

Sub-programme Output	Project major activities	Measure / Indicator	Target date	Quarter 1 Progress April - June	Quarter 2 Progress July - September	Challenges / Corrective action
				in March 2006		
	Disposal of Blue Train	<ul style="list-style-type: none"> • Joint Transaction Team • RFP • Sale Agreement • Closure of sale 	November 2006	Request to dispose approved by DPE, Transnet is in the process to dispose.	Disposal in process	
	Normalization of Railway Concessions	<ul style="list-style-type: none"> • Spoornet's exit from Zambia & Mozambique with optimal risk mitigation • New contractual basis for servicing Ressano Garcia Route 	March 2006 Mid-March 2006		No progress on Zambia. Spoornet and CFM negotiating a new operational service agreement.	
	Transnet Foundation	• DPE position paper on on TF Strategy	May 2006	Still in process.	Project cancelled. Transnet to update on progress with TF activities review.	
	Branch Lines	• Monitor & Facilitate expeditious definition of network	November 2006		Final definition of the network in progress	DPE to engage Spoornet, Transnet and DOT.
	Pension Fund Arrangements	• Facilitating agreement between DPE, Transnet & NT on the transfer of the of the Pension Funds	December 2006	Agreement was reached on the transfer of employees relating to MetroRail/ SARCC. However, initial proposal by Transnet regarding the overall strategy for the pension fund was not supported	Developed draft TPF Amendment Bill to be presented to parliament in Oct 2006	
	Coega PSP	<ul style="list-style-type: none"> • Establish Joint Transaction Team with NPA • Info Memo & RFP • Bid evaluation & recommendation • Negotiation 	March 2006 Concluded by November 2006	DPE position paper on transaction structure finalized.	Transnet PSP Framework developed, DPE engaging Transnet on proposed framework. Still in process. Awaiting MPE approval to establish Transaction team	Urgent engagement with DOT necessary as part of the POA. Finalisation of regulations to the National Ports Act

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						Info memo and RFP to be published after process is agreed with Transnet.
	Transwerk Strategy	• DPE Strategy Position Paper	April 2006	Project cancelled. Transwerk to remain within Transnet.		
	Corporatization of Petronet	• Engage, DOT, DME, NER & Transnet on regulatory complexities and consider corporatization of Petronet	May 2006	No progress to report (pls follow up with JPF)	JPF currently currently engaging DOT, DME, NER and Transnet	
	Industry Specific Rail Projects	• High-level business cases for Auto, chemical and containers	August 2006		No progress	
	Phelophepa Health Project	Facilitating refurbishment of Phelophepa I and financing and building of Phelophepa II	April/May 2006	Funding secured for Phelophepa II	Completed	
SAA						
	Governance Protocol & Monthly Reporting	<ul style="list-style-type: none"> • Revision of Protocol to resolve SAA - DPE reporting issues regarding recapitalization • Improve format, and content of monthly reporting 	<p>March 2006</p> <p>March 2006</p>	The revised Protocol document was discussed on 18 May '06 and had been signed by the SAA CEO but needed the Transnet CEO's signature.	In view of separation the current Protocol is being followed but the Transnet CEO's signature has not been secured.	SAA have not been able to arrange a meeting for the signing of the document. Issue to be raised with Transnet in the monthly review meeting scheduled for 12 th Oct 2006
	Recapitalization	Credible amount	March 2006	Besides recapitalization amount of between R3bn to R4bn being mooted at random, there has not	The recapitalisation of SAA has been forwarded to NT and an answer is awaited. This included	

