

**MINISTRY**

**MINERAL RESOURCES AND ENERGY**

**REPUBLIC OF SOUTH AFRICA**

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 **Memorandum from the Parliamentary Office**

**National Assembly: 1702**

Please find attached a response to Parliamentary Questionfor ***written reply*** asked by **Mr W F Faber (DA) to ask the Minister of Mineral Resources and Energy**

**Ms Yvonne Chetty**

**Chief Financial Officer**

**…………./………../2023**

**Ms Hilda Mhlongo**

**Deputy Director-General: Corporate Services**

**…………./………../2023**

Recommended/ Not Recommended

**Mr. Jacob Mbele**

**Director-General: Mineral Resources and Energy**

**………………/………………/2023**

Approved / Not Approved

**Mr. S.G Mantashe**

**Minister of Mineral Resources and Energy**

**………………/………………/2023**

**1702.** **Mr W F Faber (DA) to ask the Minister of Mineral Resources and Energy:**

Whether he will furnish Mr W F Faber with a comprehensive breakdown of the procurement allocation of (a) his department and (b) every entity reporting to him in terms of the percentages allocated to (i) small-, medium- and micro-enterprises, (ii) cooperatives, (iii) township enterprises and (iv) rural enterprises with a view to evaluating the effectiveness of the set-aside policy of the Government in fostering an inclusive and diverse economic landscape (details furnished) in the (aa) 2021-22 financial year and (bb) since 1 April 2023? **NW1943E**

**Reply:**

**Department of Minerals Resource and Energy**

(aa) Total procurement for 2021/2022 financial year amounted to **R1 168 164 849,84** of which **R278 887 344,36** was spent on SMMEs.

(i) Percentage allocated to SMMEs = 24% (R278 887 344.36)

➢ Qualifying small enterprises = 7% (R77 835 797.00)

➢ Exempted Micro Enterprises = 17% (R201 051 547.36)

(ii) Cooperatives = 0%

(iii) Township enterprises = \*\*

(iv) Rural enterprises = \*\*

\*\* The information for township enterprises and rural enterprises was not kept separately. The two categories are included in the QSE and EME as part of the qualification criteria for preferential purposes in line with the Preferential Procurement Regulations 2017.

bb) Figures from 1 April 2023 will be available by end of the first quarter.

**COUNCIL FOR GEOSCIENCE (CGS)**

(aa) Total procurement spend for the financial year 2021/22 amounted to R 234 968 715 of which R99 819 497 (42%) was spent on small, medium and micro-enterprises which includes cooperatives, rural enterprises and township enterprises.

(bb) The amount expensed towards the SMME cohort for the current year since April will be consolidated at the end of the quarter ending June.

**MHSC**

MHSC have in total appointed 103 service providers / companies during 2021-22 financial and from 1 April 2023 to 12 May 2023. The percentages are as follows:

1. Small – 48 companies were appointed from 103 service providers equal to 47%.
2. Township Enterprises - 60% (29) of the small companies of 48 are township enterprises.
3. Medium - 26 companies were appointed from 103 service providers equal to 25%.
4. Micro – 12 companies were appointed from 103 service providers equal to 12%.
5. Big – 17 companies were appointed from 103 service providers equal to 17%.
6. Cooperatives – No appointments made to the cooperative companies.
7. Rural enterprises – No appointments made to the rural enterprises.

**NERSA**

(b) (i) NERSA’s spend on Qualifying Small Enterprises and Exempt Micro Enterprises was as follows (aa) 2021-22 - R31 288 179 (bb) 2022-23 - R69 159 653 (cc) Since April 2023 – The reports are prepared quarterly. The first report will be available at the end of June 2023 (ii) Cooperatives – None (iii) Township enterprises – No data is kept on the category (iv) Rural enterprises – No data is kept on the category

**SDT**

For the financial year that ended 31 March 2022, the State Diamond Trader spent a total of R5,597,000 on procurement of goods and services, with the percentages allocated as follow

1. Small-, medium- and micro-enterprises: 91%
2. Co- operatives : 0%
3. Township enterprises : 0%
4. Rural enterprises :0%
5. Other: 9%

**NECSA**

(aa)(i) The total values for procurement with small, medium and micro-enterprises for the FY 2021/2022 period are as follows:

