Plan developed	N/A	N/A	Draft Renewable Energy (RE) Sector Master Plan finalised	<b>Not Achieved</b>	Draft Renewable Energy (RE) Sector Master Plan not done	The process of constituting the project team took longer to conclude due to need for alignment with key stakeholders (social partners).
Improve capacity to deliver basic services	Households electrified through grid connection	Number of additional households to be electrified with grid electrification to achieve the 2020/21 target	<b>Achieved</b> Four Quarterly Reports produced	<b>Achieved</b> 4 Quarterly Reports were produced on achieving 214 517 additional households with grid electricity against the target of 195 000 in the National Electrification Plan.  4 Quarterly Reports on the allocation of funding and the monitoring of implementation of grid electrification of additional households by Eskom and Municipalities were produced.	137 000 additional households to be electrified with grid electrification to achieve the 2020/21 target	<b>Achieved</b> 166 888 additional households to be electrified with grid electrification	Additional 29 888 achieved against the planned annual target	Additional connections above target are due to roll-over connections attributed to previous financial years.  local government. period under review those of national



## PROGRAMME 6: NUCLEAR ENERGY



**mineral resources  
& energy**

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021)	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
Supply of electricity secured	Continuous supply of electricity for grid stability	Additional 2 500 MW nuclear energy procured by 2024	N/A	N/A	Roadmap for implementation of the 2 500 MW nuclear programme developed	Achieved	Non	None
	Policy guideline and support for the Plant Life Extension Programme developed	Number of quarterly reports on Koeberg Nuclear Power Plant life extension	N/A	N/A	4 Quarterly Monitoring Report of Koeberg's Plant Life Extension Plan through established Technical Oversight Committee meetings	Achieved	None	None
	Policy oversight and direction for the establishment of the CISF Project	Pre-feasibility Report submitted to Cabinet for approval to establish the CISF	N/A	N/A	Pre-feasibility Report submitted to Cabinet for approval to establish the CISF	Achieved	None	None
	New Multi- Purpose Reactor procured by 2024	New Multi- Purpose Reactor procured by 2024	N/A	N/A	Pre-feasibility study submitted to approval authority	Partially achieved	None	Submission to Minister sharing the data collection report on the Pre-feasibility study prepared and sent to the Minister

Outcome	Output	Output Indicators from 2020/21 APP	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Targets from 2020/21 APP	Actual Achievement 2020/21 (February 2021)	Deviations from Planned Targets to Actual Achievement 2020/21	Reasons for revisions or deviation
	Issued authorisations or denials	% of authorisation applications processed within the 8-week time.	<b>Achieved</b> 78% of authorisation applications reviewed and submitted to the DG	<b>Achieved</b> Authorisation applications were processed within 8 weeks	70% of authorisation applications processed within the 8-week period	<b>Achieved</b>	None	None
	Promulgated regulation on Physical Protective Measures for Nuclear Material	Developed Regulation on Physical Protective Measures for Nuclear Material	N/A	N/A	Submission of the draft regulation on Physical Protective Measures for Nuclear Material to the Minister for public consultation	<b>Achieved</b>	None	None





## PART C – FINANCIAL INFORMATION



**mineral resources  
& energy**

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



# EXPENDITURE OUTCOME - PROGRAMME

PROGRAMME	2020/21 FY			
	Final Appropriation	Actual Spending		Variance
	R'000	R'000	%	R'000
Administration	617 281	566 592	91,8%	50 689
Minerals and Petroleum Regulation	529 949	508 438	95,9%	21 511
Mining, Minerals and Energy Policy Development	919 289	899 356	97,8%	19 933
Mine Health and Safety Inspectorate	211 680	196 349	92,8%	15 331
Mineral and Energy Resources Programmes and Projects	4 180 694	3 912 610	93,6%	268 084
Nuclear Energy Regulation and Management	1 108 157	1 101 604	99,4%	6 553
<b>Grand Total</b>	<b>7 567 050</b>	<b>7 184 949</b>	<b>95,0%</b>	<b>382 101</b>

- The 2020/21 financial year was the first year of operations for the DMRE, hence there are no comparative figures for 2019/20.
- In 2020/21, the Department spent 95% of the allocated budget.
- All programmes had experienced underspending for the year under review, the unspent funds were surrendered to National Treasury subsequent to year end closure. A rollover of funds was also requested.



**mineral resources  
& energy**

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



# EXPENDITURE OUTCOME - ECONOMIC CLASSIFICATION

ECONOMIC CLASSIFICATION	2020/21 FY			
	Final Appropriation	Actual Spending		Variance
	R'000	R'000	%	R'000
Compensation of employees	1,014,239	956,939	94.4%	57,300
Goods and services	429,796	571,897	133.1%	-142,101
Transfers and subsidies	6,099,993	5,647,279	92.6%	452,714
Payments for Capital assets	18,394	4,152	22.6%	14,242
Payments for Financial assets	4,628	4,683	101.2%	-55
<b>Grand Total</b>	<b>7,567,050</b>	<b>7,184,949</b>	<b>95.0%</b>	<b>382,101</b>

- **Compensation of employees:** the recorded unspent funds for this classification were mainly due to a delay in filling vacant positions pending the conclusion of the National Macro Organisation of Government (NMOG) which was later compounded by a longer than anticipated recruitment process.
- **Goods and services:** the overspending was due to costs which had to be transferred from the transfers and subsidies classification to goods and services classification in compliance with NT Classification Circular. This is in relation to projects that are being implemented by its Entities on behalf of the Department - the budget was appropriated under transfer payments.
- **Transfer payments:** in addition to the allocation for projects implemented by entities, the unspent funds on the INEP-Non Grid programme contributed significantly to the underspending in this classification due to delays in finalising contracts and the subsequent challenges experienced by appointed services providers in sourcing of supplies.
- **Payments for capital assets:** spending in this classification was negatively impacted by the pandemic as remote working by staff reduced the demand for office equipment.