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				been a formal request/ submission and an indication of how SAA intends to spend the money and over how long	Guarantees for Air Traffic Liabilities. The International Air Services Council requested sight of the DPE ATL Guarantee specimen	
	Separation of SAA from Transnet	<ul style="list-style-type: none"> •Credible Valuation • Due diligence confirmed •Impact on Transnet • All inter SAA- Transnet liabilities and asset issues resolved • Employee/ pension fund arrangements resolved • Revised Share Sale Agreement • Revision of Memorandum & Articles of Association Revised • Shareholders Compact 	March 2006 March 2006 March-April 2006 May 2006 June/July 2006 AGM September 2006	A revaluation of SAA done by Deutsche Bank on 20 March 2006 based on the Adjusted Net Asset Value approach came to R2bn A draft Act and a Cabinet Memo has been done The Sale Agreement has been signed subject to finalization of some suspensive conditions	None in this regard Take over of Transnet guarantees is in progress and a request forwarded to NT in this regard	The team must still review the SOE pension rules Awaiting NT response to our request
	SAA within Air Services Market	Strategy Pointers	TBD			
	Withdrawal from ATCL	Monitoring Share Sale Agreement Negotiations	March			
JPF Continental						
	Phase 1 – Review of current SOE investments on the continent.	Produce benchmark report on SOE investments and identify key strategic issues for the Department.	March 2006	Review/Report done and approved by DG and Minister.		
	Research on 'lessons learnt'.	Produce report on lessons learnt.	May 2006	First draft done. Final report being finalized.		
	Phase 2 –	Produce report on	August 2006	Ongoing.		

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	Identification of priority countries and investment opportunities.	identified investments projects. Produce research report on country and sector profiles.				
	Phase 3 – Develop strategy framework and implementation plan.	Produce strategy framework document for future SOE investments and implementation plan. Develop risk-assessment model/template for future SOE investments on the continent.	November 2006	First draft will be presented to Minister in August 2006.		
JPF Energy and Pipelines						
Phase 1	A review of current state of SOE pipeline activities, and including a data base of existing SOE & other pipelines. Report to include • A description of the project • Assessment of the viability of the project • Assessment of the developmental impact of the project. • Rationale for continued involvement or expansion in the	June 2006	<ul style="list-style-type: none"> Phase 1 analysis of liquid fuels demand projection, and scenarios for pipeline capacity requirements complete. Presentation of Phase 1 analysis to CEO's forum June 2006. NERSA compiling 	<ul style="list-style-type: none"> Phase 1 liquid fuels demand analysis being reviewed for Sasol IV shift case, & Eskom/ Mintek methodologies; Minimum pipelines size 20". 24" being reviewed. Mega-Terminal concept being reviewed and included in design. MegaTerminal preferred coastal siting adjacent to the DIA. Submitted memo to the Minister in this regard. Initiated review of Moerane Commission 	<ul style="list-style-type: none"> Seeking mandate for ensuring that national strategic considerations bear on land use in South Durban Industrial Basin) Finalise key project parameters: Pipeline routing & size Refined product demand Sasol IV shift case Incorporate Moerane Commission recommendations & in FSSTT 	

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	activity • Lessons learnt from the project thus far.		pipeline database – should be complete by the end of the year.	impacts with Petronet, for incorporation into design. In progress • Contin participation on the FSSTT: Awarded project to Deloitte & Touche; • Moz-SA pipeline: Introduced project to the DME re FSSTT & Strat Stocks; • Gas Pipelines: Met with Tollow Oil (Kudu) & Petrosa (Ibhubesi), and included in report to the DG/Minister; • Gas Pipelines: Met with Kalahari Gas, DME & the Regulators; Slurry Pipelines: Developed & circulated draft MOU with Mintek.	<ul style="list-style-type: none"> • Moz-SA liquid fuels pipeline • Develop Gas Pipeline Options • Kudu • CBM • Develop Slurry Pipeline Options • Slurry pipelines study MOU & TOR 	
JPF Human Resources and Capacity Building						
	Phase 1- Audit of the SOE Skills requirements	Assessment of current and future skills requirements given build programme.	July 2006	Work in progress, skills requirement by SOE compiled. The initial SOE skills requirements lists was presented to DPE and JIPSA presented. More detailed work needed to undertaken	Report on the SOE skills requirements findings is near completion. Findings of both phase1 and 2 are scheduled to be presented at the CEO 's forum on the 20 th of November 2006	The scope of work had to be revisited to include new aspects such as R&D and etc.
	Phase 2- Assessment of the current SOE		September 2006		Audit of training facilities underway.	