Necsa Group: R84 936 240, 28 (9%)

[Necsa: R 43 531 148.59 (12%)

NTP: R 25 994 130.96 (6%)

Pelchem: R 15 410 960.73 (12%)]

(bb)(i) The total values for procurement with small, medium and micro-enterprises for 01 April 2023 to date are as follows:

Necsa Group: R11 086 614 (16%)

[Necsa Company: R 7 681 574.29 (15%)

NTP: R 2 996 467.22 (26%)

Pelchem: R 408 572.34 (6%)]

(aa)(iii) The Necsa Group conducts business with enterprises that are situated in the townships under a broad umbrella of enterprises that are at least 51% Black-Owned and the figures of expenditure for the FY2021/22 period are as follows:

Necsa Group: R175 169 709.52 (18.7%)

[Necsa: R 72 387 163.52 (19%)

NTP: R 64 299 294.54 (15%)

Pelchem: R 38 483 251.46 (30%)]

(bb)(iii) The figures for the business conducted with enterprises that are situated in the townships under a broad umbrella of enterprises that are at least 51% Black-Owned for the period 01 April 2023 to date are as indicated below:

Necsa Group: R28 035 116 (40.6%)

[Necsa Company: R 20 741 548.04 (41%)

NTP: R 4 619 747.17 (40%)

Pelchem: R 2 673 820.39 (42%]

(aa)(ii), (bb)(ii), (aa)(iv) and (bb)(iv)

The Necsa Group does not currently conduct business with cooperatives and rural enterprises.

**NNR**

(aa) The NNR’s total procurement budget for the 2021/2022 financial year was R74 842 438 of which 68% was spent on the designated groups, equalling R46 056 045.

(bb) Since April 2023, the NNR has spent R5 536 879, which is 84% of the total budget of R6 571 080 on designated groups.

**NRWDI**

The National Radioactive Waste Disposal Institute, which is a Schedule 3A public entity, conducts its procurement in line with the applicable procurement regulations and prescripts as issued by the Office of the Chief Procurement Officer, National Treasury.

Such procurement is conducted in alignment with the PPPFA, and BEE levels have been considered in terms of preference points in the awarding of bids. As a result, there is no information that is requested or captured in the entity’s records that reflects (i) small-, medium- and micro-enterprises, (ii) cooperatives, (iii) township enterprises and (iv) rural enterprises.

**SADPMR**

No, the SADPMR will not be able to furnish the details required. The Procurement Regulations 2017 were applicable from 1st of April 2022 until 15 January 2023 and the procurement thereof was aligned to the requirements. With effect from 16 January 2023 the new Preferential Procurement Regulations 2022 came into effect and are implemented accordingly. An internal policy with specific preferential procurement goals has been put in place, these goals include enterprises owned by black people, enterprises owned by black women, enterprises owned by youth, enterprises owned by people with disabilities, local content and production as well as Small, Medium and Micro enterprises. A minimum of three of the goals are applicable for each bid or tender that is issued by SADPMR.

**SANEDI**

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| Comprehensive breakdown of the procurement allocation |
|  | **2021-2022 FY** | **2022-2023 FY** | **2023-2024 FY** |
| (i)Number of Small-, Medium- and Micro-Enterprises. | 65 SMMEs | 22 SMMEs | 0 |
| (ii)Number of Cooperatives. | 0 | 0 | 0 |
| (iii)Number of township enterprises. | 0 | 0 | 0 |
| (i) Number of rural enterprises. | 0 | 0 | 0 |

There is no Skills Development and Localization policy in place and going forward SANEDI will have an approved policy in place.

**Mintek**

Mintek is a research council that is mandated to promote mineral technology, and to foster the establishment and expansion of industries in the field of minerals and products derived therefrom through research, development, and technology transfer. The annual budget allocation from the Department is primarily allocated to human capital development, research activities, and industry development broadly; namely, small-, medium- and micro enterprises and large enterprises. As a Schedule 3B government business enterprise, Mintek procures in accordance with the PPPFA and the PFMA. As a result, Mintek does not pre-allocate its procurement budget as per the specified categories (i.e., small-, medium- and micro-enterprises, cooperatives, township enterprises and rural enterprises).

**CENTRAL EENERGY FUND**