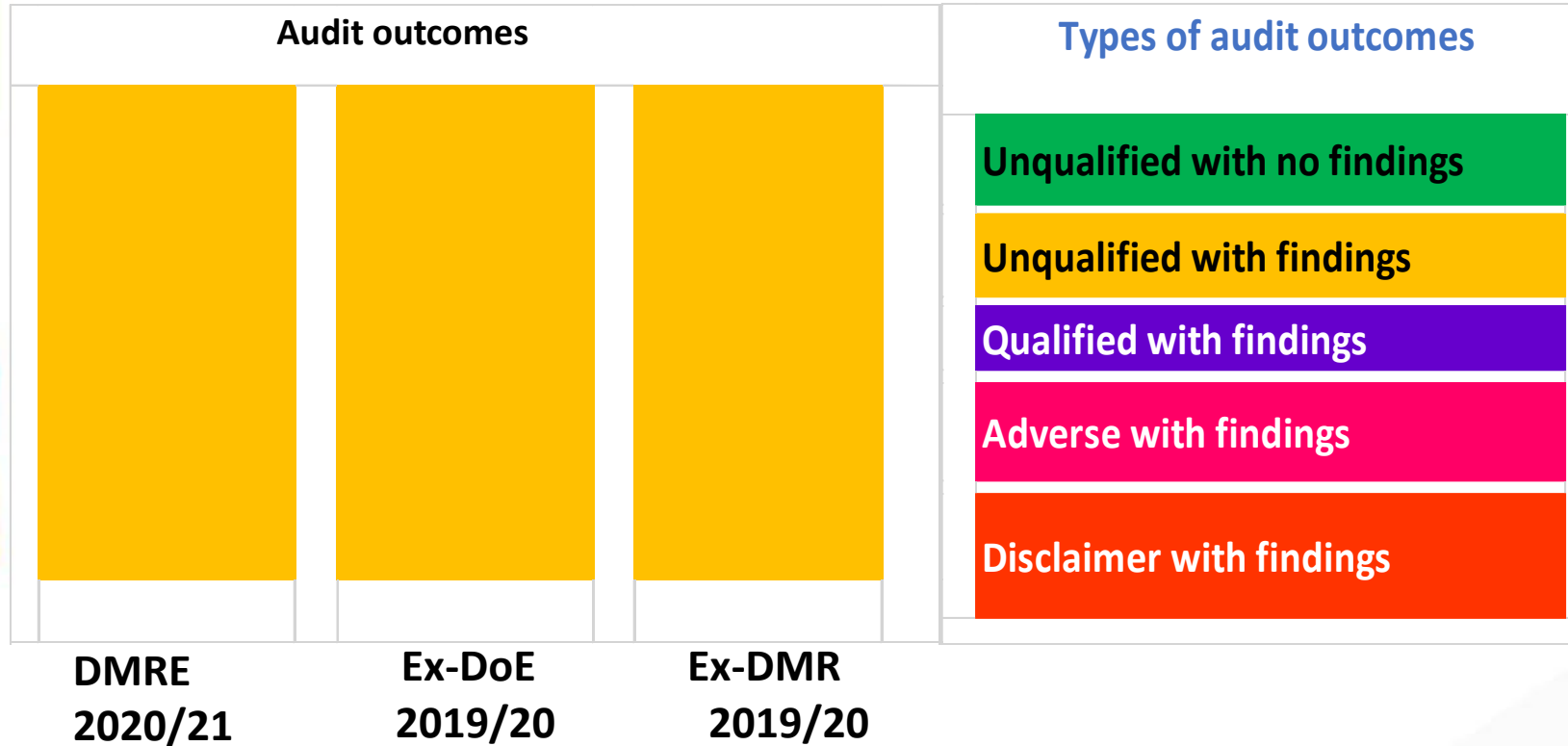


mineral resources  
& energy

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



# SUMMARY OF AUDIT OUTCOMES



The department obtained an unqualified audit opinion with findings in 2020/21 financial year



mineral resources  
& energy

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA



# SUMMARY OF AUDIT FINDINGS

- ❑ Material misstatements in the Financial Statements in the following,
  - Contingent liability and provisions,
  - Contingent assets,
  - Immovable assets,
  - Inadequate impairment consideration of departmental accrued revenue, and
  - Incorrect classification of Transfers and subsidies
- ❑ Irregular expenditure of R7,458,000 was incurred and recorded during the financial year 2020/21 and an amount of R4,005,000 relate to the irregular expenditure incurred during the 2019/20 financial year. Both these amounts were as a result of the non-compliance to the SCM legislation.
- ❑ Fruitless & Wasteful expenditure of R 20,695, 000.00 was recorded in the financial year 2020/21 for additional storage of the SWH units.



mineral resources  
& energy

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA





# SUMMARY OF FINANCIAL VIABILITY

EXPENDITURE MANAMENT	As at 31 March 2020
Creditor-payment period	8 days
Amount of total accruals	R 90,270,000
30+ days accruals as a percentage of total accruals	0.7%
Amount of 30 days accruals	R 630 000

The payment period of creditors is managed as per Treasury Regulation 8.2.3 unless there are circumstances beyond the control of Financial Management Services.



mineral resources  
& energy

Department:  
Mineral Resources and Energy  
REPUBLIC OF SOUTH AFRICA