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	training facilities				Denel and Eskom assessments were conducted and presented to the Minister on the 31 of August and further work needed to be done Transnet 's audit facilities currently under review.	
	Phase 3- Plan of action/ strategy development		December 2006		Consultation work with Universities to check the best practices on the research links/ network of excellence applicable to support SOE business to enhance their competitiveness and to understand how the network are established and maintained Once we understand the approach taken with the participating Universities we could consider a similar approach with Technical Colleges, Technikons and Training Institutions.	
JPF Information Communication Technology						
Broadband Infrastructure	Business plan for broadband infrastructure (all tiers)	April 2006	Complete. Business Plan submitted to	InfraCo Established under Eskom's Dormant Company to facilitate	Broadband Infrastructure	

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			National Treasury in June 2006.	commissioning of FSN		
	Call Centres	10 Call Centres, situated in FET around South Africa	March 2007	Progressing – slowly. Talks held with South African Call Centre Community (SACCOM) identified areas in call centre model that needed refining, comments incorporated into new model.	Costing Model developed in conjunction with ABSA.	
	Data network rationalisation	Business plan detailing current situation and identifying areas for improvement in efficiencies	December 2006	Suspended until Second Network Operator is operational.	Development of project proposal since the SNO is operational.	ICT team to make a presentation to DG on the implementation plan
JPF Properties						
SOE non-core property disposals	Sale of SOE non-core properties	Disposal of all non-core property lists submitted in terms of PFMA from Transnet, Denel, Eskom and SAA	2009	Cabinet approved <ul style="list-style-type: none"> • Framework for non-core disposals • B-BBEE guidelines for disposals Negotiating sale of SOE non-core properties with government departments, particularly Department of Housing and Department of Education whereafter the remainder of property will go out to the market.	Disposal policy and B-BBEE guidelines disseminated to SOE. B-BBEE guidelines loaded on DPE website in July. Denel: <ul style="list-style-type: none"> • Bonaero Park disposal: Partial conclusion of transaction. • Advertisement mid-August for five non-core properties and 	

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					<p>submission of tenders by end September.</p> <ul style="list-style-type: none"> OR Thambo Airport: ACSA-Denel transaction near conclusion. <p>Transnet: Offer to purchase and apply for donation for 118 properties submitted by Department of Housing to Transnet. Significant difference between offer and market value.</p>	
SOE property developments	<p>Developments on the following sites:</p> <ul style="list-style-type: none"> Cape Town: Culemborg/Black River Durban: Victoria Embankment and NMR site Kaserne City-Deep Port Elizabeth Newtown North Precinct East London 	Integrated, mixed use developments and significant socio-economic development impact to be secured.	<p>Definitive list of non-core property for development by December 2006.</p> <p>Finalisation of a transaction with DFI by end March</p>	Preliminary negotiations with Development Finance Institutions for the development of non-core properties.	<p>Finalisation of SPV model.</p> <p>Rationalisation of non-core properties available for development.</p> <p>Further meetings with Development Finance Institutions to discuss the institutional arrangements and determine the way forward. Further negotiations likely to define the nature of a possible transaction.</p>	
JPF Competitive Supplier Development Program						
	Development of SOE supplier development plans	Increased competitiveness of national suppliers through better quality,	July 07	Development of overarching policy and strategy re supplier	First phase industry research completed by Wits and focus areas for second phase defined	

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	SOE Procurement capacity building Benchmark database of suppliers	lower costs, better reliability. Increased investment in supplier industries. increased value add from national suppliers without increased total cost of procurement.	Feb 07 July 07	development – approach accepted by the Minister and Chair's forum	with SOEs. KPIs for the program presented at workshop with SOEs – presently being debated by SOEs before finalised. Procurement capacity building program proposal received from UK Procurement Professional Institute and Transnet and Eskom aligning job descriptions with program. Draft cabinet memo written for exclusion from IPP. Pilot supplier benchmarking program launched with Ekurhuleni	
JPF EIA						
Phase 1: Sustainable development with environmental protection	Detailed SOE investigations regarding Environmental issues	Paper 1 Proposed Framework Paper 2 Initial Reactions Paper 3: Categories of problems relating to EIA Paper 4: Findings from Case Studies	30 th April 2006 31 May 2006 30 th June 2006 31 st July 2006	All three papers complete and presented to CEO Forum		
					Both complete and presented to CEO Forum	

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		Final Report	31 st August			
Phase 2: Sustainable development with environmental protection	Assess SOE EIA capacity Assist DPE and DEAT to better manager EIA process Assessment of port capabilities	Report on SOE EIA capacity Report to Minister and DG	30 th Nov 2006 End Sept		Report made to Minister and Director-General in September 2006	
ARM						

