

MBIZANA LOCAL MUNICIPALITY



INVITATION OF COMMENTS ON THE PROPOSED LONG TERM DEBT FOR ELECTRIFICATION OF VILLAGES

**To : Mbizana Local Municipality Community, National Treasury, Eastern Cape
Provincial Treasury and other interested organizations and persons**

The Mbizana Local Municipality has a responsibility of ensuring that all its citizens have access to all services which can improve the livelihoods of all of them. Primary amongst these is the electrification of all households within the municipal area. Strides have been taken to ensure that a significant number of households in the municipality have been electrified, or are currently being electrified, but there are still huge backlogs of households that have not been electrified.

The municipality therefore intends to solicit funding from the Development Bank Of Southern Africa to speed up the electrification of households within the municipality in the 2014/15 and 2015/16 financial periods. This funding would benefit 3487 households, and this would go a great deal towards the improvement of the lives of the people of Mbizana.

The proposed funding is the Integrated National Electrification Programme(INEP) frontloading. The INEP is a grant by the Department of Energy for the electrification of households with allocations in the Division of Revenue Act. The front loading agreement takes into consideration next financial years' allocations and are therefore utilized as payments to the DBSA. This means the capital portion is paid from the allocations, as well as the interests that can be covered.

The amount that is being front loaded is R45 million with repayments in two half in the next two allocations from the Department of Energy.

The Mbizana Local Municipality brings this to your attention as required by the Municipal Finance Management Act No 56 of 2003, section 46 as well as the Municipal Systems Act No. 32 of 2000, chapter 4.


We therefore request the Mbizana Local Municipality community, the National Treasury, the Eastern Cape Provincial Treasury and any other persons, to submit written comments or representations to the Mbizana Local Municipality council in respect of the proposed INEP frontloading agreement.

All the written comments should reach the municipality no later than 25 April 2014 and should be addressed to the Chief Financial Officer at the following addresses:

Mr. Buhle Fikeni
Chief Financial Officer
Mbizana Local Municipality
P.O. Box 12
Bizana
4800

Municipal Offices
51 Main Street
Bizana
4800

Or fikenb@mbizana.org.za or 039 251 0230


Mr. L. Mahlaka
Municipal Manager