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Risk Management	Review Risk management plans	Approved assessment report	May 06	Only three (Transnet, Eskom & Safcol) of our SOE risk management plans were formally reviewed and assessment report approved as part of the corporate plan analysis exercise. The others could not be assessed as SOE failed to comply with the PFMA by either submitting their risk plans late (i.e. SAA & Denel) or not submitting their risk plans at all (i.e. Alexkor & PBMR)	Draft risk profiles prepared for each SOE, and same will be discussed at the next DPE Risk Committee meeting scheduled for 03 November 2006.	
	Development of the Risk Framework	Risk Framework	October 2006	The Concept document was approved by Exco in March 2006. As part of the Risk Framework, an EXCO Risk Management sub-committee was established in May 2006.	Draft Framework and list of shareholder level risks finalized. Same presented at Exco and also discussed with the Minister. Follow-up actions include incorporate comments as received from Exco and Minister and then finalise the documents.	
	Determine effectiveness and appropriateness of risk management in SOEs	Risk management survey	June 2006	Risk Management reviews were conducted on all of our SOEs. The exercise involved sending risk questionnaires to be filled by SOE and following that up by having bilateral meetings.	Risk visits undertaken for each SOE, and this will assist in compiling SOE risk profiles as outlined above.	
	Manage and reduce	Reports from SOEs	Quarterly	The department has not	Finalised a draft list of	

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	risks government is exposed to through the activities of SOEs	outlining risk profile and identified risks	reports	yet formally identified SOE risks that could negatively impact government and its objectives as the department need to develop an internal risk assessment methodology to inform the identification of these risks.	key SOE/Shareholder level risks and then work on the mitigating strategies.	
	Government-wide guidelines on risk management in SOEs	Implemented or revised risk management guidelines within SOEs	2005/06	This is being done as part of the Risk Management Framework	Part of the framework	
	Risk management guidelines on standard PFMA procedures	Ministerial approval of the guidelines	August 2006	Same as above	Same as above	
	Implementation and monitoring of SOEs' compliance with the risk management framework	Frequency of risk management reviews	June 2006 and quarterly thereafter	The Framework need to be finished first	Framework should be finalized first	
Analysis	Identify KPIs to be benchmarked for Transnet and Eskom	Identified ten similar companies for each core division of Transnet and Eskom.		Done		
	Integrated electronic Analytical system	Implemented Analytical system	31 March 2007	Developed manual quarterly reporting framework for testing user functionality		
	Analysis of quarterly performance of SOE	Quarterly operational report	Quarterly	None, high level reviews performed on draft financial statements, due to year end . SOE did not submit 4 th quarterly report	Analysis of Eskom & Alexkor quarterly report completed	
	Analysis of Annual reports of SOE	Approved annual analysis reports	Aug 06		Analysis of annual reports for Eskom and	

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SOE database	To create a repository of historical information on socio-economic	SOE database with updated and accurate information. Reports generated from database	August 2006	Combined project with Integrated Electronic System	Alexkor completed Combined project with Integrated Electronic System	
Financial Analysis Manual			May 2006	Completed		
LGT Legal						
Legal Litigation	Provision of internal legal advisory services	Reduction and swift resolution of litigation cases, where possible		Received approximately 30 requests to provide legal advise. All contractual disputes with service providers were resolved positively.		
LGT Governance						
Shareholder Management Model	Implementation and monitoring of the shareholder management model project	Legislation on Shareholder management model	July 2006	Legislative processes to follow the conclusion of the SMM Conceptual framework	Further development of SMM Conceptual Framework.	
Governance workflow project		Complete TORs and Mapped workflow		None	ToR updated and submitted for approval	
Consolidated Director's database				Tenders evaluated, and a preferred service provider recommended,	ToR updated and submitted for approval.	
Board remuneration				Study completed. The Remuneration Guidelines have been submitted to the Minister for approval. Still await same	The Remuneration Guidelines have been submitted to the Minister for approval. Still await same	
Review of Founding	1. Appointment of a service Provider	1. Incorporate minimum requirements into	End Financial Year		ToRs for this project to be submitted to EXCO for	

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Documents	2. Determine minimum requirements 3. Review Current SOE Articles 4. Drafting of revised Memoranda and Articles	Memoranda and Articles 2. Approved Revised Founding Documents by the Minister			approval	
SOE Shareholder's Compacts	Development of the draft generic compact and preliminary approval by the Minister	Signed Compacts	December 2006	Eskom Compact signed	Discussions on the Transnet compact nearing completion. Alexkor compact delayed by the outcome of the Richtersveld land claim negotiations. Finalisation of the SAFCOL compacts due to the new Board appointment processes. SAA Compact delayed by share transfer issues Discussions on the Denel Compact underway.	Urgent discussions and finalisation of the SAFCOL, Alexkor, Denel, and SAA compacts.
Quarterly audit and review of SOE compliance to Governance Instruments				Not a priority at this stage	No progress.	
Director induction and development				Draft TORs submitted for approval	ToR updated and submitted for approval.	

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LGT Secretariat						
	Management of SOE fora: Chairpersons', CEOs', CFOs', Risk Officers', company secretary/legal	•4x Chairpersons' Fora •7x CEOs' Fora •3x CFOs' Fora •3x Risk Officers' Fora •3x Company Secretary's Fora	Annually	1x Chairpersons' Forum 2x CEOs' Forum 1x CFOs' Forum 1x Risk Officers' Forum 1x Company Secretary's Forum	7x EXCO 6x Projects meeting 7x Economic Cluster meetings +2 Cluster workshops 4xCEOs Forum 3x Risk forum 2x CFO Forum 3x Chairpersons Forum 8x MANCO	
	Co-ordination of the production of annual reports					
	Communication of key decisions to Stakeholders.			Communication of all resolutions from the meetings done.	All resolutions communicated to stakeholders. Decision database compiled and regularly updated	

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OPERATIONS						
Planning, Monitoring and Evaluation	Organizational performance reporting	Performance monitoring reports				
		Annual Report	August	Draft report submitted for approval of technical information	Technical information approved. Presentation copies submitted to Portfolio Committee members	
		Departmental Quarterly performance report	Quarterly	Draft report submitted to the DG's office for approval and sign-off.	1 st Quarter report approved and submitted to National Treasury and presented to Portfolio Committee. 2 nd Quarter report submitted to DG for review and sign-off	
HUMAN RESOURCES						
	Employee Relations	All inclusive ER Policy	31 May 06	Done with Yunis Shaik to verify No backlog on PERSAL Continuous 3 training sessions – All senior and middle managers trained on disciplinary Grievance procedures.	Tabled at Manco of 29/09/06	
	Organisational Structure	Verification report (budget to correspond with posts)	Monthly	Structure updated and amendments approved on 30 June 06 by DG	Continuous update of structure	

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	Management Reporting	Monthly reports on key indicators e.g. absenteeism, leave face value, recruitment expenditure, etc.	Monthly, Quarterly, Annually	Currently this happens on an ad hoc, irregular basis. Internal reports available – not in management reporting format	Some Reports tabled at EXCO	
	Implement and monitor Employment Equity	Employment Equity Plan	Immediate Monthly	Monthly EE report to EXCO, Dir. HR and Transformation Committee. Amend accordingly as requested	Monthly EE report to EXCO, Dir. HR and Transformation Committee. Draft Employment Equity Report	Employment Equity on line system was not working until 28 September 2006. Employment Equity stats on SMS level reflects a decrease in Women due to resignations and appointment of men.
	Implement and monitor the Performance Management and Development System	Performance Management and Development system and Policy.	April 2006	Balance scorecard introduced and QA by Resolve. Received draft PMDS from Resolve and reviewed by HRD. Merit awards processed to all qualifying employees. Approval obtained from Minister to exceed 1.5% of remuneration budget.	Draft policy received from Resolve and quality assured by HRD. Approximately 36 balance score cards are still outstanding.	Amend policy and submit to MANCO. Performance Management system and process not yet in place. To integrate Batho Pele with SMS performance agreements as prescribed.
	Establishment and management of an Employee Well-being programme	24h x 365 days Employee Well-being service available	Monthly quarterly and annually	Approved policy in place Re-introduction of services. Telkom number 5101 in place to ensure accessibility.	Distribute desk drops on Spring day, Health month, International Alzheimer's day and Back ache. Cardiac Wellness day took	